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ABSTRACTS

SESSION I: PERCEPTIONS OF THE ECONOMY

Yorgos Stassinopoulos, *Markets and politics or markets without politics: Expunging politics from the economy in modern western economic thought*

The relationship between market and politics always holds a central place in economic literature. The recent bibliography, in contrast to the classical approach, and incorporating in its analysis basic economic categories, such as scarcity, costs, maximization principle etc., regards that the logic of power enters to the economic sphere through politics and incomplete institutional arrangements, and thus distributional questions and the limitation of political action's province could be achieved through rules and norms that limited the intrusive governmental activity and define the spaces that each sphere, political and economic, can carry on its own activities

George Argeitis & Athanassios Koratzanis, *The ‘New Consensus’ model: unrealistic theory-incredible policy*

Over the past two decades, orthodox economic analysis and policy-making have been dominated by a ‘new consensus in macroeconomics’ (NCM, henceforth). The basic NCM model is typically presented by a set of three equations: a) an aggregate demand function emanated from economic agents’ optimisation behaviour that links the output gap inversely to the real rate of interest; b) an ‘expectations-augmented Phillips curve’ that positively relates the rate of inflation to the output gap in the short-run; and c) a monetary policy reaction function, where the nominal rate of interest is based on the output gap, the deviation of actual inflation from a pre-determined inflation target and the equilibrium interest rate. Because of temporary nominal rigidities, there is a short-run effect of monetary policy on the level of output and employment. In the long-run, yet, the level of economic activity is assumed to correspond to a ‘natural’ equilibrium

(the so-called Non-Accelerating Inflation Rate of Unemployment, the NAIRU), which is exclusively determined by supply side factors, especially by the structural workings of the labour market. The role of fiscal policy as a stabilisation instrument is severely downgraded and is practically restricted to support the central bank in meeting its policy targets.

The paper argues that the abovementioned general relationships and ideas have provided the theoretical guidance for a redefinition of states' macroeconomic policies towards non-accommodating policies against inflation and the incorporation of that commitment into a disciplinary, stability-oriented macroeconomic regime, that seeks to prove the credibility, consistency and predictability of the implemented policies to an emerging global financial structure of power embedded in the post-Bretton Woods international financial architecture. This content and purpose of the NCM model is, in principal, reflected in the policy prioritisation of inflation fighting through: the introduction of nominal anchors, i.e. inflation targets; the adoption of a rule-based monetary policy strategy for enhancing the credibility of the anti-inflationary commitment, central bank's political independence, as well as complementary rigid institutional arrangements set in monetary, fiscal and wage policy areas that attempt to discipline politicians and labour and remove potential politically-induced inflation bias.

The paper criticises the realism of the NCM's theoretical underpinnings and policy prescriptions from a Post-Keynesian theoretical standpoint. Broadly summarised, the critique focuses on the axiom of the long-run neutrality of money and the assertion of inflation control by means of short-term interest rate manipulation and fiscal restraint. Particularly, it is questioned the independence of the NAIRU from the time path of the current level of unemployment determined by aggregate demand and there are underlined the adverse effect of interest rate manipulation to target inflation and fiscal retrenchment on real investment, long-run capital stock and productivity growth; the NCM's single minded view of inflation as a demand phenomenon and the associated inability of the inflation targeting regime to deal with cost-push inflation; the impact of interest rate variations as the monetary policy tool on income distribution; the absence of the role of banks and financial risk in the NCM model; the indeterminacy of the 'natural' interest rate and therefore its inappropriateness as a guiding device of monetary policy interventions.

Related to this critique, there is also the critique of the institutional design of central banks operating inflation targeting and the failure of disciplinary fiscal arrangements to secure sustainable public finances in the long-run. The paper finally quotes a series of empirical studies indicating that there is no convincing evidence that inflation targeting has so far been associated with improved economic performance in terms of lower inflation rates, stable inflationary expectations, higher output growth rates and greater macroeconomic stability; and it may even lead to a deterioration of some performance indicators.

The abovementioned evidence suggests that the NCM policy paradigm lacks realism, conceptual adequacy and analytical competence to explain and describe the essential relationships that make up contemporary monetary production economies and hence to propose a coherent and credible macro policy framework. Based on unrealistic theoretical assumptions, its policy proposals instead of shaping a credible to financial markets environment conducive to sustainable long-run growth and macroeconomic

stability, they appear to contribute to weak economic performance, income inequality, and eventually excessive financial and monetary instability, as it is vividly evident in the ongoing global financial and economic crisis. Against this background, the paper concludes by stressing the need for a more growth friendly and socially inclusive redirection of macroeconomic policy as a necessary prerequisite for avoiding periods of deflationary stagnation and crisis and re-establishing conditions of sustained macroeconomic and financial stability.

Vassilis Roussopoulos: *The engagement of economic theories in the struggle of interests*

The influence of ideology on the economic theories has been a topic of many authors. For economic reasons we will only state the views of the representatives of the three main institutional schools of the economic science; the Marxist school, the German order theory and the American new institutional school.

According to Karl Marx the quality of the economic theories for the capitalism followed the evolution of the economic system; scientific at the beginning for as long the class struggle remained latent, apologetic after the conquest of authority from the bourgeoisie and critical when the contradictions of the system came to maturity.

In the contemporary Marxist bibliography a relativity of the apologetic character of the economic theory of the capitalism is done; the bourgeois economic theory apart from the ideological function maintains the function of the economic policy as well. The first intends to justify and beautify the system and the second to contribute to the decision making of the economic policy. During the accomplishment of the ideological function the bourgeois economic theory has as a starting point the harmony of interests. Thus, there is a contradiction between the two functions because the function of the economic policy should take into consideration the different social structure and the contrast of interests.

Walter Eucken (1891-1950), slightly known abroad, is considered as the father of the contemporary economic science of neoliberal edition in Germany. (Freiburg's school). According to Eucken everyone's opinion of general economic relations is formed by the real or the supposed situation of its interests. Sometimes even economic theories become ideologies of interests. Or even the opposite, ideologies of interests are accepted as part of the economic science. A. Schüller of the same school poses the question, why in the economic theory have been imposed the representatives of a (under condition) harmony position, while in the day to day of the economic policy and in the social-ethic conversation dominates the conflict position.

According to Douglass C. North, main representative of the new institutional school, the ideology does not lessen the scientism of the economic theory, because there is the test of refutation of competitive suppositions. However, he then relates his opinion; just because the refutations are not unambiguous, there continues to exist a variety of theories and suppositions.

On the basis of the above views of the three schools we will examine two matters. How the ideology in the economic theories is involved and how and when the refutation of the economic theories is done.

From the ideology and from the aiming objectives of the economic policy derive influences towards the economic theories during their formation. The ideology is already involved in the first basic sentences of a theory or of a model and influences

the context and the results of the economic theories, as well as the effectiveness of the economic policy.

In a historical retrospection the relation of the political ideologies and of the economic theories in the economic science as well as the issue of the refutation of theories are examined. Adam Smith was against the privileges of landowners and of the protectionism of the merchants and for the removal of the market's restrictions, something that was desired by the up and coming industrial class. In the classical and neoclassical school the idea of the harmony of interests and the automatism of the market dominates something which gives solutions to all the economical problems. After the great economic crisis of 1929 the neoclassical school was replaced from the macroeconomic theory of Keynes. On the contrary Karl Marx, motivated by the economic reality, stresses the conflict between capital and labor and advocated the replacement of the capitalistic system with the communist system for the realization of the ideology of the economic liberty and equality. The system of the planned economy failed, as the events of 1989 showed. The German historic school with a starting point the national ideology is against the liberal theory and for the domestic capital with the embodiment of the working class as a measurement of protection of the Marxism's influence. The historic school failed to create one economic theory and was replaced by the main stream economy. J. M. Keynes with the theory of insufficiency of the aggregated demand is for the maintenance of the capitalistic system with another economic policy, which embodies the working class for economic reasons and not for political or social or ethical ones. Keynes' economic policy turned out to be untimely, when in the 1970 decade the economic conditions changed. W. Eucken's theory and M. Friedman's monetary theory is a modern edition of the classical liberalism. Friedman's theory was characterized as "the counter-revolution" against the "Keynesian revolution". Eucken's neoliberalism showed its limits with the economic crisis of 1966 in Germany. The results of Friedman's monetarism in England and in the United States at the 1980 decade are controversial.

The neoliberal globalization seems to reach its end after the economic crisis of 2008 which showed the failure of free market to self regulate and self cure. The governments in both sides of the Atlantic proceeded to intervention policies and some nationalization of banks in order to stabilize the economic condition, contrary to every sense of the neoliberal ideology.

The European Monetary Union is structured on the basis of the ideology of the neoclassical school. It is supposed that the mechanism of the market will bring the convergence among economies of different economical starting point and capabilities of development, without common economic and general common policy and without any permanent equalizing mechanism. In case of a crisis, as now, the only tool of each country for strengthening the competitiveness is the so called interior devaluation, which according to the neoclassical theory will bring a new equilibrium of salaries and prices at a lower level. But the decrease of salaries first of all leads to depression while the decrease of prices that will follow is questionable. For the time being in Greece we have an increase of the inflation.

Conclusions: Just because the refutation is done with a time lag of decades after a great economic crisis, the ideological function of the economic theories finds room for expression and action. For this reason the economic science cannot give trustworthy solutions to the problems of the modern world.

Despite the ideology about the end of ideologies, ideologies continue to exist. In the economic science an open dialogue about the political ideologies and the value systems that each economic school follows, is considered necessary. The purpose is

on the one hand the comparison and the confrontation of ideologies and on the other hand the comparison between ideology conception and economic results as a base for a critical economic science.

Nicholas Theocarakis, *The market as default mechanism. A history of economic thought perspective.*

This article attempts to trace the bias for the market in the history of political economy. It argues that political economy emerged in the 18th c. as a means of explaining how the surplus is distributed when the economic mechanism is separated from the political means of distribution. To do so the analysis has to go through the analytical notion of the competitive market. This is true for both the objective (labour) and subjective (utility) theory of value. The difference, however, with the subjective theory of value is that the market eventually became an allocating mechanism that led to optimality [and justice in distribution]. Thus, the efficiency of the markets was questioned only in the case of externalities or when, because of specific characteristics of the goods involved, a market could not function [as in the case of public goods]. Externalities could, however, be internalized by means of the Coase theorem and an efficiency frontier could be drawn between market and hierarchical allocations in the theory of the firm. There was, however, no notion of market embeddedness. All non-market allocations, were themselves dictated by the specific characteristics of the market situation. The market as default is inherent in the analytical structure of modern economics.

SESSION II: IDEOLOGICAL ASPECTS OF ECONOMIC PRACTICES

Polycarpos Karamouzis, *Religious morality and economic behaviour: the ideological uses of philanthropy in the official discourse of the Greek Church*

The religion in the Modern Greek society created the content of a concrete moral behavior, related immediately with a line of social variables, as the political economy. Studying the content of religious speech, we understand its contribution to the formation of an economic moral theory and afterwards of a corresponding economic culture of people, by strengthening concrete social models. The formal religiosity contributed to the adoption of economic behaviors that however did not become from a deeply religious faith. On the other hand, the Church strengthened the urban change of Greek society through the presence of institutions as the family, the marriage the social relations. Particularly the function of charity constituted an element of religion that attempted to regulate the social inequality between rich and poor. In this way it discouraged the simple citizens to participate in a social deviation and it reconciled them with the economic capital from which they were depended. The charity, from a part cultivated the ideal the "good Christian", while from the other part it strengthened the presence of the sovereign religion as a social welfare institution, which accumulates and redistributes money.

Paschalis A. Arvanitidis & Georgios Papagiannitsis, *Back to the future: economics through the lenses of pragmatism*

Pragmatism is an American philosophical tradition founded by C.S. Peirce, W. James and J. Dewey. It starts from the fundamental humanistic thesis that actions are structured by meanings which are subjective interpretations of the world, but it goes further to argue that these interpretations are evaluated in terms of their “practical” (or experiential) consequences. Choices, therefore, are based on criteria of purposive expedience, providing a standard for the determination of truth in the case of statements, rightness in the case of actions, and value in the case of appraisals. No universal, objective, secure or permanent anchor exists to guarantee true knowledge. Knowledge is the outcome of a process of interpretation and conceptualisation of experiences by a self-identified community of inquiry, aiming towards enhancement of generic “workability” and “serviceability” to the overall betterment of human life as a whole. Thus, the perception and interpretation of the world (and thus reality too) is, substantially a socio-cultural process, where the community of inquiry is the central epistemological unit.

Pragmatism was born at the end of the 19th century to oppose positivist practices in scientific research. It heavily influenced American economic thought in the first quarter of the 20th century gaining a very prominent role in philosophy and social sciences in general. Later its influence had fallen and pragmatism informed research in economics has whittled away. This decline was principally a consequence of the profound methodological shift in economics that favored prediction (over understanding), mathematical formalism (over analytical description), and generalizability (over historically and spatially specific explanations), all of which were sustained by the positivist-inspired mainstream. However, over the last years pragmatism is experiencing a powerful revival (the so-called, pragmatic turn) throughout disciplinary philosophy and intellectual life more generally. In the majority of these cases the ideas that have been most challenged by the revived pragmatism have been those inherited from the positivist tradition.

The purpose of this paper is to attract the attention of economists to the enormous potential of application of the classical pragmatism in both practising and teaching economics. It is structured into four sections. The first outlines some key elements which are unique to each one of the three classical pragmatists. The second embarks on the difficult task of articulating in brief the basic features of this philosophical tradition. In the third we present the epistemological and methodological implications, which provide the grounds for a generic analytical framework that can be used to investigate economic phenomena. The fourth discusses how classical pragmatism can inform and broaden the scope of economic education, by challenging the way economics is taught in contemporary academia.

SESSION III: ECONOMIC AND POLITICAL ACTIVITIES IN PRE-REVOLUTIONARY GREECE

Sophia Laiou, *Political-economic cooperation in the Aegean in the beginning of the 19th century: The case of the grand admiral of the Ottoman fleet Küçük Hüseyin Paşa and Georgios Voulgaris, baş kocabaşı of the island of Hydra (Çamlıca)*

At the end of the 18th century Ottoman society was clearly diversified, in particular in that it did not follow the traditional religious and political distinctions among its subjects. Ottoman economy was monetarized to a great extent, and the competition of the European states for the control of the external commerce was augmented. Within this framework the parameters of Ottoman social reality, such as provisioning the large cities, the increase of tax revenues including customs and the domination of commercialized agriculture in certain parts of the empire, contributed to the creation of a merchant network centered upon Istanbul, in which members of the askeri class participated. Indeed, their investment in enterprise ventures was a widespread phenomenon at the end of the 18th century. One should note that the most significant of these initiatives, for example the leasing of tax revenues and trade for the provisioning of the capital, were directly related with the function of the state.

This article addresses to the enterprise ventures of the kapudan paşa Küçük Hüseyin Paşa (1792-1803), during the reign of Selim III, with whom he was bound with ties of friendship and devotion. The investments of Küçük Hüseyin Paşa are recorded in a defter preserved in the Başbakanlık Osmanlı Arşivi. In addition reference will be made to his relations with Georgios Voulgaris of Hydra, who enjoyed the title of baş reis in the Ottoman navy and later became baş kocabaşı of Hydra, an island which provided valuable services to the Ottoman navy until 1821. The relationship between the grand admiral and Voulgaris had all the characteristics of patron-client relation, while it had a political as well as an economic aspect. In this article emphasis will be given to the latter.

The investments of Küçük Hüseyin Paşa were mostly focused on the provisioning of Istanbul, since in many entries of the above mentioned defter the grand admiral is reported to have received money from the sale of grain (brought from Egypt), coffee, rice or animals. In addition, Küçük Hüseyin Paşa invested in ship-ownership. In these cases the grand admiral received transport fees, while in two entries the destination port was located in France, an indication that Küçük Hüseyin Paşa was involved in external trade. Although Küçük Hüseyin's investments in ship-ownership were facilitated by the office he held, the same interest in sea commerce is evident in the entrepreneurial activities of other Ottoman officials during the 18th century, who often cooperated with Christian shipowners and captains in order to participate in the potentially lucrative external trade.

Küçük Hüseyin Paşa promoted his economic activities through a patronage network in which Georgios Voulgaris participated. While the latter served in the Ottoman navy, he saved twice the life of his patron, Küçük Hüseyin Paşa. As a result, Voulgaris received political and economic rewards for the devotion and faith with which he served the grand admiral and the Ottoman state in general. In 1800 Küçük Hüseyin Paşa granted to Voulgaris and to another inhabitant of Hydra the small island of Agkistri (opposite Egina), which by then was "uninhabited", that is there was no official habitation and economic exploitation. It seems that Voulgaris and his partner would receive the tax revenues deriving from the island. In 1801 the grand admiral donated two ships to Voulgaris, and in the same period he provided him a loan for the

purchase of grain; there is no indication of interest, although it is probable that Voulgaris would repay him after the sale of the grain. On the other hand, Voulgaris acted as an agent for the economic interests of his patron, as in the case of the grain belonging to the kapudan paşa, which in 1803 was brought from Cyprus to Hydra in order to be sold there. It seems that Voulgaris, by then baş kocabaşı of Hydra, assured a better price for the sale (4.5 ğuruş/kile) in comparison to the prices received in the grain market of Istanbul (3.24-3.25 ğuruş/kile). It is to be noted that after the death of Küçük Hüseyin Paşa, Voulgaris continued to act as the agent of the economic interests of other Ottoman officials such as the voyvoda of Tenedos (Bozca adası).

The economic activities of Küçük Hüseyin Paşa and his political and economic cooperation with the baş kocabaşı of Hydra can serve as an example of the involvement of the members of the central and provincial elites in the merchant networks of the empire. Both Küçük Hüseyin Paşa and Georgios Voulgaris acted within the Ottoman political system, in which both belonged and believed.

SESSION IV: LAND PROPERTY AND THE STATE

Onur Yildirim & Seven Ağır, *Asset Ownership and Legal Change in the 19th c. Istanbul*

The form of the ownership of capital assets is crucial to understanding how private interests in using and disposing of property are defined. This paper aims to study how ownership of the capital assets was defined and contested in the early nineteenth-century Istanbul with a special emphasis on its potential implications for different interest groups' rights to production and management. The study is motivated by the recent work on a particular institution, which provided extensive documentation about the ownership and transfer of capital assets in various trades and crafts during the late eighteenth century. This institution known as *gedik*, which enabled master craftsmen to control and transfer their rights to workplace, has been primarily studied with a focus on its original rationales (i.e. guild members' desire to limit outside competition) and its implications for the relations between the foundations (*ewqaf*) and the guilds (i.e. the guild's ability to curb rent increases). This study approaches to the question of *gedik* from a different angle. Examining a large number of contracts that deal with *gedik* transfers and partitioning (i.e., fragmentation of *gedik* into multiple shares) located in the court registers from early nineteenth-century Istanbul, we aim to shed light on how the asset ownership in the urban workshop was redefined in the realm of law and thus shaped the limits to the rights of ownership.

Kostas Raptis, *Between market and politics: noble large landowners in Central Europe from the mid-19th century to the interwar period*

This paper examines the development of the relations and interdependence between the private interests of the great landowners and politics in the Habsburg Empire and its successor states under the consideration of political power and influence of the landed aristocracy. The paper focuses on the question of maintaining and defending the institution of *fideicommissum* (entailed property) and the great estates (Grossgrundbesitz) from 1848 (abolition of feudalism) until World War II. It draws on literature related to the topic as well as on parliamentary documents of Austrian *Herren- and Abgeordnetenhaus* and the family archive of the Counts Harrach.

The Austrian aristocrats (not only the Germans) managed to retain the greatest part of their estates after the revolutions of 1848. Some of them took advantage of the compensation sums and invested in the modernization and productive reconstruction of their estates, in light industry, railway and banks. I argue that the *fideicommissum* (entailed and held in trust property), introduced in the Habsburg lands in the 16th century, was the main means of preserving an estate or the largest part of aristocratic property intact over generations. The political power and influence of the nobility, which enjoyed also the support of the emperor, guaranteed the maintenance of such an anti-liberal institution as the *fideicommissum* at least till the dissolution of Austria-Hungary in 1918. Through its privileged political participation, especially its over-representation in the Lower as well as in the Upper houses of Austrian and Hungarian parliaments and in most regional parliaments, or in the high-ranking positions in the administration till 1918, the nobility was able to shape as well as influence politics according to its interests.

The dissolution of the Dual Monarchy, the Fall of the Habsburgs and the beginning of democratization in the successor states, mainly in interwar Austria and Czechoslovakia, accelerated the political weakening of the nobility and consequently enabled the the great land reforms in Czechoslovakia in the early 1920s, which led to the loss of about half of the property of the landowners. Losses existed in Austria as well but not to this extent. However the great landowners, deprived of their titles since 1919, tried to take advantage of any means of in-official influence in order to achieve a better treatment of their interests in land. Concluding we can argue that by keeping a part of the land outside the real estate agency, the market in the countryside was partially dominated by anti-liberal politics in Central Europe, at least till the abolition of the *fideicommissum* 1924 in Czechoslovakia and 1938 in Austria.

SESSION V: PUBLIC FINANCES, ENTREPRENEURSHIP AND POLITICS

Zaharias Moutoukias, *Fiscal institutions and social networks: the construction of markets and republican order in the Hispanic world, 1790-1830.*

The way in which historians often perceive the relationships between economics and politics leans on two symmetrical misconceptions: on one side the idea that every decentralized order is a market configuration; on the other, the assumption that markets are non-political constructions. Starting from this counterpoint, this paper analyzes fiscal debates and the answers to tax problems during a period of war and revolution, as a way to explore how political and economic actors interact within social networks and the institutional frame of the Hispanic Empire, building the emergence of both a market system and a republican order.

Ali Yaycioglu, *Business of Governance: Military and Fiscal Entrepreneurs in the 18th Century Ottoman World*

This paper examines several notable families and individuals in the Ottoman Balkans and Anatolia who consolidated military and fiscal enterprises in the long 18th century (1699-1820) and participated in governance mechanisms of the decentralized Ottoman Empire. Conventionally, the 18th century Ottoman Empire has been depicted as a process of conflict between the centre and the provincial powers. The present paper challenges this dichotomous perspective and illustrates certain aspects of how

provincial entrepreneurs and the imperial elite established coalitions and partnerships. These partnerships were based on contractual agreements of fiscal and military service, as well as political alliances. From the early 18th century on, several provincial families and individuals, who had not had any formal ties with the empire before, began to sell their services as tax collectors, administrators, military recruiters etc., to the empire. Most of these families and individuals acquired their offices and statuses not as bureaucrats or servants of the state, but as its contractors by competing in the market of administrative services. Meanwhile, the provincial institutions of the Empire were gradually transformed, from a system based on the services of the prebend/fief holders to a system where most of the offices and services could be granted (farmed out) to the private (or semi-private) entrepreneurs based on short or long term, formal or informal contracts. By the end of the 18th century, while these entrepreneurial individuals, families or networks came to control the Ottoman provincial administration, the imperial agents were marginalized in provincial governance. This commercialization, privatization, and localization in Ottoman governance challenged the traditional ideal and discourse of the Ottoman imperial authority on justice of governance. As a result, the traditional top-down, vertical system, directed from the Sultan's authority at his servants was gradually replaced by a new system structured as horizontal bonds of networks connecting provincial and central elites as partners. In the early 19th century, this alternative system triggered a constitutional crisis through which the public and private interests were re-defined in favour of the new partners of the empire.

Dimitris Dimitropoulos, *Market, taxes and coercions: the tzelepiko in Ali Pasha's territories*

An essential component of the economy in the Ottoman territories was the attempt of the central government to closely and rigorously control the market. At the same time, the powerful regional officials were able to acquire big economic benefits from the functioning conditions of the tax system. A good example of this peculiar mode of economy is the *tzelepiko*. The *tzelepiko*, originally an obligation of stock raising populations to provide the army with meat, was during the 16th century a service analogous to keeping *dervenias*. From the late 17th century *tzelepiko* becomes an obligation of sheep owners, and includes the compulsory sale of a specified number of animals at prices defined by the butchers' guilds of Istanbul, which were lower than these of the market.. This practice was known to the Sublime Porte, as buying at fixed prices, lower than the current ones, was applied in other goods too, especially in serials, known as *istira* or *boubayia*. A clarification: The *tzelepiko* probably is not identical to *adet-i agnam* or *resm-i agnam*, which was collected independently (in Greek sources the term *provatonomi* is also used). The *adet-i agnam* was the state tax on sheep and referred to *kanouname* with different valuations, usually one *aktse* for every one or two sheep.

The implementation of *tzelepiko*, as is the case with other general legislation in the Ottoman Empire, generally varies and is adapted to local customs. Here we shall focus on Ali Pasha territories, or rather, on territories where he and his sons were able to extend their actions and influence. Ali Pasha, aware of the profit resulting from the management of the *tzelepiko*, intervened when the tax was rented in Istanbul, managing to get his own people appointed as renters of the revenue. Also, he was able to successfully manage the collection of sheep locally, through his own powerful

network. A series of fragmentary documents from the archives of Ali Pasha throws some light on his involvement in the collection of this revenue.

- a) The *tzelepiko* involved large numbers of sheep and it was a result of thriving stock-raising.
- b) The *kaza*, according to official Ottoman documents, are required to give for the *tzelepiko* one in ten sheep. This general arrangement was far from what was actually implemented, because the number of animals to which *tzelepiko* applied was not stable.
- c) The *tzelepiko* seems to be paid in kind, as a percentage of a region's sheep. The sheep were selected in the local sheepfolds by persons authorized by the *tzelepiko* renter. It seems that instead of sheep, a sum of money could often be paid, called *bedel*.
- d) Moving large numbers of animals through distances of hundreds of kilometers was in many ways difficult, and often resulted in a lot of animals dying on the way.
- e) The high profit margins afforded by *tzelepiko* impelled Ali Pasha to incorporate this tax revenue in his strategy of increasing his incomes, considering it to be an important source of revenue. It is remarkable that Veli Pasha in a letter to his father describes it as "the greatest income of our house".
- f) There were conflicts between the village elders and the renters of *tzelepiko* for the right to collect the sheep, as this right could be arbitrarily used to maximize profits. Ali Pasha's people intervened and used their power to balance the conflicting interests.
- g) Ali Pasha used as renters of the *tzelepiko* members of the Christian community or Albanians, pushing aside the powerful local Turkish elders.

The nature of this revenue necessitated the physical presence of the revenue renters for its collection, and the cooperation of the local notables. The consent, sometimes coerced, of the unruly farming populations was also essential. These factors created a convenient environment for Ali Pasha because he was the right person to overcome local resistance, with his network and his strong mechanism. The collection and management of the *tzelepiko* was for Ali Pasha a way to extend his network, offering him the opportunity for a direct involvement in the local affairs. Furthermore, he was able to strengthen his relationships with the mountainous farming communities and the nomadic stockbreeders, populations difficult to control and familiar with the use of weapons.

SESSION VI: PRIVATE INTERESTS, MARKETS AND POLITICS

Rolf Hugoson, *Beyond the consensus culture: Recognizing Urban Interests in Sweden, 1719-1921.*

Sweden was a state long before it was a democracy and long before liberalism. Yet, since 1521 it was a state whose governments ruled according to constitutions. Parliaments (riksdagar or diets) were regularly held, allowing the four estates (nobility, priests, burgers, farmers) to participate, when taxes and laws were established. Furthermore, the national government controlled cities by giving the burgers privileges to trade and by demanding that their administration be controlled by state officials with a legal education. Yet, during the epoch studied here (1719-

1921), cities were not merely legal entities. They also appeared as a particular form of territorial business corporation with joint ownership. In other words, our contemporary idea of “public-private-partnerships” has a long history. Markets were never free, but within the limits of urban laws, there was much room for maneuver to accommodate and explore particular or common urban interests concerning property, infrastructure, trade and industry. Early evolution still marks present function. Thus, the history of urban interests in Sweden reveals that the idea of a Scandinavian “consensus culture” allowed for more diversity than it is often assumed, when the famous 1930s compromises between Capital and Labour are held up as a historical monument.

Hugo Pereira, *Markets, Politics and Railways: Portugal, 1852-1892.*

On that presentation I aim to describe the relationships between markets and politics in Portugal, with railways serving as a background, during roughly the second half of the nineteenth century. Since in Portugal, at the end of the century, more than half of the railroad network was in the hands of foreign companies, we are in the presence of an historical context that could foster dangerous relations between the Portuguese government and parliament and foreign investors. We shall see that those dangerous and tense relationships did in fact exist and provoked some awkward moments for the Portuguese rulers, finances and economy. Then we will try to explain how that meddling of investor from abroad in the Portuguese issues influenced the deployment of the network itself. To do that we will examine diplomatic correspondence and some of the political debate that took place in both houses the Portuguese parliament.

Vassilis Manoussakis, *The Business Elites of occupied Europe and the end of Nazi “New Order”: the cases of Greece and Belgium*

In 1943-44, the upcoming liberation was a cause for both hope and anxiety for many businessmen around occupied Europe. This presentation will focus on how business elites in Greece and Belgium prepared themselves for the end of the occupation. The main difference of the two countries is well known: while Greece soon plunged into a civil war, Belgium had a much smoother transition to peace. However, when it came to the attitudes of the business elites there were more similarities than one might expect. Greece, of course, never had something equivalent to the Belgian Galopin doctrine. Nonetheless, the fear of communism and the threat of legal action against many of them for collaboration were common among both Greek and Belgian businessmen at the time. Their response was also similar: bribes, support of political groups, even armed right-wing organizations were used to ensure both the continued existence of the capitalist political order as well as the personal survival of those in question.

SESSION VII: LABOUR AND LABOUR LEGISLATION

Isabelle Lespinet-Moret, *International Labor Organisation during the interwar: Labor Policy between Industrials's economics interests and social justice ideal*

The creation in 1919 of the ILO can be explained by a general will to regulate the labor market and the conditions of work. The aim is to make international concurrence more loyal, for the preservation of the social peace and of the peace between nations. The specific interests of each industrial sector, of each social category must be considered and the project is to build a consensus for the welfare of the workers. In consequence of these objectives, the working of the ILO is based on tripartism (employers, trade unions, State delegations) and the tensions between the partners shaped the debates. These tensions can also be perceived in the making of rules and standards for the legislation of labor. Questions as 8 hours day work, occupational disease or the fight against unemployment, were hardly discussed during the interwar period. The consequences of the economic crisis and of the growth of fascisms made more difficult the project to draw an international social policy.

L'Organisation internationale du Travail dans l'Entre-deux-guerres : une politique du travail tendue entre les intérêts économiques des industriels et un idéal de justice sociale.

L'OIT naît en 1919 d'une volonté de réguler le marché du travail et les conditions de travail, afin de rendre la concurrence internationale plus loyale dans le but de préserver la paix sociale et la paix entre les nations. L'objectif est de prendre en compte les intérêts particuliers par secteurs industriels, par catégories sociales et de construire un consensus en vue du bien des travailleurs. Il résulte de ces objectifs une pratique qui exprime cette tension entre les intérêts économiques et l'idéalisme de justice sociale que ce soit dans le fonctionnement de l'OIT – le tripartisme- ou que ce soit dans la tentative d'établir des normes et des règles, à partir de recherche de l'information et de négociations. Dans des cas très précis, comme celui de la journée de 8h, la santé au travail ou la lutte contre le chômage, la période de l'Entre-deux-guerres se montre très tourmentée par la crise et la montée des fascismes et l'intérêt collectif est de plus en plus difficile à cerner et à imposer.

Nikos Potamianos, *State policy, small business units and concentration of capital: the case of labour legislation and hygiene standards, 1910-1929*

The state policy in 19th c.-early 20th c. Greece is generally accepted to have played a role in the extended reproduction of the small units of production in agriculture, while there had not been any interventions in favor of the concentration of capital in industry. What was the part played, from this point of view, by the labour and hygiene legislation that was introduced in the 1910's by the governments of the Liberals? In this paper I will focus on crafts and retailing sectors.

Well known is the discontent of big and small entrepreneurs with the "social legislation"; but while one can mention cases of industrialists eager to accept it in order to reproduce their power over their employees, this is not the case with petite bourgeoisie. Small firms' profits were marginal and their owners could hardly afford the increase in the costs brought by improvements in the workplace's hygiene and safety or by the limitations in the employment of cheap children's or women's labour. In fact in certain professions some of the bigger firms owners supported such reforms, sometimes in alliance with the labour movement, in order to hit their small

competitors: this was the case in the conflicts about shops' opening hours and Sunday holiday of grocers, barbers, bakers, coffeeshops and taverns; small shops in the neighbourhoods were selling goods and services next to their customers when their bigger competitors were closed.

However the labour and hygiene legislation was not strictly enforced; in fact, it proved easier for the underdeveloped state apparatus to enforce the law in the bigger firms. Thus in practice the "social legislation" burdened more the bigger firms, and contributed to the reproduction of small ownership structures in the interwar years.

Was another outcome possible? Yes, as the case of bakery illustrates. The dominance of small units of craft production in this profession was challenged chiefly when the state (the governments of Liberals, again) decided to favor industry and smaller firms using machines, in order to achieve a significant decrease in the price of bread. It did so by setting (and, by and large, enforcing) hygiene specifications and price regulation that were pressing the small units, as well as by forbidding night-work and setting working hours that were not compatible with the pace of production in craft bakery.

Angeliki Nikolaou, *The issue of the dockworkers in the port of Volos as a terrain of confrontation and negotiation between the agents of political power and private enterprise in the 1930s*

During the first period of the worldwide economic crisis in the early 1930s, at the busy port of the new town of Volos, the large, heterogeneous society of dockworkers, who suffer from physical stress, exploitation and unemployment, are struggling to earn a living. The relations among agents of political power, businessmen and dockworkers are examined and analyzed in this announcement, based on certain documents of the archive of Volos Chamber of Commerce and Industry as well as the local press. Aspects of all means – legal or illegal, clear or concealed - of conviction, pressure, violence or construction of 'consensus', are lightened. In conclusion, the documents reveal the constant, more often backstage mobility and the deceitfulness on the part of the agents involved, especially on the part of mediators, with the aim of preserving their private enterprise and property and reinforcing their political power.

SESSION VIII : BIG BUSINESSMEN AND POLITICAL POWER

Iordanis Aivazis & Maria Christina Chatziioannou, *Political Power and Agents of Economic Activity in Postwar Greece: The case of Stratis Andreadis*

The interaction between political power and agents of economic activity in postwar Greek history is examined by focusing on a particular case, that of Stratis Andreadis (1905-1989). The struggle of the country to reach a path to recovery after the Second World War and the ensuing Civil War found an expression in both the actions of the post war governments, as representatives of political power, and of Stratis Andreadis who because of his entrepreneurship and social standing and behavior came to personify the power of the market forces at the time.

The entrepreneurial activity of the man spans a number of years, but he became really visible from 1952 when he burst into the financial scene after he gained control of the Commercial Bank of Greece until his demise in 1975 when the then Government turned after him on allegations of impropriety in connection to Commercial Bank's practices, while the epilogue was written after his death with the final decision of the

European Court on the “Andreadis versus the Greek State” case in connection to the “STRAN” refinery. His presence of almost twenty-five years in the financial scene can be divided into three periods: the one which starts in the early ‘50s and lasts until the onslaught of the dictatorship in 1967, the period of the dictatorship itself (1967-1974), and the early years of the post-dictatorship period. Although these periods differ in length, they are distinct from each other because of the policy characteristics and the behavioral pattern of the political power and the economic agents respectively.

The basic postulate of this presentation is that the actions of a government and of government related agencies, as representatives of political power, and on the other hand of the agents of economic activity lead to cycles of stability or, inversely, instability, depending on a number of factors, beyond, obviously, the existence of a common interest as the deciding factor for stability. These factors encompass the state of the economy, political and social conditions, institutions and their enforcement, etc. Imbalances usually occur when the agents of economic activity overstep their power, in which case governments react usually through enforcement of institutions until a new “pact” or stability level is achieved.

Gelina Harlaftis, *Aristotle Onassis vs American government in the 1950s*

This paper deals with the confrontation of Aristotle Onassis with the American government in the 1950s, a confrontation that led to the abandonment of New York City as a maritime centre by Greek shipowners and their return to Europe. During the 1940s and 1950s a large number of Greek shipowners previously based in London had transferred their base to New York, which was increasingly becoming a world maritime centre. By mid 1950s Onassis had about 60 ships registered under various flags including Honduras, Costa Rica, Liberia and Panama, residences in New York, Paris, Nice, Montevideo, Uruguay, and offices in major ports. He controlled over 30 corporations throughout the world, held a major interest in the gambling casino at Monte Carlo, which gave him a great deal of influence in the political setup of Monaco and also with the Greek state as he owned Olympic Airways since 1956, the national airline of Greece.

By the mid-1950s, the interests of Greek shipowners no longer coincided with those of the US government. By that time, several Greek shipowners based in New York started to fall out with the US authorities. During the Korean war –the McCarthy period in the United States – Greek shipowners were accused of carrying Chinese cargoes, a charge not without foundation. In order to avoid any further difficulties, the shipowners had to make public declarations of their non-involvement. Furthermore Aristotle Onassis offended the United States, by signing in 1953 a contract with Saudi Arabia, a move that caused an international scandal. According to the agreement, Onassis was to transfer tankers of 500,000 grt to the Saudi Arabian flag, and to pay a certain amount per carried ton to the Saudi Arabian government. In return, the Saudi Arabian government agreed to give priority to Onassis’ tankers in the loading and transport of oil. The reactions were immediate: the US State Department protested to the Saudi Arabian government, and the British government brought the issue before the European Organization of economic Co-operation. Onassis was attacked on all fronts: US and European oil companies refused to charter his newly built tankers, his newly acquired whale-hunting fleet was attacked by Peruvian warships in the Pacific Ocean near Peru and the American government demanded taxes of 20 million dollars.

The case of the US government against Aristotle Onassis is a fascinating and complex story of « oil, politics and money ». Taking to trial Greek shipowners that were millionaires based in New York was a political and economic decision on the part of the United States. The case was not drawn only against Onassis. The American government sued another five Greek shipowners. What was at stake here was a group of « uncontrollable foreign entrepreneurs that were making money against the interests of the American government : 1) by buying war built American ships undercover by American companies with the support of certain American Democratic senators, 2) by building ships financed by American banks and 3) by carrying cargoes for both friends and enemies of the American government.

When the Republicans won the elections in 1954 and Eisenhower came to power, the Justice Department chose to mainly sue Onassis on illegally purchasing American ships. The way that Onassis was able to negotiate his case with the American Government and to defend it against the American Justice is a masterpiece of global business strategy.

The paper is based on FBI and CIA archives combined with British archives and evidence drawn from Greek, British and American newspapers.

Helen Beneki, *Ship-owning and politics: the case of Epameinondas C. Embiricos*

The presented paper seek to give insights of the close relation of ship-owning, as a lever of the maritime industry, one of the basic sectors of the greek economy, to the politics and the active political life, and to record the interaction between persons and interests, on the institutional and legislative level. The analysis is based on the case study of Epameinondas C. Embiricos, who was involved in the maritime industry and the banking sector, served as a Ministry of Naval Affairs and passed a modernizing law regarding the greek maritime industry.

Embiricos family, a ship-owners family coming from Andros, has been active in politics, both on local and national level, for more than a century; they moved from local aristocracy to the national, economic and political, elit and numerous members of it were been elected in high political places within a century.

Epameinondas Embiricos (1858-1924) was the younger son of Constantine (1813-1884), strong supporter of the steam maritime industry with political carrier himself. Epameinondas studied law and finance in Athens and Paris, served as a diplomat and wrote to major greek newspapers, while he was also involved in maritime and banking enterprises and participated to professional bodies and state organisations. He started his political stage with the Ch. Trikoupis party in 1890, he married the daughter of an ex greek prime minister and he was repeatedly elected as a deputy within the period 1892-1922 with the parties of G. Theotokis and Demetrios Gounaris. He published several essays on maritime issues supporting the idea that maritime industry and agriculture were the two pillars, on which Greece could base the fulfillment of the nation's great destiny, and describing the maritime industry as a critical sector for countries, for both financial and national reasons. He denounced politicians and the state for not taking any necessary measure to further support the sector which, based only on the entrepreneur's initiative and their untiring effort, served as a national representative in the world. Taking into account other countries examples and what greek ship-owners suggested, he proposed several meters, from the integration of the maritime legislation of all maritime countries to the naval education upgrade, but more strongly the suppression of taxes and multiple legal bureaucracy imposed, directly or indirectly, by the greek state to ship-owners, as far as the acquisition of vessel was concerned.

When appointed as a Minister of Naval Affairs in 1908-1909, he urged to prepare and pass a law referring to a wide spectrum of maritime industry matters integrating the greek relevant legislation to the european countries one. Among other innovations, there was the naval mortgage established, also permitted abroad, and there was great improvement to the co-ownership institutional and legal frame. The new legislation is supposed to highly favour the greek maritime industry further growth by encouraging foreign capitals to be invested in the sector.

SESSION IX : INTEREST GROUPS IN GREECE IN THE 20TH C.

Katerina Papakonstantinou & Ilias Bissias, *Interest groups and politics: ship-owners and political power in Greece in the 1960's and 1970's*

In the paper we will examine the interrelations between members of the ship-owners' community and the political elite in Greece during the 1960's and 1970's. Immediately after the Second World War most Greek ship-owners moved their operational headquarters to the USA and Great Britain and preferred registering their ships under foreign flags. The relationship between the Greek governments and the ship-owners' world were mediocre if not troublesome at times, yet again some considerable political efforts were developed and adopted in the 1950s in order to strengthen the Greek flag and attract more vessels in the Greek Register of ships.

A series of laws in the late 60s had as a pivotal goal the 'repatriation' of ship and proved successful as many Ship-owners not only showed their preference for the newly redesigned Greek Ship register but repatriated their headquarters to Piraeus. In this respect the Greek governments aimed to attract part of the enormous -for national standards- maritime income to the Greek treasury; on their side Greek ship-owners faced new challenges in a somewhat hostile environment thus developing new strategies and tactics that were initiated after careful planning. The gradual return of important ship-owners to Piraeus in the beginning of the 1970s redeveloped and strengthened the until then troublesome municipality as a major maritime center.

We will research the strategies and tactics followed by Greek ship-owners in order to negotiate and gain economic and political security, stability and tolerance in their homeland. The attempts of most Ship-owners to adapt to the new political and economic environment that were formed after the collapse of the junta in 1974 were reflected in the political efforts made by Union of Greek Ship-owners to improve their public image and to win the press' sympathy, especially in the late 1970s. It was an effort that reshaped past ideologies and communication practices and allowed them to abandon their bunker mentality in previous decades especially towards notions such as extroversion and openness.

Christos Tsakas, *Expropriations and contracts in question: the later phase of the dictatorship, 1973 – 1974*

The last period of the dictatorship, between the overthrow of Papadopoulos (25/11/1973) and the Political Changeover (24/7/1974), remains perhaps the least known period of the modern Greek history, having been shadowed by the coup in Cyprus, the Turkish invasion and the political developments it precipitated. However, this specific period has decisively influenced the way we nowadays perceive the

whole dictatorial regime, hallmark of which is often considered its social and political alienation...

The coup of 25 November 1973 takes place in the name of the restoration of the “values of April 21” and of the “cleansing of the stink from the scandals”. The initiative of the intervention belongs to a faction of junior officers who seem frustrated by the venture of the liberalization of the regime; “liberalization” which they consider as synonymous with the erosion of the “revolutionary” style and of the martial moral of the(ir) power...

One of the first moves of the new government of Androutsopoulos would be the annulment of the expropriations taken place for the sake of mammoth – contracts, advertised as historic investments by the propaganda of Papadopoulos regime. The most significant of such initiatives is the unilateral annulment of the expropriation for the Third Refinery in Megara which would be announced by the new ministers of Industry and of Agriculture in a mass public gathering of the inhabitants as the first public action of the new government. The slogans prevailing on the placards of the inhabitants were “We are with you” and “Yes to tourism - No to the Refineries”. Of course, this move is not a coincident one. The contract had been signed between Papadopoulos regime and Stratis Andreadis, the president of the Association of Greek Shipowners, who had proved himself to be one of the pillars of the regime. Similar (less impressive though) decisions would follow as far as other tycoons closely related to the former dictatorial regime are concerned.

Which are the goals of such decisions? How would they influence the representative relations between the regime and the entrepreneurs? Would this hostile handling of the gratuitous contracts of the former dictatorial regime inaugurate a broader reshuffling of the social and political alliances? These questions will be examined during the presentation which will be based on the political and financial Press, on the official editions of entrepreneurial organizations, on oral interviews and written witnesses of protagonists of the period.

Stratos N. Dordanas, Krupp vs. Ehrhardt: competition between German entrepreneurial groups for the Greek armaments programmes before the Balkan Wars

Intense competition among the major companies of the Great Powers to win orders in the armaments programmes of the newly formed Balkan states was a phenomenon that was neither uncommon nor infrequent in the first decades of the 20th century. In the fierce battle over foreign economic interests, it could in fact be said that the commission agents, either through diplomatic manoeuvring and/or backdoor lobbying, fully exploited the divergent objectives to attain the greatest benefits for private economy. This, obviously could be achieved through their securing highly advantageous agreements for their companies. The Balkans was considered an especially dynamic market largely on account of the various unresolved national tensions and the many outstanding, unsettled territorial disputes.

In the period leading up to the Balkan Wars (1912-1913), the clash of business interests was further intensified as rival companies contended to secure contracts for the sale of military equipment to interested countries. Besides the active German-Krupp and French-Schneider-Greuzot “front”, there was also another between the two

German ammunition and armaments manufacturing giants, Krupp and Ehrhardt. Thus, the military conflict in the Balkans was set against a backdrop of these two other “wars” of a different nature. The first was transnational, between Germany and France competing for the dominance of Europe in both a physical and moral sense, while the other was an inter-German entrepreneurial war, comprising all the classic conditions of an outright civil war.

On 17 July 1909, the German ambassador to Greece, Freiherr von Wangenheim, on a visit to the Greek Prime Minister, George Theotokis, was astonished to be told “not with some irony about the practices adopted by Krupp and Ehrhardt in the war between the two”. Apparently, every time the former made an offer to the Greek government, the latter immediately submitted a counter-offer. In his capacity as Minister for War, Theotokis clearly stated that no decision would be made until he was assured that in his hands he held both companies’ final offers.

To the German ambassador it was blatantly apparent that this business war was detrimental to the competitiveness and reputability of the German armaments industry as a whole. Finding itself in this predicament, the Imperial German Embassy had no intention of exercising the least bit of influence on the Greek government, in order for Germany to win the arms and ammunitions contracts, not even parts of these orders. These developments were jeopardising the German bargaining position as the *Chargé d’affaires* of the rival countries were free to present their states’ interest in a more favourable light through the usual formal and informal channels. Even though Theotokis had been informed that the German embassy would take a neutral stance in the “battle” between Essen and Düsseldorf, Krupp and Ehrhardt, the ambassador not only expressed his bitterness about the conflict itself, but also about the “unfair practices” employed by the Athens representative of the latter.

The conflict reached a peak when Ehrhardt’s representative in Greece attempted to gain the lead over Krupp by submitting an unforeseen offer. Without there having been any previous actions, he approached the Greek government offering to construct a weapons factory which would in due time pass into the control of the Greek state. The only stipulation was that the Greek government signed annual contracts for the order of a large quantity of ammunition with the factory. Although the proposal was undoubtedly favourable to Greek interests, it was not at all so for Germany.

The operation of an ammunitions plant in Greece was certain to end orders from abroad. This eventuality would by extension provoke the loss of jobs within Germany, which were secured through the Krupp Company’s excellent international trade policy. In contrast, the profits that Ehrhart expected to generate could only be considered as transient, since after having exported the machinery to the Greek plant, only supplies of raw material would be required.

However, it was by no means self-evident that the Greek government considered the operation of an ammunitions factory in a positive light. As the German embassy was in a position to know, this offer was not approved of by the Ministry for the Armed Forces, and in effect, many arguments had to be marshalled against it being rejected outright. The most basic of this was that orders were dependant on economic factors, which would no longer be valid since Greece would be obligated by the contract to place orders for a particular amount of ammunition every year.

What in essence was at risk at that time, was the overall furtherance of the German trade and economic interests in Greece. And although both these companies strengthened the German presence in the Balkans through their successful contracting deals, Berlin could and would not support one at the expense of the other as German foreign policy did not tolerate such action. Within this context, in order to ensure it

was rejected, it became imperative to undermine Ehrhardt's proposal by not giving it the least bit of support when being forwarded to the Greek government. In the hypothetical scenario, where Krupp proposed to build a shipyard in Greece for small escorting destroyers, the same stance would have to be maintained because yet another German company, Vulkan was successfully operating in that field. Not only had Vulkan built torpedo bombers for Greece in the past but it was at that time contesting new contracts.

In the end, although the metal products company of Düsseldorf was hindered in constructing an ammunition factory in Greece, this merely meant that it had lost a battle not the war in the defense industry. The case being that since orders from the army and navy were not only going to continue to be received but would in fact increase, this was most promising for the profits as well as the market share of the arms industry as a whole. On the whole, competition between the foreign companies (even between companies from the same country) not only for the Greek orders but also those of the other Balkan nations, was definitely stiff. However, the primary goal of the commission agents was to achieve the (specific) economic and (wider) national interests of their respective companies and then, to a much lesser extent, meet the needs of the purchasers.

Nevertheless, it was not solely the financial factor that influenced the Greek orientation on the supply of military hardware. Who the nation would purchase weaponry from posed a strong political message to the Great Power alliances of the era. France and Germany were not simply the major suppliers for the Greek armed forces, more importantly they were the two leading Great Powers of the rival alliances of Europe. Although the line of each was to strengthen their own economic advantage by weakening their foreign opponents, under no circumstances would the political leadership tolerate the business interests of their respective companies getting in the way of national concerns and causing internal conflicts.

It was in the aftermath of the Balkan wars that this position was most clearly depicted on the European scene. Up until then, the individual Balkan states had organised, armed and fought one another primarily with German and French arms and ammunition. Their triumphs and defeats on the battlefields, however, were not solely due to the performance of the war products they had been sold but were mainly the outcome of the deep moral commitment to and unswerving faith in the justness of their struggle to liberate their unredeemed brothers in the still subjugated Ottoman territories.

SESSION X : ENTREPRENEURS AND POLITICS : PRESSURES AND NEGOTIATIONS

Minna Rozen, *Capital and Power and the "Big Fire"*.

The proposed paper will display the interplay between major Jewish entrepreneurs in Salonika, the Jewish Community and the Greek Government, which led to the replanning of Thessaloniki following the "Big Fire" of 1917.

The use made by the Modiano family of their economic power and their political influence inside the Jewish community in order to influence its members to accept a settlement beneficial for the Modiano interests and unbeneficial to the interests of the majority of the community members is the main subject of the paper. The paper is based on the archives of the Jewish Community, The archives of the Conjoint Committee for Foreign Affairs of the Jewish Communities of Great Britain, published

documents from the Archives of the Greek Foreign Ministry, and newspapers of the period.

Fabrice Akono & Nicolas A. Metaxides, *Confrontation et/ou coopération entre pratiques politiques et logiques économiques dans le processus de la création de l'imaginaire entrepreneurial en Afrique subsaharienne.*

L'entrepreneuriat comme institution économique est largement façonné par les relations sociales et les pratiques politiques. Le but de cet article est de démontrer que, le climat des affaires et la «tradition» entrepreneuriale, sont le résultat d'un processus politique et économique en pleine mutation. Nous essayons de montrer que chaque groupe d'entrepreneurs (ex. les Grecs du Cameroun) a, pour réussir dans les affaires, un certain nombre de défis à relever tant sur le plan sociopolitique qu'au niveau culturel.

Le cadre chronologique de cette étude débute dès 1947. Cette période coïncide avec les quinze dernières années de l'administration coloniale, allant jusqu' à la transition vers l'indépendance du pays et le développement de l'état -nation camerounais moderne.

La politique coloniale a renforcé les élites commerciales étrangères afin de gérer et compléter sa propre faiblesse administrative. Les politiques post-coloniales ont, pour elles, valorisé les structures économiques coloniales tout en s'efforçant de créer de nouvelles élites dans les affaires, dans le cadre du besoin de la création d'une bourgeoisie politico-économique. Par contre, nous observons au Cameroun une élite économique qui paraît ne pas avoir de relations intimes avec le pouvoir politique (ex. Bamilékés).

L'image postcoloniale de l'environnement économique se caractérise également par une variété de facteurs exogènes tels que les politiques d'ajustement structurel, les incitations des organismes internationaux, «l'itinéraire» souvent chaotique de la marche vers la démocratisation, qui ont pour effet de renforcer le secteur informel de l'économie, qui fonctionne en Afrique comme une institution de réglementation nécessaire à la cohésion sociale, en particulier dans les centres urbains.

Deux facteurs ont ainsi permis aux Grecs du Cameroun de jouer un rôle déterminant dans le secteur économique et précisément dans le domaine commercial au Cameroun. Le premier facteur est lié aux conséquences de la crise des années 1930, car celles-ci leur ont permis de s'introduire dans le circuit commercial camerounais à travers l'exportation des produits de rentes. Le second facteur quant à lui, s'explique par la décision des autorités du Cameroun de poursuivre -au moins entre 1960 et 1970-, la politique entrepreneuriale déjà en vigueur au Cameroun sous domination française. Successivement, le pouvoir politique a donné -comme c'était normal d'ailleurs -, une occasion d'ouverture du circuit commercial vers une nouvelle élite bourgeoise locale. Mais, comme l'environnement socio-économique du pays d'accueil n'a jamais été hostile aux étrangers, les décisions des Grecs dans les affaires sont, par la suite, plutôt liées à la conjoncture économique mondiale et leurs particularités socioculturelles, ainsi qu'au manque de soutien et d'intérêt de la part de leur pays d'origine.

Christina Agriantoni & Evridiki Sifneos, *Businessmen involved in politics; Greece, 1880-1940*

This paper explores some of the ways in which business and politics come in contact. Taking for granted that markets and politics are closely connected, we try to understand how businessmen and political authorities communicate, negotiate and shape common or divergent views and how the particular historical context influences this dialogue. Businessmen directly involved in politics can help to better understand this process. As an introduction, we discuss the portrait of different economic actors that became parliament members in the 19th and 20th centuries and then we focus on two different entrepreneurial sectors –and the relevant policy domains–, merchant marine and industry, in the period 1890-1930. In the shipping sector, the action of Epameinondas Embeirikos, a modernizing ship-owner and a politician, trying to introduce a new institutional framework in order to support the passage of the merchant marine from sail to steam (1890-1910), reveals the impact of long-established local interests, whereas the subsequent close connection of his nephew Leonidas Embeirikos with Venizelos and his party (1910-1920), speaks of the limits of political affiliation of the entrepreneurs and the importance of the strategic considerations on behalf of the political leaders. In the industrial sector, the dialogue took early enough institutional forms (the League of Industrialists was created in 1907) and was heavily influenced by ideological factors, namely a prevalent negative attitude towards the industrial perspectives of the country. The episodes of this dialogue that are shortly presented (1910-14, 1918-22, 1928-32) show the importance of social concerns and ideology, but also, again, of strategic considerations, in the shaping of the industrial policy of the country. Concluding remarks stress the complexity and strong dependency from the historical context of both policy domains, a complexity which leaves little room for simplifying efficiency or economic rationality theories.

SESSION XI : EMERGING MARKETS, NEW PRACTICES

Eleftheria Deltsoy, *Agro-and eco-tourism enterprises at the turn the 21st century: Observations on new forms of entrepreneurship in the European Union*

During approximately the last two decades the European Union promotes specific forms of entrepreneurship as strategies for the development of the so-called Less Favored Areas and of other categorical entities in need of subsidized support. Any consideration, however, of these subsidizing programs as simply means for the development of local and regional economies leaves the cultural dimensions of the economic, as well as a broad conceptualization of the political as anything that pertains to power relations unattended. By focusing, on the one hand, on European Union eco- and agro-tourism subsidizing programs and, on the other, on eco- and agro-tourism subsidized enterprises, this paper explores the co-articulation of the economic with a politics of culture that construct “rural culture” and the “natural environment” as commodities. Agro- and eco-tourism enterprises as such, different performative means for the tourist promotion of areas, the promotion of local products and other similar practices incorporate in locality essentialized properties of the past. Notions such as “traditionality”, the “natural properties” of products, but also discourses about the “natural and cultural wealth” of places become components of

locality, while nature and culture get valued as consumer goods and commodities. On top, the ISO certification of tourist enterprises and agricultural products, but also all the stakeholders involved in local development reveal the complex ways through which locality is co-articulated with the world market.

Spyros Dimanopoulos, *L'apparition du groupe entreprenant de propriétaires d'hôtel en préfecture de Heraklion, 1970-1980 [The emergence of the entrepreneurial group of hotel owners in the prefecture of Heraklion, 1970-1980].*

La question qu'aborde notre étude est celle de la constitution du grand capital hôtelier privé pendant la décennie de 1960 dans la région d'Héraklion en Crète. Il s'agit d'une enquête qui a été réalisée avec le soutien de l'Etat dans la perspective du développement du tourisme de masse afin de renforcer la balance des paiements ainsi que l'afflux de devises. Le tourisme d'excursion qui avait déjà commencé à se développer pendant les années '30, et qui visait notamment à la visite des célèbres sites archéologiques de Knossos et Faistos devait évoluer vers le tourisme organisé de masse et s'orienter vers le marché touristique de l'Europe du nord, comme cela était le cas en Grèce continentale et dans les autres pays méditerranéens.

La région d'Héraklion dans un rayon de plusieurs dizaines de kilomètres autour de la ville présentait de nombreux avantages pour le développement du tourisme de masse. La beauté naturelle du paysage, les bonnes conditions météorologiques et la qualité des longues plages destinées à la baignade situées juste à côté de la ville constituaient autant d'atouts évidents en faveur de la région. En outre, la ville d'Héraklion, en tant que centre économique et administratif de l'île pouvait soutenir le financement, la construction, l'exploitation et le fonctionnement des infrastructures touristiques et des complexes hôteliers sur le bord de mer. La ville disposait d'ailleurs de nombreux ouvriers qui pouvaient occuper ces nouvelles fonctions. Parallèlement au développement d'un tourisme massif sur les plages furent établies d'importantes unités hôtelières qui s'intégrèrent au tissu économique de la ville.

On peut à ce propos distinguer deux grands types d'investisseurs pour la construction des hôtels dans la région d'Héraklion. D'un côté, il s'agit des entrepreneurs déjà actifs dans le domaine du tourisme en Grèce continentale, et de l'autre côté des hommes d'affaires locaux qui n'avaient jusqu'à ce moment jamais travaillé dans ce domaine, et qui ne pouvaient y investir sérieusement tant que le nombre de touristes était encore très faible.

Le développement de ce nouveau secteur de l'économie locale ne pouvait toutefois pas se réaliser sans l'intervention et le soutien de l'Etat. Les entrepreneurs locaux qui ont assumé les risques de la croissance du tourisme de masse étaient alors confrontés à une nouvelle activité économique et culturelle jusque là inconnue et marquée par des caractéristiques particulières, notamment la fluidité et les incertitudes qui lui sont intrinsèques. D'autre part, la nouvelle activité présentait de nombreuses difficultés pour la main-d'œuvre. Les ouvriers manquaient de qualifications professionnelles en la matière, car jusqu'à présent ils étaient surtout actifs dans le domaine du commerce, c'est-à-dire celui des services, et notamment ils travaillaient pour de petites ou grandes entreprises de transformation des produits ruraux. Dans le cadre de son soutien l'État a offert des emprunts à faible taux d'intérêt et de longue durée ainsi que des garanties solides aux banques.

L'EOT (organisme national du tourisme) était le service de l'État qui réunissait le capital avec le travail non seulement pour la réalisation des projets mais aussi pour l'accumulation des investissements. Le nouvel aménagement du territoire et

l'architecture des unités hôtelières sous forme de bungalows étendus, l'étude technico-économique de l'investissement, comme par exemple l'estimation du coût et des salaires constants, ainsi que le calcul des bénéfices, le remboursement des emprunts et l'amortissement du capital, autant que l'organisation du fonctionnement des nouvelles grandes unités côtières hôtelières et bungalows, étaient indiqués, soutenus et approuvés de façon centralisée par les décisions de l'EOT. Cet organisme approuvait même l'embauche des directeurs d'hôtel, lesquels occupaient les fonctions principales d'éducation du personnel non qualifié en suivant les indications et sous le contrôle systématique de l'EOT.

Les terrains qui ont été utilisés pour la construction des premiers hôtels à côté des plages en dehors d'Héraklion étaient dans une grande mesure abandonnés et par conséquent en friche. Seulement après 1965, une fois que les premiers hôtels côtiers furent construits, ces terrains devinrent une partie non négligeable du circuit économique local en tant que capital pour investissement. Ce fait a permis d'accroître par de grandes surfaces les premières unités hôtelières et les bungalows construits en bordure de mer. Au contraire dans la ville d'Héraklion, où la valeur de la terre était plus chère les constructions ont plutôt été réalisées en hauteur.

Le succès de l'entreprise de création de grandes unités hôtelières avec le soutien et la direction de l'Etat n'a cependant pas eu la postérité souhaitée, il n'a pas permis de poser les bases continues d'un modèle de tourisme s'appuyant sur de grandes unités hôtelières qui offriraient une quantité et une qualité de services à bon prix semblables aux offres des grands groupes hôteliers.

George Ioannidis, *Creating markets out of nothing: the case of continuing Vocational Training in Greece*

The aim of the paper is to critically assess the creation and development of the continuing education market in Greece. It focuses on the logic underlying the state's regulatory actions, as well as on the political economy which these actions have engendered. It will be argued that the development of this market can be seen as a three-stage process. The first stage was marked by the absence of effective regulation which, along with a dramatic increase in funding for training, allowed for a primitive accumulation of capital to benefit newly-founded private firms. The second stage was characterized by an increase in the state's regulatory actions, which aimed not only at "market-clearing", but also at guaranteeing a market-share for every member of the new market. During the third period, finally, policy would focus on the liberalization of the market. In every stage the interests of the main actors –namely those of the state, the private training centers and the social partners–, were accommodated accordingly, but this was achieved at the expense of the continuing training system's efficiency.

SESSION XII: ECONOMIC ACTIVITY AND STATE INTERVENTION IN THE INTERWAR PERIOD

Orly C. Meron, *Ethnic professionals and public utilities: Jewish engineers in Greece between the wars*

Already in 1960, Noble prizewinner Simon Kuznets argued that minorities preferred to work in the private, competitive sector as opposed to the public sector in an attempt to avoid discrimination. Since then, theories dealing with ethnic entrepreneurship have demonstrated a link between the structure of opportunities and the activity of

ethnic entrepreneurs. They also argued in particular that entrepreneurial opportunities in the public sector tend to be blocked to minorities.

Based on un-published Jewish archival documents, this paper will attempt to make an inter-ethnic comparison between the activities of Jewish and Greek engineers, mainly in reference to public utilities. The proposed paper will explore the hypothesis that Jews involved in professions that require intensive investments of human capital (e.g. engineering) rarely undertook contracts for public infrastructure projects initiated by the Greek government—starting from the mid-1920s, following the transfer, and especially during the 1930s. Lacking connections and networks of communication with the Greek administration, when government intervention increased during the 1930s, the Jewish engineer-contractors adopted new, special entrepreneurial strategies to gain entrance to the public infrastructure tender process, especially in Macedonia.

Giulio Mellinato, *The origins of Finmare. A technocratic reform beyond state and market in fascist Italy*

Since national unification, the Italian political elites have considered the transport sector as one of the main tools to fill the economic gap with the more developed countries. For this reason, in unified Italy a true competitive maritime transport market was unknown, and it was substituted by a convoluted relationship between state incentives, public funding and private enterprises. This complex and unstable system carried out public services through the activities of private enterprises, inside an economic environment marked by a long lasting protectionism. In the first half of the 1880s, a national shipping policy tradition began to replace the sum of maritime activities inherited from the different states of pre-unification period. The new maritime policy subjected the shipping Companies to the interests and wishes of the dominant political groups, heavily influenced by regional lobbies. Often the expectations of a part of the country were privileged at the expense of others, creating tensions and large dissatisfaction. During the following decades, Italian maritime policy was an exhausting search for a compromise among different needs, often satisfied by increasing state payments to ease the disappointment. The political power also defined the internal architecture of the maritime transport sector, with the distribution of services and profit opportunities among shipping companies, using public expenditures as a corrective for business distortions or suboptimal allocation of resources. After several failed attempts to rationalize the system, in 1936 was founded the holding Finmare, wholly owned by the state, which controlled about 90% of the national fleet engaged in transcontinental shipping lines. Finmare was created together with the design of a new plan for public financing directed to maritime transport, which lasted almost fifty years. Finmare was actually a hybrid: a company wholly owned by the State, but working along market criteria, within a highly competitive sector, as international ocean freight market. As a matter of fact, this ideal approach was not always maintained. Interferences coming from political interests were frequent, and repeatedly extra-quota state financial help was allocated to Finmare to cover its budget. But the original picture, based on a technocratic model of governance, remained as an ideal type for the everyday activities. In subsequent years, many managers coming from private companies became leaders inside the renovated Finmare state-owned shipping companies. In a peculiar case, former owners of a shipping company were co-opted as top managers inside the Finmare group. Even after the Second World War, the Finmare technocracy maintained the control over

key technical decisions, confining the political intervention inside roles of pure representation or some secondary positions. The technocratic elite who led this change was composed of people who had much in common with the mid-level fascist leaders: middle-class origins, subordinate command experiences during World War I and nationalist political ideals. Their experience and their skills were used extensively during the difficult 1920s, when the shipping companies had to find new ways to contrast the steady decline in profitability of transport activities. They were then entrusted the task of managing the reconstruction of the national shipping and it was their choice to set up a working scheme that combined the dynamics of the market on one hand, state ownership and public funding on the other, and a key role of governance for themselves. Their political and ideal consistency with fascism has ensured to the technocrats free space during the dictatorship, while the technical expertise accumulated made them able to maintain their leadership posts also during the first republican years. The experience of Finmare can be presented as an example of relative efficiency in managing a service of primary importance for the national economy, both in overcoming the crisis following the Wall Street crash, and during the complete reconstruction of the national fleet after the Italian defeat in World War II. At the same time, the 1936 Italian maritime reform and its subsequent developments presents a model of interaction between economics and politics that may be interesting for those who want to understand the role of technical elites in the process of decision making.

Kostis Karpozilos, "*A rational experiment*": discussing the New Deal in times of Depression

In November 2008 the front-cover of *Time* depicted Barack Obama in close resemblance to Franklin D. Roosevelt under the caption "The New New Deal". At that same month, the *International Labor and Working-Class History* journal devoted its issue to a "scholarly controversy" on the "place of the New Deal in American History". The article of Jefferson Cowie and Nick Salvatore, which initiated the debate, made clear connections between the legacy of the New Deal and the quest for a new social contract in the early 21st century. The interrelation between history and politics, the ways that historians address the past in connection with the social challenges of their present, is the main theme of this paper. By presenting the popular conception of historical analogies between the Depression Decade of the 1930s and the first crisis of the 21st century, I discuss the conflicting evaluations of the New Deal and the centrality of the social question in the contemporary historiographical debate. This is a debate interwoven with the shortcomings of the "New New Deal" and the appearance of radical counterweights –such as the "Tea Party" or the Occupy Wall Street movement; in this context, the historians' desire for "a rational experiment" – that is how John Maynard Keynes characterized the New Deal– illustrates an intellectual retreat to an idealized past and underlines their contribution to theories of the "vital center".

SESSION XIII: POLITICAL ECONOMY AND THE STATE

Anna Mahaira, *The Law du cadenas of 1897 and its role in the adoption of a 'national political economy'*

This paper examines the implementation and the impact of the law du cadenas in the context of the representation of local interests within the system of the 3rd Republic, as well as against the background of the conflict between protectionism and free trade in the field of economic policy. In the economic conjuncture of the 'fin de siècle', after the Great Depression that started in 1873, most European states began to reconsider the liberal tariff policy. Protected tariffs were erected in order to safeguard the agricultural income against imports from the New Lands, but also in order to prevent an agrarian exodus that would have been directed towards industrial production; and this at a time when the relationship between industrial production itself and the trade sector was in the process of being transformed and overturned.

In 1892 a double tariff was imposed on France's import trade: the maximum and the minimum one. The 1892 tariff policy was no longer dependent upon France's long-standing trade agreements with other countries, which had been inaugurated in 1860; now it was to be dependent upon short-term bilateral conventions whose duration was one or two years. These conventions saddled trade with conditions of intensifying institutional ambiguity and economic insecurity, since they demanded constant negotiation so as to guarantee the minimum tariff. The situation was further aggravated with regard to France's external trade when it was proposed by the Association pour la défense du Travail national, named by the liberals *Ligue pour la suppression du commerce extérieur de la France*, to "lock" the new tariffs on cereals, meat and wine and to implement them immediately by governmental decree, without prior discussion and approval by parliament.

The law du cadenas was eventually implemented in 1897, after acrimony and conflict, and it crystalized two opposing camps with regard to domestic economic policy. The one was that of the French style free traders, calling themselves 'economists' in order to stress their better grasp of the market economy; the other was, according to the 'economists', much broader and included the protectionists, the socialists, the agrarians, the hygienists, the statistes, and all those who, in case of a poor national harvest, would proclaim, following the example of the Convention, "a general fast and a civic Lent".¹

Angelos Chotzidis, *The international financial control of the Ottoman Empire (1881-1914): Activities of European creditors and reaction of the Ottoman authorities and farmers*

Following the Ottoman government's failure to meet its debt service obligations in 1875, European holders of Ottoman bonds (mainly French and British) managed to convince sultan Abdulhamit II to issue, on 20th December 1881, the Muharrem Decree, which established the European-controlled Ottoman Public Debt Administration (OPDA). As a result, many public revenues were entrusted to the OPDA, including those from the tobacco and salt monopolies, the silk tithe and the

¹ Gustave de Molinari, "Chronique", *Journal des Economistes*, January- March 1895.

indirect taxes from stamps, fishing, and spirits. In 1883, the exploitation of the tobacco revenue was farmed by the OPDA to the *Société de la Régie Cointéressée des Tabacs de l'Empire Ottoman (Régie)*.

OPDA and *Régie* have tried to accomplish their work without causing the reaction of the government and farmers. However, many times the Ottoman authorities (the government and local authorities), as well as the farmers, reacted strongly to the said work. Farmers were frequently reacting against *Régie* because they believed that it was offering low prices for their tobacco. In addition, right after 1888, fishermen reacted strongly, since OPDA had leased the fisheries revenues in certain districts, and thus OPDA terminated a number of contracts. Moreover, European creditors were not pleased with the efforts paid by the Ottoman authorities in view of their measures taken in order to reduce tobacco and salt smuggling, since the Ottoman government was not willing to dispute directly with the smugglers who were poor farmers trying to meet their financial needs through contraband. In general, the Ottoman government and local authorities supported farmers in their demands against *Régie* and OPDA. The said support has been more intense after 1908, during the Young Turk period, when ottoman MPs backed the farmers' interests against the European bondholders.