

*Costs and Benefits of British rule in the Ionian Islands. Some tentative views*

Athanasios (Sakis) Gekas  
European University Institute

(Draft Paper. Please do not quote)

In his highly controversial book *Empire* Niall Ferguson advances the case that at its height the British Empire demonstrated a form of strong governance in the colonies, which promoted a course of ‘anglobalization’ from the last third of the nineteenth century onwards. This conviction to the benefits of the rule of law that was instrumental to economic growth ignores a range of other aspects of (colonial) reality and culminates in the argument that the British Empire was beneficial not only to Britain but to the Empire and perhaps ‘the whole world economy’.<sup>1</sup> The argument is not that difficult to sustain given that it focuses on the late nineteenth century onwards when the international economy experienced its most integrated phase. The ‘Age of Empire’, the age of the gold standard and of liberal imperialism (1870s-1914), has been amply documented and in any case falls beyond the timeframe of this paper. It is the period immediately before (1815-1860s) that this paper is concerned with, a period of imperial reconstruction, as it is often called, and the argument on the benefits (and the costs) of the British empire for its colonies has to be debated for the period before the age of liberal imperialism, where its foundations lay.

For about fifty years after the end of the Napoleonic wars, between 1809 and 1864, British colonial rule extended to the Ionian Islands. The small archipelago of the ‘United States of the Ionian Islands’ was ruled as a Protectorate and not a colony and catered for commercial and military imperial requirements facilitating the gradual expansion of British economic influence to the Eastern Mediterranean. The fifty years of British rule in the Ionian Islands coincided with the time when liberal imperialism was beginning to unfold; the Ionian Islands, one of the Mediterranean outposts of British rule together with Gibraltar, Malta and later Cyprus and Alexandria were one of the places where colonial practices were ‘imported’ from other dominions, tried with varied success and then replicated in the rest of the ‘imperial meridian’.<sup>2</sup>

---

<sup>1</sup> Niall Ferguson, *Empire*.

<sup>2</sup> C. A. Bayly, *Imperial Meridian: the British Empire and The World, 1780-1830*, London: Longman, 1989.

An assessment of the period of British rule in the Ionian Islands is commonly conducted in two ways: the first one is a record of 'positive' aspects of British rule, such as the liberal spirit that was gradually brought by the authorities, which facilitated the rise of the middle class or Ionian bourgeoisie; especially the infrastructure works such as roads, bridges, port works and administrative buildings, completed. The second way of evaluating these fifty years of rule can be summed up in the denunciation of the acts of cruelty and the occasionally predatory and anti-hellenic attitude of British High Commissioners, especially during the 1820s and the war of independence, the infamous 'Ionian neutrality' and then again later during the repression following the Kefalonia uprisings of 1848-9. The above summary oversimplifies but is not far from the historiographical reality. Above all, existing works have not attempted to try and evaluate the costs and benefits that this period of rule brought to the Ionian Islands economy and society.

This paper attempts to begin exactly that formidable task. For reasons of economy and clarity the 'record' of costs and benefits or rather the review of the material condition and living standard of most Ionians during the period focuses on just a few areas. The first is demographic changes; before we attempt to calculate and construct other variables for the Ionian economy it is absolutely necessary to establish the population trends during the fifty-year period. The second area is the evaluation of the statistics of imports and exports of the Ionian State, in order to ascertain the degree of dependence of the Ionian economy on the British 'protection' and to the extent possible, the degree of structural change during the period by looking at the working population and the percent of participation in the three sectors in which British colonial officials chose to divide the Ionian economy. Another important area is the evaluation of the fiscal capabilities of the Ionian State under the regime of protection. This protection entailed a significant cost per annum that has to be entered into the calculation before we can reach safe conclusions regarding the fiscal condition of the Ionian State. In the context of debates on the development capabilities of a country and a 'national' economy under the burden of defence expenses this exercise becomes necessary. The other area to be examined is the usually acknowledged construction of infrastructure works; these, however, are examined also from the point of view of the specific role attributed to them and the function they served in any state, especially a colonial, even if protected state. Lastly, the paper aims at formulating hypotheses based on a range of sources employed over the last few years of research on the economy and society of the Ionian Islands and

providing not an ‘objective’ but as inclusive as possible account of variables that can be assumed to have improved or worsened material life for most Ionians.

Debates and arguments on the standard of living in Asia and Europe are nowadays conducted comparatively. The ‘traditional’ view that claimed that Europe enjoyed a higher standard of living than Asia for a very long time has been seriously challenged and corrected by a number of recent works.<sup>3</sup> The direction and trend of this debate however is the collection and analysis of data on real wages expressed in grams of silver and calculated according to a basket of goods for both Europe and Asia. Although the historiographical tradition in Europe on the collection of such data goes back to the nineteenth century, historians of Asia, especially those of Japan, China and India are rapidly ‘catching up’. Nevertheless, the method of collecting wages and prices here and there and then re-calculating to provide estimates of standards of living is fraught with problems, the fragility of the data being the most serious one. World or, as they are increasingly called, global economic historians specializing on this area of research are of course aware of these problems; what is harder to incorporate in this kind of work is the historical context. It is rather early apparently to conduct such calculations for the Ionian Islands, although there are scattered prices and monthly wages for the period. Still, any such approach should not ignore a number of other areas for the evaluation of costs and benefits of British rule that would elude any one-dimensional focus on standards of living, however measured, in wages or heights – another popular variable for economic historians of British industrialization.

In the nineteenth century the Ionian authorities conducted several population registers for various administrative purposes. Of these local and occasionally erratic sources, the most reliable and constant is the population registers constructed annually for the Blue Books of Statistics. This collection of knowledge formed the backbone of colonial policy in the Ionian Islands and in the Empire in general. These series, published and evaluated by the Parliament could provide also the basis of colonial economic (primarily) policy ; whether they actually became an imperial compass is another matter, which remains to be seen; namely the degree upon which British Commissioners took into account the wealth of information to be found in the registers. The detailed accounts submitted to the Colonial Office that accompanied the colonial statistics, from the early 1840s onwards indicate a more systematic approach to Ionian administration

---

<sup>3</sup> For these arguments see, K. Pomeranz, *Great Divergence*, P. Parthasarathi, ‘Rethinking Wages’.

and closer co-operation between the Colonial Office and the Commissioner in office.<sup>4</sup> At the same time, the same sources provided an in-depth knowledge of distant lands and people and significantly improved the capacity of British forces around the world to govern and rule. For this reason too information was collected by Ionian ‘functionaries’ in the Islands and the bureaucrats of the British Empire in the Colonial Office. Sometimes painstakingly and others in approximation officers collected information about the population and the economy of the colonies as well as ‘grey areas’ such as the protectorate of the Ionian Islands, which until about 1860s enjoyed a special status in this transitional period of the British Empire. It is for this reason that to some extent the Ionian Islands have escaped strict categorisation, since it was neither a colony nor an independent state *stricto sensu*.

As will become evident while analysing the source, the economic and political identity attached to the islands has two consequences: on the one hand revealed the perception of the rulers about the islands, namely that they regarded them a colony, even if only for measurement purposes. On the other hand, the rulers applied a homogenizing model, borrowed from the colonies, in order to improve the quality of administration. Especially for the period until 1849 and the Seaton reforms (export duties, free press, extension of franchise) this attitude makes perfect sense from an administrative point of view. It is also clear that British officials calculated people, production and trade, that is the population and the economy, for the Ionian Islands, just like they did, for example, for the Caribbean islands, despite the fact that the Ionian economic and social structures (Venetian past and feudalism) differed tremendously from those in the Caribbean, and dominions in Canada or Heligoland. This idiosyncrasy of the source is revealing of its logic and will have to be taken into account before we are deceived by the constant and in-depth character of the numbers.

This source of information has been collected from the National Archives and was subjected to a thorough analysis because of the rather coherent picture of the Ionian Islands population and economy that can provide to Ionian history in the nineteenth century. The wealth of information contained will also be useful for further comparative analysis as the Ionian Islands were incorporated to the Greek Kingdom in 1864 and were gradually integrated to the Greek economy, in its fiscal and agricultural export sectors, through the collection of port duties and the currants exports respectively, both

---

<sup>4</sup> Paximadopoulou-Stavrianou, ????

functions extremely important for the revenue of the Greek Kingdom, since these revenues partially kept it financially afloat.

It will also be useful and methodologically appropriate if the Ionian Islands population and economy are presented and discussed as a whole while at the same time maintain the extremely important island-specific dimension. These small island economies present us with their differences and inevitably these were reflected in the source. Collection of information started in 1828 and continued until 1863. Nevertheless, even if we lack statistical information for the first thirteen years of official British protection, the series is useful enough to depict the Ionian Islands population and economy.

Colonial statistics not only informed parliament but also and most importantly shaped colonial policy. The political economy of the times however did not distinguish between political and economic decision making. Consistency in British policy – especially after 1846 – and the belief that trade routes should be kept open at all costs in order to secure the metropolis and Britain with foodstuff and raw materials led to the further organization of the Royal Navy and the creation of a network of naval and commercial stations, many of them in the – still important after the Napoleonic wars – Mediterranean. The island-stations, Malta, Corfu, Zante among them, functioned until about the middle of the nineteenth century as *entrepôt* for distributing British-manufactured and imported goods to neighbouring markets, as well as ports from where cruisers sailed. In this way losses to British commerce were significantly minimized. The extinction of piracy, for example, in the Eastern Mediterranean and especially in the small Ionian archipelago (and the islands-havens of Kythera and Ithaki) is not to be attributed in the changing loyalties of pirates and their conversion to legal economic activities but in the decisiveness and efficiency of the British Navy.

The above example is but one of many. Suppression of illicit and violent activities undoubtedly led to safer communication, reduced transportation and transaction costs and increased profit margins. At the same time, however, it reduced a very lucrative and relatively safe way of capital accumulation which, after all, is supposed to have led to the ‘spring’ of Greek-owned shipping or, as they used to say, the ‘dawn of Greek capitalism’. Both sides of developments such as the extinction of piracy will have to be entered into the calculation every time costs and benefits of British rule are evaluated. One can argue that a government measure benefited or harmed an economy and calculate the political and social parameters of the measure or decision. Instead of

aphorisms of heavy colonial costs inflicted on the poor Ionians or apologetics on the benefits of empire, not least for an early phase of globalization (in the Nial Ferguson line of thinking)<sup>5</sup>, historians can address the seemingly unsolvable dilemma without begging it by specifying for whom (and if possible for how many) was ‘empire’ beneficial and to whom (and how much) did it bring worse living conditions, broadly defined. In our case, of the Ionian Islands under ‘foreign’ rule, the ‘foreignness’ of this form of rule should not be exaggerated either. Recent works on India in particular have amply demonstrated the role of indigenous elite groups who benefited immensely from British colonial rule and played an instrumental role in maintaining and expanding this colonial rule. The same with the necessary qualifications can be argued for the Ionian Islands, and it will be very hard to find an exception to the rule of indigenous ‘contribution’ to, and benefits from, colonial rule throughout the history of imperialism.

Thus, inevitably, arguments on the costs and benefits of ‘empire’ and British rule in the Ionian Islands are situated within the larger issue of the position and role of the islands in the history of the British Empire. To argue, though, that from the Ionian ‘case’ one can draw conclusions on the British Empire would be like testing growth theory by studying the economy of Luxemburg, rather, say, the U.S. economy. Nevertheless, even the economy of Luxemburg might have something interesting to add in the formulation of the theory. In this sense, British rule in the Ionian Islands during and immediately after the Napoleonic Wars and until 1864 can reveal ignored aspects of the role of naval-commercial stations in the Mediterranean and the expansion eastwards, as well as the early application of an imperial model of administration that was to be employed during the peak of the period of liberal imperialism, the second half of the nineteenth century. One has to bear in mind that the Ionian State was never a colony but a (nominally) independent state under British protection and as a result a hybrid state that represented a rather useful precedent for future British protectorates; this was after all a diplomatic solution that eluded conflict with other aspiring great powers – especially towards the close of the nineteenth century - but also created to the ‘protected’ populations the illusion of autonomy and independent – indigenous rule, at least for a while. When the Ionian Islands sensitive balance was upset with the Seaton reforms (late 1840s), independence and specifically union with Greece became the demand that rendered Ionian Assembly practically unable to legislate from the early 1850s onwards. The political and national issue of unification became central, not only for contemporaries,

---

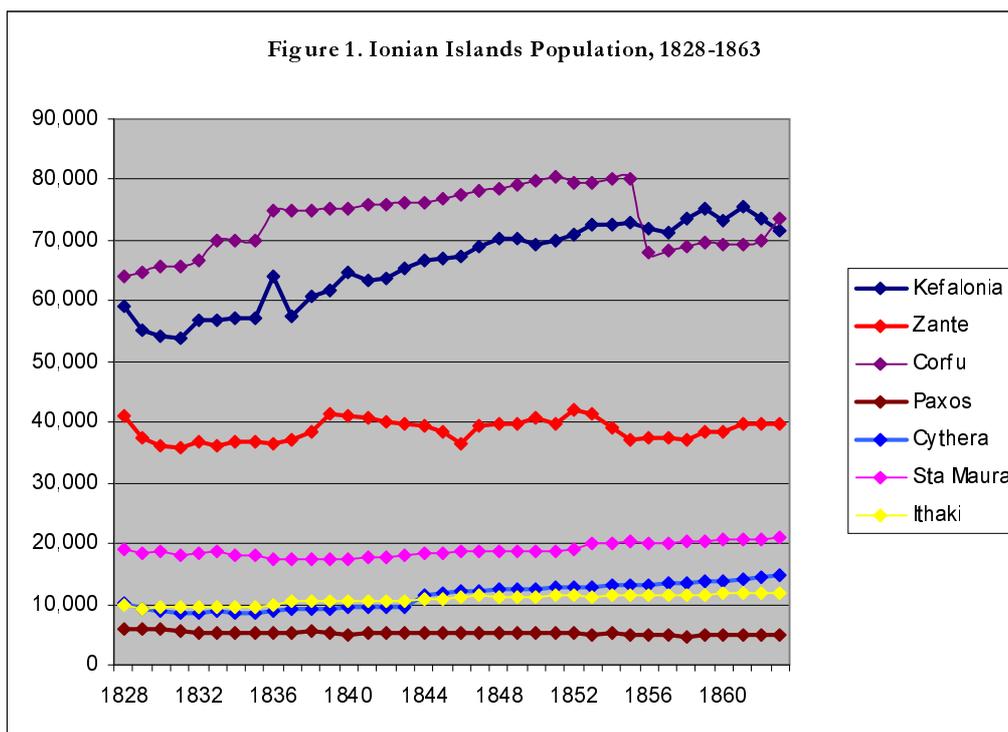
<sup>5</sup> Nial Ferguson, *Empire*.

but also for national historiography which is dominated by an almost teleological political and social history that regarded the Ionian bourgeoisie as the driving historical force; as a result, the question of who benefited and to whom the period of British rule brought more costs than benefits concerned few if any historians. The paper begins by discussing the population trends of each island over the period; the occupational stratification of the islands' population is discussed afterwards and some tentative views on 'structural change' during the period are presented.

### ***Ionian Islands population pressures.***

Population growth and as a result pressures have been noticed by contemporaries and historians (to a lesser extent) alike. Given that these were island societies and economies demographic trends have to be examined with other factors in mind such as the islands' agricultural production, especially in grain, and their ability to feed the rising population in general. In this sense, population figures can be better evaluated.

The overall picture of the Ionian population during the period shows a rising trend (Figure 1). The population of the two larger islands, Corfu and Kefalonia, increased but not without fluctuations, due to disease and seasonal migration to the opposite mainland that is bound to have affected the actual number of Ionian inhabitants. More impressive is the population increase in Kefalonia, one of the two currant-exporting islands. In Zante, the other one, population fluctuated above and below the 40,000 people line, but remained stable overall and these fluctuations reflect the seasonal migration to the opposite mainland and the Greek Kingdom for agricultural work. The other four islands present an equally stable picture. The population in Sta Maura increased marginally while Kythera presents a more robust population growth. Ithaki presents similar trends with Sta Maura and one should take into account the frequent and long-term absence of a large percentage of Ithaki's population who were seamen, sailing as far as the Black Sea and being occupied in the grain trade, similar to many people from Kefalonia. Lastly, Paxos is the only island whose population failed to grow during the period, although the fall is barely visible in the figure. Overall, more than 209,000 people lived in the islands during the first year of records (1828), nearly 243,000 in 1853 and 251,000 in the first Greek census that included the Ionian Islands, in 1865.

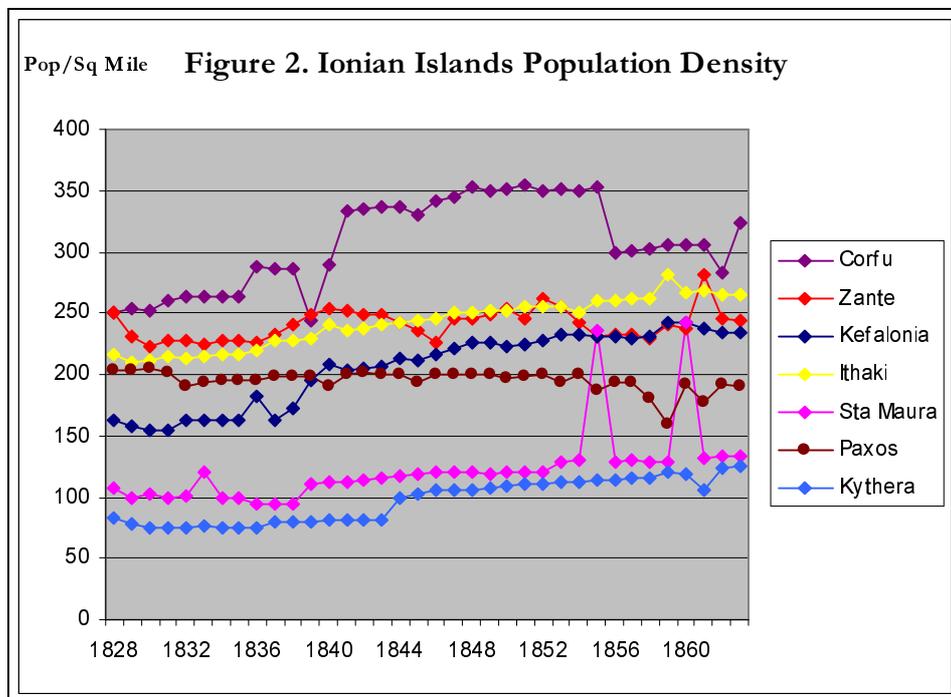


Source: Ionian Islands Blue Books of Statistics, CO 136/1392-1426, TNA.

Both contemporaries and some historians have noticed the population pressures exerted on the islands' economy and society from the 1840s onwards, but the islands' population density, which can better highlight any economic and social pressures has not been measured so far. Population measurements from the Blue Books – to the extent that they are accurate – provide the density of the population per square mile and this is depicted in Figure 2. Comparatively to the Greek Kingdom around 1860 the Ionian Islands are not just overpopulated, they are 'overcrowded'; previous estimates (calculating people per square km however, it should be noted) place the Ionian Islands above 101 people per square km (and above 176 for the agricultural population) but the British sources indicate much higher population density.<sup>6</sup> By far the most impressive in actual terms is the increase in the density of the population in Corfu, checked only by the cholera outbreak in 1855-6 but rising again equally impressively in the early 1860s. Equally significant was the rise in population density in Kefalonia, more gradual but continuous all the same. Zante with some fluctuations ended in 1863 slightly less populated and only Paxos towards the end of the period was more sparsely populated than at the beginning, reflecting the fall in population terms, discussed earlier. These trends correspond with the overall population figures presented earlier but they also hint quantitatively to what some historians have argued and several contemporaries noticed,

<sup>6</sup> Petmezas, *I Elliniki Agrotiki Oikonomia*, p. 150, 155.

namely that population density caused social conflict and frequently forced people to migrate seasonally and even permanently especially after the union of the islands with the sparsely populated areas of western Peloponnese, where conditions were ideal for the cultivation of currants, the precious fruit of the nineteenth century.<sup>7</sup> The fluctuating density shown for the island of Zante should also be attributed to the seasonal movement of the population which made accurate population estimates harder. In any case, the Ionian Islands show extremely high population density and this should be taken into account when changes in the economic and social conditions are considered, without nevertheless attributing the primary responsibility to this or that factor, and certainly not to population density alone. This density and population growth should also be contextualised within immigration to the Ionian Islands from the opposite mainland, an ongoing process long before the period of British rule; this process is bound to have put even more pressure in the towns at least, where many immigrants from Epirus sought to secure jobs in the public sector, such as in the Ionian police forces; most of the immigrants however seem to have been merchants and artisans (cloth handicraft manufacture). These population figures include the refugees from Parga to Corfu (almost exclusively) since 1818.



Source: Ionian Islands Blue Books of Statistics, CO 136/1392-1426, TNA.

<sup>7</sup> A. Fragkiadis, 'Agrotiki oikonomia kai ekswteriko emporio' [Agricultural economy and foreign trade], in K. Kostis, S. Petmezas (eds), *I anaptyksi tis ellinikis oikonomias kata ton 19o aiona (1830-1914)* [The development of the Greek economy during the nineteenth-century], Athens: Alexandria, 2006, 153-174.

The above description in terms of population density is incomplete without a basic understanding of the natural movement of the population, the course that the registered births and deaths followed in the islands during the period. The published data are particularly important and aim to contribute to the wider exploration for the demographic course of nineteenth-century Greece, a task that has barely begun.<sup>8</sup> In a recent review of the current state of Greek demographic history, several conclusions from local studies are used bravely in order to claim universality for ‘Greece’ as a whole, despite the absence of similar research.<sup>9</sup> The Blue Books series of the Colonial Office offer a constant source for the years 1828-1863, where one can measure the natural movement of the population, extremely important if the question on the living standard of the Ionian population during the British period is to be addressed. The fall in mortality and the rise in fertility is the standard second stage of the demographic transition, in which Greece as a whole in the nineteenth century can be situated. But responding to the call in the above review for more local studies, the actual numbers of each demographic indicator are provided. In the following figures the natural movement of the population is shown. Table 1 shows the five-year average for all islands; in comparison with Greece, in the 1860s the five year average in Greece was 0.80 (1865) and 0.69 (1870).

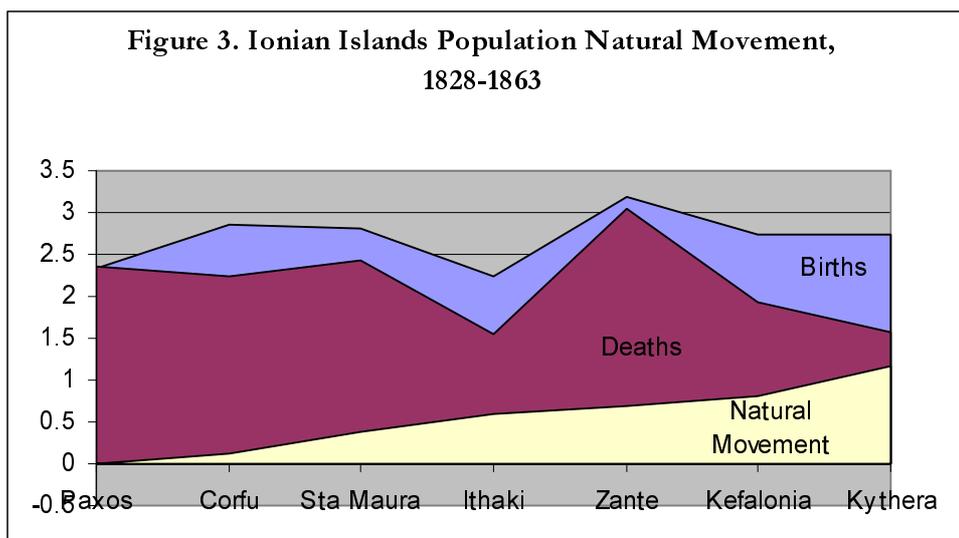
**Table 2. Ionian Islands Natural Movement, 5-year average**

	Ithaki	Sta Maura	Corfu	Kefalonia	Zante	Paxoi	Kythera
1828-32	0.57	-0.1	0.9	0.84	-0.91	0.32	1.35
1833-37	1.02	0.03	0.92	1.05	-0.16	0.5	1.27
1838-42	0.78	0.63	0.31	0.97	0.18	0.04	1.3
1843-47	0.79	0.93	0.54	1.24	0.44	-0.11	1.27
1848-52	0.62	0.47	0.32	0.65	0.35	0.29	1.01
1853-57	0.42	0.06	0.33	0.28	-0.7	-0.49	0.88
1858-62	0.7	0.63	0.93	0.68	1.41	0.12	1.1

Source: Ionian Islands Blue Books of Statistics, CO 136/1392-1426, TNA.

<sup>8</sup> For significant contributions that concern the islands of the Aegean, Mykonos and Syros and its capital Ermoupolis, see, V. Hionidou, ‘The demographic system of a Mediterranean island: Mykonos, Greece, 1859-1959’, *International Journal of Population Geography*, 1 (1995), 125-146; V. Hionidou, ‘Nineteenth-century urban Greek households: the case of Hermoupolis, 1861-1879’, *Continuity and Change*, 14/3 (1999), 403-427.

<sup>9</sup> V. Hionidou, ‘Dimographia’ [Demography], in K. Kostis, S. Petmezas (eds), *I anaptyksi tis ellinikis oikonomias kata ton 19o aiona (1830-1914)* [The development of the Greek economy during the nineteenth-century], Athens: Alexandria, 2006, 81-102.



Source: Ionian Islands Blue Books of Statistics, CO 136/1392-1426, TNA.

Figure 3 presents the average births, deaths and natural movement of the population in each island for the whole period. The evaluation is positive for all islands except Paxos. Best of all fared the small population of Kythera, odd in this respect as in others as we shall see. Kefalonia and Zante also improved their population surplus, while Corfu population barely moved from its births/deaths equilibrium. What the above exercise does not show is the impact of migration, not seasonal but permanent, which is also the one that has a lasting effect. Migratory movements are extremely hard to find and a way around the problem, for the towns of the islands at least can be provided by measuring the naturalizations of Ionians published in the Ionian Islands Government Gazette. Overall though, the population figures of the Ionian Islands are positive and the increase (albeit stabilised) of births with the corresponding fall in deaths shows that the islands were advancing into the second stage of the demographic transition. The marginal positive movement of the population presents significant differences not only depending on island but also depending on the year taken. Islands with high mortality (Sta Maura, Zante) also show high fertility. What we don't have is the rate of infant mortality, which would 'secure' our assumptions on population growth; the high fertility rate in all islands (with the exception of Paxos), which reached more than 3% in Zante has to be associated with high mortality rates, prevalent, not only during times of disease, such as the 1850s, but for earlier times too, as in the case of Leukada and Zante.

As Ionian population grew the supply of labour increased and aggravated the 'problem' with the subdivision of land for cultivation, an issue noticed by contemporaries and historians alike. The Ionian State failed to implement land reform in order to avoid

conflict with much-needed land owners for maintaining support for British protection (increasingly fragile from the late 1840s onwards). As a result the failure to solve or improve the 'agricultural problem' combined with population pressures, especially in the island of Kefalonia. Equally important was the demand for agricultural goods, especially grain, in which the islands maintained a deficit throughout the period. The currants-olive oil / grain ratio of the Ionian State and its ability to feed its population is discussed later. Suffice to say here however, paraphrasing Malthus to some extent, population growth outstripped the rate (and the financial ability) at which food could be imported (let alone produced). If we were to sum up however, reflecting on the relationship between demographic and economic change, the Ionian Islands managed to maintain a rising population growth only towards the end of the period but it was in the islands of Corfu and Kefalonia where occasionally population growth exerted significant pressure on the islands' social fabric. This is where other sources become indispensable; the increasing criminalization of poverty and the observed rise of vagrant beggars worried the authorities and moralizing Ionians and the Ionian State implemented a number of measures for containing vagrancy in the towns (and to a lesser extent in the villages).

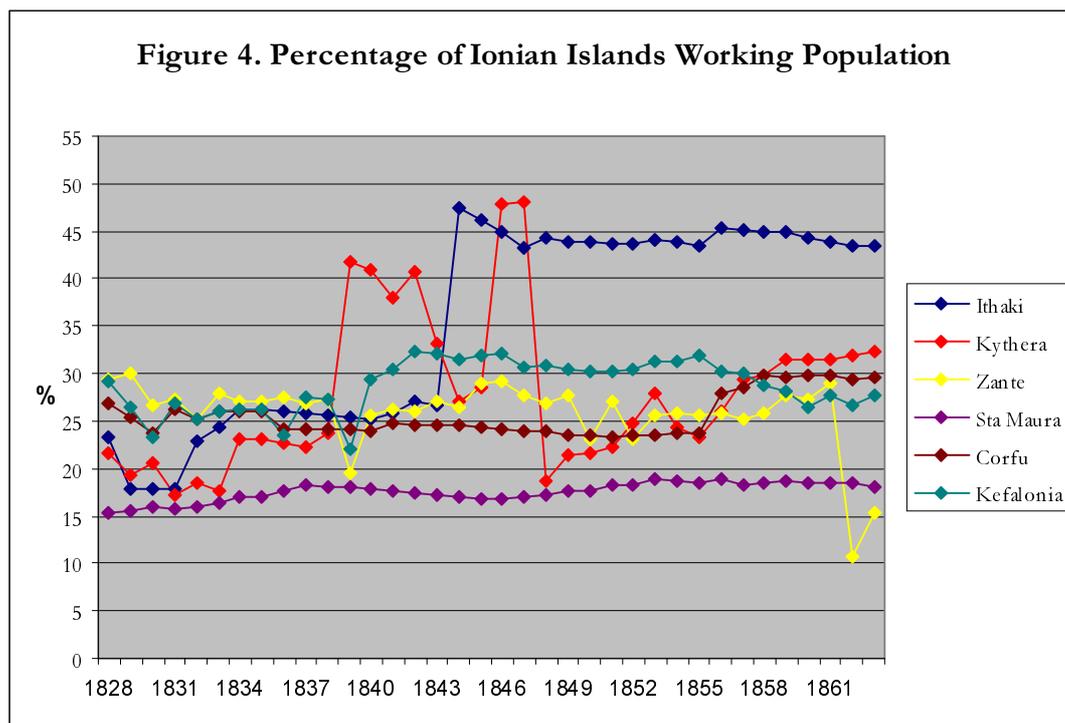
In any case, because of increased fertility we can assume that the Ionian population was not only increasing but was also becoming younger and the problems that accompany any population growth in the absence of increased production and agricultural surplus were aggravated by the changing age structure.

### ***Working men and 'dependant' population***

The population registers distinguish between male, female and alien population. In order to estimate the working population of the islands we assume that for the creators of the source female and child labour were not considered employed in any of the sectors and thus can not be taken into account although at the time it is probably more accurate to assume that not only women but children too contributed to the family income. The percentage of the population employed in all three sectors of the economy in which the British enumerators chose to divide Ionian economy are presented in Figure 4. Of all seven islands Ithaki's population was employed at a greater percent and was thus 'able' to maintain its non-employed population better and at a lower 'aggregate' cost. Sta Maura shows a remarkably low percentage of its population in employment, rising only marginally towards the end of the period. Kythera (as well as Zante) show a dramatic drop in their working population at different points in time and such a sharp rise could

be attributed to error in the data entry, since no other information to the contrary has been found.

The differences in each island are discussed further. In order to estimate the population employed overall (or at least recorded as such), ‘aliens’ were added to the male population, on the assumption that most – if not all – ‘aliens’ would be men. The addition of ‘aliens’ – a few thousand in the case of Corfu but not elsewhere – does not alter significantly the calculation and the ratio of the working to the total population. Thus, the working population of Corfu – the only island where the different calculation matters – is approximately 30% in 1858 and remains unchanged for the next five years. These findings would leave a large percentage of the population considered as ‘dependent’, as much as 70% or even 80% in some cases, such as that of Sta Maura.



Source: Ionian Islands Blue Books of Statistics, CO 136/1392-1426, TNA.

The Blue Books can also help us to discern the degree of structural change in the Islands during the period, to what extent if at all people ‘moved’ from one sector of the economy to another. However crude, this indicator provides one of the first outlooks of an economy and its ‘performance’ over time. Although the authorities calculated people

employed in each sector (“agriculture”, “manufacture”, “commerce”), only in approximation, the data still represent a useful and interesting statistical depiction of the spread of population in each sector of the economy, albeit crudely defined and lacking considerations of local economic conditions. As mentioned earlier, the British Colonial authorities classified the Ionian population in a manner compatible with populations elsewhere in the Empire for reasons of uniformity. Whether we can talk of ‘structural change’ over the period is another matter but these data certainly force us to consider it; furthermore a few interesting and omitted pieces of evidence come to light.

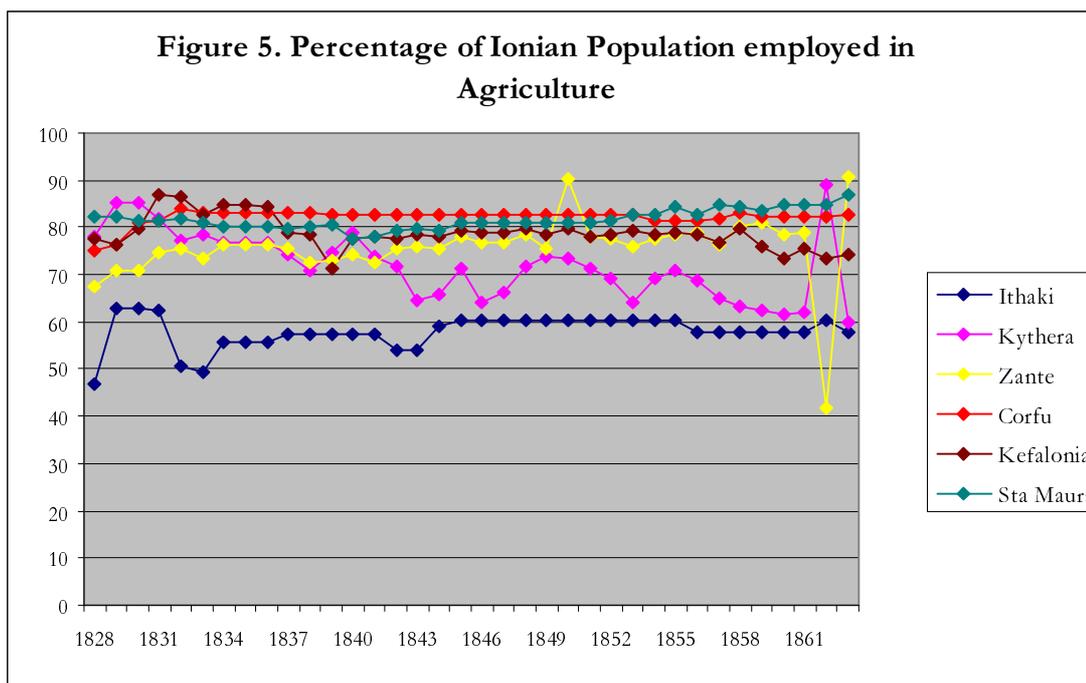
### ***‘Agriculture’, ‘Manufacture’, ‘Commerce’***

Table 3 presents the percentage of Ionians recorded as employed in agriculture every ten years, until 1863, last year of records collected for the British authorities. There is no overall pattern for agricultural labour in the Ionian Islands and the ‘move’ of population from one sector to the other appears varied. In Ithaki, the island with the lowest number of people employed in agriculture, these numbers increased some 10% at the end of the period. In Kythera less people were employed at the end of the period (significant fall) than at the beginning. The most impressive transformation over time took place in Zante. Less than 70% of people were agricultural labourers in 1828, more than 90% at the end of the period, a development that is undoubtedly linked to the profitability of currant growing and a ‘smooth de-industrialization’ of some sort as will be discussed shortly. Small increases appear in Corfu, while in Kefalonia and St Maura the changes were insignificant. By far the highest increase can be seen in Zante and Corfu, showing the profitability (or the anticipated profits) of the currant and olive crops respectively.

**Table 3. Percentage of people employed in Agriculture**

	<b>Ithaki</b>	<b>Kythera</b>	<b>Zante</b>	<b>Corfu</b>	<b>Kefalonia</b>	<b>St Maura</b>
1828	47	78.2	67.6	75.2	77.6	82.1
1838	57.3	70.9	72.56	83.1	78.5	80.2
1848	60.3	71.9	78.64	82.9	79.8	80.9
1858	57.69	63.4	80.2	83	79.8	84.3
1863	57.69	60	90.76	82.5	74.1	86.9

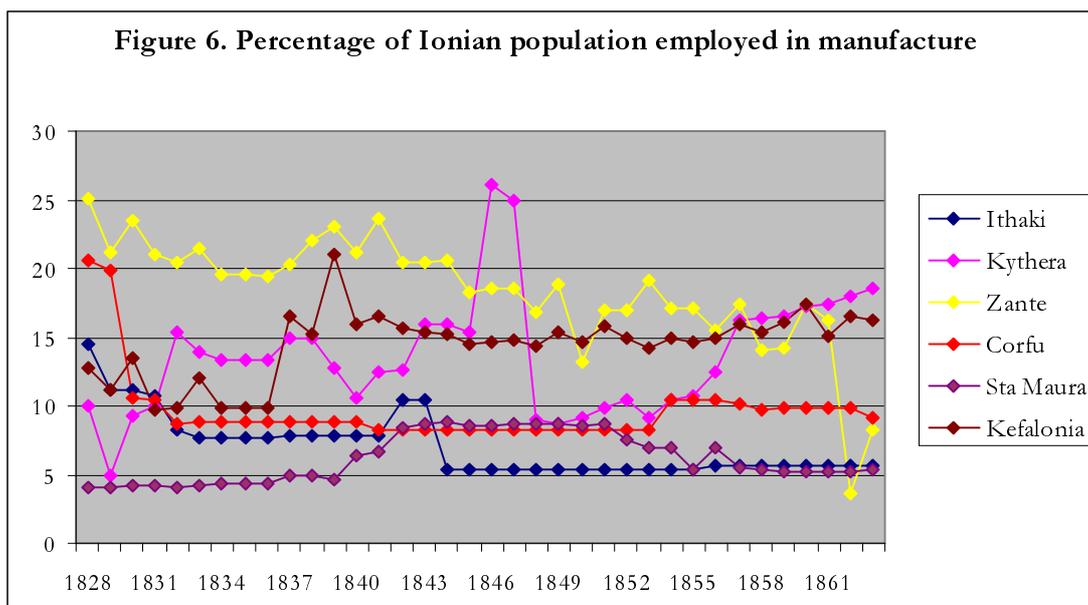
Source: Ionian Islands Blue Books of Statistics, CO 136/1392-1426, TNA.



The number of people recorded as employed in the category ‘manufacture’ is presented in the same way in Table 4 and Figure 6. Only Kythera and Kefalonia have a double-digit number of people that could be classified as artisans and workers by the end of the period. As for who else was included in the category it is not clear. Zante has a third less people employed in manufacture than at the first year when information was collected and we can safely assume that by the time the British reached (or occupied more accurately) Zante, in 1810, this percentage was probably higher than 25%. Small increase of artisans can be discerned in Kefalonia while Corfu has an equally significant fall in the number of people who worked in handicraft ‘industries’, about which we can only speculate.

**Table 4. Percentage of people employed in Manufacture**

	Ithaki	Kythera	Zante	Corfu	Kefalonia	St Maura
1828	14.5	10	25.1	20.6	12.7	4.1
1838	7.8	15	22.1	8.9	15.2	4.9
1848	5.4	9	16.8	8.3	14.3	8.7
1858	5.7	16.4	14.1	9.7	15.3	5.3
1863	5.7	18.5	8.2	9.1	16.3	5.3



Source: Ionian Islands Blue Books of Statistics, CO 136/1392-1426, TNA.

The island that appears to have been more ‘de-industrialized’ is Zante. Corfu to some extent suffered equally. The percentage of people employed in agriculture, increased respectively in Zante, not surprisingly since the people employed in manufacture would have found much more profitable employment as currant producers than cotton spinners or rope makers, provided of course that they could secure land and plant vineyards for cultivation. A source from the beginning of the period shows graphically the extent of deindustrialization in Zante. A census of the island conducted in 1811, counting occupations of more than 4000 people, showed a significant percent of the population employed (full-time?) in cotton cloth spinning. 1260 people (most of them women perhaps) were recorded as employed in the cloth manufacture sector overall (spinning, weaving and ‘tailors’, thus, production and distribution), while 750 or 24% of those recorded were cotton spinners, an impressively high number by many standards.<sup>10</sup> Other islands show a rather stable and slow decline of the percentage of their population employed in ‘manufacture’; it would be extremely helpful of course to have a more clear definition of what was included in this term. For Zante, as demonstrated, we can specify much better what was included in manufacture; principally cotton spinning. For other islands, such as Corfu it is possible that soap making employed less people at the end of the period than at the beginning.

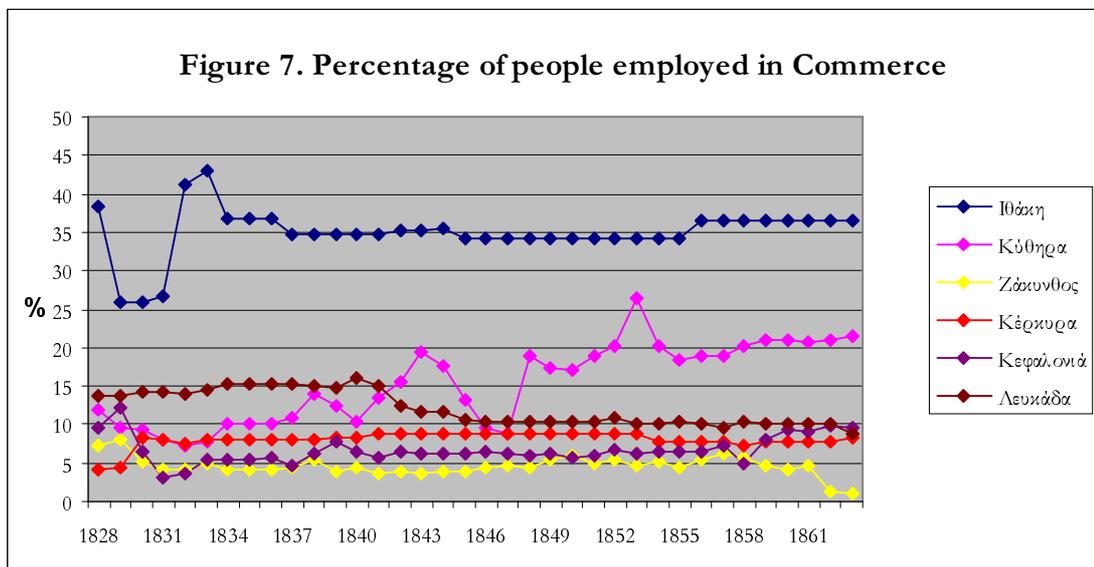
<sup>10</sup> P. Mercati, *Saggio Storico Statistico della Città et Isola di Zante*, Zante 1811, published in J. Davy, *Notes and Observations*, Vol. 2, London 1842, Chapter Two.

The sector that shows significant variation is ‘commerce’. The Table and Figure showing the percentage of people employed in Commerce complete the mapping of the islands’ population and their sector of employment, according to the Blue Books. The most commercially ‘advanced’ island is Ithaki, whose population was engaged in maritime commerce, as sailors and merchant-captains in significant numbers throughout the period, as depicted in the extremely high percentage (above 30%). The population of Kythera employed in commerce increased too, while predictably so did those in Corfu. The numbers are more surprising in Zante, and unless they represent a significant error in the original sources the extremely low percent in 1863 would mean that the currant trade and all commercial activity was highly concentrated in very few hands.

**Table 5. Percentage of people employed in Commerce**

	Ithaki	Kythera	Zante	Corfu	Kefalonia	Sta Maura
1828	38.4	11.9	7.3	4.1	9.5	13.7
1838	34.8	14.1	5.4	8	6.2	14.9
1848	34.2	19	4.5	8.8	5.9	10.3
1858	36.5	20.1	5.6	7.3	5	10.3
1863	36.5	21.6	1	8.2	9.5	8.9

Source: Ionian Islands Blue Books of Statistics, CO 136/1392-1426, TNA.



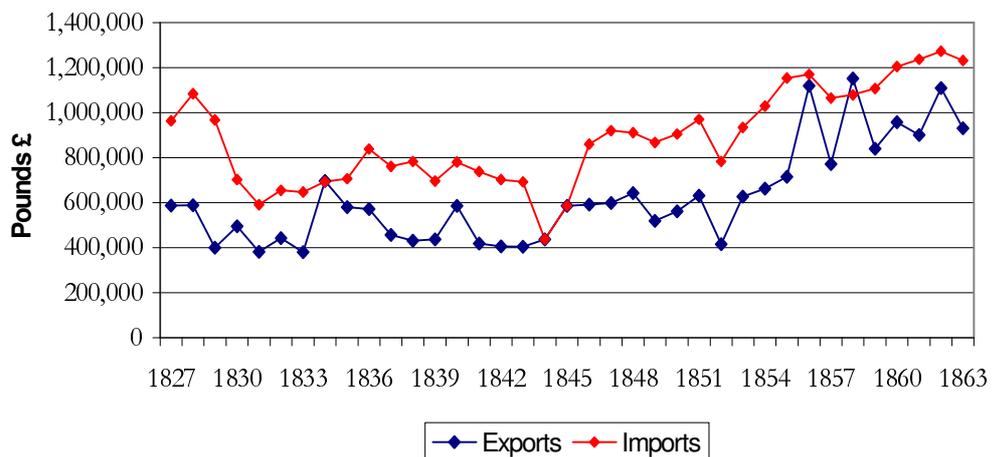
What could we keep in mind from this first, statistically descriptive, look on the Ionian Islands as depicted by collectors of information for imperial use and how could we evaluate the period of British rule? First, the steady increase of the population and concomitantly its density; are the two factors that would continue to

weigh down on the islands' economy from the 1840s and 1850s onwards. By the time of the great cholera outbreak in Corfu, in 1855, population density had reached 350 people per square mile and continued to rise. The outbreak which killed nearly 500 was the 'positive' Malthusian check that was perhaps 'necessary' for the population of the island. Secondly, the swift 'deindustrialization' of the only 'viable' sector in the economy of Zante, rural household manufacture in cotton spinning and rope-making. Third, the robust maritime commercial economy of Ithaca, but also of Kefalonia, well-known for the achievements of their people in the Black Sea grain trade, the 'Ionian phase' of Greek-owned shipping.<sup>11</sup>

### ***The Ionian Islands balance of trade***

By now some generic but essential differences between the islands will have become apparent. These differences involved not only the sector in which most people were employed, but also the type of crop in which islands specialised. Any assessment of the islands' economy during the period will have to look at the amount and value of goods imported and exported. The northern islands Corfu and Paxo produced olives and olive oil, while the southern islands Kefalonia and Zante especially produced the *uva passa* or currants. This regional specialization is useful to

**Figure 8. Ionian State Total Value of Imports-Exports**



bear in mind as we turn to the other significant indicator of the trajectory of the Ionian economy in the nineteenth century, the exports and imports of the Ionian State, as these were recorded in the Blue Books of Statistics.

<sup>11</sup> G. Harlafti. 'To emporonafiliako diktyo ton Ellinon tis diasporas kai I anaptyksi tis ellinikis naftilias ton 19o aiona: 1830-1860' [The maritime trading network of diaspora Greeks and the development of Greek shipping in the nineteenth century], *Mnemon*, 15, 1993, 69-127.

The Ionian trade balance and by implication the Ionian fiscal condition (since there was only indirect taxation and port duties) was constantly in deficit as can be seen by the imports – exports balance in Figure 8. However, the permanent Ionian public finances deficit was burdened by the amounts spent for public works constructed by the British-Ionian administration. The deficit, together with the absurd taxation (export-import tax between each island), since the Ionian State was a federal state with the Islands constituting, at least in theory, individual states, form the two basic deficiencies or failures of the Ionian State public finances.<sup>12</sup> The general trend, however, is upwards, especially from the 1850s onwards, despite the destruction of the currant crop in the early 1850s and the Crimean war in the middle 1850s. In 1825 the port of Corfu was declared *porto franco* or free port; the new status of the port meant that goods could be stored in the port for re-export, with the duty of one per cent *ad valorem* (Art. 5) for up to six months.<sup>13</sup> From then on the increasing importance of the transit and in particular the export transit trade was noted by Commissioners and can be seen in the Blue Books source. As can be seen from the figures, if the currant trade constituted the majority of exports in the 1830s and again the 1845-47 period, after that it was surpassed by goods re-exported in the ports of the Islands, that is basically Corfu. The percentage of transit exports increased steadily from the early 1840s onwards rocketed in the late 1850s to more than 70 per cent of the total exports and fell again in the early 1860s but was still as high as 63 and 55 per cent of all exports. It will have to be noted that the evidence presented is particularly important for Corfu and to some extent Zante, since the transit data refer primarily to Corfu and Zante ports, where goods were stored before being sent to the opposite mainland, Patras, southern Italy, and other areas, as far as the Black Sea from where grain was carried back to the Islands.

It is evident that the amount of goods re-exported, as expressed in pounds, increased toward the end of the period. What is concealed in the data, as it was recorded for the needs of the colonial administration, is the movement and, as a result, the significance of the port of Corfu. The sources do not specify which goods were to be re-exported. What we do know from other sources though, is that these goods were primarily British-manufactured goods and grain. The role of Corfu port throughout the

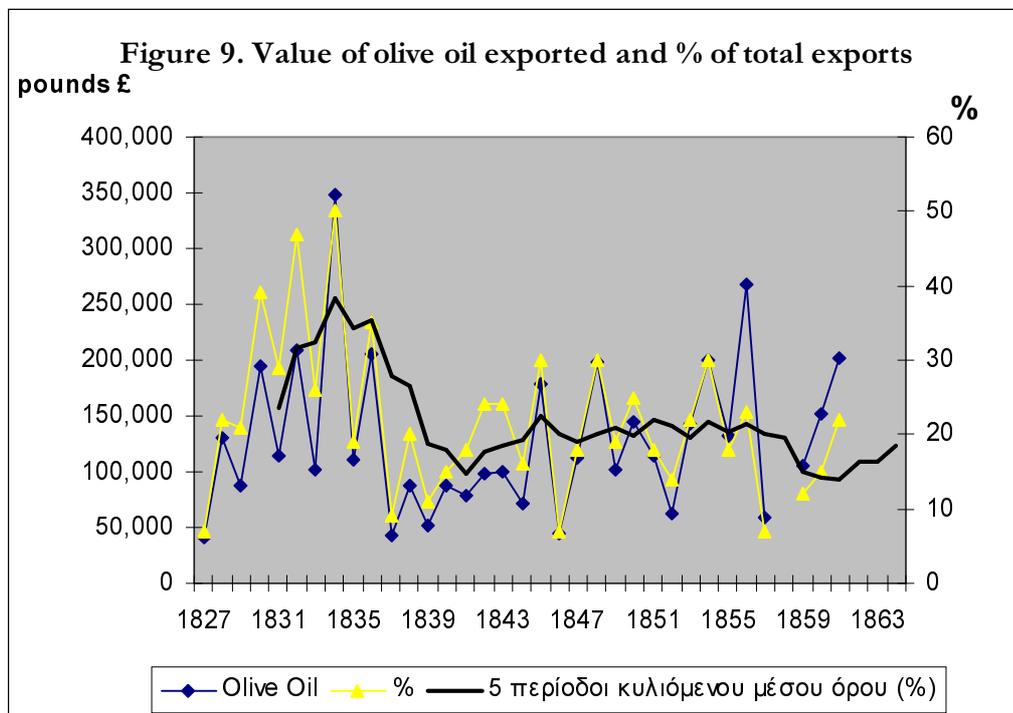
---

<sup>12</sup> Andreadis, 1907, 13-15.

<sup>13</sup> IIGG, No. 400, 15/27 August 1825. One has to assume that Corfu port had already in place the facilities necessary, to allow the authorities to introduce such beneficial measures for Corfu's commerce.

period can be discerned through the above data. The increasing trend of the goods exported in other markets signifies the increasing role the port adopted as an entrepôt for neighbouring markets. It should be noted here, that Vlassopoulos has managed to collect some data on the port of Corfu, through the arrivals and departures of vessels, for the periods 1819-1830, and 1845-1849.<sup>14</sup> Vlassopoulos' work has also offered the articles exported by each port town for the same period and these are provided as a total for the whole of the period. Some of the data extracted from his work will demonstrate the main goods exported by the ports of the Islands.

As mentioned earlier the islands were specializing in the production and export of commodities, olive oil in Corfu and currants in Zante and Kefalonia, and importing grain for subsistence and re-export. Volume and value of trade are both presented since prices could fluctuate significantly and thus affect directly the income and living standard of producers. Merchants, as we shall see, were, predictably, less vulnerable to market volatility than producers. All values are in pounds sterling since different measures (kilos for grain, barrels for oil and wine, pounds for currants) were used for different goods and would only make the estimates more complicated. The export amounts of olive oil are presented first in Figure 9.

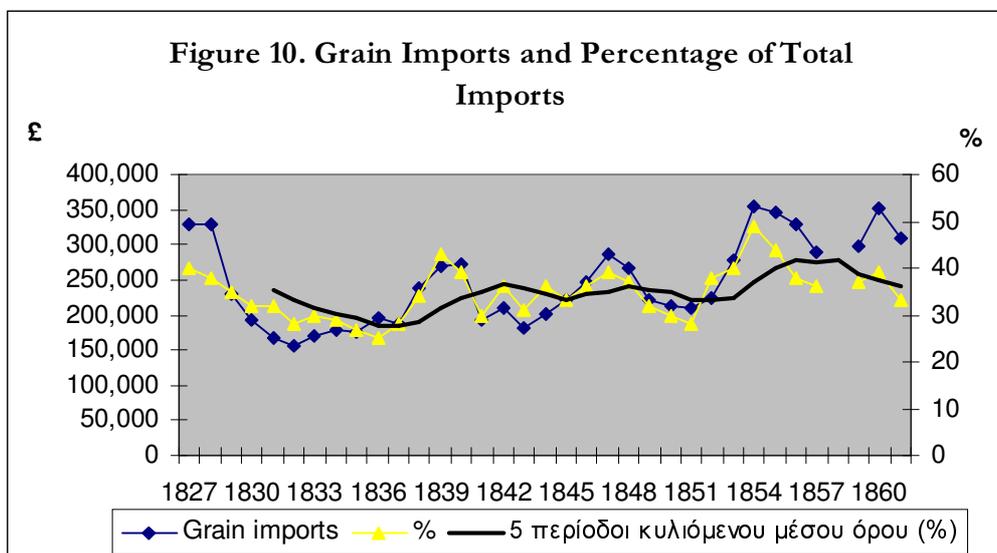


It is clear that olive oil, also because of its inherent volatility due to the biennial nature of the crop and the harvest, becomes gradually less important in the export

<sup>14</sup> Vlassopoulos, 1995, Vol.1, 271-6 and 395-400.

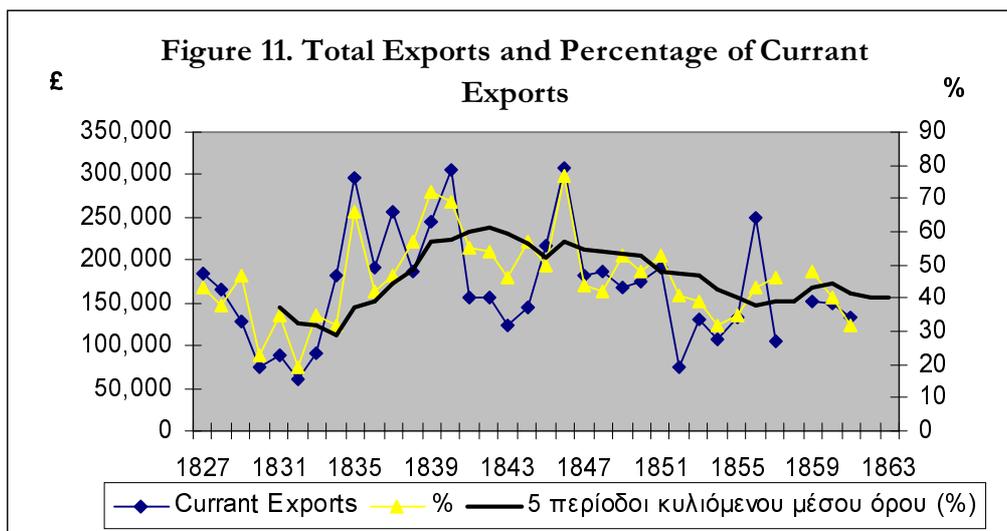
economy of the Ionian State, not least because it is being produced (in significant amounts) in just one island, Corfu. It was only towards the end of period that olive oil again represented a significant share of exports. There were still markets for olive oil after the ‘decline and fall’ of Venice, especially during the industrial revolution, when olive oil was used as lubricant for machines. To this we should add the increased demand for olive in the islands, since it was used extensively for all purposes, from household use to illuminating the towns of the islands at night. The problem in the above measurement is exactly that; we do not know the extent of ‘home demand’, that is the olive oil consumed in Corfu and the other islands.

The following figure shows the high dependence of the Ionian Islands on foreign grain markets, since the almost absolute mono-cultivation’ of olive groves and vineyards in the biggest islands had created a permanent cereal deficit. Grain imports could rise up to 40% at times of dearth, while it is only 25% towards the end of the period, one of its lowest. The ratio of wheat to corn imported was approximately five times more wheat than corn; as in most of Europe at the time, white bread or ‘pane di lusso’ was consumed by the most affluent in the islands, while the large majority of the population (especially in the country) could only afford corn bread.



If the Ionian State spent a significant amount of its revenue for importing grain and providing for the Ionian population, the largest by far share of the exports was in currants, the golden fruit. In this way the terms of trade for the Ionian Islands (for instance, how much grain a kilo of currants could buy) could be calculated. On several occasions the percentage of currants exported was more than 60% and on

one occasion (in 1848) it peaked above 80% of all exports. By the end of the decade the islands seemed to have become a currant-dependent economy; however, the trend in the 1850s and 1860s is slightly confusing since it is clearly descending and the ‘golden’ period of Ionian currants was probably over, especially after union with Greece, when several growers from Zante migrated to the opposite mainland, where land was plenty and labour scarce, that is exactly the opposite of the situation in which most Ionian farmers found themselves.



The increasing importance of Corfu’s transit trade for the Ionian economy in general becomes evident in the reports sent to the Colonial Office by High Commissioners, from 1843 onwards. By 1845 Corfu port was becoming a regional trading centre.<sup>15</sup> By the 1840s Corfu port had become one of the most significant for the Levant trade, and towards the late 1840s – early 1850s, High Commissioners from Corfu sent even more enthusiastic reports about the prospects of the free port trade between Corfu and the neighbouring Ottoman mainland and expressed the conviction of the steadily increasing demand for British manufactures and colonial

<sup>15</sup> Lord Seaton identified Corfu as ‘...a proof of increased prosperity, that the dealers from the Ottoman ports of Albania, who formerly resorted to Trieste for supplies, have lately commenced to purchase them in Corfu; and that their Markets, besides those of Trieste and Venice, have been established for the sale of Oil. The articles that are principally taken to Albania, are, cotton of any description, hides, iron, and sugar. The period at which this change took place, and that, at which it begun to influence the Trade of this Port with England, are uncertain, but it is clear, that the exports from London to Corfu have of late years greatly increased; so much so, that those of the last years have been estimated by persons connected with the Levant Trade, at the same value as those for Constantinople’. Despatches, No. 45, 1846, CO 136/124, T.N.A.

produce.<sup>16</sup> By 1852, there was confidence that ‘the importation of British and colonial produce have continued to increase, affording additional evidence of an increased demand for island consumption. It is equally certain that the demand for such articles in Albania and the neighbouring Ottoman provinces goes on increasing, and that this place has become the entrepôt of that commerce’.<sup>17</sup> By 1857, and despite the hindrances of disease (cholera in Kefalonia in 1850), Crimean War, bad harvests, and disease once more (cholera in Corfu in 1855), prospects still were astonishingly positive.<sup>18</sup>

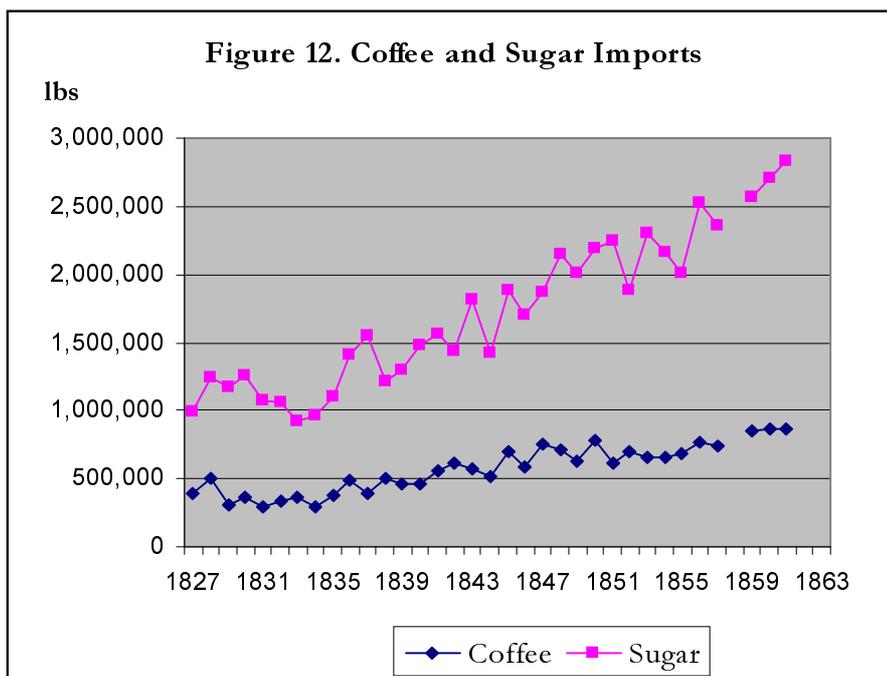
British High Commissioners were right to express their optimism about the demand for colonial and British-manufactured goods, in the islands as well as in neighbouring markets. Figure 12 shows the rapid increase of coffee and especially sugar imports in Ionian ports. Were Ionians willing to spend larger per cent of their income on stimulants such as sugar and coffee or these luxuries were still consumed (but increasingly) by the higher end of the social scale and the British garrison with their special preference in tea? Whatever the answer the demand for these goods increased significantly and so did the demand for British-manufactured goods.

---

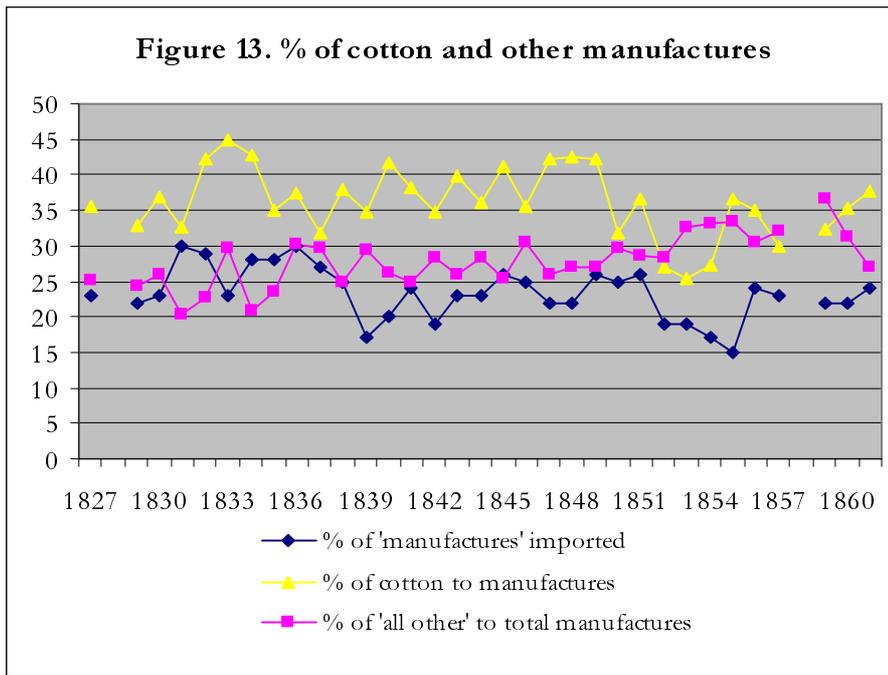
<sup>16</sup> ‘The receipts upon importation of British manufactured goods and colonial produce have increased in a greater ratio than those from the exportation of the staple produce of the islands, and the unavoidable inference is an increased demand for island consumption’, Parliamentary Papers, Accounts and Papers, 1851 XXXIV (1421), Reports Exhibiting the Past and Present of Her Majesty’s Colonial Possessions.

<sup>17</sup> Parliamentary Papers, Accounts and Papers, 1852 XXXI (1539), Reports Exhibiting the Past and Present of Her Majesty’s Colonial Possessions.

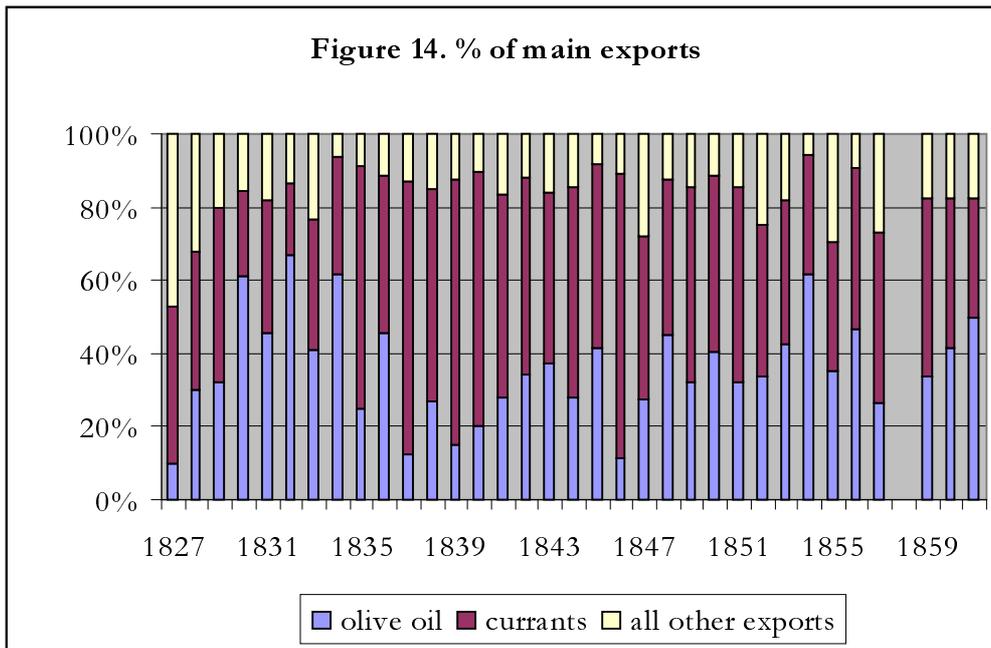
<sup>18</sup> ‘The thriving trade with the Russian ports of the Black Sea was reopened in 1856, at the close of the late war. Corfu, in particular, has now become the chief centre of steam communication in this part of the Mediterranean, and its prosperity is continually increasing. It is already an important depôt for British manufactures, which can be transmitted easily from its bonding warehouses to all the ports of the neighbouring countries. An almost unlimited field for trade is now open, and easily accessible from Corfu, in the neighbouring provinces of European Turkey, the principal harbours of which are connected with this port by weekly steamers and by numerous coasting vessels. There is also regular and frequent steam communications with Trieste, Venice, Ancona and all the other chief ports of the Adriatic; with Costantinople and the Black Sea; with Syra, Smyrna, and the Levant in generally; with Patras and the rest of Greece; with Messina, Palermo, and Italy; with Gibraltar and England by English mercantile screw steamers; and with Alexnadria. A large portion of passenger traffic to Egypt and India now passes by Corfu, which is as essential to the safety and convenience of the route to the East by Trieste as Malta is to the safety and convenience of the routes by Marseilles and Gibraltar’, Parliamentary Papers, Accounts and Papers, 1857-8 XL (2403), Reports Exhibiting the Past and Present of Her Majesty’s Colonial Possessions.



The Blue Book enumerators classified in ‘Manufactures’ imported, cotton, hemp and flax, woollens, silk, glass, earthenware, furniture, hardware, nails, and ‘all other articles’. The following Figure 13 shows three things. First the percentage of ‘manufactures’ imported of the total imports of the Ionian State. It is evident that together with grain these imports were equally important throughout the period and particularly in the 1840s. Secondly, the figure shows the extremely high percentage of cotton goods (cloth and yarn, they are indistinguishable in the source) reaching up to 42% of all manufactures imported in the late 1840s and picking up again towards the end of the period. Lastly, the ‘all other manufactures’ includes articles other than the above-mentioned and have to be taken into account since they represented a significant amount imported annually. Following cotton and at the rate of 14 – 16 % of all imported manufactures came woollen cloth throughout the period, which was important for markets in the opposite mainland of Epirus.



There are no volume figures, only value, for the manufactures imported during the period and it is for this reason that one can only calculate the percentage of British-manufactured goods imported of all imported goods. To sum up, the capabilities of the islands' agricultural production and export can be seen in Figure 14. For most of the period the islands exported olive oil and currants to the amount of more than 80% of all exports (as mentioned, excluding transit goods). The revenues from the exports were used in order to purchase primarily grain but also British-made goods, mostly cotton cloth but also meat, the other scarce commodity in the islands.



### ***Food Consumption***

The issue of consumption and estimates can only be tentative anyway. But overall they represent a better indicator for the consumption habits and capabilities of large populations and, by implication, for living standards. These after all are aggregate consumption figures and exclude the amounts produced in the islands. For this reason foodstuff that had to be imported from the mainland, such as meat and dairy products are discussed first. The amount of meat imported can only be calculated in heads of animals and unfortunately poultry, sheep and cattle have to be lumped together. 2 ½ to 3 times as many sheep, goats and pigs than cattle and poultry were imported. However crude the estimate, it shows that overall consumption of meat per capita imported was less at the end of the period than at the beginning. Other examples provided is the per capita imports of cheese and fish.

Figure 15. Number of animals per capita imported

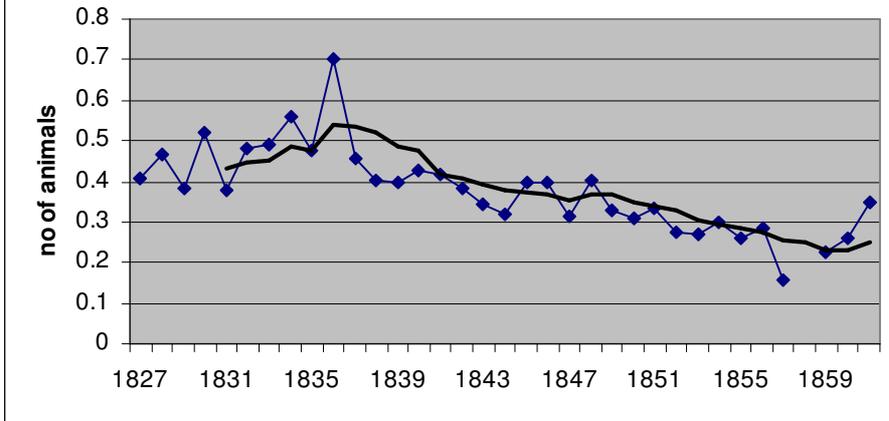


Figure 16. Amount of cheese imported per capita

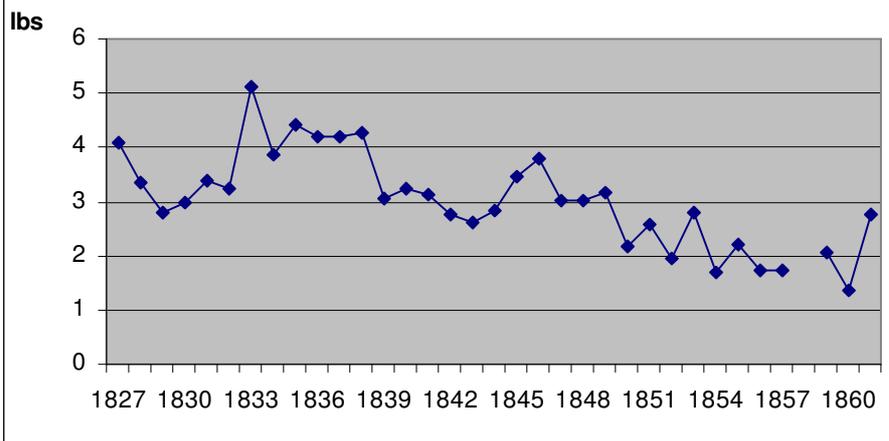
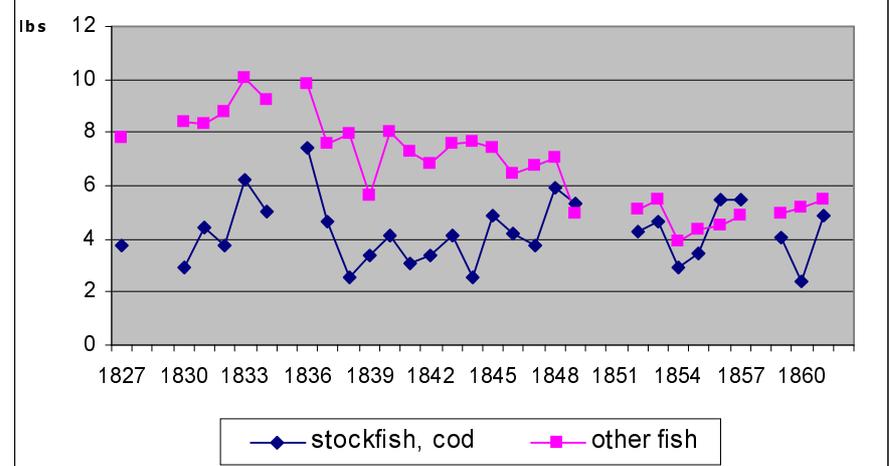
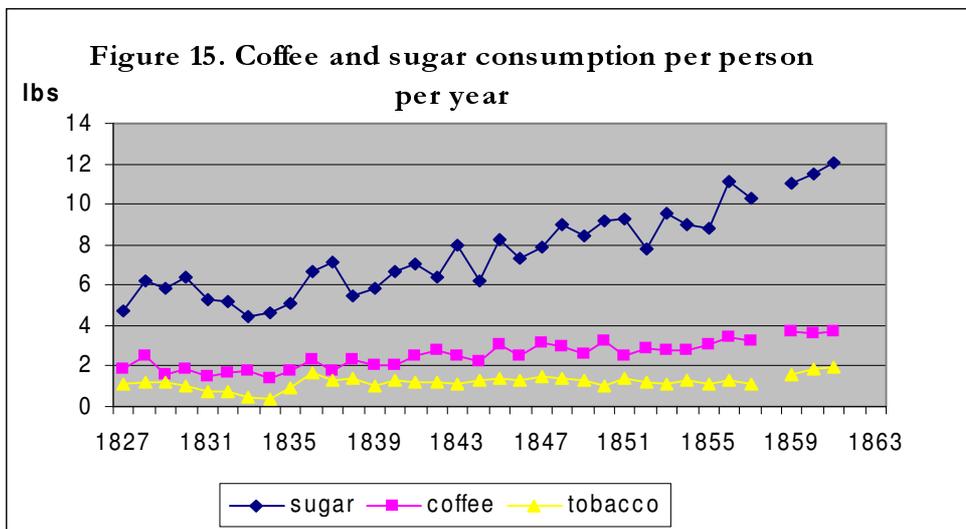


Figure 17. consumption of fish per capita



All three categories of foodstuff with the exception of fish imports perhaps show a decreasing trend. This could mean perhaps that the Ionian Islands ‘needed’ to import less amounts of these foodstuff, not because of stable population numbers but because, presumably, were able to substitute these with other foodstuffs or, in the case of meat, catered for their needs with local produce. The other scenario is less optimistic; as population rose and the Ionian Islands balance of trade remained in deficit, Ionians simply imported less of these goods, which meant that was less available for those who could not afford them.

If we were to make such assumptions however on the standard of living of the Ionian people, one can consider the amount of income spent on luxuries, such as the stimulants coffee, sugar and tobacco. What is particularly acute is the threefold increase of sugar imports and consumption, while coffee and tobacco consumption increased as well but only slightly. It is important to note once more that these amounts concern the consumption of the goods in the islands, as they were calculated separately from the transit goods imported for other markets. In this sense they represent a level of consumption during the period.



### ***The cost and benefit of British rule and the role of the Ionian State***

The impact of British rule on the islands' economy and society can only partially be evaluated by the Blue Books statistics. Other factors, which will be briefly mentioned, have to be taken into account and this paper can only begin to outline their importance. For example, the production of agricultural goods, olive oil and currants throughout the period was extremely volatile due to structural reasons (inefficient cultivation methods and climatic changes being the most serious) that had little to do with whoever ruled the islands at any point. The British administration however, made several attempts to improve cultivation methods.<sup>19</sup> The production of currants, reflecting the luxurious nature and the expensive price of the fruit, neither is nor was considered to be an easy one. In a letter to *The Times* a person called T.H, describes the adversities the currant growers had to go through.<sup>20</sup> Vulnerable to rapid weather changes or blights, the profits for the growers must have been very erratic indeed. Thomas Hancock (presumably the T.H. of the letter to *The Times*) and a very important figure in the economy of the islands at the time, was asked by John Davy to write a statement on the currant produce and trade, which he did providing thus information on the most important element in the economic life of the islands.<sup>21</sup> By the early 1820s, when the Greek war of Independence was ravaging Morea, so Mr Hancock argues, all cultivation was suspended. Thus the currants in the islands were sold for up to 96 Spanish dollars per cwt, fluctuating to 60 dollars or 37 shillings until 1826. From this year onwards, according to Mr Hancock, the growers of Kefalonia in particular extended their plantations. As a result, the prices started declining, and by the time Morea was contributing again to the currant trade, in 1831-32, the prices in the islands were as low as 16 dollars or 10s 6d per cwt. The rapid fall is also

---

<sup>19</sup> Napier, local Governor of Kefalonia (Resident) devoted several chapters of his book to the state of agriculture in the islands when he took over, and his attempts to improve it. When he arrived he found 'agriculture at the lowest pitch; I saw land (uncultivated) in abundance, men idle, and food imported'. To this end he established a colony of three hundred Maltese in 1827, but the plan failed despondently:

'The whole scheme was baffled, by an intrigue at Malta, entered into for the purpose of getting rid of their superannuated paupers and inconvenient characters...after trying in vain for two years to make them cultivate the ground, the local Government of Cefalonia was obliged to stop the issue of rations to these people...and instantly the Maltese spread over the island, begging for food'. Kefalonia was not Australia apparently. Napier, *The Colonies*, pp. 241, 255.

<sup>20</sup> 'The culture of the plant is one demanding a considerable outlay of capital; employing a great number of hands; and above all, subject to many uncertainties. A blight, known by the name of 'brina', occurring in the spring, frequently damages, and sometimes destroys a whole crop. At the time of the gathering, and when the fruit is drying, a single shower is fatal to the hopes and the cares of the proprietor. Insurance against such accidents is unknown, perhaps impracticable. The grower must, therefore, look to a remunerating price somewhat beyond the common rate of profit on agricultural capital'. Letter to the editor, *The Times*, 30/8/1833, p3, column b.

<sup>21</sup> J.Davy, 91-95.

attributed to the import duty that existed in England, which was up to 44s 4d per cwt. Mr Hancock argues that the reduction achieved in 1834 to one half, 22s 2d per cwt, is to be attributed to the 'very strenuous exertions by the Lord High Commissioner and the merchants in London engaged in the trade'.<sup>22</sup> Napier, Resident of Kefalonia,<sup>23</sup> recorded that from 1821 the war of independence 'threw the whole trade into the hands of the islanders, and the price mounted up from 13 dollars, to 100 dollars, per cwt, the produce likewise increased in quantity from 4 millions to 11 millions of pounds weight'.<sup>24</sup> Prosperity did not last and in the early 1830s prices plummeted, while all other agriculture had been neglected.

A good or bad harvest year had wider repercussions not only for the tenant farmers, but also for the merchants exporting the goods abroad. The consul of the Papal States sent reports to the Vatican mentioning that several English merchants went bankrupt because of the fluctuations of the price, resulting in several cargoes remaining in the islands unsold.<sup>25</sup> However, merchants who were conducting business both in the Peloponnese and the Ionian Islands (Zante and Kefalonia) were less affected, because almost by rule, a bad harvest year in the Islands was ameliorated and balanced by a good exporting year in the Peloponnese. The tables and figures of the exports show both the volatility of the trade due to the volatility of production and competition with Greek currants, and the importance of these currants and olive oil for the revenue of Kefalonia, Zante, Ithaca and Corfu respectively, and for the Ionian State in general, since its income derived solely from the export and import duties.

Reforming the tariff system, both in the Islands, where an economically absurd system of taxation had imposed tariffs in the commerce among islands (each island was supposedly a State, hence the official name of the State 'United States of Ionian Islands'), but also the import duty in England, where the majority of the currants produced was exported, was recurrently on the agenda of successive

---

<sup>22</sup> Ibid. Apparently Mr Hancock had been one of these merchants who were pressing for the duty reduction, however there were other factors that it was out of their reach to control. Thus, the production in fruitful season could be in total in both Greece and the Ionian Islands up to 18,000 or even 20,000 tones. This crop was far too much for the consumption at the time in Britain, to be sold at a very profitable price for the growers back to the islands and the Morea.

<sup>23</sup> Resident was the title of the British higher administrator in each island. There was also an Ionian, at a lower level, called Regent.

<sup>24</sup> C. Napier, *The Colonies*, p. 338.

<sup>25</sup> Papageorgiou, 1986, 83-94.

Commissioners.<sup>26</sup> The political status of the Islands as a Protectorate entailed few economic privileges and certainly none of the advantages afforded to any colony. To the Treasury, the Ionian Islands were an independent State with which Britain had commercial relations and to which favourable terms were exceptionally allowed, due to the status of the Islands as a Protectorate. This is precisely why the Ionian Islands economy and society are considered to have been a semi-colonial one.

The exceptional year of 1833, when ‘an Olive Crop of unprecedented abundance in Corfu, rendered more remarkable by a failure in every other Oil producing Country of the Mediterranean, attracted purchasers to an extent never before remembered’, was not repeated.<sup>27</sup> The price of currants, however, was open to a number of pressures, from a bad harvest, which would lead to a year of scarcity, to competition from the Morea currants in Greece.

If the export of currants and olive oil was important for the economic survival of the tenant farmers, grain was equally important for their livelihood. As was demonstrated in the previous section, both Corfu and Zante imported considerable quantities, with Corfu importing more for the extra needs of the British garrison. The importance of grain imports not just for individual port towns (Corfu and Zante for instance) but also for the economy of the Islands as a whole will have to be stressed. In effect, the merchants who were involved in the grain trade conducted the second largest volume of business after the few currant merchants in the southern Islands. These are bound to have benefited from the surge in grain imports as well as by the deposit function of Corfu port and time and again, it was the same merchants who petitioned High Commissioners, requesting greater liberalization of the grain market but also of the insurance sector and the more frequent and from the 1850s onwards more liberalized steamer communications market. It was also the same merchants, directors of insurance companies and traders with interests abroad that petitioned High Commissioners requesting – and receiving – protection of their commercial interests, especially in the Ottoman Empire. The benefit of protection is impossible to calculate in this case, but was important all the same.

---

<sup>26</sup> Most notably, Seaton started promoting duties reduction to the Colonial Office in his 1844 report for the Blue Book of 1843: ‘Some advantages have been derived from the reform which has been effected in the Quarantine System and Sanitary Tariffs, and both having been reduced to the lowest possible scale compatible with efficiency. The political position in which these Islands are placed, which will not admit of their enjoying the advantage of Colonies, but the reduction of the Currant Duties notified this year by the Protecting Power, will probably greatly extend the sale of their Staple Products’. Despatches, No. 59, 1844, CO 136/122, TNA.

<sup>27</sup> Despatches No. 122, 1845, CO 136/123, TNA.

In one sense the answer to the question, how much did British protection cost to Ionians, would have to be: £35,000 per annum. That much was the amount reserved from the Ionian Treasury for the cost of protection, namely the maintenance of fortifications around the town of Corfu, as well as other less well-known expenses. What can hardly be calculated is the ‘protection’ offered by British Navy to the islands and their commercial operations from other aspiring Mediterranean powers, say, the Hapsburg Empire, eager to expand its influence in the Adriatic. In these relatively peaceful times (1815-1850s), the protection offered to the Ionian islands in geopolitical terms was important but was offset, it could be argued by the extremely high duties imposed on all island products, namely currants, the most profitable one. These high tariff privileged colonial products from non-colonial ones, such as those originating from the Ionian Islands. Despite requests and suggestions from High Commissioners since the 1830s and repeated again in the 1840s the Colonial Office and the Treasury refused to lower the extremely high import duty on currants coming from the islands, despite recommendations that such a measure would reduce their price and increase demand for the fruit.

The cost as well as the benefit of this period of British rule for the Ionian Islands will have to be judged however, upon more evidence and considerations than the above measurements and rather crude calculations of population, employment and balance of trade. Life for most of the people in most of the islands and for most of the period barely improved. These were the vast majority of Ionians, who farmed currants and olive groves and suffered from the cycle of indebtedness to which they were perennially condemned by the owners of the land which they worked.

The role of the Ionian State on the islands’ well-being can be considered by looking at the institutions introduced during the period. The changes in the economic organisation may have been beneficial for the small group of merchants and those involved in commerce but there is no reason why they benefited the rest of the Ionian population. The most pressing reform that did not take place was land reform. To argue, however that nothing changed during the fifty-year period would be misleading. Changes in credit relations for example did take place and were the result of more firm organization and regulation of commerce; as such they had the following two-fold impact: firstly, more strict rules in the regulation of credit and debt and severe penalties in the event of bankruptcy and conviction for fraud were imposed. These probably had a deleterious effect on the islands’ commercial

economy and credit market since fewer traders would be keen to borrow and undertake risk in case they were considered imprudent especially in a competitive and unstable economy. Secondly, the frictions among merchants and shopkeepers meant that a polarization and re-structuring of urban hierarchies was underway, manifested in more firm control of commercial mechanisms that were far from neutral and to the benefit of the 'commercial community' through the right to electing representatives for the post of assessor to the Commercial Courts and the consolidation of merchant capital. Nevertheless, by not addressing the issue of rural chronic indebtedness and keeping intact the feudal relics in the land system the Ionian Government allowed the aggravation of living conditions in the country and by implication the growth of urban poverty as well. Big merchants and some landowners benefited from these measures (or rather half-measures) and of a policy which practiced active intervention in the institutional environment of town and country in favour of merchant and land capital to ensure the unchallenged rule of the islands. Attempts to correct these deficiencies through the establishment of the Ionian Bank and the insurance companies may benefited the incomes of those involved – including smaller shareholders of the insurance banks. The role of the Ionian Bank is too important to be evaluated here and there is already significant work published. The real question is for how many and how much these new institutions were beneficial. Non-economic factors mattered, as always too; the failure of the Savings Banks (a very British institution) to attract the savings of the population by creating a saving culture is a case in point. Only in the towns and in Corfu in particular were the banks received fairly positively, not least because in the country there was apparently very little, if anything, to save.

Still, as we saw and in almost all islands, Ionians worked in agriculture in ever increasing numbers. This was not an urbanizing population despite its already densely populated structure. After all, it was not before the decade 1896-1907 when Corfu town faced its biggest wave of urbanization, at the rate of 4.23%, second only to Piraeus at the time.<sup>28</sup> But until then, namely the 1890s that is several decades after the end of the British period, farmers continued in their unchanged way of life. One of the most important elements concealed in the Blue Books account of the Ionian economy is the difference between town and country. It would be very hard to measure the level of fertility and mortality in the towns of the islands and urban

---

<sup>28</sup> Petmezas, *I elliniki agrotiki oikonomia*, p. 148.

incomes and wages. While we have some data for some occupations in the Blue Books they can not be of much help in calculating living standards, since they provide information on average prices throughout the islands during a year.

This paper has presented some findings from the Blue Books, the source employed for formulating colonial policy for the most part of the nineteenth century. Only tentative views and conclusions can be drawn from this exercise, not least because of the problems inherent in the creation of the source, designed to serve imperial requirements. Still, the existence of the source and its generic character is an opportunity to look – even through the British colonial prism – how and to what extent the Ionian Islands economy followed a trajectory similar to the one of mainland Greece, to which it became a part but also to other Mediterranean and island – specifically – economies, but also to highlight the important differences between each island that are impossible to discern – and generalize from - in textual sources, descriptive accounts or other documents. Areas that were not examined but are clearly very important before any arguments can be backed on the costs and benefits of British rule would be the civil and political rights, education, poor relief, the role of government in areas other than taxation, transportation, and standard of living in both town and country, since the rate of changes may have been significantly different. Instead of demonizing or celebrating British rule, the Ionian Islands present historians with an excellent case for seeing whether economic growth and social change can be measured and evaluated in one of the least obvious parts of the British Empire, the central Mediterranean.