MODERN GREECE
A History since 1821

JOHN S. KOLIOPOULOS AND THANOS M. VEREMIS
MODERN GREECE
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JOHN S. KOLIOPOULOS AND THANOS M. VEREMIS
To the memory of Ergenia Hatzidaki
as a token of gratitude by the two authors
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ACKNOWLEDGMENTS

This volume is the product of a joint effort to combine the experience of many years in the business of teaching modern Greek history to Greek and foreign university students. Vocational proximity and a lasting friendship that dates since our graduate studies made this task a pleasure.

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J.S.K
T.M.V
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Map 1  This map demarks the consecutive territorial enlargements of Greece, including the Greek mandate in Izmir (1919–22)
Nation-states are still considered the primary actors of international politics. Their origins vary widely. Some were born out of revolutions, others out of major wars and the collapse of empires, the more fortunate being the products of colonial fatigue. What do we know of the heritage, the birth pangs, and the social history of most nation-states?

Nation-states can be divided into those with fairly recent cultural idiosyncrasies and those that look for their origins in the distant past. Some are homogeneous in cultural terms, as are Greece and Portugal, others are multiethnic entities such as the USA or the former USSR. Even the latter however share a common political credo, be it Lockean Liberalism or Marxism-Leninism. Some were blessed with a peaceful social history, others suffered violent divisions, especially in the twentieth century.

Greece’s state-building began with a war of independence in 1821 and continued along the lines of its Western prototypes – the twentieth-century French administration, the German legal system, and British parliamentary practices. Greek society suffered two violent divisions during the twentieth century that left deep marks on its cohesion. More importantly the social nexus is permeated by extreme familism that defies the formation of an accomplished civil society.

In writing this work we thought it should contain the perspective we have gained from years of research into Greek sources of political and social history, rather than the views of George Finlay and William Miller, both British scholars who wrote important works on their favorite subject. Their conclusions on modern Greece recur in most of the nineteenth- and twentieth-century histories in English.

There are certain recurring themes in modern Greek history that the reader will find dispersed in our text: state-building, nationalism,
irredentism, diaspora, charismatic leadership, westernization, segmentary society, and civil society. We thought it might be useful in order for the reader to better understand what lies ahead if we accentuated their importance from the outset.

From 1821 (the year of the birth of the Greek state) to the twentieth century, the content of Greek nationalism underwent significant change. The Western principles of government and administration that inspired Greek statecraft were ushered in by an enlightened diaspora; the new nation-state, however, secured widespread loyalty only after it became the champion of its unredeemed brethren. The Greek language constituted an adhesive element of the Greek “imagined community”\(^1\) and was transmitted by the Orthodox Church as the par excellence medium of higher learning. The same language that made salvation accessible to the Christians who read the New Testament in Greek became the key to a new reading of antiquity under the guidance of enlightenment apostles such as Adamantios Koraes (1784–1833). Historian Constantinos Paparrigopoulos (1815–91) added the missing link of Byzantium and its imperial claims to Greek nationalism.

The new state adopted Western principles of governance that antagonized domestic political practices. The traditional segmentary society resisted the unifying impetus of the modern unitary state. Drawing authority from its control of 70 percent of all cultivable land, the state succeeded not only in eradicating traditional centers of local power, but also in producing an official creed, which ultimately mustered the loyalty of its subjects and became a cohesive bond between them.

The most influential historian of the nineteenth century was certainly the nationalist exponent of Greek irredentism, Constantine Paparrigopoulos. He spent a lifetime writing his multi-volume *History of the Hellenic Nation*, mainly to counter the views of the Austro-Bavarian professor Jacob Philip Fallmerayer who, in line with theories of race then prevalent in Europe, postulated in 1835 that modern Greeks were really Albanianized Slavs. “So what,” replied Paparrigopoulos pointing out that neither the Greeks or any other European nation, had ever been ethnically pure in history. It took Paparrigopoulos thousands of pages to refute Fallmerayer’s theory by asserting the cultural, rather than racial, continuity of the Greeks.

During the centuries of Ottoman rule the Orthodox Church represented a captive flock as well as performed its spiritual functions. Its political role vis-à-vis the Muslim authorities made it liable for
any unrest against the serenity of the Sultan’s state. Although the Ecumenical Patriarchate condemned the Greek War of Independence and preached forbearance, the Sublime Porte subjected Orthodox prelates to a bloodbath that drove survivors to join the revolution.

The Greek state inherited an educational system which was entirely church based. Since the language of the holy scripts was Greek the merging of religious and secular education was accomplished with little effort. Orthodoxy, with its Ecumenical appeal, and the Greek language as a vehicle of universal values became the initial building blocks of Greek nationalism. Several decades after the foundation of the state, European romanticism and Balkan parochialism introduced the exclusive and hostile version of nationalism. In 1833, the Church of Greece was declared independent from the authority of the Ecumenical Patriarch, it was brought firmly under state control, and eventually became a mouthpiece of the nation-state. Instead of adopting Koraes’ skepticism of the clergy, the state incorporated the church and its martyrs into the pantheon of the heroes of the nation. Thus the church became an accomplice of the state in its mission to spread the cohesive nationalist creed.

But how did a people with no prior experience of state identity define themselves? In the first revolutionary constitution Orthodox Christianity was a principal qualification of the Greek identity, the other being residence in the free realm. The Greek language was mentioned a year later in the second revolutionary constitution. The multilingual people who resided in the realm wrenched by the revolutionaries from the Ottomans became the recipients of a linguistic education that ultimately homogenized them.

The heteroglossoi or heterophonoi (heterolinguals) of the initial Greek national state, principally Albanians and Vlachs, caused no embarrassment to Greek nation-state builders. At the time, no other Balkan nationalists claimed either of the two as their brethren. Besides, after many centuries of cohabitation, both the Albanians and the Vlachs of southern and central Greece had been comfortably Hellenized in most respects and, in some cases, in speech as well. Moreover, both had generously contributed in the making of the Greek nation-state in the southern Greek peninsula, the Vlachs in the Greek Enlightenment and the Albanians in helping win the war against the Turks; and both identified with Greek national aims and future irredentist objectives. Both Albanians and Vlachs were numerous enough not to be frowned upon, let alone discriminated against. Other heterolinguals, the descendants
INTRODUCTION

of the Slavs of Macedonia, a fair number of whom fought in southern Greece with distinction after the collapse of the uprisings in southern Macedonia in 1821 and 1822, and who were given land to settle in the independent Greek nation-state, were again not differentiated from the rest of the Greeks. They were referred to as “Bulgarians” or “Thracian-Macedonians,” and were thought to be Bulgarian-speaking brethren. They, too, identified with the Greek nation-state no less than the Greek-speaking Greeks of the time. In any case, most heterolinguals of Greece of the time, and later times, spoke and, in many cases wrote, enough Greek not to feel excluded from the rest of the Greeks. The Greek-dominated Orthodox hierarchy and the dominant position of Greek education and language in commerce in the Ottoman Empire were respectable and unassailable endowments for the nation-state to draw upon for many decades to come. The role of the language as a major instrument of acculturation into Greek citizenship cannot be exaggerated, although its beneficiaries have often taken this for granted.

The role of the modern state with its uniform educational system has been paramount in shaping national identity and national consciousness. The relationship between the nation and the state (the people and the institution) varied over time: from total identification, to brief estrangement after Greek irredentism foundered on the weakness of an ineffectual state in 1897. By 1922 the Greek nation and the Hellenic state converged to a final symbiosis through the unification of Greek-inhabited territories with the mother state and the incorporation of ethnic refugees seeking sanctuary in the national center.

The political ideals of the merchant class which imported Western ideas in the Balkans were at the center of Western enlightenment and revolution. The paradigm of the unitary state, evolving out of French absolutism, became the prime example of all emerging nation-states of the European nineteenth century. No doubt the landless peasants, the warlords, and the seafaring islanders who waged the Greek War of Independence against the Ottomans had a far less clear view of their ideal polity. The dedication of these strata to the Enlightenment was questionable, but even the most backward of warlords realized that the success of the revolution depended on the legitimacy it would secure from the great powers. Modernization of the backward Ottoman province became a sine qua non in all-revolutionary blueprints. Harbingers of the uprising, such as Rhigas Velestinlis (1757–98), Koraes, and the anonymous author of the Greek Nomarchy, provided the
model for future state-builders that could transform peasant subjects into full-fledged citizens of a unitary constitutional state.

The influence of those born outside the realm of the 1830 Greek State (the heterochthonous Greeks) continued throughout the formative years of modern Greece. Such heterochthons, as Capodistria, Mavrocordatos, and later Trikoupis (educated in the West), developed a strong commitment among the elite to collective interests and communal solidarity. Their dedication to liberal values often bewildered the locals but Western products were highly regarded in nineteenth-century Greece.

European neoclassicism inspired two antagonistic trends in Greek nationalist thought, one based on the classical example of fifth-century Athens and the other on Alexandria as a cultural capital of the Hellenistic world. Each focused on a different era of a glorious heritage that would set the guidelines for the delimitation of Greece's future boundaries. Each upheld a different definition of the Hellenic identity. The autochthonous (those born within the 1830 boundaries) clung to the fifth century and refused to acknowledge the ideal of a Hellenistic world sharing a common cultural heritage. Whereas the autochthons formed a majority in the realm, the heterochthons constituted its most vital element. Intellectuals from the Aegean, Constantinople, and the Ionian islands, prominent politicians and even warriors of the Revolution, especially refugees who fled the scene of abortive uprisings and flocked into the Greek state, counted among the prominent newcomers. The autochthon subjects fought for their exclusive claim to public offices, but the heterochthons ultimately succeeded in lifting the ban and making government posts accessible to all Greeks. Once the state established its authority, the irredentist creed became an article of faith of all governments and the most potent ingredient of political integration. Although the criteria that allowed membership to the Greek nation had at different times become an object of great debate, most Greek-speaking Orthodox Christians were offered access to an “imagined community” that extended its boundaries beyond those of the state. The state acquired its justification by becoming the sole champion of the nation. Its underdevelopment and poverty did not warrant the confidence of its citizens, but the promise of a bright future did.

The Greek State of 1830 inherited a social structure that can be described along the lines of Ernest Gellner’s “segmentary society.” The concept is of a pre-modern system intended to protect the extended family and its friends from the transgressions of the authorities. The
war lords, “armatoles” of central Greece, handpicked by the Ottomans among the formidable brigands in order to police the rough terrain of the hinterland, constituted a pure expression of the “segmentary” community. The armatoles operated on a strict hierarchical basis within their own segment that cut society vertically to include various strata within the same clan. Each group would cling to its hard-earned privileges and would consider the members of other competing groups as enemies. Subverting state institutions and penetrating governments has been a constant pursuit of the segmentary community. Clientelism provided the group with its sorely needed connections in a hostile universe.

Nineteenth-century state-building and its modernist institutions aspired to unify a society of citizens under the rule of law. Kapodistrias, Mavrocordatos, Trikoupis, Venizelos, and Karamanlis, all modernizing statesmen, sought to curtail the divisive influence of the segmentary society. They established the rule of law to the best of their abilities and promoted the concept of civil society to offset the pernicious effect of the traditional segmentary community. Splinter groups, clans, and extreme familism were checked by legal constraints and principles of universal application. The solidarity among citizens acted as a counterbalance to the predatory segments of society. The success of promoting civil society in Greece was nevertheless temporary. Principles of modernization always met with silent resistance from the many incarnations of the segmentary society.

Every system produces the heroes it deserves. Such early heroes of the Greek pantheon as Kolokotronis, Karaiskakis, Botsaris and Miaoulis, were selected according to their military contribution to the war for independence. All four, and a host of others, offered invaluable services to the cause of freedom. Latecomers in this company, such as Ioannis Makriyannis, were the choice of twentieth-century intellectuals in search of a popular Greek identity. Makriyannis was a small-time chieftain who left his limited mark during the Revolution. Unlike the hereditary caste of the major armatoles of central Greece, he was a self-made bearer of arms who became visible thanks to his inspired Memoirs, published close to a century after the events they describe. Makriyannis was a gifted story-teller and such prominent figures of Greek literature as George Seferis and George Theotokas hailed him in the late nineteen-thirties as a guiding light of popular wisdom. His work, although it shows a literary flair, is one among several memoirs full of complaints by
war-heroes who felt betrayed by an ungrateful state. Makriyannis won the everlasting sympathy of his compatriots who always tend to identify with the alleged underdog. Others saw his work as an escape from a mundane reality and a flight into a chieftain’s indomitable individuality. Some of Makriyannis’ more influential contemporary armatoles fought under the illusion that the defeat of their Ottoman overlords would signal a transfer of power from the Sublime Porte to the segmented communities of the periphery. The founding fathers of the unitary Greek state, however, dismantled the networks of local notables designated by the Ottomans for the collection of taxes and adopted the French blueprint of centralized administration. When confronted with the successor Greek state that would not tolerate the privileges of peripheral sources of power, chieftains and notables could only register their disappointment with constant complaints or a vain attempt to reverse the westernizing process altogether.6

The content of Greek nationalism was further transformed during the interwar period. The Asia Minor debacle of 1922 that put an end to the largest Greek community outside the realm signified the end of Greek irredentism and the beginning of a parochial definition of “Greekness.” At the same time the Comintern decided in 1924 that Greek, Bulgarian, and Serbian inhabitants of the geographic region of Macedonia ought to unite into an autonomous whole under Bulgarian tutelage. The decision initially split the Greek Communist Party before it fell in line with the Comintern, but its ultimate compliance made it the target of much abuse by the state. Besides threatening the established social order, the Communists were viewed as conspiring to cede territory from the national body. The “danger from within” was an entirely new threat to a state that had known only external adversaries. The fear of encirclement on both external and internal fronts forged a mentality that looked for overt and covert enemies. Whereas during the years of irredentism state ideology reflected a generosity of spirit toward potential convertees and tolerance for ethnic idiosyncrasies, the interwar state pursued its mission into history. The exclusive relationship with antiquity became one of the two legitimizing elements of ethnicity. The other was ideological purity.

The Greeks of the interwar period were led to believe that all people inhabiting Greece were or ought to have been Greek, not only in sharing the same culture, but also in speech. Greek national ideology was led, under the influence of the threat from Bulgaria and international
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communist sedition, into a narrow path which did not allow differences in loyalty to the preponderant culture. The broad and all-embracing approach to national identity of the nineteenth century, which did not distinguish Albanian, Vlach, Slav, or Turkish speakers from the dominant Greek-speaking component of the nation, had given way to a narrow interpretation of Modern Greek identity. Before settling for the more modern approach, which defines the Greek nation as a cultural community embracing all the linguistic groups that the Greeks have incorporated and absorbed in their history, Greek officials would frown upon what had come to be considered dangerous deviations from the Greek model and manifestations that negated the homogeneous nation. The Greek state did not of course invent assimilation, nor did it remain attached to such national visions longer than others in the West, but it was something of a latecomer.

The Metaxas regime of 1936–40 featured some of the trappings of its contemporary dictatorships but failed to secure the enthusiasm of a public that defied regimentation. The fragmentation of Greek society by familial and patronage loyalties precluded the dissemination of “collectivistic nationalisms.” Metaxas’ doctrine was based on the general will and the nation-state as the highest repository of liberty. The regime was defined as the “Third Civilization,” succeeding the Classical and Byzantine traditions and combining elements of both.

Since most ethnic groups in Greece were conservative in their political affiliations and declared their identification with the nation, they did not suffer under the regime. The traditional benign relationship between the major anti-liberal political forces and ethnic groups in Greece was thus carried over to the Metaxas government. The blatant exception to this rule were those Slavonic speakers of northern Greece who had viewed refugees from Asia Minor settled in Greek Macedonia in 1923 as their natural adversaries. Not only were refugees given the coveted property of the exchanged Turks, but the destitute Asia-Minor Greeks enjoyed preferential treatment by the state. For these reasons and because of the highhanded methods of the Metaxas functionaries in the north, who considered the ethnic Slavs politically suspect, the latter were compelled to shift their loyalties to the Communist Party.

During the Second World War Greek Eastern Macedonia and Thrace were annexed by Bulgarian forces in the name of a united Macedonia and Thrace. The western part of Macedonia was occupied by Italian
and German forces which gave the Slavonic-speaking secessionist element a free hand. The about-face of Nazi collaborators after the departure of the Germans brought them once more within the ranks of the Communist guerrillas – Greek and Yugoslav. The civil war of 1944–9 pitted the loyalist Slavonic speakers who fought on the side of the Greek army against the secessionists, who joined the ranks of the Communist-controlled “Democratic Army.” The latter’s defeat signified the exodus from Greece of people who had placed their hopes first on an autonomous Macedonia under Bulgarian tutelage, and subsequently on a Socialist Republic within Tito’s Yugoslavia. Throughout the postwar years the voting patterns in western Macedonia, where most of the present-day Slavonic speakers reside, have favored right-wing parties.

The Greek Civil War polarized society, politics, and ideology. This did not occur under conditions of dictatorial rule in a state which, in spite of various constitutional irregularities and extraordinary measures, continued to observe the essential rules of parliamentary democracy. The Communist Party, which abstained in the 1946 elections and called upon its followers to defy their outcome, was outlawed following the outbreak of hostilities, but all the other parties continued to operate undeterred by the Civil War and the social challenges confronting postwar Europe. Ideological polarization left little margin for middle-class leaders and the intelligentsia to deal with issues other than those of Greece’s national identity and its place in Western Europe.

State ideology (legitimized by the parliamentary system and transmitted through the channels of education and state-controlled radio stations) presented an image of Greece as a besieged nation warding off Communist adversaries and upholding Western values. Yet no principled argument was propagated concerning liberal values and political tolerance. There emerged therefore a form of nationalist fundamentalism, which unlike nineteenth-century irredentism was defensive, exclusive, and parochial. With the state apparatus, a cluster of agencies developed, filled with functionaries (policemen, military personnel, and other guarantors of public order) who enjoyed relative freedom from public scrutiny. Liberal attempts to dislodge these functionaries from power in 1964–5 provoked the wrath of the Crown and encouraged army officers to intervene. The outcome was the 1967–74 military regime.

The functional relationship between Greece and its Western allies was challenged by the advent of the Socialists in power. The
anti-Western undertones in the Panhellenic Socialist Movement’s (PASOK) pronouncements, after three decades of almost uninterrupted official loyalty to the US and its European allies, partly reflected the sentiments of those who had been excluded from public life due to their left-wing affiliations. It also reflected widespread disappointment with the West’s failure to censure the military junta between 1967 and 1974. Even traditional nationalists opted for PASOK because its criticism of the West stroked the self-esteem of Greeks traumatized by the military dictatorship and the Cyprus disaster that was its natural consequence. Although the movement’s leader, Andreas Papandreou’s verbal defection from Atlantic solidarity created a negative climate against Greece in Western official quarters, a substantial segment of the Greek public was thrilled by this manifestation of independence vis-à-vis the powerful states of the world.

The collapse of Communism in southeastern Europe generated a widespread revival of nationalism in the region. Memories of the wartime annexation of Greek Macedonia and Thrace by Bulgarian occupation forces were rekindled and all parties (except the KKE) united in opposition to the Macedonian denomination adopted by Greece’s newly independent neighbor. Greek foreign policy vis-à-vis the naming of the Former Yugoslav Republic of Macedonia became hostage to popular sentiment and international confusion. By the mid-1990s the outburst of defensive nationalism subsided as the perception of the “brotherless” and besieged nation was replaced by a new-found national self-confidence. The consolidation of democracy, improvement of relations with all the Balkan states, and the convergence of Greece with EMU (Economic and Monetary Union) criteria, marginalized the nationalist deputies in Parliament and established a moderate mainstream in politics.

The church, after a century-and-a-half of compliance with state policy, has through its prelates chosen to contest the prerogatives of the Greek government to draft legislation that removes religious affiliations from public identification cards. The paradox lies in the fact that the church, under the late Archbishop of Athens, Christodoulos, was rebelling, not against state supervision, but against the likelihood of a putative separation with the temporal authorities. Having identified with the national ideology, although at the expense of its ecumenical credibility, the church will continue to grasp its affiliation with the state as a life preserver in times of competing material diversions.
Political and cultural change did not always coincide in time, nor did the various forms of literary and artistic innovation. The Byzantine audiovisual experience although in decline, persisted even after the Enlightenment had made significant inroads in the tracts of philosophers and political thinkers.

The written word has always been the hallmark of modern Greek creativity and a marker of Greek continuity. In the words of Nobel-prize laureate, Odysseas Elytis, “Greek the language they gave me; poor the house on Homer’s shores. My only care my language on Homer’s shores ...” The post-Byzantine mode of painting reached its apex in the sixteenth century and then entered a long period of decline due to the loss of craftsmen. Throughout the Ottoman years two linguistic traditions competed for the hearts and minds of the Greeks: The indomitable folk muse and the music of the spoken language were in tune.
with their heartbeat. The works of intellectuals and teachers remained attached to the Alexandrian “koine” and even more archaic forms of expression. It was the Italian literary influence in Crete that caused a new combination of spontaneity with artistic craftsmanship. The milestone of the Cretan theater, *Erotokritos* by Vincencos Kornaros (around 1645), a work of sophisticated creativity, also captured the hearts of the common folks who still sing its verse in Cretan feasts. With the fall of the island to the Ottomans in 1669 the literary charm of the Cretan theater migrated to the seven Ionian islands under Venetian rule. This cultural transfusion constituted the source of all poetic creativity in nineteenth-century Greece.¹⁰

Contrary to the inspirational gust from Italy, the east was devoid of such influence. The Greek scholars of Constantinople gathered in the neighborhood of Phanar and offered their services to the Sublime Porte. In the Romanian principalities of the Ottoman government the phanariot bureaucrats produced works of intellectual, rather than artistic, merit and preserved the linguistic tradition of antiquity with unfailing zeal.

The most vital ingredient in the cultural brew that became the staple of the Greek nation-state was the linguistic invention of Koraes. This leading figure of the Greek enlightenment, who lived in Paris between 1788 and 1833, believed that his compatriots would never attain true freedom from Ottoman backwardness unless they became versed in the scholarly works of their ancient heritage. His purist Greek — “Katharevousa,” based on the biblical Alexandrian “Koine,” obliterated the many dialects of the periphery and established a standard language for the entire realm. Koraes’ novelty also contributed to the creation of an identity based on the hope of a Hellenic renaissance. The unification of the state and its geographic fragments was the main priority of the founding state-builders. Such literary visionaries however, as the national poet, Dionysios Solomos (1798–1857) and later, Costis Palamas (1859–1943), trumpeted the cause of spontaneity and creativity over ancestor worship. The long acrimonious conflict between champions of demotic and formal Greek was resolved in 1978 when George Rallis as minister of education adopted spoken Greek as the official language of the state. Yet of all literary achievements of modern Greece the only one that can rival the poetic works of antiquity is that of a diaspora figure whose Greek was hardly the spoken language of his contemporaries of the mainland. Constantine Cavafy was a person of many
incarnations. As Mark Dragoumis put it: “The impression Cavafy gave as a person was not always endearing. A bit of a dandy for whom only the passing moment counted, a gossip, a miser, a self-satisfied aesthete proud to proclaim his decadent sophistication, a man obsessed by his homosexuality ... he made few real friends. Cavafy the poet projects a different image: a quiet skeptic who reduces heroes to size, a recorder of remembered bliss, a coiner of witty epigrams, a master of understatement, a penetrating observer of human nature, he used his poetical means with extraordinary economy.”

In his poetry he rediscovers the forgotten realm of the Hellenistic empire and perhaps suggests to his contemporaries the true nature of the Greek identity.

And out of the wondrous panhellenic expedition
the victorious the most brilliant,
the widely renowned, the praised for glory
as no other has ever been praised, the incomparable:
we came to be a novel Hellenic world, a great one.
We: the Alexandrians, the Antiocheans, the Seleucians,
and the numerous other Hellenes of Egypt and Syria,
and those in Media and those in Persia, and so many others.
With their extended dominions,
and the diverse endeavors towards judicious adaptations.
And the Greek Koine language--
all the way to inner Bactria we carried it, to the people of India.
Excerpt from “In the Year 200 BC”

Unlike literature, fine arts and music adopted the ways of the West after the foundation of the state and therefore established a clean break with tradition. Neoclassical Munich, capital of the Bavarians who organized Greek statecraft, became the metropolis of the transition from a post-Byzantine world that was sacred and two-dimensional, into a three-dimensional, secular European modernity.

With Greece’s entry in the European Community in 1981, and in the EMU in 2001, a new period of modernization commenced. Opinion polls have shown the Greeks to be among the most dedicated of EU members to a federated Europe. Some will argue that this is because of the windfalls from the EU, others will point more convincingly to the conflict-ridden twentieth-century history of the Greeks. The influx of close to 1.5 million refugees from Turkey, the enormous casualties of the
Second World War, and especially the Axis occupation (1941–4) and the disastrous Civil War (1946–9), have made the peace dividend of the EU a most desirable state of affairs for Greece.

Almost ten years after the Economic and Monetary Union (EMU) was initiated and eight years after Greek membership, it would be safe to conclude that the single currency has reduced asymmetric shocks in the Eurozone. Furthermore, the reduction of exchange-rate volatility and the enhanced integration of the markets promoted Foreign Direct Investment in the European Union.\(^{13}\)

Greece’s EMU membership has proved on the whole beneficial for the economy, but it cannot act as a panacea for all past and present afflictions. The beginning of 2009 finds Greek finances in a precarious condition. The state controls 55% of the economy and it will have to transfer close to 12 billion EURO (10% of GDP) to its creditors in 2009. The cost of the country’s public administration amounts to 7% of its GDP. Unfortunately no political party, large or small, has the courage to admit that it is only through curtailing the bloated public sector and its enormous expenditure that Greece may escape its downward slide. A deep-set populism has bedeviled politics since the 1980s and holds court in every sector of society. It will take a reformer of Venizelos’ caliber, or the austere influence of the late Karamanlis, to bring the country back on track. The international financial crisis which is now in full swing may ultimately have a sobering effect on the Greeks.