

CHAPTER FIVE


SERBIA,
THE BRITISH VALUE SYSTEM
AND RE-ORIENTALISATION

The Balkans and Britain at the Beginning
of the Twentieth Century

An article from the Tenth Edition of the *Encyclopaedia Britannica* gave a survey of Serbia at the beginning of the twentieth century, written by a former Serbian Minister at the Court of St. James.¹ According to the article Serbia had, in 1900, 2,493,770 inhabitants. Out of them 81,6% belonged to rural population. In 1895 there were 229,002 ‘foreigners or inhabitants belonging to other nationalities’. Most of them were, as Miyatovich called them, Rumanians or Wallachians (160,187). There were only 16 Englishmen at that time in Serbia. According to religion, in 1895, the overwhelming majority belonged to the Orthodox Church (2,281,018). There were also 14,414 Muslims, 10,410 Roman Catholics, 5,102 Jews and 1002 Protestants.

¹ Chedomille Mijatovich, s. v. ‘Servia’, *The New Volumes of the Encyclopaedia Britannica*, The Tenth Edition, vol. 32 (London, 1902), pp. 518–522.

Mijatovich designated Serbia as ‘essentially an agricultural and cattle producing country’ with nearly 90 per cent of the whole population occupied in the agricultural sector. However, there was an ‘almost utter lack’ of large farms with the majority of holdings not exceeding, on average, 20 acres. In 1900, imports were mostly from Austria-Hungary (59%), Great Britain (12,25%) and Germany. Mainly cotton yarn and textile were imported from Britain but this trade did not exceed £ 110,000 per annum. Exports were predominantly directed to Austria-Hungary (c. 85%). There was no direct export from Serbia to Great Britain, but it was ‘generally believed’ that some of the Serbian wheat and maize exported down the Danube, and prunes exported to Germany, found their way to England.²

In commenting on Bulgarian exports, J. D. Bouchier concluded in 1910, that the prosperity of Bulgaria practically depended on the variations of the harvests. Both Bulgarian exports and imports from the United Kingdom were greater than Serbian trade. In 1900 exports to the United Kingdom were valued at £239,665 and in 1904 at £ 989,127. The principal imports from Britain were textiles, metal goods, colonial goods, implements, leather and petroleum, amounting £ 301,150, in 1900, and £ 793,972, in 1904.³

There was a very clear differentiation among the Balkan countries at the beginning of the twentieth century in terms of their economic development. For instance, in the year of 1905,

2 Mijatovich, *op. cit.*, p. 520.

3 Wallace, Sir Donald Mackenzie, *et al.*, *A Short History of Russia and the Balkan States*, p. 98. This book was issued as a separate volume out of the articles in the Eleventh Edition of the *Encyclopaedia Britannica*, published in 1910–1911.

Romania had £ 2.67 per capita exports, Bulgaria had £ 1.68 (in 1904), Greece £ 1.26, Serbia £1.15 and according to the official Montenegrin sources Montenegro had only £ 0.26 in per capita exports.⁴ The overall quantity of both imports and exports in all the Balkan countries together was insignificant compared to the imports and exports of the British Empire. If one takes into consideration the fact that more than half of both exports and imports of the Balkan Christian countries belonged to Romania alone, which being geographically isolated from the Ottoman Empire could not have had very active role in the Balkans, then the relative backwardness of the rest of the liberated Christian Balkans appears even more pronounced.

A recent study by Michael Palairet reveals some characteristic patterns in the development of the economies of the Balkan Christian countries as well as many local characteristics. In terms of urbanisation, the lands under direct Ottoman control were significantly more urbanised than the lands not controlled by Constantinople. For instance, Bosnian urban population accounted to 17.7% in 1864, while the urban population of northern Bulgaria was also between 15 and 18%. On the other hand the urban population of Serbia in 1834 was only 4%, and in Montenegro there was none. The relative prosperity of Serbian peasants until the 1830s started to deteriorate from that time. There was substantial decline in livestock numbers between 1834 and 1867, which 'struck at the very basis of Serbia's well-being'.⁵

4 Pounds in this comparison, as well as in the chart below, have not been adjusted to their present value but are taken from contemporary sources. These data are given for comparative purposes only. For the data on Montenegro see p. 169, footnote, e.

5 Michael Palairet, *The Balkan Economies c. 1800–1914* (London: Cambridge University Press, 1997), p. 359.

The same period was filled with intense deforestation and an export volume maintained by the lowering of subsistence consumption. Later periods were also characterised by similar trends. Per capita income in Serbia was subject to long-term decrease, falling by 15–20 per cent from 1863 to 1910, by Palairet's calculations. Bulgaria had similar trends as soon as it got autonomy in 1878, the feature that Palairet calls 'serbianisation' of economy. Palairet summarises: 'both the Bulgarian and Serbian economies were in severe aggregate per capita decline from the mid-1870s to the Balkan Wars (1912/13) and in Serbia's case, quite probably since 1830s'.⁶ Palairet gives the GDP per capita for Serbia and Bulgaria in 1910, as amounting to 226.03 current francs for Serbia and 307,23 francs for Bulgaria.⁷ These data correspond to export rates in the chart below.

The unproductiveness of Serbian farming was attributed to patriarchal culture and idleness. This may be perceived as a stereotype nowadays. However, even Miyatovich characterised the Serbs similarly. He described Serbia in 1910 as a land 'with prevailing social equality' pointing out that in 1900 'there was neither pauper nor workhouse in the country'. This is how Miyatovich characterised the Serbian people in Serbia:

The people, less thrifty and industrious than the Bulgars, less martial than the Montenegrins, less versatile and intellectual than the Rumans, value comfort more highly than progress. A moderate amount of works enables them to live well-enough, and to pass their evenings at the village wine-shop...⁸

6 *Ibid.*, p. 323.

7 *Ibid.*, p. 323.

8 Wallace *et al.*, p. 166.

It is therefore not surprising that under such circumstances natives in Serbia did not really welcome foreign capital. Palairet described this resistance to foreign capital in both Serbia and Bulgaria as xenophobia. In my opinion it should rather be explained through egalitarianism. Namely, it is quite common to people accustomed to egalitarian principles to oppose anything that may change existing social simplicity. In this sense Serbian and Bulgarian grass-root level opposition to foreign investments was rather an expression of fear of wealthy foreigners, than hatred towards them, which the word xenophobia would necessarily imply. After all, the most popular person in Bulgaria was a foreign Prince, Alexander Battenberg, and in Serbia it was a foreign Princess and later Queen, Natalie Obrenovich.

For Britain, contrary to Serbia and Bulgaria, the nineteenth century was glorious not only in terms of expansionism, but also in economic terms. Lady Flora Lugard was able to proudly mention that the British Empire, in 1910, with its territory of some 12,000,000 sq. m. occupied nearly one quarter of the earth's surface. The Empire's population of some 400,000,000 inhabitants amounted to more than one-fourth of the population of the world.⁹

For the national economy of the United Kingdom, a very good indicator is the value of real wages. If one takes the year of 1850 as a starting point with an index figure of 100, then real wages increased to 105 in 1860, 125 in 1871, 132 in 1880, 166 in 1891, 184 in 1900, and 194 in 1906¹⁰. This means that in the

9 Lugard, Lady Flora, s. v. 'British Empire', *The Encyclopaedia Britannica*, the Eleventh Edition, vol. IV (Cambridge: at the University Press, 1910), pp. 606–615.

10 Chris Cook, *Britain in the Nineteenth Century* (London and New York: Longman, 1999), p. 207.

course of something more than fifty years real wages in the United Kingdom almost doubled. The national income per capita grew as well, from £ 18 in 1800 to £ 76 in 1901 and overall national income (at factor cost) grew from £ 636 m in 1855 to £ 1,776 m in 1905.¹¹

The Balkan countries, however, were not capable of taking advantage of British development. British capital had many obstacles to enter Serbian and Bulgarian markets. Palairet is certainly right when postulating that there was not a lack of interest of foreign capital to arrive to Serbia and Bulgaria but it was rather 'environment which deterred foreign participation'.¹² In Serbia, British capital faced grass root level resistance, in Bulgaria, although economically more developed, even less British capital arrived than to Serbia.

The Serbian Minister in London, Chedomille Miyatovich, delivered an address before the members of the London Chamber of Commerce, in December 1895. On that occasion he said:

It is probably quite a natural, yet not less remarkable phenomenon, that the moment a nation in the Balkan Peninsula obtains full or even only half political independence, that nation becomes at once alive to its commercial and economic interests, and looks towards Western Europe, and more especially towards England, for help and co-operation in the laying down of foundations for its material progress and prosperity...

I wish to state that we all in the Balkan Peninsula – Servians and Bulgarians, Roumanians and Greeks – feel that one of the conditions, as well as one of the guarantees

¹¹ *Ibid.*, p. 191.

¹² Palairet, *The Balkan Economies c. 1800–1914*, 331.

*of our political future, is involved in the economic regeneration of our respective countries, and that no nation in the world will be a more acceptable co-worker with us in that arduous task than the British nation, and this, not only because of its great wealth and its experience, but because of its unselfish and generous sympathy with the political independence of all the Balkan nations.*¹³

These words certainly reflect the generally shared opinion of the members of pro-western enlightened Balkan Christian elites (no matter how small in number), committed to the modernisation of their countries. But they were often not capable of bringing about their intentions. Characteristically, Miyatovich's good wishes were not realised. Therefore he tried to open, in private capacity, a Serbian Trade Agency in 1902, in order to improve economic relations between Serbia and the United Kingdom. Although he got permission from the Serbian Government he failed to establish the Agency.¹⁴ Obviously, there was no special interest in London for it. It is therefore not peculiar that the Serbian Government soon contemplated the closure of the Legation in London. Still, the Serbian Legation was kept and Miyatovich was again appointed to be the Serbian Minister in London in December, 1902. In a letter to the Serbian Foreign Minister, Miyatovich said:

The position that Great Britain has among the Great Powers, the phase in which the historical development of the Balkan politics comes, according to all its signs and

13 *The Times*, December 3, 1895; The address was published as a special issue, entitled 'Some Suggestions for the Development of Trade Between Great Britain and Servia'.

14 AS, Legation in London, 1902, F I, Confidential No. 69, 73.

*hints, would be sufficient per se to justify the decision of the Government of His Highness that the Legation of Serbia in London should be kept. I hope, and moreover I believe, that the day will come when the voice of Great Britain in favour of Serbian national interests, will substantially compensate Serbia for all her material sacrifices that she has so gladly endured, in order to be the represented with this great nation and its glorious and illustrious Court.*¹⁵

This letter reveals that the Serbian Government had not clear vision of its interests in Britain, and therefore Miyatovich had to justify his position. It was probably only thanks to Miyatovich's influence that the Legation in London was kept. Obviously, for the poor economy of Serbia, expenses of the Legation in London were too high, although sometimes the Serbian Legation had only the Minister on staff. Very often a new government in Serbia would decide, during late 1880s or 1890s, to suspend the Legation in London and to put Serbian Minister in Paris in charge of Britain. For Serbian governments it seemed that there were no sufficient economic interests that could justify the existence of the Serbian Legation in London, and obviously some Serbian governments were not sure if there were political interests either.

In Britain, Bulgaria was in a much better position than Serbia in terms of the support she had from influential sections of the British public opinion. However, she was in a less favourable diplomatic position in London than Serbia since she was not diplomatically represented until St. Elijah Uprising, in 1903, and even then she was represented only by a Diplomatic Agency

¹⁵ AS, *loc. cit.*, No. 89.

and not by a legation since she was not fully independent until 1908. Naturally, Bouchier commented on this fact: 'M. Tzokoff, who has been appointed to the new Bulgarian Diplomatic Agency in London, left to-day. The serious error of leaving the Principality so long unrepresented in London is thus tardily repaired'.¹⁶

Britain, on the other hand, had no territories under its sovereignty in the Balkans. The only territories she ever had in the Balkans were the Ionian Islands and the island of Lissa. The island of Lissa in the Adriatic Sea became, after the Treaty of Pressburg 'one of the principal stations of the cruisers of England – a depot of manufacturers...' The French captured the island in October 1810, but in the spring of 1811 the British fleet won the Franco-Venetian fleet and the island remained British until the end of the Napoleonic Wars.¹⁷ At the same time when she lost the Island of Lissa, Britain gained the Ionian Islands from France which she ceded to Greece, in 1864, as a gesture marking the accession of a new Greek King, George I (the former Prince William George of Glücksburg).

The economic interests of the British Empire in an under-developed area, such as the Balkans of that time, were obviously not very great. This, of course, does not mean that some British opinion makers like A. Stead did not try to take advantage of economic rhetoric. The beginning of the nineteenth century was, in Britain, a period of fervent polemics between advocates of free trade, and advocates of economic protectionism. Therefore

¹⁶ *The Times*, September 28, 1903, p. 3 b ('Bulgaria and Great Britain').

¹⁷ See A. A. Paton, *Highlands and Islands of the Adriatic including Dalmatia, Croatia, and the Southern Provinces of the Austrian Empire* (London, 1849), pp. 38–42.

economic rhetoric was a proper tool in influencing the British public opinion.

In the months, and even years, preceding the May Coup, Serbia did not seem to either British journalists or officials as crucial or potentially very destabilising to a solution of the Eastern Question. The British public was more focused on Bulgaria and the Macedonian Question. Moreover, in the course of the nineteenth century, many British travellers wrote positively of Serbia, even when the Foreign Office had a different opinion. Therefore the question arises as to what caused such a tremendous change in the perception of British travellers and journalists regarding Serbia after the May Coup. Since there were no territorial aspirations of Britain in the Balkans, no substantial economic interests in Serbia, and the situation had not changed geo-strategically after the accession of King Peter, there must have been some structure existing simultaneously and, to a certain extent, independently of political interests. This, in my opinion, was a moral structure consisting of values.

Just a few days after the May Coup, the Russian Minister in Belgrade, Charykov, commented on the British attitude, and American diplomatic envoy Jackson noted his remarks. In Charykov's opinion since England was not directly interested in the Balkans and in the preservation of peace in this part of the world, she was in a position to be led by 'pure moral reasons'.¹⁸

18 Bogdan Popović, 'Majski prevrat i SAD', p. 86.