The Compromised Empire: Ethnicity and Faith under State Power

The Ottoman World Teeters on Destruction

Long reliant on Galatta bankers to help shore up periodic shortages of specie, when Ottoman officials decided to take their first major loan from private European banks during the Crimea war, the imperial state’s relationship with the larger world changed forever. By the 1870s, payments on the more than £200 million the empire eventually borrowed put such a strain on the Tanzimat government that it defaulted in October of 1875 (Blaisdell 1929: 79–82). The resulting confrontation with a few private banks in Europe put the Ottoman Empire on the same course as Britain and the United States earlier in the century, both of which ultimately lost their financial sovereignty to the privately owned Bank of England and its subsidiaries (Clay 2000: 38–45, 88–112).

This means that, for all their efforts, by the mid-1870s the effendiyya’s plan to modernize the Ottoman Empire proved as disjointed as France’s efforts to make “Frenchmen” out of their peasants and shepherds (Sahlins 1998; Weber 1976). The empire was in the throes of this financial crisis while also facing the gauntlet of Russian and Austro-Hungarian aggression. Although successfully staving off local revolts in the western Balkans that had been instigated partially by foreign intrigue, the effendiyya’s confrontation with the private banks was bringing their ongoing reforms to a halt. As a consequence, the often contradictory exchanges between reform, development, “civilization,” and the “people” left the Tanzimat generation increasingly disillusioned.

The choice taken by some effendiyya to confront these powerful interests led to a shift in the outside world’s thinking about the long-term viability of the Ottoman Empire. The loans would have to be paid,
one way or another. If the empire could not pay, it would be broken apart into nation-states—Montenegro, Bosnia, Serbia, Romania, and Bulgaria—which would then be put under strict economic stewardship much as “Third World” countries today are with the International Monetary Fund (IMF).\(^2\) For at least Serbia and Montenegro, political independence would be conditioned on their paying back a significant percentage of that Ottoman debt, which they inherited as a price for “freedom” (Shaw and Shaw 1987: 2: 191). In other words, perpetual financial subordination would be the destiny of the empire and its subjects, regardless of the final political outcome. What was not clear at the time was when and by which mechanism would this take place. After all, the “Eastern Question” still pitted all of Europe’s powers against each other and any “move” in the Balkans had strategic repercussions for half a dozen powerful states (Anderson 1966).

It is at the heart of this financial and diplomatic quagmire that the Ottoman power structure temporarily collapsed. As a consequence, a number of small-scale insurrections throughout the 1870s led to large segments of the western Balkans being “cleansed” of its Muslim population.\(^3\) Confronted by this human wave, a series of bureaucratic bottlenecks emerged, exposing internal rivalries that sapped the empire’s human and natural resources. Simply put, the internal order of the effendiyya class had been broken.

Responding to this disaffection, the same factions that undermined the Porte’s ability to rule effectively since the early 1870s became embroiled in a struggle for power within the palace. The result was a succession of internal coups leading to the removal of sultans Abdülaziz I (May 30, 1876) and Murad V (August 31, 1876) and the imposition of the notorious Abdülhamid II (Hanioğlu 2008: 109–118). To add to the empire’s problems, the military, showing signs of fragility as factions picked sides in the power struggle between the new sultan and the old Tanzimat-era elite, crumbled when facing a sudden Russian invasion. As a consequence, the Russian military swept through the eastern Balkans and Caucasus in 1877 to finally bring the Ottoman Empire to its knees (Reid 2000: 21–42).

In the subsequent weeks and months, the Russian Empire successfully imposed on the Ottoman Empire a series of conditions, ultimately resulting in the San Stefano Treaty of March 3, 1878 (Ayastefanos in Ottoman). Through the manipulation of geography, ethnography, and cartography, the Russian Empire’s latent Pan-Slavic ambitions were finally realized with the creation of a Greater Bulgaria, the establishment of Serbia and Montenegro as independent states, and the complete annexation of Wallachia (Jelavich 1991: 143–177).