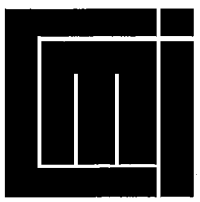
Determinants of Late Development

A Study of Turkey's Late Industrialisation Attempt until 1946

Mete Pamir

R 1993: 8
December 1993



Report
Chr. Michelsen Institute
Bergen Norway

CMI Report Series
Editors: Hildegunn Kyvik Nordås and Hugo Stokke

Cover design by Dynamo Bergen
Printed by Bergen Print Service AS

This series can be ordered from:
Chr. Michelsen Institute
Fantoftvegen 38
N-5036 Fantoft-Bergen Norway
Fax: + 47 55 57 41 66 Phone: + 47 55 57 40 00

Price: NOK 145

ISSN 0803-0030

Indexing terms

Social history
Development theory
Political development
Industrialization
Turkey

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Acknowledgements

This study would not have been possible had it not been for the influence and support of various friends, academics and institutions over the years; one of the pleasures of finishing it is having this opportunity to translate my private feelings of gratitude into a public statement of acknowledgement. This report is a revised version of my Cand. Polit. thesis, *Social and Political Roots of an Unsuccessful Late Industrialisation Attempt: the case of Turkey until 1946*, submitted to the Department of Sociology, University of Bergen in May 1993. The Chr. Michelsen Institute has provided financial support for this revision and enabled the thesis to reach a wider readership. Grants from the Norwegian Research Council, University of Bergen, Meltzer's Fund, Lise & Arnfinn Heje's Fund provided the much needed financial support for the trip to İstanbul and Ankara as well as for the final stages of writing. Sevil Kıvan and Aynur Demirdirek gave practical help during the stay at Ankara, Erinç Özdemir proofread parts of the thesis draft. The library staff at the Chr. Michelsen Institute kindly helped me to get the books and articles I needed. Inger Nygaard undertook the arduous task of turning the manuscript into a report. Cevat Karataş, Çağlar Keyder and late Demir Demirgil introduced me to the intricacies of Turkish economic history in their lectures. Tülay Arın, Hacer Ansal, Atilla Eralp, Georges Midré, Kristen Nordhaug, and Arve Ofstad offered valuable suggestions. Koray Akay, Selim Somçağ and Yavuz Renda provided incessant argument. Hugo Stokke's editorial comments prevented infelicities of style and were a pleasure to contemplate upon. Dieter Senghaas kindly read parts of the manuscript and drew my attention to some specific points with a timely and informative letter. Kristin Tornes and Lars Mjøset generously directed me to essential sources, read and made comments on various excerpts of the manuscript. Although I could not always follow their suggestions, I always benefitted from their comments. My parent's unflaggingly courageous fight against my father's amyotrophic lateral sclerosis, the onset of which coincided with the beginning of this study, was a constant source of strength during the writing. Finally, I lovingly acknowledge the support and understanding of my wife, Gülengül Naliş, who made it all possible. The responsibility for deficiencies remains, of course, with me.

Bergen, December 1993

Note on transliteration

Ottoman and Turkish names and words referred to in the text are given in modern Turkish spelling. The same convention is also applied to words that have some currency in English (i.e. *şeyh* rather than *sheikh*), as well as to words of Arabic origin (i.e. *vakıf* rather than *waqf*). Turkish spelling generally conforms to English with the following qualifications:

a : as u in cut
c : as j in jam
ç : as ch in chair
e : as e in bet
g : as g in gate
ğ : slightly prolongs the preceding wowel
I, ı : as i in children
İ, i : as i in sit
j : the French *j*
ö : as the French *eu*, the German *ö*, or the Norwegian *ø*
ş : as sh in shop
u : as oo in soot, as the Norwegian *o*
ü : as the French *u*, the German *ü*, or the Norwegian *u*

Abbreviations used in the text

ADNR	Association for the Defence of Nationalist Rights of Anatolia and Rumelia, *Anadolu Rumeli Müdafaa-ı Hukuk-u Milliye Cemiyeti*
AMP	Asiatic Mode of Production
CUP	Committee of Union and Progress Party, *İttihat ve Terakki Teşkilatı*, popularly referred to as Young Turks
DİE	State Institute of Statistics, *Devlet İstatistik Enstitüsü*
DP	Democratic Party, *Demokrat Parti*
EOI	Export Oriented Industrialisation
GATT	General Agreement on Tariffs and Trade
GNP	Gross National Product
IMF	International Monetary Fund
ISI	Import Substituting Industrialisation
K*n*	*n*th Kondratiev Wave, where *n* is 1, 2, 3 or 4
OECD	Organisation for Economic Co-operation and Development
NATO	North Atlantic Treaty Organisation
NICs	Newly Industrialising Countries
PDA	Public Debt Administration, *Düyun-i Umumiye*
PRP	Progressive Republican Party, *Terakkiperver Cumhuriyet Fırkası*
RPP	Republican People's Party, *Cumhuriyet Halk Fırkası*
SSA	Social Structures of Accumulation
SEEs	State Economic Enterprises, *Kamu İktisadi Teşekkülleri*

Preface

This study offers a frame of reference for analysing the origins and outcome of late industrialisation attempts. It uses elements of institutional and comparative historical analyses to work out an explanation of Turkey's development trajectory from the early 19th to the mid-20th centuries. Developed through critical reflection on the literature of historical sociology and sociology of development, the analysis sketched here is meant to be amenable to further research on divergent paths of industrial transformation. Particular emphasis is placed upon the ways in which the nature of inter-relations between the international development context, socio-institutional relations in industry and agriculture, the conditions of nation-building, and the subsequent political regime proved detrimental to the outcome of the late industrialisation attempt in Turkey.

Chapter One introduces the argument and puts the study of Turkish development into context using the polarization of the modernisation theory and the dependency approach as a polemical device. In Chapter Two, the social and political development background of the Ottoman economy is traced back to its origins in the 13th century. In the specification of the international context in Chapter Three, a periodisation of the international system between the early 19th and the mid-20th centuries is developed on the basis of discussions focusing on the long waves of development, technological paradigms in industrial production, national modes of development in dominant countries and institutionalised power relations in the international trade, monetary and security regimes. At the most abstract level a central concern in this chapter is to explore the dialectic of structure and agency in the context of the global economy — the extent of independence, which can be accorded to national economies and polities during their adaptation to the constraints of international economy. To investigate this dialectic a heuristic division between external and internal, and between international and national development contexts is employed, and the groundwork for further discussions of the impact of international structuring conditions on Turkey is delineated.

Chapters Four, Five and Six are devoted to the analysis of the Turkish development path in the 19th century, the 1908-29 nation-building phase, and the 1930-46 state-led industrialisation period under one-party rule

respectively. While observing the interrelations between the international and national contexts, the exposition in these chapters emphasises the partially independent nature of national development. In Chapters Four and Six, the origins and outcome of the industrialisation dynamics are discussed with respect to the interplay between three set of factors intrinsic to the socioeconomic structure of Turkey: (i) the socio-institutional relations in agriculture (property relations, organisation and mobilisation pattern of agricultural classes); (ii) socio-institutional relations in industry and commerce (organisation of labour, organisation of merchant, banking and industrial capital, forms of entrepreneurship); (iii) the role of the state (administrative and educational reform capabilities, the bureaucracy's nation-building efforts, the increasing scale of state intervention in promoting industrialisation). Chapter Four locates the aborted industrialisation attempt of the 19th century in the particular nexus between Anatolian agriculture and industry, and the role of the imperial Ottoman state dependent upon the pattern of social and political mobilisation within the Empire. Chapter Five takes the discussion from the final crisis of the Ottoman regime prompted by the defeat in the First World War and proceeds to analyse the nation-building efforts of the nationalist revolutionary leadership and the structures and activities of the new state organisation as a radical continuation of the 19th century Ottoman reforms. In Chapter Six attention is directed to the initiation and subsequent outcome of state-led industrialisation attempts under the impact of World Depression. The roots of the deadlocked Turkish development before the post-1945 boom in the world economy are found in the specific set of circumstances constituted by the prior evolution of Ottoman state and society, the interwar world economy, socio-institutional relations in agriculture and industry, the nature of the nation-building effort, and the political regime of the new Republic. Finally in Chapter Seven, some lessons are drawn from the particular path of "unsuccessful" industrialisation represented by the Turkish case, for the purpose of generating a multicausal explanation of the outcome of industrialisation attempts.

This study grew out of the experiences in my formative years during the convulsive decade after 1975 in Turkey. My initial interest in this conflict-ridden period culminating in the 1980 military coup and the subsequent economic and social transformations in the 1980s was supplemented by an interest in comparative history after I resumed my studies in another periphery of Europe —Norway. Through research on development theory and studies of comparable contemporary countries I came to see the crisis in the latter half of the 1970s in Turkey within the broader context of a transition from one development strategy —Import Substitution

Industrialisation (ISI)– to another –Export Oriented Industrialisation (EOI). This report was originally thought of as an attempt to sketch a framework for understanding the Turkish development trajectory through the origins of the ISI regime in the 1960s and the economic decline in the 1970s to the protracted growth in the 1980s.

A preliminary analysis of the last 30 years of Turkish industrialisation, however, revealed that the roots of the 1970s crisis lay in the constellation of social forces given by the prior evolution of the Turkish society. This was especially true for the parallels between the 1960-79 ISI period and the *étatiste* policies of the 1930s and 1940s. The economic policies emphasising the protection of the internal market under the aegis of a strong interventionist state had a definite forerunner in the state-led industrialisation phase between 1930 and 1946. Thus, the initial aim was to explain the watershed of 1980 by analysing the two distinct periods preceding and postdating 1980, and to devise a theoretical framework looking at the interrelations of class and state structures and the complex interplay over time of domestic and international developments. This necessitated the application of a similar framework to the late Ottoman and early Republican period, and more historical research concentrating on the "deep structures" of the Turkish social formation. However, the historical elaboration soon grew in scope and finally took the form presented in the following pages, postponing the initial concern to a later study.

The following pages do not reveal new data; instead they attempt to make an overall argument about the Turkish development trajectory, using sociological theory in general and elements of development theory and historical sociology in particular, by drawing evidence mostly from "secondary sources". As the bibliography indicates, I have been able to draw extensively upon the recently growing body of literature on Ottoman and Turkish economic and social history. Apart from finding the necessary sources, or breaking with the dogmatic assumptions of Kemalist historiography dominating the Turkish education system, or considering the slimness of research on the particular areas of Ottoman/Turkish development, one major problem has been to dissociate the narrative from the points debated by specialists about particular areas not relevant to the concerns of this study, and to adopt the evidence presented in these works to my analytical purposes and thereby present a coherent argument. The extent to which I have succeeded in accomplishing this task is for the reader to decide.

The treatment of Ottoman/Turkish historical development here is symptomatic and suggestive rather than systematic and exhaustive. Different phases and facets of Turkish development are given unequal

weight depending on their relevance to my theoretical and analytical concerns; the account attempts to shed light on the particular areas of the socioeconomic history of Turkey in so far as they provide clues to the basic *problemstellung* of this report: the interrelations between economic development and sociopolitical struggles and structures, between international and national development contexts.

I have tried to write a text which will be accessible to readers not familiar with Ottoman/Turkish history. But while doing that I have also attempted not to lose the interest of those readers familiar with the Turkish case. In order not to disrupt the continuity of the historical exposition, I have tried to keep the references to comparative cases and to theoretical remarks and controversies in the notes at the end of each chapter. At most places these notes can be read as a parallel text discussing the theoretical sources and the comparative context of the points referring to Turkey. The text below is, thus, the result of a compromise between at times conflicting objectives of historical narrative and historical sociological exposition, and aims to take both those readers who are familiar with and those who are unacquainted with Turkish history along the tracks of sociological approaches to industrial development. A guiding light throughout the report was the firm belief that the study of the Turkish case will contribute to and will benefit from development theory and that the Turkish development pattern will eventually provide a litmus test for the various standpoints in the central controversies of development theory.

The analysis attempted here is situated midway between the historical and the political, the sociological and the economic; it is, therefore, only natural that it satisfies neither. It is provisional, inevitably fallible, nevertheless expectant of criticism and further development. If it still seems worth attempting, it is because of the expectation that this hybridisation will lead both to a better analysis of Turkish development and to the enrichment of the particular disciplines. Thus, most of the sections below have a tentative, exploring character and they must be seen as rudimentary elements of a research programme to be developed at a later stage rather than a detailed report studying the particular areas of Turkish political economy.

1. Introduction: Late development and the Turkish state

1.1 Turkish development and major controversies in development theory

Much of the scholarship on the Turkish development path has been located at the extreme ends of the spectrum of development theories represented by dependency and modernisation theories. The modernisation approach to the study of the 19th century Ottoman and early Republican periods of Turkish development (Lerner 1958, Lewis 1968, Mardin 1969a and 1969b, Huntington 1968, Eisenstadt 1987) sees a unilinear progression from the golden age of the 14th to the 16th centuries to the period of imperial decline in the 17th and 18th centuries and then to a refashioning on Western models in the 19th and early 20th centuries. In the explanation of the "stagnation" of the Ottoman Empire prior to the 19th century, the modernisation perspective stresses the role of "traditionalist" Islamic cultural properties (law, moral code, and customs) which inhibit the development of "modern" Western attitudes and institutions. The driving force behind the reform of institutions is explained as a desire to meet the new requirements under the modernising influence of the West. The process of modernisation is said to have started with the military reforms at the end of the 18th century, continued through the administrative and educational reforms of the mid-19th century *Tanzimat* period and finally achieved the culmination of its 1789 French Revolution ideals in the formation of the Turkish Republic in 1923.

The modernisation perspective's emphasis when analysing the efforts of the Ottoman state to fill the gap created by its persistent decline and to catch up with the Western imperial powers, is on the ideological borrowing of "Western ideals", and institutional and legal reforms. Neither the impact of the industrialised capitalist economies in general nor the structural position of the Ottoman economy within the world economy in particular is theorised. In the analysis of the tensions within the Empire itself, the emphasis is on the conflicts between reformists and Islamic reactionaries in the bureaucracy. With respect to the relations between the agrarian and

commercial classes, and the state the modernisation approach is again silent.

The dependency approach on the other hand, pulling the pendulum too much in the opposite direction, subordinates the role of state and class formation and economic structures inside the Ottoman Empire to the exigencies of centre states and bourgeois classes. According to this view, the Ottoman state becomes a peripheral state, a passive medium without any autonomy; its industrialisation attempts are seen as half-hearted and the 19th century reforms are regarded as attempts to facilitate foreign capital's imposition. Such imposition is said to have started as early as in the 16th century with the Capitulations — the easing of restrictions on trade benevolently granted to France — and to gain momentum with the 1838 Free Trade Treaty with England. In this account, late Ottoman bureaucratic reformism introducing political guarantees concerning minority rights, and legal reforms introducing Western jurisdiction is explained through the intervention of foreign capital or foreign states, and is closely correlated with the loss of the fiscal autonomy of the Ottoman state. The predominantly non-Muslim bourgeoisie of the Empire is seen as an extension of the interests of metropolitan capital and regarded to be a "comprador" bourgeoisie.

Within this dependency tradition, there are diverging views concerning the nation-building period. In one version (Avcıoğlu 1973), the 1908-18 Young Turk rule of the Committee of Union and Progress Party (CUP) leads to a confrontation with imperial powers and compradors, and culminates in a national liberation struggle under the leadership of Mustafa Kemal. The formation of the Turkish Republic and the Kemalist bureaucratic reformism of the early Republican period are seen as an anti-imperialist struggle effecting a fundamental break with the Ottoman past, and state-led industrialisation as a model of self-reliant development representing a progressive attack on imperialism and even a step towards socialism. Another version regards Kemalism as a continuation of 19th century reformism and rejects its claim to be a radical departure from the earlier dependency relationship (Başkaya 1991). Yet another version of this dependency approach views the Young Turk and Kemalist bureaucrats not as part of the bureaucracy of the old regime but as representatives of a rising "national bourgeoisie" against the comprador faction of the bourgeoisie composed of Greeks and Armenians (Akşin 1980, Tanör 1992, Ahmed 1988).

There are several problems associated with this "simplistic" dependency approach to Ottoman/Turkish development. As a result of its one-sided emphasis on external determinism, it views the Turkish trajectory as an

underdevelopment associated with a transfer of surplus to the European core rather than a nondevelopment structured by class and state relations *within* the Ottoman Empire itself. It basically neglects the barriers the Ottoman state erected against private property rights and capital accumulation prior to the 19th century. In the analysis of the 19th century, this dependency approach gives undue emphasis to "integration with the world economy", and neglects the fact that the Ottoman state was not subjected to direct colonial rule and kept its autonomy *vis-à-vis* foreign powers by playing their inter-imperialist rivalries against each other. Moreover, an excessive focus on the impact of external trade diverts the attention from the internal social structure and undermines the role socio-institutional relations in agriculture played in promoting the non-development of industrialisation, which were again inextricably related to the nature of the Ottoman state.

With respect to the Young Turk and Republican period, the dependency tradition either sees a simple continuity with the 19th century dependency pattern or a complete reversal of fortune effected by an anti-imperialist War of Independence and a state-led industrialisation. In both cases, it undermines the changed nature of the world economic and political context in the first half of 20th century which created a strategic vacuum to be filled by the newly emerging nations and states. This position is accompanied by a "class-reductionist" approach which sees a "national" bourgeoisie, whose mobilisation chronologically and causally prior to the nation-building phase is implausible and unsubstantiated, as inciting and dominating the Young Turk and Kemalist movement. A central weakness in this interpretation of Turkish nation-building is an unqualified application of the English or French bourgeoisie-state relationship to the Turkish case, and a reversal in the society-state relation in the Ottoman Empire whose agrarian structure, characterised by an absence of the West European hereditary feudal tenure, meant a dominance of state over social classes.

A more nuanced variant of the dependency approach aims to overcome the weaknesses associated with the above simplistic application of the dependency paradigm to Turkish development and to solve the problem of conceptually synthesising the external and internal factors affecting the development trajectory. It tries to resolve the problem of applying a rigorous class analysis to non-capitalist and non-feudal societies (Keyder 1987, 1988:159-63, Wallerstein, Decdeli and Kasaba 1987), by using a genealogy of concepts derived from Althusser and Wallerstein. This "revised" dependency approach studies the Ottoman society as a social formation characterised by a dominant Asiatic Mode of Production (AMP) in which the central authority of the state controls the appropriation of the

surplus produced by independent peasants and imposes strict limitations on the accumulation of land in agriculture and wealth in commerce. With the impact of the "world-economy" from the 16th century onwards, the rise in international trade and the activities of the merchant capital lead to a dissolution of AMP. Given the crucial location of trade in providing the link between AMP (composed of the surplus appropriation of tax-collecting state officials from peasant producers) and petty commodity production in the urban guilds, the weakening of the administrative controls on internal and external trade results in the disarticulation of the Ottoman system, and its "peripheralisation" within the world-economy.

The pull of world-capitalism in the 17th and 18th centuries leads to a change in agricultural relations of production; the emergence of powerful landlords, tax-farmers, producing for export entails enserfment of the peasantry (Wallerstein, Decdeli and Kasaba 1987:90-2). According to this approach then, under the impact of world trade from the late 16th century onwards the Ottoman system loses its internal integration and becomes "incorporated" into the world-economy as a supplier of raw materials and importer of manufactured goods (İslamoğlu and Keyder 1987:47-53).[1] Integration into the world circuit of capital brings with it the commercialisation of agriculture and the emergence of a *de facto* landed upper class of tax-farmers controlling large commercial estates, employing an enserfed peasantry and share-croppers.

Although the 19th century witnesses a decline in the influence of tax-farmers as a result of the centralisation drive of the Ottoman state, the growth of commercial agriculture and growing imports of European manufactured goods gain momentum and lead to a decline of petty commodity production in urban guilds and destruction of proto-industrial activity in the countryside, whose development is considered to be an essential prerequisite for successful industrialisation (cf. Mendels 1972, Köymen 1971). Meanwhile, the increasing foreign debt of the Ottoman state and the growing strength of the merchant capital of foreign origin in collaboration with the native capital of non-Muslim minorities further undermine the economic and political integration of the Empire, and effect the transition of the Ottoman Empire from a state mechanism of Asiatic type to a colonial state serving the needs of merchant capital (İslamoğlu and Keyder 1987:61).

This revised dependency perspective, too, has the danger of falling into simplistic arguments subordinating the role of the state to the exigencies of the world economy. Thus, Wallerstein, Decdeli, and Kasaba (1987:95) equate the "internal" — in relation to social classes — and "external" — in relation to other states — weakening of the Ottoman state, and claim that the

internally "strong" state apparatus of the Empire until the end of the 16th century was progressively transformed into the "weak" state apparatus typical of the states located in the peripheral zone of the world economy. What the modernisation approach sees as the creation of a more efficient state apparatus in the 19th century becomes in their view the creation of one which facilitated the operations of the world-economy.

One version of the revised dependency approach (Keyder 1988) regards the bureaucracy as a social class by virtue of its position in the surplus extraction relationship in AMP (cf. Baily and Llobera 1981). Contrary to the account of what we called the simplistic dependency approach, the late Ottoman and early Republican reform drive is regarded neither as an expression of foreign interests, nor as an anti-imperialist attempt. Bureaucrats are not considered to be representing the interests of a rising bourgeoisie either; bureaucratic reformism is rather interpreted as a reaction to the new conflicts generated by the growth of a new bourgeoisie — a development resulting from greater incorporation into the world capitalist system. In order to safeguard their social position — to keep their surplus-appropriating status and perpetuate their ability to politically dominate the economy — the bureaucracy opposes the economic power of the increasingly influential merchants and money lenders. The CUP and the Republican regimes are interpreted as the culmination of a bureaucratic reaction against the ascendency of the bourgeoisie. This perspective, too, suffers from a kind of class-reductionism. Giving priority to the determining character of relations of production, the state bureaucracy is regarded as a dominant class anchored in AMP. Thus the opposition between the bureaucracy and the bourgeoisie is purported to derive from their conflicting class interests: the bureaucracy is increasingly bent on restricting the growth of market processes, which the bourgeoisie benefits from. The hostility of the nationalist bureaucracy to the non-Muslim bourgeoisie is explained in the context of a general conflict of interest between the bureaucratic class and the bourgeoisie — Muslim or non-Muslim (Kasaba 1988a:226).

Contrary to the "productivist" accounts common to dependency approaches, the approach to be adopted in this study will not insist on ascribing a causal primacy to conflicts within the production sphere in explaining societal evolution. While analysing the structuring effects of external socio-economic relations delineated by the dependency approach, we will emphasise the centrality of both economic and cognitive responses to uneven international development. As we will argue, just as important as the contexts of instrumental action are those conflicts located within the normative or cognitive spheres — e.g. nationalism. In this light, the bureau-

cratic opposition in the first quarter of the 20th century to the non-Muslim bourgeoisie will be seen as the result of the bureaucracy's project of creating a linguistically and religiously homogeneous population in Anatolia, a nationalist project which was enhanced by geo-political considerations.

The emphasis on the concept of "lateness" attempts to reconcile the diverging positions of the modernisation and dependency perspectives. Incorporating elements of the dependency paradigm, the lateness perspective emphasises that sequentially late industrialisations face a different international context than earlier industrialisations. Hence, modernisation theory's endogenous prerequisites cannot be generalised to encompass the late-comers. In Gerschenkron's words, the industrialisation processes launched in backward countries show "considerable differences, as compared with more advanced countries, not only with regard to the speed of development but also with regard to the productive and organisational structures of industry which emerge from these processes" (1962:7). On the other hand, contrary to the claims of the underdevelopment approach, the backwardness of the countries attempting late capitalist industrialisation is not the result of an earlier surplus transfer from these countries, but rather the consequence of an uneven development on the world scale. In this sense capitalist development, first in England and then in Western Europe, is seen as a historically limited and peculiar phenomenon, not as the result of some immanent mechanism transferring surplus from the periphery to the West European core.

Drawing attention to the fact that industrial development did not simultaneously emerge in different parts of Europe, the question of why an indigenous capitalism did not evolve in the Ottoman realm is displaced with the question of why Ottoman/Turkish late development did not succeed *once* capitalism emerged in Western Europe. This way of posing the problem situates the study of the Turkish development trajectory within an analysis of the divergent paths of late industrial transformation. The lateness or backwardness perspective, thus, has a direct bearing on the problem of prerequisites of industrial development. Unlike the modernisation or dependency perspectives, this view regards the crucial features of industrial evolution of late-comer countries not as idiosyncrasies, exceptions to the norm or as resulting from the determining influence of advanced countries on the backward countries, but as "part and parcel of a system of gradations of backwardness" (Gerschenkron 1962:41). The historical experience of 19th century late industrialisation in Europe, as it is classically analysed by Gerschenkron, shows the strategic role of the state in achieving successful industrialisation. The more backward the country, the

more its industrialisation proceeds under the organised direction of the state depending on the degree of backwardness. Given the central role of the state in late industrialisation, the nature of the state's intervention in the economy becomes a crucial variable determining the outcome of late industrialisation attempts. Our initial hypothesis in examining the determinations of Turkey's unsuccessful path, therefore, revolves around the regressive or, correlatively, absence of the progressive role of the state. This basic contention also corresponds to the prevailing negative view of the Ottoman/Turkish state, however, as I shall argue, in a significantly different sense.

Notwithstanding their differences of emphasis, a common element in the application of modernisation and revised dependency approaches to Ottoman/Turkish society is the view which sees a dominance of the centralised state over the more or less egalitarian but fragmented "civil society" on the periphery. This common outlook has a long tradition in European writing on Ottoman society; it begins with Enlightenment writers', especially Montesquieu's "Oriental despotism" and enters into historical sociological writing through Marx's "Asiatic Mode of Production" (AMP) and Weber's "patrimonialism". A common theme in these formulations is the existence of a gap between a mammoth state and a disarticulated social structure – an absence of mediating political institutions between the state and the civil society. In contrast to the predominance of individualist notions in the West, there are no corporate bodies having any autonomous jurisdiction, and society is pervaded by collectivist values. The result is a strong Ottoman state tradition unable to tolerate any countervailing centres of power.

This model suggests a continuity between the Ottoman Empire and early Republican Turkey: both in the manner reforms were undertaken from above by a modernising bureaucracy unwilling to give up any of its power over the society and in the extent of the cultural gap between elites and the rest of the society in spite of the populist rhetoric and aggressive language reform of the Kemalist period. Moreover, the *étatiste* economic policies of the 1930s and 1940s are held to involve strong control from the centre, and thus to be inimical to the development of a market economy which is postulated to be favourable to the rise of modern forms of pluralist civil society. The extension of this model to recent Turkish developments holds that the influence of the civil society continually increased from the 19th century onwards with the emergence of a decentralised market economy and finally achieved a decisive victory over the accumulated Oriental traditions and the rule of bureaucracy with the export orientation and the neo-liberal "free market" reforms in the 1980s.[2]

Although I will adhere to the model of state "autonomy" implicit in this common denominator between modernisation and dependency interpretations of the Ottoman/Turkish state, my theoretical departure point will be different. In postulating the autonomy of the Ottoman/Turkish state and delineating its opposition to social classes, I will base the analysis on the "state-centred" approach of Skocpol (1979) and Mann (1986a, 1986b), and reject the fundamental difference between the Western and Ottoman states as posited by the state/civil society paradigm. Indeed, as argued by Hann (1990:60), the state versus civil society model is not only based on an idealised view of the West,[3] but also on a specifically Hegelian view of civil society, according to which society and state stand sharply opposed to each other. Whereas for Hegel the solution to this contradiction is that the selfish, particularistic interests of the civil society must be transcended by the state, proponents of this model with respect to Turkey have reversed Hegel's judgement in order to endorse, more or less explicitly, a call for the liberation of civil society from the yoke of the strong state. Substitution of an idealised version of Western liberal democracy for all the institutions missing in Ottoman society has led to the advocacy of the view which sees the stimulation of a market economy and the state's withdrawal from the market sphere as the main criteria for the emergence of civil society.

The inability of this model to explain recent Turkish politics during which the liberal market rhetoric of the 1980s has been flagrantly contradicted in practice has already been pointed out.[4] What is more important for our purposes, however, is the ways in which the state versus civil society opposition has drawn the attention away from the elaboration of the particular mediation between state and society in the late Ottoman and early Republican periods. As we shall see in the analysis of the early Republican period, it is the particular form of interrelations between the state and society — the absence of a dense set of institutionalised links between the state bureaucracy and social groups and classes and the predominance of political patronage — rather than a generalised conception of the dominance of state over civil society which proved detrimental in the trajectory of Turkish development. Correlatively, I will argue against the dualistic conception of world history in which East and West are conceived as ideal-type societies locked in their specificities: the dynamic, rational, democratic West with its effective civil society versus the static, irrational, authoritarian East with its despotic state. I will defend the case that the Ottoman and Turkish state and society can be analysed using analytical constructs similar to the ones used in the analysis of European states and societies. Thus, in contrast to the offhand contrasting approach of the state versus civil society model, which locates the Ottoman society in a different

realm from that of an unitary European sphere, my approach will entail the use of comparative contrasts between the Ottoman Empire and particular European states and societies during the course of the narrative, and thereby situate the Ottoman/Turkish development trajectory within a typology of diverging European paths to industrialisation.[5]

Central to the alternative framework I will adopt is a conception of the state which is held to be common to both early modern European states and the Ottoman state. Accordingly, the state has two dimensions: the domestic economic aspect — the state regulates, judicially and repressively, the economic relationships between individuals and classes located within its boundaries — and the military international aspect — the states mediate power relations between themselves in the geo-political arena through the use of military force (Mann 1986a:417, 511-14, 1986b:111, Skocpol 1979: 24-32). Drawing on Hintze's two-dimensional view of the determinants of the state organisation, Skocpol characterises the state as fundamentally Janus-faced, with an intrinsically dual anchorage in class-divided socio-economic structures and the international system of states. Because the international system — the external ordering of states expressed especially in terms of military relations — is autonomous of class structure, states' activities can not be comprehended by their relations with their civil societies or as an outcome of the actions of social classes. Rather, state action can most fruitfully be studied by focusing upon the points of inter-section between international conditions and pressures, on the one hand, and class-structured economies and politically organised interests, on the other hand. State elites, executives, and institutions manoeuvre within the "space" constrained by these two coordinates, and stake out an arena of power autonomy for themselves; this power can then be used against the classes and groups in the civil society or against the foreign states.

These two sources of the autonomy of the state are interdependent. As Mann argues, the distinctive feature of state organisation *vis-à-vis* civil society groups, the "centralised territorial regulation" of the state in comparison to the limited territorial scope of the latter ascribe a structurally conditioning role to the external determinants of state power.[6] The state is defined by its monopoly of external military power rather than internal political power. Exigencies of war are the forcing-house of taxation and administration — the requirements of external military power nurse the conditions of internal political power. In this sense, the appearance of capitalism and the nation-state, and the continuous demand and develop-ment of warfare are parallel and mutually reinforcing processes (Mann 1986a:416-90, 510-6; Tilly 1975:73-4 and see Tilly 1990 for a more recent statement of the same contention). In this perspective, "centralised territorial

regulations" achieved through meeting the requirements of external military power become the foundation of states' — Eastern as well as Western, ancient as well as modern states' — autonomy from their respective civil societies.

The most telling proof of this way of looking at the state may be obtained through an analysis of state finances. By estimating state expenditure, we can establish that the external military role of the Ottoman state remained predominant well into the 20th century. Presumably it was not until the 1930s that the Turkish state spent more money on domestic civil functions than on its military defence or aggression (excluding the repayments of external debt which were again primarily borrowed to meet the requirements of military spending) — a trend which was soon reversed again in the favour of military spending under the Second World War although Turkey did not enter the War. Thus, the domestic civil functions of the Ottoman/Turkish state never became predominant over its military functions, except for the brief interlude in the 1930s, during the period we are studying in this report (Genç 1984, Kepenek 1990:31).

The functions of the Ottoman state were overwhelmingly military and geo-political rather than economic and domestic. In this respect, the Ottoman state was not different from its absolutist counterparts in early modern Europe. What was distinctive in the Ottoman case was the continuation of this trend well into the 20th century. Whereas the public civil functions of the state had begun to overtake the military functions in the early 19th century in Western Europe (Mann 1986a:511), the extended war efforts of the Ottoman state precluded a similar decrease in military functions. As we shall see later in the analysis of the 19th century, the state's military expenditures prevented the emergence of a mutually supporting dynamic of development between industry and agriculture.

More important for the argument here, the primacy of the Ottoman state's external military function discredits the theories which assign its main function as the regulation of its internal civil society. Like all states, the Ottoman state did assume such functions but like all agrarian empires these were largely derivative of its geo-political role. In order to see what was distinctive in the Ottoman state in comparison to early modern European states, we must discard a simplistic notion of the power of state over civil society and attempt to qualify the nature of this power. Such an elaboration may provide us with clues as to the particular nature of the Ottoman and Turkish states.

Mann (1986b) distinguishes two types of state power, *despotic* and *infrastructural*, both flowing principally from the state's unique ability to provide a *territorially centralised* form of organisation. Despotic power of

the state elite concerns "the range of actions which the state is empowered to undertake without routine, institutionalised negotiation with civil society groups." What Mann terms infrastructural power refers to the "capacity of the state actually to penetrate civil society, and to implement logistically political decisions throughout the realm" (1986b:113). This infrastructural dimension of power was comparatively weak in historical societies and developed powerfully with the emergence of industrial societies and modern nation states.

The growth in the infrastructural power of the state came about through the development of the logistics of political control — a centrally coordinated division of labour between the state's main activities; spread of literacy enabling stabilised messages to be transmitted throughout the state's territories, and securing the codification and storage of legal responsibilities; increases in the rapidity of communication messages and of transport of people and messages. Because it was logistically hard to maintain intensive military control over anything more than a radius of about one hundred kilometre, all empires were extensive dominations which had to rule through local elites (Mann 1986a:137-42). These logistical limitations to the infrastructural reach of states remained unchanged until the 18th century in Europe; in the case of the Ottoman Empire they lasted as long as to the beginning of the 19th century. Contrary to what a simple state versus civil society model might indicate, all despotic rulers actually ruled through local notables. The Ottoman Empire, like all extensive societies, was in reality "territorially federal" (Mann 1986b:129, Giddens 1981:103-4); its imperial rule was always far feebler than its traditional image conveyed by the state versus civil society model.

The ideal-types Mann derives through the combinations of despotic and infrastructural power are shown in Table 1.1. In this typology, the *feudal* ideal-type corresponds to the medieval European states which governed through independent magnates and towns. The *imperial* state, on the other hand, possesses its own governing agents, but it has limited capacity to penetrate civil society; it corresponds to Weber's patrimonial state. Contemporary capitalist democracies approximate the *bureaucratic* type; they are controlled by civil society groups, but their decisions, once taken, are enforceable through the state's infrastructure: they are "despotically weak" but "infrastructurally strong". Finally, in the *authoritarian* case, competing power groupings can not evade the infrastructural reach of the state, nor are they structurally separate from it (as they are in the bureaucratic type). Mann sees Nazi Germany and Soviet Union as tending towards this case. With regard to the historical examples which roughly approximate these ideal-types, he identifies two major tendencies: a long-

term historical growth in the infrastructural power of the state, and an oscillation between the low and high ends of the spectrum in the despotic powers of the state. While there has been a secular process of infrastructural improvements, there has been no corresponding general developmental tendency in despotic powers: "the history of despotism has been one of oscillation, not development" (1986b:115-16).

Table 1.1
Two dimensions of state power

		Infrastructural coordination	
		Low	*High*
Despotic power	*Low*	Feudal	Bureaucratic
	High	Imperial	Authoritarian

Source: Mann 1986b:115

Mann's analysis of the dynamics of this oscillation provides some clues for understanding the nature of state/civil society relations in the Ottoman and early Republican states, and suggests a general framework for the analysis of the Turkish development trajectory. In an attempt to further clarify and generalise the oscillation between imperial (patrimonial) and feudal regimes in agrarian empires first identified by Weber, Mann rejects the notion that the struggle between centralised, patrimonial empires, and decentralised, loosely feudal, aristocratic monarchies is a simple oscillation or an essentially cyclical movement lacking long-term development (1986a:172-3, 1986b:130). Rather, he sees the centralising and decentralising tendencies of state power, the consecutive strengthening and weakening periods of despotic states as a dialectical process: a range of infrastructural techniques are pioneered by despotic states, then appropriated by civil societies (or vice versa); then further opportunities for centralised coordination present themselves, and the process begins anew. Such trends are visible in early modern societies as well as in ancient societies.

By distinguishing the despotic and infrastructural elements of state power, this view rejects the simple antithesis between state and civil society; it sees the two as temporally entwined. Thus, in contrast to the East-West oppositionality inherent in the Orientalist approach, according to which social development occurred in Europe, rather than the East, because it was dominated by a decentralised feudalism (as opposed to the Eastern patrimonialism), we are led to reject the general formula concerning a

"timeless" despotic state power for the Ottoman/Turkish state. In this light, the history of the relations between the Ottoman state and civil society becomes one of a dialectic between centralising and decentralising movements propelling social development.

The periodisation that I have adopted corresponds roughly to this dialectical movement. Accordingly, the weak despotic powers of the Ottoman Emirate prior to the 14th century are transcended by the centralising pull of the Ottoman state towards the late 16th century, only to be followed again by a decentralisation period in the 17th and 18th centuries. As a result of the central state's utilisation of new infrastructural techniques (advanced armaments, improved communication, administrative, legal and educational reforms), the 19th and early 20th centuries witness an enhancement of the despotic powers of the state. The leap in infrastructural powers in this period, however, represents also a movement in the direction of an authoritarian form of state. The logistical constraints mean that these new infrastructures can not be kept within the body politic of the state; its agents continually "disappear" into civil society, bearing the state's resources with them – hence the growing influence of civil society purported to have occurred in the latter half of the 20th century. From this perspective, the development of civil society is not predicated upon an exogenously stimulated "commercialisation" or "expansion of the realm of the market" in the static social structure of the "Oriental" empire; it is the outcome of a dynamic driven by the dialectic between centralisation and decentralisation.

The question of why the state, rather than the civil society, pioneered the use of infrastructural techniques from the early 19th century onwards brings us back to the Janus-faced nature of the state, which will form the emblematic departure point of our analysis attempting to synthesise dependency and modernisation paradigms. Mann's observation (1986b:118) that in the whole history of the development of the infrastructure of power there is virtually no technique which belongs necessarily to the state leads to the analysis of the circumstances in which these infrastructural powers, nominally a general feature of society, are appropriated by the state. The state pioneers the use of infrastructural techniques because of its *territorialised centrality*, its *differentia specifica vis-à-vis* groups in civil society. For in contrast to the class-reductionist and functionalist traditions of state theory, the state is not predominantly an "arena" in which the struggles of classes and interest groups are expressed and institutionalised; it is an autonomous power which regulates, normatively and by force, a given set of social and territorial relations, and erects boundaries against the

outside. It is first of all a socio-spatial arena, the condensation of social relations within its territories.

In this sense, the state differs both socio-spatially and organisationally from the major power groupings of civil society. Unlike these groups the state elite's resources radiate authoritatively outwards from a centre and stop at defined territorial boundaries; its autonomous power flows from this distinctive attribute. Thus, the state is not a passive medium but an active agent promoting social change by consolidating its territoriality. This role of the state is enhanced by the increase in its infrastructural powers: the greater they become, the greater the territorialising of social life. In spite of a seeming oppositionality between state and civil society, modernising states in particular transpose the struggles of civil society onto the territorial plane of the state, consolidate social interaction over that terrain and create territorialised mechanisms for repressing and compromising the struggle (Mann 1986b:132).

The beginning and the course of this expansion of infrastructural power, which we will identify as the nation-building phase, is characterised by a pattern in which the state requires a disproportionate part of society's capacity for infrastructural coordination. This monopolisation of enhanced infrastructural powers by the state derives from the social utility of forms of territorial centralisation which can not be provided by civil society forces themselves. Two such predominant utilities characterise the 19th and early 20th century Turkish nation-building process: coordinated military command for opposing first the demands of secessionist movements and the later aggression of foreign powers, and the centrally coordinated late development attempt. Both of these point to the external structuring conditions underpinning the Ottoman/Turkish state's acquisition of infrastructural powers.

However, it was not the economic and military necessity *per se* , but rather the particular nature of these necessities in the 19th and 20th century context which boosted the role of the state. A complex set of factors ranging from military techniques to the requirements of creating a market sustained by a linguistically homogeneous population determined the conditions of this outcome. Modern warfare gradually encouraged army command structures capable of routine, complex coordination of specialised infantry and artillery units. Late industrialisation required more and more centralised and territorially confined mobilisation of economic resources with state financing and state enterprises sheltered behind tariff walls (Gerschenkron 1962). The particular utility provided by the military and economic territorial centralisation of the state organisation proved superior to the option of civil society's acquisition of infrastructural powers.

I should note that I am not suggesting a functionalist approach to the modernisation efforts of the Ottoman/Turkish state. The early 19th century military reforms, the mid-19th century administrative and educational reforms, the early 20th century Turkish nationalism, and the state-led industrialisation of the 1930s were not non-conflictual actions undertaken to improve the functioning of the Ottoman/Turkish society. When all other options ran out, as the "old way of doing things" gradually became impossible the modernising faction of the state bureaucracy monopolised the infrastructural powers and set out to realise its slowly emerging project: the creation of a nation-state. This gradual process covered the one and a half century analysed in this study. This period began with external aggression and the decentralising powers of 18th century local notables, *ayans*, which threatened the integration of the Empire. The emergence of the inter-state system and the increasing complexity of the Ottoman society necessitated new bureaucratic cadres and a new set of administrative rules. Secessionist nationalisms in the Balkans and the Middle East by the end of the 19th century left the state bureaucracy with no alternative other than a nationalism based on the Turkish-speaking population of Anatolia. Finally, the bureaucracy realised that the economic structure of the new Republican state could not be built and sustained without some kind of industrial production. Concomitant to this process, the projects of civil society groups (i.e. the non-Muslim bourgeoisie) and the aspirations of other factions of the state elite (i.e. the traditionalist *ulema* of the Ottoman bureaucracy) failed one by one, leaving the nation-building project of the modernising faction of the state bureaucracy uncontested.

The external structuring conditions determined the conditions of the modernising project of the state bureaucracy. The state bureaucracy's perceptions related to external military threats, the emergence of secessionist nationalisms within its realms, and industrialisation of its rivals created the conditions for a despotic use of its newly acquired infrastructural powers for modernisation purposes. The bureaucracy established regular taxation, greater military mobilisation, permanent bureaucratic administration, and facilitated the emergence of a domestic market supported by an indigenous capital and linguistically homogeneous labour. Ironically, the state could not hold on to this despotic power it had acquired by its monopolisation of infrastructural capacities during the conditions of the nation-building phase. From the 1950s onwards these capacities were carried off into civil society by its own agents. In this sense, the creation of the Turkish nation-state was not a product of capitalism nor did it coincide with the project of a rising bourgeoisie. It was the outcome of the actions of an autonomous bureaucracy which, to preserve the continuation

of the state it had inherited, chose first military then administrative and educational modernisation, and finally late industrialisation. By so doing, it gave regulative boundaries to capitalist relations and created the conditions for civil society's penetration into the state in the latter half of the 20th century.

We will analyse these processes leading to capitalist modernisation under the conceptual pairs of "state and nation-building".[7] "State-building" generally denotes the growth of the state, as a body of regulations and as a set of social apparatuses. It implies chiefly the emergence of a central power possessing effective control of the means of coercion, continuous sovereignty over a given territory and the ability to levy taxes regularly, together with a stable judicial system. By these criteria, the Ottoman Empire had begun state-building already in the 14th century. However, with its low level of infrastructural powers, it was a "territorially federal" rather than a central state prior to the 19th century. Throughout this state-building phase the Ottoman state's high levels of despotic power combined with increasing levels of infrastructural capacities: increased surplus extraction capacity from agriculture by an effective taxation system, improved bureaucratic administration, building up of new educational institutions and transport facilities. Although these attempts to boost infrastructural powers were meagre compared to the contemporaneous European developments, they provided the pillars of subsequent reforms in Republican Turkey.

The term "nation-building" draws attention to a different process. For nation-building to obtain, the existence of the state as a central source of authority is not enough: there must also be the growth of citizenship as a principle of legitimacy supported by some form of representative democracy and general civil and political equality under the law. By historical evidence, the generalisation of these principles within the boundaries of states have generally been concomitant with the growth of nationalism — a collective commitment to nationhood. By its very definition, it is clear that nation-building, like the term state-building, indicates a process rather than an abrupt change. In many ways, especially considering the ill record of its democratic institutions, it is possible to argue that nation-building in Turkey is far from complete even as we are approaching the end of the millennium. However, to differentiate different stages of Turkish nation-building, we can assume that the initial steps came with the brief life of the Constitutional Assembly in 1878, gained momentum with the nationalist CUP leadership in 1908-18 and the Kemalist one-party rule between 1923-46, and made a leap towards maturity with the transition to multiparty democracy in 1950. A notable tendency in this nation-building process was the creation of a linguistically

homogeneous population, whose role in the uplifting of infrastructural capacities at the level of society, in the creation of a domestic market, and in promoting industrialisation will be analysed later.

By linking the nation-building project of the state bureaucracy to the problems of uneven global industrial development, we will try to achieve a balance between dependency and modernisation paradigms. At a general level, this perspective approaches Cardoso and Faletto's (1979) "historical-structural" methodology, which sees dependency as a structuring condition that affects actors not directly but through defining the context in which they operate. This approach attempts to strike a balance between the extremes attributing primacy to external factors (dependency theory) and internal factors (modernisation theory). The external constraints, emanating from the world economy, impose a conditioning situation, which creates the internal context of social reproduction in the periphery. It is in this context that the research programme of the modernisation approach with its emphasis on the role of modernising institutions is applied.

The impact of these external and internal factors, delineated by dependency and modernisation theories respectively, are mediated through the state — hence the emphasis laid on its Janus-faced nature. The state, then, becomes a junction for the diverse determinants of societal development. The recognition of the dual nature of the state enables a reconciliation of modernisation and dependency paradigms. Within the space provided by external structuring conditions, specific agents internal to society may take up modernising functions. Thus, a fundamental correction to the modernisation paradigm is needed when studying the late-comer countries. Reiterating the Gerschenkron thesis, countries that follow on the path of capitalist industrialisation with a delay, face a different set of external and internal industrialisation prerequisites than the first-comers. The diffusion of modernising institutions stipulated by the modernisation theory requires the existence of specific internal agents — e.g. the state bureaucracy — which can employ a learning mechanism for the development of the late-comer country. It is also at this point that I will seek the multiple causes of Turkey's unsuccessful path towards capitalist industrialisation.

Such an approach necessitates an emphasis on the state as promoting development in general and industrialisation in particular. However, it should be noted that this approach does not advocate a state-centred analysis in general. The emphasis that should be given to the analysis of state depends upon the prior evolution of the country under study and the class structure prevailing in the society at large. In general, the historically developed predominance of the state's position and the weakness of classes

vis-à-vis the state may require a central role to be accorded to the state, as in the instance of the Ottoman/Turkish case. The state-centredness or the society-centredness of the approach depends upon what is to be explained and the nature of the country under study; it is not a general rule to be applied independently of particular cases.

Modernisation theories have been explicitly comparative, and thus they have played down the international influences in assuming that they work in essentially similar ways. Accordingly, the exclusive focus of modernisation theories has been on *intrasocietal* structures or processes. The outcomes of the modernising process are explained by a combination of the strengths or weaknesses of an endogenous "commercial impulse" and the relative powers of the landed classes and the bourgeoisie (Moore 1967). The opposite view represented by the development of underdevelopment thesis, on the other hand, while focusing on *intersocietal* structures, has subordinated societies' class and state structures to their "positions in a world-capitalist division of labour" created by an all powerful "expansion of trade in the world-economy" (Wallerstein 1974). As I have attempted to show, the flaws of both approaches with respect to Turkish development find expression in their one-sided view of the state. Both, in effect, see the state as a passive medium through which either endogenous or exogenous influences make their voices heard. The synthesis I will attempt to achieve between these two approaches is best expressed by the alternative theoretical approach I will adopt with respect to the state. Accordingly, the state is anchored in both *intrasocietal* and *intersocietal* frameworks, but is reducible to the exigencies of neither. The state is like a junction where the confluent endogenous and exogenous influences analysed by the modernisation and dependency approaches respectively meet. The state is also an agent which acts upon these influences.

Moreover, breaking away from the exclusively intrasocietal focus of modernisation theory is all the more necessary for the analysis of late development. This is due to the fact that development in peripheral countries follows a trajectory that is distinctive from original industrialisers,[8] because development always entails the interaction of metropole and periphery. Nevertheless, the nature of this interaction is not always as one-sided as the development of underdevelopment thesis suggests. On the contrary, rather than standing by and watching the workings of international trade or capital movements, the society in question may act upon them, albeit within certain constraints. As we saw above, this active intervention, especially in the case of late development, is often undertaken by the state. States' unique capacity to this effect is enhanced by particular circumstances: we identified the two most important

in the Turkish case to be a perceived external threat to territorial integrity and the felt need for late industrialisation by the state bureaucracy. The autonomy of state action, thus enhanced at the intersocietal level, may result in the modernising actions of the state bureaucracy. In an attempt to reconcile the oppositionality between modernisation and dependency approaches we may say that international political and economic conditions provide the constraints on national modernisation by determining its rate, the possibility of its success, and the relative strengths of the collective actors undertaking the modernisation project.

1.2 Some hypotheses explaining the long-term development paths

We will use an amalgam of three approaches to explain the long-term development paths.[9] These three approaches are distinguished from one another with respect to the major areas to which they direct their attention. In the following chapters we will employ elements of all three approaches without ascribing explanatory priority to any of them; their explanatory power with respect to the Turkish case will be assessed in the final section of the report. The first, which may be called the *culturalist* approach (e.g. Weiner 1981), places its main emphasis on the climate of ideas — ideas of the elites rather than those of the people — in shaping behaviour and determining socio-economic change. Although this approach is prone to portray a unitary view of culture and thus to downgrade the fragmented nature of culture in differentiated societies, it may present valuable insights with the help of a relatively simple operationalisation. Such an analysis may direct attention to educational institutions and professions, and try to assess their role in preserving and fostering an anti-industrial culture for the elite.[10]

The second, what may be dubbed the *corporatist* approach, attempts to present a more subtle picture of development trajectories. The classical institutionalist version of this approach (e.g. Hall 1986) places the emphasis firmly upon the state-economy relations, and necessitates detailed historical and comparative institutional analyses of the state bureaucracy, the business community, organised labour, and the interactions of all three. Thus the corporatist explanation of the determinants of the development trajectory gives explanatory priority to the role of institutions (e.g. the character of the state bureaucracy, the banking system, the organisation of the labour movement) and attempts to assess whether these institutions are

more or less adapted to the task of economic modernisation than similar institutions in other countries.[11]

Another version of the corporatist approach is Olson's work (1982, 1990) focusing on collective action and vested interests. Applying the analytical tools of neoclassical economics, Olson analyses the impact of collective action by organised or collusive interests on economic performance. According to him, the different rates of growth in different periods can be understood only if one looks at "distributional coalitions", special interest groups that have managed to institutionalise their private interests in the power structure of the society at large. Most distributional coalitions are harmful to efficiency and growth because they put barriers to the mobility of resources greatly reducing the speed at which an economy can adapt to changing demands and new technologies. The problematic nature of organising collective action, especially for large groups, leads Olson to expect that more groups will be organised the more time has passed. Thus, distributional coalitions accumulate in stable societies with given boundaries as time goes on.[12]

The third, the *class* approach (e.g. Leys 1989) to the study of long-term development emphasises a more society-centred approach in contrast to the state-centred analyses of the corporatist approach. It focuses on the interests of classes and the representation of these interests. Accordingly, shifts in the balance of power between classes and between factions within classes are held to be crucial for explaining the trajectory of industrialisation.[13]

Notwithstanding their differences of emphasis, the culturalist, corporatist and class approaches share common analytical tools. Senghaas's (1985, 1988) and Menzel's (1988, 1992) work analysing the determinants of divergent development paths in 19th-century peripheries can be interpreted as an attempt to synthesise these three perspectives. The almost exclusive endogenous emphasis that these approaches suggest is also consonant with Senghaas's and Menzel's conclusions. Senghaas and Menzel reject the priority given by the dependency approach to the wholly negative impact of linkages with the world economy in explaining the long-term development trajectory. Their hypotheses form an ideal vantage point for analysing the Turkish case not only because their focus coincides temporally with the 19th and early 20th-century modernisation efforts of the Ottoman/Turkish state, but also because their analyses of cases of successful world market-oriented development constitute a contrast to the Turkish trajectory. For as we have suggested, the dominant mode of writing on Ottoman/Turkish social and economic history – the dependency tradition – has always regarded the integration of Anatolia into the world economy as being primarily responsible for Turkey's underdevelopment. Content to

regard nondeveloped parts of Europe as "semi-peripheral", this approach has avoided the question of why some of the early 19th-century semi-peripheral areas later became parts of the core and some, like Turkey, did not. Senghaas and Menzel, on the other hand, through comparative analyses of the 19th century peripheries, North America, Scandinavia, Eastern, and Southern Europe — though not of Turkey — have found that, although peripheralisation pressures were similar in all cases, some countries through their association to the world market (e.g. Switzerland, Belgium, Netherlands) and others through a combination of associative/disassociative trade regimes (e.g. Scandinavian countries, Canada, Australia, New Zealand) have managed to industrialise in the 19th and early 20th centuries. Because of the centrality of the so-called "long 19th century" in Senghaas's and Menzel's analysis, it may be worthwhile to give this period a closer inspection.

The "long 19th century" was initiated by the twin revolutions of the English Industrial Revolution and the French Revolution and stretched roughly from the 1780s to the 1910s. Its distinctive feature was the enormous "pull" exerted by the rapid industrialisation in England and then in other parts of Western Europe on the "peripheral" economies. The major factor in this relationship of attraction was the international trade. The "core" of industrialised economies in Western Europe, in search of markets for their manufactured goods and for cheap sources of raw materials and foodstuffs, led an unprecedented increase in the international trade. Between 1750 and 1913 world trade grew fifty-fold. Two-thirds of this trade took place among the countries of Europe; thus, up to the end of the 19th century the "peripheralisation pressure" generated by the pull of the industrialised core was strongest within Europe (Berend and Ranki 1982:21-4).

The areas of the European periphery, the ring of regions surrounding the core — Scandinavia, the Iberian Peninsula, the countries East of the Elbe, the Balkans, and Anatolia — gave differing responses to the challenge of the Western core. These responses led to the divergent outcomes of successful and unsuccessful paths of development in the European periphery. A complex web of determinants ranging from the nature of external influences to the internal socioeconomic conditions played a role in setting the course of these divergent paths. Indeed, the change brought about by the English industrialisation in the world economy context had a fundamental effect on the nature of industrialisation prerequisites in the "late" industrial developers. It was to express the centrality of such a combination of external context and internal conditions in describing the development level of a country that Gerschenkron devised the concept of "relative backward-

ness". While the early industrialisation in England had been a slow, evolutionary process based on consumer-oriented industries, in late developers the lead had to come from the heavy industry financed either by the banks in moderately backward late industrialisers (e.g. Germany) or by the state in extremely backward cases (e.g. Russia) (Gerschenkron 1962). Moreover, the impulses provided by the new international context were not uniform in all parts of the periphery. While "the fundamentally similar religious and cultural milieu and geographical proximity facilitated the spread of positive influences" in the form of the diffusion of technological know-how and the transplantation of institutions in the immediate peripheral Europe, these influences were more likely to be negative in the far-flung peripheries (Berend and Ranki 1982:21).

Apart from the nature of these external influences, the later trajectory of a peripheral economy was also contingent upon the character of the socioeconomic conditions developed prior to the impact of the industrialised core. The political and institutional framework, both prior to and concomitant with the 19th century world economy context, had a decisive effect on the ensuing development. While, what Amin has called the "auto-centric" model of accumulation prevailed in the countries which eventually constituted the successful cases of development (e.g. the Scandinavian countries), "dependent" reproduction came to prevail in the countries which were unable to break off from their peripheral status in the 19th century (e.g. the Balkan countries). Auto-centric reproduction in an economy was characterised by a balanced and mutually reinforcing growth between the mass consumption goods sector and the means of production sector, whereas production of primary commodities for exports and luxury goods for the consumption of high income groups was prevalent in dependent reproduction. An auto-centric economy was characterised by "structural homogeneity": pre-capitalist modes were eliminated by the capitalist mode of production; levels of productivity, profit and wages, and patterns of work organisation were equalised among different sectors of the economy. In the structurally heterogenous peripheral development, on the other hand, the domestic market was very limited, linkages between agriculture and industry were defective, there was no depth of production and demographic developments were out of control (Amin 1972). While the peripheral economy had a disarticulated character, auto-centric economies were highly integrated. The disarticulated sectors in the periphery carried out only marginal exchanges among themselves as the essential exchanges were established with the core economies.

Through various comparative case studies of auto-centric and peripheral countries in Europe, Asia, and the Americas, Senghaas (1985) has worked

out a list of variables explaining auto-centric development. These variables, presented in Table 1.2, attempt to capture the causalities at work during the "successful" or "unsuccessful" transitions from an export economy to an integrated national economy. They also suggest a research strategy for describing the impact of the Industrial Revolution on a potentially late developing 19th century country, and the determinations involved in the generation of a response to this challenge. In this study, we will try to establish the nature of transformations in Anatolia by loosely following the areas and variables in this list. The peculiarities of the Turkish development path will provide us with some clues for an elaboration of the hypotheses in Senghaas's analytical scheme.

Against Wallerstein's world-systems theory, Senghaas emphasises that comparable world market positions can lead to both auto-centric and dependent development. Steering away from monocausal explanations, Senghaas's scheme basically points towards multicausal determinations in the generation of divergent development paths by examining the "different *internal* social conditions for the processing of the opportunities and restrictions which the world market offered to the development process of individual societies" (1985:155). This necessitates an "analysis of the *socio-structural and institutional* factors which channelled decision-making into different directions during *critical phases of development*" (1985:130, emphasis in the original). Thus, whether societies suffer dependent development or embark on auto-centric development depends on their different social structures, and on the outcomes of the struggles between different classes, sections of classes and the state. With its implicit rejection of the inevitability of underdevelopment during conditions of world market integration and its endogenous focus, Senghaas's framework approaches the modernisation theory in the modernisation/dependency polarisation. But his emphasis on peripheralisation pressures, internal distribution variables, and socio-institutional development distances him from the neo-liberal variants of modernisation theory.

In Senghaas's scenario of auto-centric development, staple exports of the enclave economy generate strong linkages and lead to the consolidation of the home market despite continuing world market integration. Among the socio-institutional factors underpinning such a successful transition, Senghaas gives causal priority to an egalitarian distribution profile — a priority which, we will argue, needs further qualification in the light of the Ottoman/Turkish trajectory. According to Senghaas's account, an equitable distribution of income in agriculture — ultimately tied to an egalitarian land distribution — and industry paves the way for a demand structure oriented

Table 1.2
Senghaas's list of variables explaining divergent development paths and its application to the structure of the report

Area	Variables and sections of the report	Value of variables conductive to auto-centric development	Value of variables reproducing dependent development
1. Economic structure			
	- Nature of staple exports, and their linkage effects in industry (4.5)	- Staple exports generating strong backward and forward linkages	- Weak linkages
2. Socio-institutional factors			
Agriculture	- Distribution of land holdings (4.4)	- All distributions are relatively "egalitarian" or marked by only "moderate inequality" (i.e. few large estates and prevalence of medium-sized farms)	- Large inequalities between rich landlords and poor agricultural tillers, between large and small farmers
	- Capital intensity of farming, degree of mechanisation (6.2)	- Capital intensive farming, high productivity	- "Inegalitarian" agrarian structure impedes modernisation and thus the mechanisation of agriculture
Distribution of income	- Distribution of income	-"Moderate inequality", influences the dynamics of the domestic market	- Large income differences and heterogenous social structure hinder the development of domestic market
	- Relation between distribution of income, saving rate and demand for investment goods (4.5) (6.1)	- Saving rate and broad-based domestic market stimulate productive investments, relatively high shares of wages	- Low savings rate and low level of development of the domestic market generates low demand for investment goods, low share of wages
Economic institutions	- Entrepreneurial capacities (6.3)	- Industrial interests gain hegemony over traditional elite groups and facilitate the establishment of national industry	- Established elites' interests impede industrial development
	- Banking system (6.1)	- Banking system supporting industrial firms	- Weak banking system
	- Level of education, quality of higher education institutions (4.1) (6.3)	- High literacy, high quality higher education institutions, dense connections between these institutions and firms	- Low literacy, low average level of education

Area	Variables and sections of the report	Value of variables conductive to auto-centric development	Value of variables reproducing dependent development
3. Political and social mobilisation			
Social	- Mobilisation of farmers and workers (6.3)	- Strong cooperative and union movements	- Obstacles against workers' and farmers' mobilisation
Political	- Democratisation (5.3)	- Effective democratisation weakens old elites and paves the way for the influence of industrial interest groups. Establishment of "conflict resolution systems" gives opportunities to the lower classes for the articulation of their interests and thereby reduces the possibility of open violent conflicts	- Democratisation incomplete, frequent violent conflicts and authoritarian resolution attempts
	- Nation-building and sovereignty (5.1) (5.2)	- Early national sovereignty allows national self-determination in trade regime and control of resources	- Low level of national self-determination
	- Nature of the party system (4.1) (6.3)	- Agrarian and labour parties serve as a counterweight to industrial and state bureaucracy, little patron-client relationships in the party system	- Political organisation of lower classes absent or blocked, high level of clientilism
State apparatus	- Administrative reform (4.1)	- Bureaucracy adjusts to democratisation and to the demands of social movements, unified legal system and legal security	- Bureaucracy preserves the interests of the established elite, legal system is characterised by low legitimacy and arbitrariness
	- State provision of infrastructure (6.1)	- Maintains the emergence of industrial basis and intermeshing of agriculture and industry	- State provision of infrastructure is low

Source: Senghaas 1985:90, Menzel 1992, Mjøset 1991:81, Mjøset 1992:22-3. Slightly modified.
Note: The numbers in the parenthesis refer to the section headings in the report describing the value of variables for the Ottoman/Turkish case. The analytical structure of the report presented by these numbers is not exhaustive. The variables in this list are invoked at various points during the narrative. The sections given here include only the most extensive treatment of the material pertaining to these variables.

to mass consumer goods. The emergence of these socio-institutional preconditions of auto-centric development is, in turn, tied to the outcome of political and social mobilisation patterns. Most importantly, Senghaas cites the centrality of successful defeudalisation in the emergence of a development-promoting profile. During and after the nation-building phase, strong peasant and worker movements lead to the consolidation of institutionalised conflict resolution systems. Clientelist and other vertical patterns of integration — e.g. populism — in the party system, on the other hand, impede such successful interest articulation and hamper the potential development of mass demand. With respect to the nation-building process, Senghaas argues that early national sovereignty allows national self-determination in customs policies and control of resources. In this study we will also emphasise the role of the cultural, ethnic and religious conflicts of nation-building period — a second area in which the analysis of Ottoman/Turkish development can complement Senghaas's scheme. As we shall argue, rather than being independent variables, the level of education, the extent of literacy, the nature of the party system, and administrative reform are related to the conflicts and "lateness" of nation-building whose roots are anchored in endogenous (e.g. ethno-religious heterogeneity, cultural institutions) as well as exogenous (e.g. the external structuring of the state in the geopolitical arena) spheres.

1.3 About the method

This study situates itself within the historical sociology tradition. As Smith (1991:184) notes in his survey of the key works of this intellectual field, historical sociology draws out similarities and differences between societies across time and space, traces long-term processes, seeks out causes and pursuing effects and indicates the way people shape and are shaped by the institutions. The report does not, however, use an exhaustive comparative method. Instead, it tries to strike a balance between the comparative method and the method of historical narrative. My reservations against a "pure" comparative methodology is not the historicist objection that every case is unique. Though this is true, it does not preclude comparison. Rather, reiterating a point made by Mann (1986a:173-4), I think that "comparative analysis should also be *historical*; each case *develops* temporally, and this dynamic must itself be part of our explanation of its structure" (emphasis in the original). That I have relied more heavily on historical narrative and limited comparative remarks to illustrate particular points is not due to a rejection of comparative method on *epistemological* grounds. Rather, the

practical difficulty in finding full analogies to the Ottoman/Turkish development pattern has dictated a pragmatic turn to historical narrative.[14]

The analysis presented here may be considered as an hybrid of a hypothesis-testing and hypothesis-generating case study which starts out with an initial notion of a possible set of hypotheses developed through comparative studies – Senghaas's list of variables – about the determinants of the outcome of late industrialisation attempts and proceeds to use these hypotheses in the narration of the development history of a "crucial case". The qualifications brought by the study of Turkey to the original set of hypotheses are discussed in the final chapter.

There are important specificities of the Ottoman/Turkish case which warrant its status as a "crucial case" for the testing of our initial hypotheses, and for the possible generation of new ones. The two most important are the absence of large-scale ownership in the agrarian structure and the expulsion of a majority of the Christian bourgeoisie during and after the First World War (Keyder 1987:2). The egalitarian agricultural structure, as it will be argued, resulted in the autonomy of state bureaucracy from landed classes and also inhibited a convergence of the interests of foreign capital and domestic agrarian classes. The state power, thus enhanced, on the one hand prevented the colonisation of the Empire, and on the other hand channelled the otherwise investable agricultural surplus to the unproductive sphere of military territorial defence. The ethnic dislocations of the Turkish nation-building process, the second crucial feature of the Turkish trajectory, had a similar contradictory effect. In Hirschmann's (1970) terminology, the "exit" of the Greek and Armenian bourgeoisie from the stage during the 1914-24 period sharpened the state bureaucracy's resolve to rapidly industrialise, but the diversion of the realisation of "voice" options from institutionalised representations of interests to particularistic domains hampered the infrastructural powers of the state bureaucracy, and obstructed the success of the late industrialisation attempt.

During the course of the narrative I have made comparative references to other cases by extracting certain elements of the Ottoman/Turkish development from their social and temporal matrices, and by looking at how they have operated in different environments. These comparative references have often been made to different points in time. In making the contextualising comparisons I have assumed that there is no uniform temporal medium and that the *times* of societies' development are enormously diverse (cf. Tilly 1993). In this respect, it may be more informative to compare 19th-century Ottoman agriculture with 17th-century French and East European agriculture; early 20th-century Turkish nation-

building with 19th-century European nation-building processes or with mid-19th-century Japanese Meiji Restoration; and Turkish *étatisme* in the 1930s with the German late industrialisation in the 19th century or with the *dirigisme* of South East Asian states in the 1960s. Although the dates in these comparisons may be different, the *times* may be similar (cf. the comparative approach in Anderson 1974).

The theoretical framework adopted in the historical exposition of the dynamics of the Ottoman/Turkish development trajectory attempts to advocate a delicate balance between the perils of determinism on the one side and voluntarism on the other; it allows an element of choice to the political actors albeit within situational constraints. In looking for periods of relatively stable social reproduction in an attempt to make a periodisation of development trajectories, our method assumes that each of these periods is characterised by what may be called a model of development which is constituted, in general terms, by a complex interplay between economic structure, and the politico-institutional framework which is dependent on class structure and pattern of political mobilisation. In addition to these internal determinants, a country's model of development is also assumed to be contingent upon the effect of the external constraints originating from world politics and economy (cf. the economic policy model in Mjøset 1987).

In explaining the evolutionary dynamics of the model of development composed of the interdependent sub-systems of economy, polity, institutions, class structure and political organisation forms, both determinist and functionalist variants of systems theory are avoided. Thus, the theoretical framework utilised here recognises that certain historical situations are open and that their resolution is contingent upon the outcome of social conflicts which determine the future of a model of development. Once a model of development is established, some of its constitutive relations become functional; but these functional relations can easily be weakened as the alliances, compromises or hegemonies which they are built on are undermined. The stabilisation of a new model of development depends upon the outcome of social conflicts and the institutionalisation of new compromises or hegemonies. Thus, the outcome of the crisis periods heralding the end of a model of development are historically open (Mjøset 1991: 316-17). The determination of these historically open periods, the crossroads of social development, is an essential element in the periodisation of the development trajectory of a society.

An undeniable feature of the transition period is the predominance of crisis symptoms. In this context, the study of the transition between the two development models requires probing the mechanisms and politics of crisis

resolution. The study of the crisis periods in a society's evolution and the periodisation achieved through this study is a valuable tool in the in-depth analysis of each of these periods. The study of key *events* marking the beginning or end of crisis periods becomes indispensable in this context. Events as they are eventuated from the past and as signifiers for the future, constitute a "prism through which social structure and process may be seen" (Abrams 1982:191-2). The significant events which will guide our periodisation as markers of transition are the 1839 inauguration of *Tanzimat* reforms in the aftermath of the Free Trade Treaty with England, the 1908 Young Turk nationalist putsch, and the 1929 initiation of *étatiste* industrialisation.

The methods used in studying the emergence and resolution of crisis periods also present some clues for probing the mechanisms at work during periods of "normal" social reproduction. Adopting a more interpretive and less deterministic approach while also attempting to avoid simple subjectivism or voluntarism, it can be asserted that crises are not merely "objective" phenomena; they are also "subjective" historical processes — a time of decision for social actors present (O'Connor 1987:3). In this sense, contrary to the claims of neo-liberal arguments regarding market mechanisms as autonomous forces which can be brought to crises through "excessive" intervention of the state or the contending organisations of societal groups, I will argue for a non-reductionist approach which emphasises that economic, social, political and cultural crises overlap and are not reducible to one another.

Such an approach represents a thrust against the arguments of the neoclassical institutionalist tradition. Rational choice theory, through importing the equilibrium conditions in neoclassical economic theory to sociology, basically views social change as an unintended consequence of the interplay between the actions of numerous interests groups (Olson 1990). Thus, neoclassical institutionalism interprets the rigidities in societal development as resulting from disruptions in the rational choice framework. The classical institutionalist tradition inspired by Weber, Veblen and Polanyi, on the other hand, interprets the emergence of the rational choice context or market rationality as being dependent upon the conflicts between collective actors on the basis of their special and general interests (Mjøset 1991:52-77).

In the classical institutionalist tradition, institutions are depicted as regulative principles which organise the activities of individuals or collective actors. They comprise laws, rules as well as common value systems and representations of reality which impose certain types of behaviour on groups and individuals through direct or symbolic coercion

(Boyer 1990:44-5). Thus, the classical tradition does not exclude power and legitimation struggles since institutions also signal established power relations and compromises between collectivities (Johnson and Lundvall 1989:93).

A central weakness of neoclassical approaches in comparison to classical institutionalist analyses becomes their reluctance to differentiate between fundamental conflicts of interests and innumerable special interests. As it is pointed out by Mjøset, the problem of identifying the critical subjects who present their particular special interests as general interests to the society does not arise in the neoclassical paradigm (1991:314-15). The approach used here, by contrast, leaves the pure rational choice model focusing on a pluralistic concept of special interests and attempts to identify the role of critical collective actors which aspire to put forward their special interests as legitimate general interests at the societal level. With respect to the study of social change, this implies an action theory whereby individual and collective actors are not only driven by special interests and rational choice contexts but also by legitimation struggles.

The application of such a normative perspective on social action to the study of societal development is especially relevant when we consider the resolution of crises in historically open situations. Once the crisis is resolved, the reduction of the choice possibilities makes the analysis more suitable for rational choice approaches (Mjøset 1991:316). The rational choice model is, thus, historically limited to periods of "normal" social reproduction delimited in time by periods of crises.[15] By contrast, within the crises periods themselves, social actors' use of symbols, representational practices, and legitimation attempts come to the forefront. In studying the emergence of Turkish nationalism and the state-building phase of the Turkish Republic (the central crisis period used in the periodisation of the Turkish development trajectory) I will employ this normative action theory perspective. I will identify the state bureaucracy as the critical subject linking the reformism of the 19th century Ottoman and the early 20th century Republican period. The struggle of the bureaucracy to legitimise its interests and the effects of this project to the outcome of industrialisation attempt will constitute the main thrust of the argument.

The perspective of the classical institutionalist tradition adopted here is an attempt to introduce sociological action theory to economics and thereby to resist the theories which import unqualifiedly neoclassical economic axioms to sociology. Polanyi's (1957) distrust of the self-regulating potential of the market applies to the *fin-de-siècle* capitalism of the last quarter of the 20th century characterised by deregulation and reign of the "free market" as it did to the 19th century liberalism. The rhetoric of the

free market devoid of any theorisation with respect to its institutional underpinnings cloaks the power relations and legitimation struggles permeating societal reproduction. As it is convincingly pointed out by Jameson (1991), the fundamental level on which political struggle is waged is that of the struggle over the legitimacy of the concepts, and the rhetoric of the market has been a central component of this struggle.[16]

The theoretical framework applied in this study aspires to answer the need expressed by Habermas for a new theory of the interaction between economics, politics and culture (1986:65). By resisting the segregation of social science disciplines in academia, it attempts to study society in its "totality" and thereby combine the two major paradigms in sociology — action theory and systems theory. The implications of such an attempt to combine "objective" and "subjective" methods become evident especially in the analysis of the crisis period — the 1908-29 nation-building phase — dividing the two major periods constituting two distinct models of development — the 19th century and the 1930-46 one-party rule. Thus, although the study of Turkish industrialisation is of primary interest, the analysis of the actions of the foremost actor of this industrialisation attempt, the state bureaucracy, is indispensable. For the same reason, the resolution of the crisis of the Ottoman system and the integration of Turkish society in the nation-building phase through the nationalist, secular and modernising project of the state bureaucracy forms a point of departure for the analysis of pre-crisis and post-crisis periods, the 19th century and the 1930-46 period respectively. If the order of exposition does not follow the order of analysis it is because of the need for a chronological narrative.

The crisis dividing the late Ottoman and early Republican periods can not be studied in economic terms alone as a crisis of industrialisation, of capital accumulation pattern, or as a crisis of what Habermas calls "economic-system integration"(integration of system functions into one another). Nor can the evolutionary dynamics in the 19th century and the 1930-46 period be analysed without incorporating the elements of action theory, or in Habermas's terminology, problems of "social integration" (normative integration of individuals in particular system functions and economic and social roles).[17] In other words, the Ottoman/Turkish bureaucracy's modernising actions extending from the mid-19th to the mid-20th centuries can not be analysed in instrumental terms related to economic or territorial control alone. The communicative and normative context of the bureaucracy's attempts to spread Turkish vernacular language and to make sense of and overcome the crisis of the Ottoman system by creating a new context of meaning for itself through Westernising, secular and nationalist reforms must also be considered. As we will see in the analysis of the

1930s and 1940s, this normative element — the state bureaucracy's nationalist ideology — through attempting to "colonise" the "life-world" represented by popular Islam, eventually impeded social integration in the nation-state, and became dysfunctional thereby leading to the demise of the economic-system integration of state industrialisation.

It must be reiterated that the analysis of the 1908-29 crisis period serves a heuristic purpose here; for it is plausible to argue that the bureaucracy did not resolve the crisis at the level of social integration although it secured economic-system integration. The hegemony of the bureaucracy's nationalist, secular and Westernising ideology was contested throughout the period under study and oppositional social forces gained ground following the 1950 transition to multiparty democracy. However, probing the bureaucracy's hegemonic project in the nation-building phase provides valuable insights with respect to its nascent forms in the 19th century, and its developed state in the 1930-46 period. Moreover, the multifaceted determinants of industrialisation, which we will discuss from the perspective of Senghaas's auto-centric/dependent development dichotomy, warrant an analysis which incorporates different theoretical approaches borrowed from different disciplines. The spillover effects of a normative perspective on the analysis of Turkish nationalism to the study of industrialisation from the early 19th century to 1946 necessitated a wider reading and use of theories from diverse disciplines. Hopefully, the ensuing analysis was a synthesis rather than a syncretism.

Notes

1. Analyses produced from the world-system perspective have conflicting claims about the periodisation of the Ottoman Empire's integration with the world-economy. While İslamoğlu and Keyder (1977) date it from 1600, Wallerstein (1980) and Kasaba (1988b) seem to emphasise 1750. In a balanced assessment Wallerstein, Decdeli and Kasaba (1987:96) state that "though the actual emergence of a peripheral structure can not be said to be complete before the end of the 19th century, the process of incorporation clearly occurred earlier".

2. The application of state/civil society, centre/periphery dichotomies to the Ottoman Empire and Turkey originated with Mardin (1969b, 1973). For an elaboration of these views and their applications to the politics of the 1980s, see the contributions in Heper and Evin eds. 1988. Critics of the modernisation approach, too, adhere to this interpretation by replacing the state/civil society opposition with the opposition between bureaucracy and bourgeoisie (Keyder 1987, Schick and Tonak eds. 1987). Thus, Keyder (1987:Chapter 9) sees the post-1980 period as the culmination of the long-term "impossible rise of the bourgeoisie".

3. İslamoğlu-İnan (1987b) amply demonstrates the Orientalist discourse at the root of the notions of "despotism", "Asiatic Mode of Production", "patrimonialism" and "weak civil society versus strong state". According to her formulation, this discourse is premised on an essential oppositionality in the historical developments of the "East" and the "West", and embodies a Western self-definition that requires conceptualising the "Other" (the East) as its opposite whereby the history of the East becomes that of the West in negation (cf. Said 1979). For the centrality of "the Turk", and "Ottoman Empire" in the construction of European identity from the 14th century onwards, see also Neumann and Welsh 1990.

4. Hann (1990:56-71), rather than seeing the ostensible liberalisation of the 1980s as the defeat and gradual reduction of the realm of the powerful state which prevented the development of institutions of civil society, contends that the Turkish state has been "soft" in the last few decades. He coins the term "domestication of the state" to describe the ways in which the state has become part of everyday reality and penetrated into the life of its citizens and the success with which societal pressure groups influence state policy and defend their interests. From this perspective, the problem of the contemporary Turkish state is not that it is overly "powerful" but rather that it is too "weak": it can not set up the institutional framework within which particularistic demands can be successfully resisted and lasting bargains struck (cf. Keyder 1992a).

5. Slightly transforming the argument Žižek (1991:13, 38) has made in another context, this approach corresponds to the transcendence of the duality between "West" and "East" or "developed" and "developing" societies through a double-reflection — i.e. negating their fundamental oppositionality and applying similar analytical devices to the study of "developed" and "developing" countries alike. For in Lacanian terms, the very identity of "developed society" is constituted by reference to "developing society", not only in the sense of a simple differential opposition whereby an identity can assert itself only via its difference to its Other, but in a far more radical way. The identity of the developed society is in itself always-already impossible, "antagonistic" — i.e. with divisions related to class, ethnicity, gender or race — and the Other is nothing but an outside-projection, an embodiment of its own inherited antagonism. In this light, applying the theoretical apparatuses usually employed in the analysis of advanced countries to the study of developing ones means achieving, what Žižek calls a double reflection: neither what the First World immediately sees in the Third World — modernisation theory — nor the way the Third World sees the First — the viewpoint of the Persian ambassador in Montesquieu's *Persian Letters* — but *the way the First World sees the Third World seeing itself.* Thus, unlike the attempts which project the future of the Third World based on the past of the First World, this alternative conception is based on the assumption that the processes in the First and Third Worlds are "sufficiently similar to make combined analysis essential to arrive at a valid theoretical understanding of what is going on in either" (Evans and Stephens 1988:748). With respect to the transcendence of East and West oppositionality, this does not mean, however, that I will use the concept of "feudalism" — a term generally used to describe European pre-capitalist social formations — for the Ottoman system. Neither will I use the concept of AMP whose theoretical inadequacy and empirical inaccuracy is convincingly demonstrated in Anderson 1974. Wary of its Orientalist connotation, nevertheless being aware of the futility of seeking a "neutral" descriptive language in social sciences, I will retain the Weberian concept of patrimonialism in the course of developing the narrative as a comparative backdrop to the development patterns in Europe.

6. Combining both institutional and functional elements, pertaining to the appearance of state apparatuses as well as their functions, Mann (1986a:37) defines the state as a set of

institutions and personnel, concentrated spatially at a single point, and exerting authority over a territorially distinct area. In Mann's reformulation of Weber's definition: "the state is a differentiated set of institutions and personnel embodying centrality, in the sense that political relations radiate outward to cover a territorially demarcated area, over which it claims a monopoly of binding and permanent rule-making, backed up by physical violence."

7. The term "bourgeois revolution", usually utilised in Marxist historiography to theorise the nation-building processes, is not adopted here because of its conceptual unclarity and class-reductionist connotations. Indeed, as we shall see in the case of the Turkish transition from an imperial state structure to a capitalist nation-state, the state bureaucracy, the primary subject behind the implementation of the nation-building process, neither represented nor acted in the interests of a particular class. Rather, the specific circumstances of Turkish nation-building — most importantly the predominance of non-Muslims in the Ottoman bourgeoisie, the existence of ethnic and religious conflicts in the nation-building phase — and the prior evolution of the Ottoman state and society enhanced the class-aloofness of the state bureaucracy. The consequence of this process, the eventual formation of a capitalist nation-state in the post-Second World War period does not warrant the use of the bourgeois revolution concept. Moreover, the term bourgeois revolution suggests an abrupt transformation resulting in a modern capitalist nation-state; this process, however, is in fact rather long-drawn. In recent Marxist writing this deficiency is acknowledged and a conceptual clarification rather than an *ad hoc* usage of the term is suggested (Anderson 1992a:8 and Evans 1985:74). In an elaboration along these lines, Anderson (1987:47-8) notes that the notion of bourgeois revolution can neither be confined to a single episode nor made coeval with a continuous evolutionary process. The fact that the state and nation-building concepts have traditionally been used by modernisation theorists has resulted in dependency theorists' shying away from this conceptual pair. The outcome has been an undermining of the effects of normative contexts — e.g. nationalist sentiment — in the analysis of development patterns. A notable example in this regard is the attempt to find an economic rationality for the actions of state bureaucracy in the Turkish Revolution between 1908 and 1923 through assigning a dominant class position to the bureaucracy in AMP (Keyder 1987, 1988). For all its empirical nuances and important insights, the negligence of non-instrumental action in the construction of the nationalist project of the state bureaucracy leaves an important theoretical lacuna in Keyder's work.

8. This was first recognised by Veblen (1915) when he coined the term "the advantages of backwardness". He stated that the methods of modernisation chosen in one country change the dimensions of the problem for the following countries. An elaboration of this perspective with respect to late industrialisation was provided later by Gerschenkron (1962).

9. Gamble (1990:78-86) uses a similar categorisation in his review of the literature on the determinants of British industrial decline in the 20th century.

10. In a recent version of this culturalist approach Weiner (1981) identifies an anti-industrial and anti-enterprise culture as the fundamental cause of Britain's problems. In an early version, again with respect to the industrial decline in the UK in the latter half of 20th century, Anderson (1964) offered an account of British history which emphasised the role of ideology, and the failure of the rising industrial bourgeoisie ever to supplant the ideology and institutions of the aristocracy; instead they were co-opted into the aristocrats' world and Britain never experienced a thoroughgoing modernisation of the kind experienced by other European countries.

11. In a recent example of this corporatist approach emphasising the role of institutions, Hall (1986) diagnoses British corporatist weakness as the lack of integration between the industrial and financial sectors. The examples cited are the Treasury-Bank-City nexus which was more influential in determining economic policy priorities than manufacturing industry and organised labour; poor industrial and poor management, as shown by strikes, restrictive practices and low productivity; the character and style of state intervention in Britain. In yet another example, contrasting British experience with other countries, Anderson (1987:73-4) lists four different national models of development, all of which have exhibited what he calls a "regulative intelligence". The four types of regulative intelligence identified are (1) the state technocracy in France; (2) the banking system in Germany; (3) the combination of interventionist bureaucracy and banking system in Japan; (4) the organised labour movement in Sweden.

12. In the light of this argumentation, Olson explains the post-World War II rapid growth of West Germany, Japan, Italy, and France by the fact that war-time governments did away with most independent organisations. Conversely, he explains the slow growth rate of certain industries in the United States by their outmoded and cartelised nature, and he attributes the decline of the British economy to the mostly intact nature of distributional coalitions in the British society. For the case of British decline, for example, the two principal distributional coalitions are the financial and commercial interests of the City-Bank of England-Treasury nexus and the military-imperial connection (Olson 1990:95-8). Olson's account of the determinants of industrial decline emanating from a plurality of special interests organised in distributional coalitions has its roots in his neo-liberal convictions. Olson sees the major cause of economic decline as due to encroachments on the market from organised special interests intent on violating its competitive laws, whose untrammelled operation alone can assure national dynamism. Anderson, whose classical institutionalist position we share regards Olson's account as empirically naive (Japan is treated as an example of the success of free market principles) and logically inconsistent (Olson's only remedy against decline induced by too much state intervention is more state intervention – the complete liquidation of all special interests by the state) (Anderson 1987:74). Anderson, on the other hand, while accounting for Britain's industrial decline emphasises the institutional rigidities and sclerosis resulting from the aristocratic tone and origins of the British state continuing its course without any considerable institutional alteration for more than three centuries ("no gale of creative destruction has blown through the creaking political timbers of the United Kingdom" (Anderson 1987:48)) and from its early industrialisation. With respect to the latter, using Dahmén's (1970) concept of "development blocs" – associated chains of fixed investment subsequently becoming blocks to further development due to their interconnectedness which imposes fetters on movement into newer technologies and industries – Anderson notes that "the first country to mechanise textiles and build railways, Britain generated development blocs of inter-related capital investment around them, which then took on a massive historical inertia" (Anderson 1987:72).

13. The most well-known application of the class approach to British decline is the Anderson-Nairn thesis (Anderson 1964). It argues that the British bourgeois revolution was premature and therefore unfinished, and the consequences of this were the creation of legacies which were eventually to become crucial handicaps for the British economy in competition with economies whose modernisation had been later and more radical. The general long historical perspective of Anderson and Nairn's approach was later supplanted by the more detailed research of Leys (1989) and Ingham (1984). This later research placed more emphasis on the social and economic peculiarities of Britain rather than on its ideological features. Other

versions of the class thesis have contested some of the results of Anderson-Nairn thesis. One of these places much greater emphasis on the defensive ability of the British working class to resist the pressures from capital for rationalisation and higher productivity. The labourism of the British trade union movement, instead of being a symptom of the incorporation of the labour movement into the British *ancien régime*, reflects the stalemate between capital and labour in Britain, which neither side was powerful enough to break (Glyn and Scuttcliffe 1972). The second alternative account (Barratt-Brown 1988) disputes the significance and the extent of the split between industry and the City pointed out by Ingham (1984). The international orientation of the British capital is given explanatory priority and this orientation is explained not by the ascendency of finance over industry but by greater profit opportunities outside Britain than within it.

14. For a similar approach see Mann 1986a. For an exposition of his methodological premises see 1986a:503. A recent review of methodological debates in historical sociology is provided in Kazancıgil ed. 1992. Burawoy (1991) and McMichael (1992) have criticised rigorous comparative approaches (e.g. Skocpol and Somers 1980) on epistemological grounds. Their critique is basically directed against the assumption of a relative uniformity of cases which abstracts events and their "variables" from their temporal and spatial settings.

15. For an alternative approach which makes use of rational choice ideas in the study of revolutions see the contributions in Taylor ed. 1988.

16. According to Jameson (1991:263-78), the slogan of the market and all its accompanying rhetoric was devised to secure a decisive shift from the conceptuality of production to that of distribution and consumption. In his opinion, no free market exists today in the realm of oligopolies and multinationals. In view of many neo-liberals, moreover, not only do we not yet have a free market but what we have in its place — namely a mutual compromise and buying off of pressure groups, special interests — is in itself a structure absolutely inimical to the real free market. "Market", thus, turns out to be as utopian as socialism has recently been held to be.

17. Habermas questions the basic axiom of Marx's historical materialism which locates the structure and dynamics of societies in the antagonisms rooted in the sphere of production. Through his critique of the "epistemological dominance of labour" within Marxism, he sees the dynamics of societies in the collision between the "sub-systems of purposive-rational action" mediated by money and power on the one hand, and a symbolically structured "life-world" constituted by "communicative action" spheres directed towards reaching understanding that resists these systems, on the other hand (Habermas 1984). In this alternative theorisation, the concepts of "forms of life" replaces the concept of "mode of production" and "communicative action" the concept of "purposive-rational action". In his theory of social evolution, Habermas connects societal reproduction with instrumental action on the one hand, and language and communication with the competent use of normative rules on the other.

2. The Ottoman Empire until the end of the 18th century

2.1 The classical period: From the 14th to the 16th centuries

The Ottoman Sultanate was established by the Turkic nomads who migrated to Anatolia from Central Asia.[1] Between the 11th and 13th centuries, successive migration waves of Turcoman nomads caused profound changes in the social fabric of Anatolian societies. With the collapse of the Byzantine rule, Greek, Armenian, Kurdish speaking population groups increasingly came under the rule of petty emirates dominated by Turkic warriors and pastoralists.[2] It was not until the beginning of 14th century that the Ottoman Sultanate emerged out of this demographic and political confusion and gradually became the dominant power. When it reached the apogee of its power at the end of the 16th century following three centuries of continuous expansion, the territories of the Empire included Anatolia, Middle East and the Balkans.

Between 1300 and 1600, the inexorable advance of the Ottoman Empire *vis-à-vis* the European Empires and the Anatolian and Middle Eastern Muslim states derived from its effective military and administrative structure (İnalcık 1973). Characteristic features of the Ottoman state during this period were its patrimonialism and its redistributive-tributary mode of integration.[3] The population was divided into the *Osmanlı* ruling class and the *reaya* subject class whether Muslim or non-Muslim. The *reaya* comprised the peasants, which constituted its majority, craftsmen and merchants. The ruling class was composed of a hierarchically organised bureaucracy with the Grand Vizier at its apex. Governor generals (*beyler beys*), military rulers of the districts (*sancak beys*), judges (*kadıs*), theologians (*ulema*) and Muslim cavalry (*sipahis*) were ultimately under the command of the Palace. The higher ranks of the imperial bureaucracy, from the supreme office of Grand Vizier downwards through the ranks of provincial *sancak beys* and the janissary elite infantry were recruited through the *devşirme* levy. Through this system, war prisoners and male children of the Christian subject population taken from their parents were reared as Muslims and trained for posts of command in the army or administration.

The Ottoman agricultural relations of production were based on the *tımar* system, a derivative of the former Byzantine *themata* system in Anatolia (Anderson 1978:268-9). The vast majority of land belonged to the Sultan and as such there could be no stable, hereditary nobility within the Empire. The Sultan's land was divided into landed estates or *tımars* and were allocated to Muslim mounted soldiers. The peasants were required to pay a tithe, the traditional product tax of *öşr*, to these soldier *tımar*-holders, or *sipahis*. The prebendal *sipahi* cavalry used the revenue they drew from the peasants in the *tımar* to sustain troops and thus provided military service to the central state. *Sipahis* represented the nearest analogy to a knight class within the Ottoman Empire; but the *tımar* estates were not genuine fiefs of the kind found in European feudalism. *Sipahis* did not exercise any feudal lordship over the peasants who worked in the *tımars* (Anderson 1974:369). Their ability to alter the use of land, to evict peasants, or to increase production was strictly controlled by the higher level representatives of the central authority, *sancak beys* and *kadıs* (Wallerstein, Decdeli and Kasaba 1987:89). Although the peasants had hereditary tenure on the plots they tilled, *sipahis* did not. In order to eliminate the emergence of power centres of potential centrifugal forces, the central bureaucracy systematically reshuffled the *tımars*.[4]

Control of the bureaucracy in the political and economic spheres was reinforced by religious ideology. The *Ulema* theologians performed the essential ideological and jural tasks related to the perpetuation of this ideological domination. The *Ulema*, the stratum of clergies organised in a religious hierarchy and educated in *medreses*, provided the key judicial and civil personnel of the state apparatus, most notably *kadıs*. At the apex of this hierarchy was *Şeyhülislam*, a supreme religious authority who could, on occasion, even block the initiatives of the Palace by invoking the tenets of the sacred law of *Şeriat* of which it had the monopoly of interpretation (Anderson 1974:369-70).

The military and administrative efficacy of the Ottoman state towards the end of the 16th century was accompanied by a flourishing Anatolian economy. In relative tranquillity away from the Ottoman expansion zone, the Anatolian population and agricultural production increased with the accelerating sedantarisation of nomadic tribes. Growth of intraregional, interregional, and international trade resulted in commercial prosperity which, in turn, led to an upswing of urban growth.

In urban manufacturing centres, industrial crafts were governed by a guilds system where production was in strict conformity with the norms set by the state. The buying of raw materials, methods of production, and profit margins of craftsmen were subject to a strict code of regulations (*hisba*).

There was much differentiation within these guilds; the most pronounced distinction was between the guildmasters owning much of the investments, and journeymen and workmen employed by these masters. Newly trained workmen were unable to open "independent" shops for themselves. The established masters fought bitterly against the "rebels" who opened shops without a license or stimulated demand by producing new types of wares. On the grounds that these rebels were infringing the *hisba* regulations, they would try to bring government action against them. By and large, the state did intervene to support the claims of the established masters (İnalcık 1969:117). However, the same *hisba* regulations which perpetuated this differentiation within the guild structure, also effectively prevented capital accumulation by the guild masters.

Both interregional and international trade, far from supplying only luxury goods, provided the large cities with their essential food and raw materials. Because of the essential function of trade for the provisioning of large urban populations, the Ottoman state imposed controls on the activities of the merchants. Though not as strict as *hisba*, these controls aimed to prevent profiteering and speculation in essential commodities. Moreover, although the judicial framework permitted the use of capital for investment and taking of interest and various forms of credit were widespread, the Ottoman state limited the opportunities for accumulation. The merchant class remained an indispensable but subordinate ally to the state; merchants made loans to the state and generated steady revenues for its treasury through customs charges, but their accumulations were never immune against the confiscatory actions of the state. [5]

Thus, in spite of a lively trade in spices, silks, cotton, slaves, timber, iron, copper and urban manufacturing of silks and cotton textiles for exports, even in the flourishing manufacturing and trade centres of İstanbul, Bursa and Edirne in 16th-century Anatolia, the fortunes of guildmasters, money changers, usurers and merchants rarely exceeded those of the higher members of the military class, *beyler beys*, and *sancak beys*. Just as the guildmasters' accumulation could not compare with those of the money changers and merchants, with the exception of a few wealthy families of İstanbul, the wealth of the merchants in the Empire remained modest in comparison with those of the military bureaucracy whose incomes came from the *tımar*-estates (İnalcık 1969:119-32). However, the fortunes of the military class, too, were exposed to confiscation by the state, because there was no legal principle permitting individuals' rights to private property.[6]

2.2 The decentralisation period: the 17th and 18th centuries

That the pillar of the strength of the Ottoman state was its perpetual military conquests at the expense of commercial and manufacturing vitality within its borders was to have grave consequences in its further evolution from the 17th century onwards. The exhaustion of its expansion potential in the East and the West at the end of the 16th century had a series of repercussions within the Empire. Once the seizure of more and more lands as *tımars* ceased, state revenues became insufficient. The crisis of the state was further aggravated by the Price Revolution of the 16th century which was created by the influx of American bullion to Europe. The Ottoman state's military expenses grew due to the economic and the military supremacy of the European absolutist states.

With the decline of its international supremacy, the Empire lost its grip over trade. The entry of English, French and Dutch into the Indian Ocean and Levant trade from the 17th century onwards led to the disruption of its trade routes. This resulted in a significant loss of revenue for the state in the form of customs duties from transit trade and the decline of trading and manufacturing urban centres in Anatolia (İslamoğlu and Keyder 1987:51). Merchants increasingly managed to escape from the loosening administrative controls of the state and preferred to sell the commodities in more profitable markets. Though still not free from immanent confiscations, they became more and more independent of state's concessions and control of the destination of commodities.

The resultant revenue squeeze of the state inevitably led to a much more intensive exploitation of the subject *reaya* class and thus added to the dislocating effects of the *Celali* peasant unrest of the 17th century. The *Celali* rebellions signalled the beginning of a new period which stretched until the early 19th century. This period was characterised by the disintegration of the central imperial state. The *Tımar* system was gradually replaced by tax-farming (*iltizam*) and a provincial landowning class of tax-farmers (*mültezim*) was consolidated. Through the new tax-farming system, highest bidding tax-farmers obtained the right to collect the traditional agricultural tax of *öşr* from peasants tilling the imperial lands and former *tımar* land. The decline of *tımar* as a relation of production in the Anatolian countryside was related both to the revenue generation attempts of the Ottoman state through the implementation of tax-farming and to changes in military technology. By the end of the 16th century, new fighting techniques, the development of new firearms, muskets and improved fortifications shifted the basis of military power from cavalry to infantry (Barkey 1991:711).

As the *tımar* holding *sipahi* cavalry fell into disuse, the state expanded the size of its companies of paid musketeers (*sekban* units) and janissary infantry. The population pressure generated by a 50 to 70 per cent population growth in the 16th century facilitated the peasants' joining the army under conditions of economic strife. The swelled ranks of the army further exacerbated the revenue crisis of the state. The state of flux between the *tımar* system and *iltizam*, the decline in the power of *sipahis,* and the steep increase in the number of *sekban* units and janissaries set the stage for the *Celali* rebellions. Although these outbreaks were instigated by companies of demobilised soldier-brigands who wanted territory to control and tax rather than by peasants on land (Barkey 1991), their popular following reflected the opposition of the peasantry against further degradation. When the outbreaks ended in the second half of the 17th century, through fierce repression and cooptation of its military leaders, a significant worsening in the conditions of peasants was affected (Yetkin 1984:141-68).[7]

The powerful increase in the numbers of janissary corps led to the dissolution of the Janissary's *devşirme* identity. While they were insulated from the rest of the *Osmanlı* ruling class through the *devşirme* levy in the classical period, they were now recruited through native Muslims. From the mid-17th century onwards, with the end of the *devşirme* levy, janissaries increasingly became vast bodies of semi- or untrained urban militia, many of whom no longer resided in barracks but in their workshops as petty traders and artisans. Their integration into the social structure made them a political force to be reckoned with in the palace intrigues. Dethronement of Sultans through janissary mutinies became commonplace in İstanbul political life (Anderson 1974:381-2).

Amid territorial losses and fiscal crisis, the administrative structure of the central state deteriorated. With the decline of the meritocratic *devşirme* system, bureaucratic offices became objects of sale, and *ayans* became the prominent feature of Anatolian provincial society. Enforced with their own janissaries, these local magnates acquired control of whole territories and accumulated estates. They represented a new class of notables who were authorised to collect taxes and initiated a "feudalisation" tendency within the Empire in the 17th and 18th centuries. As a new urban stratum autonomous from the state, they assumed a prominent role in the civil society, and opposed the centralisation efforts of the Ottoman state.

Just as the *tımar* system had corresponded to the strong central administrative apparatus of the Ottoman state, the decentralisation of the state found its reflection in the proliferation of tax-farming — *iltizam* system — in the sphere of agricultural relations of production. Tax-farmers came

from diverse groups, among them were urban merchants, *ayans*, janissaries, *ulema*, or members of higher levels of bureaucracy. In contrast to the *tımar* holders, tax-farmers had considerable autonomy, they could increase the exploitation of peasantry at will to increase their accumulation or to be able to pay back the loans they might have taken to purchase the tax-farming rights. In order to counter the tendencies towards the short-term maximisation of this exploitation, a new system was devised at the end of the 17th century whereby tax-farms were granted on a lifetime basis (*malikhane*). Thus, by acquiring the right to manage their farms independently of state supervision, tax-farmers came to exercise *de facto*, if not *de jure* rights, of the private property on land.

Tax-farmers provided the state with loans and obtained the right to collect taxes; moreover, they introduced usury into the agricultural relations of production. Usury exacerbated the economic position of peasants who, under heavy tax burdens to the state, tax-farmers and *ayans* had increased their borrowing. Although usury never developed to the extent sufficient to destroy the small property structure inherited from the *tımar* system, it served as a means to increase exploitation, to bind peasants to "feudalised" units of production as sharecroppers, and to accelerate capital accumulation in agriculture (İslamoğlu and Keyder 1987:58-9). Through usury and various forms of direct labour control, the tax-farming system meant the development of a more autonomous class of landowners on the one hand and dependent peasantry on the other. Peasant producers whose freedom and protection were institutionally guaranteed in the *tımar* system, were transformed into sharecroppers or indebted tenants under tax-farming.

One result of this transformation was the emergence of commercial agricultural estates (*çiftliks*) in the 18th-century Balkans and Anatolia. A typical *çiftlik* estate consisted of a conglomeration of villages in which peasants were still attending to the plots of lands they had received from the *tımar* holders. However, under excessive debt obligations due to heavy taxation, some of these lands had now been converted into the private property of tax-farmers. Peasant families came to be employed as sharecroppers or as "enserfed" peasants providing taxes and labour services to *çiftlik* owners in these lands. The majority of Anatolian *çiftliks* were concentrated in Western Anatolia and they were composed of small holdings. The average size of Western Anatolian *çiftliks* were between 90 and 734 hectares (Kasaba 1988b:24). Apart from its new labour organisation which allowed *çiftlik* owners to organise production through conversion, coercion, and limitations on peasant mobility, *çiftliks* also altered the traditional crop pattern. Through their autonomy *vis-à-vis* the central state, *çiftlik* owners could now respond to market exigencies; cash

crops replaced subsistence products. Larger and larger parts of *çiftlik* estates were devoted to the profitable crops of the period (wheat, maize, cotton, and tobacco).

There was a definite connection between the emergence of tax-farming and the rise of local magnates (*ayans*). Taking advantage of the weak central authority, some prominent tax-farmers or *çiftlik* owners established themselves permanently as governors. By purchasing tax-farms for the entire area under their administrative authority, these *ayans* built themselves a client group of locally powerful sub-contracting farmers (İslamoğlu and Keyder 1987:59). The centrifugal tendencies generated by tax-farmers and *ayans* had permeated the administrative structure to such a degree that, by the end of the 18th century, the central state controlled only a fraction of the provinces under its formal administration.

The two-centuries-long protracted decomposition of the Ottoman state, however, did not generate a feudal structure. *Ayans* remained politically subordinate to the central authority; they merely increased their share of the surplus destined for the central bureaucracy (İslamoğlu and Keyder 1987:54). Although they enjoyed substantial autonomy from the state, due to the informality and ambiguity of the political arena in which they were operating, the *ayans*' power was ultimately manipulated by the state and did not establish its own political terrain. The *ayans*' landed power remained too weak in the face of the vast patronage potential of the state (Hourani 1968). The tilt in favour of the civil society represented by the rise of the *ayans* was thus precarious. The Ottoman state did not lose the basis of its political legitimacy which later enabled the reassertion of its power in the 19th century. Locally rivalling *ayans*, though strong, did not manage to establish local power structures that were anything other than the "perversions of the powers delegated to them by the central state" (Wickham 1988:87). The imperial title to all land within the Empire was not abandoned; the *çiftlik* system never received a formal legal status. Right down to the first quarter of the 19th century, the fortunes of the bureaucrats and tax-farmers could be arbitrarily confiscated by the Sultan by the time of their death (Anderson 1974:387).

The nondevelopment of capitalist relations in Anatolian agriculture in the 17th and 18th centuries, at a time when agrarian capitalism was developing in Western Europe, particularly in England, was fundamentally linked to this consolidation of *iltizam* system, following the dissolution of the *tımar* system which had dominated the Anatolian countryside from the 14th to the 16th centuries. This transition was not determined by the rise of contraband trade, price and population movements or the "integration of the Ottoman economy into the circuit of world capital".[8] Indeed, the class structure of

the Anatolian society imposed the limits on the impact of these demographic and commercial trends. The retrogression of Ottoman society *vis-à-vis* Western Europe after the 17th century depended upon the relatively autonomous processes by which the property or surplus extraction relations (class structure) in the countryside were established. The key to the problem of nondevelopment of an endogenous capitalism in Anatolia resided in the outcome of such conflicts (i.e. the evolution of the *tımar*-system, its destruction and the consequent establishment of tax-farming).

With respect to Brenner's typology covering Eastern Europe, France, and England, Ottoman tax-farming was a hybrid of the regressive French and East European patterns.[9] Although their smallholdings from the *tımar* system persisted, peasants increasingly came under the control of *çiftlik* owners. The size of the *çiftliks* and the volume of cash crop production, however, were modest compared with the East European estates (Kasaba 1988b:24). Furthermore, tax-farmers' limitations of peasant mobility and the imposition of labour services and taxes never reached the levels of East European landlords' coercion of serfs. Based on Brenner's perspective, we can postulate that the emergence of this pattern in the Ottoman realm was predicated upon the development and relative strength of the contending agrarian classes: their levels of internal solidarity, their self-consciousness and organisation, their relationships to urban class allies and to the state. In particular, the low level of development of peasant solidarity and strength influenced the outcome of conflicts in the 17th century and contributed to the increased exploitation of the peasantry.[10]

Individualistic farming on smallholdings resulted in a less developed organisation of collaborative agricultural practices at the level of village or between villages in Ottoman Anatolia. The existence of some communal grazing rights and the communal assessment of some taxes, rather than implying a heightened sense of community, produced increased conflict. The division of the populations of Anatolian villages along religious lines between *Sünni* Islam (the official state religion) and heterodox *Alevi* Islam added to these conflicts. This division was exacerbated by the fact that most of the settled population conformed to *Sünni* Islam and attended the mosques whereas the nomadic population participated in "heretical" *Alevi* rituals. Peasant solidarity *vis-à-vis* potential tax-farmers and the state was, thus, further diminished by the conflicts between settled and nomadic peasants over grazing rights and communal lands. In the absence of a successful long-term peasant resistance, the spread of the tax-farming system depended on the confrontation between the central state, tax-farmers and *ayans*. Being a class-like competitor of the *ayans* for the peasants' surplus, the Ottoman state, on the one hand, opposed the enserfment of

peasants; but on the other hand, it could not enforce a full-scale consolidation of peasant smallholdings until the first quarter of the 19th century.

Notes

1. In what follows, we will concentrate our analysis on Anatolia, the only geographical area of the Ottoman Empire which eventually constituted Turkey. The existence of considerable variation in terms of economic structure, socioeconomic conditions, and political and social mobilisation between different regions of the Ottoman Empire (i.e. Balkans, Anatolia, Middle East, North Africa) precludes any generalisation of the effects of Ottoman institutions.

2. Here we have only mentioned the major linguistic groups. The ethnic composition of Asia Minor prior to Turcoman invasion was in fact much more heterogenous. The volatile population movements had left a mosaiclike imprint on the strategically placed Anatolian peninsula. For the extent of this diversity see Oğuz 1976:61-132. The Anatolian population in this period was about ten million whereas the incoming nomadic tribes were a few hundred thousand (Oğuz 1976:179). The migration of Turcoman nomads to Anatolia was gradual and fragmentary, unlike an organised military occupation or a mass *Völkerwanderung* of Gothic or Vandal type. The synthesis between the cultural institutions of Hellenism and Turkic nomads and the emergence of a post-Byzantine Helleno-Turkic entity is amply demonstrated in Vryonis 1971.

3. The term patrimonialism, derived from Weber, describes a political structure having a well-defined centre which exercises its authority through a large administrative staff. Ultimate ownership of economic and administrative means remains in the hands of the centre; the bureaucratic offshoots which exercise power locally, do so only in the name of the centre. The concept redistributive-tributary mode of integration, derived from Polanyi (1957:43-55), describes a system in which surplus flows from the peasant and artisan producer class of subjects to the non-producer class of rulers. Goods, titles and resources, in turn, are redistributed by the priorities rulers set themselves. For the application of these two concepts to the classical period of the Ottoman Empire see Wallerstein, Decdeli and Kasaba 1987, and Kasaba 1988.

4. The mode of production prevalent in the Ottoman Empire is the subject of a far from resolved controversy in Marxist historiography. For a review of this controversy see Seddon and Margulies 1983. While there seems to be a general agreement with respect to the basic features of the politico-legal superstructure and the relations of production described above, the extent to which their interrelation defines a mode of production distinct from the European feudalism is unclear. While İslamoğlu and Keyder (1977) regard the Ottoman social formation as an example of the Asiatic Mode of Production (AMP), Berktay (1987) regards it as feudal. Anderson (1974) takes an intermediate position and points out the theoretical inconsistencies in Marx's AMP concept on the one hand, and the peculiarities of the Ottoman social formation *vis-à-vis* European feudalism on the other (1974:397-431, 473-526). Giving a Weberian tone to Marx's historical materialism, he declares that "superstructures of kinship, religion, law or the state necessarily enter into the constitutive structure of the mode of production in pre-capitalist social formations" (1974:403), and draws attention to the fact that

the absence of the legacies of Antiquity and Roman law hindered private property rights and urban autonomy in the Ottoman Empire. According to his account of transition from feudalism to capitalism in Western Europe, "parcellisation of sovereignty permitted the growth of autonomous towns in the interstitial spaces between disparate lordships" (1974:410), the omnipotence of the central state did not allow any indigenous transition to capitalism in the Ottoman realm. Thus the divergent trajectories of Western Europe and the Ottoman Empire was an outcome of their disparate modes of production prior to the 16th century. For a refutation of Anderson's definition of feudalism and a critique of his account of Eastern development see Wickham 1988. While we will not go into the definitional debates concerning the mode of production in the Ottoman Empire here, it should be stressed that the approach adopted below will be basically in conformity with Anderson's comparative account and focus on the contrasts rather than the similarities between Western European and Ottoman social structures. For a recent similar approach see Barkey 1991.

5. The absence of legal guarantees for commercial accumulation or urban autonomy was not an outcome of Islamic ideology *per se*; in fact, the commercial prosperity of the Arab lands far surpassed that of Europe before the 12th century. Merchant and financial capital were an integral part of Islamic societies, and Islam as a cultural system was not antithetical to commercial accumulation (Rodinson 1966). In an opposite view, Gellner (1981), building upon an idea originally advanced by Ibn El Khaldun, sees the endless cyclical struggle between townsmen/traders and rural tribesmen as the cause of Islam's stagnation. Similarly, Anderson (1974:503-16) exaggerates somewhat in ascribing the obstacles the Ottoman state set to the unlimited accumulation by merchants to the nomadic origins of the state. According to his account, in contrast to the Islamic homeland of Arabia, a major residuary legatee of the urban institutions of the Antiquity, the steppes of Central Asia which supplied the pastoral conquerors of Anatolia, had known few cities and little commerce. Thus, in comparison to its contemporaries in Europe and its predecessors in Anatolia and the Arab lands, the ensuing Ottoman rule generated an effective military and administrative organisation but feeble commercial activity in its cities: "contempt for trade was a general hallmark of the ruling class in the Ottoman Empire, whose commercial policy was at best one of tolerance, and at worse one of discrimination against the mercantile classes in towns" (1974:516). While trying to "situate the specificity of European experience as a whole within a wider international setting" (1974:78) Anderson characterises Western feudalism as a complex unity of serfdom, manorialism, extraeconomic coercion of peasants by lords, vassal hierarchy among lords and "parcellisation of sovereignty". Thus, what renders the unique passage to capitalism in Europe is the "concatenation of antiquity and feudalism" (1974:420). Because the study of the Ottoman Empire mainly serves the function of a contrasting case to this argument, given the undeniable anchoring of Antiquity in far South-East Europe (Anderson 1978:265), a break with Antiquity affected by a nomadic culture is postulated. This is, in fact, not in conformity with his emphasis on the divergent paths of Western and Eastern Roman Empire prior to the Turkic invasion (Anderson 1978:265-93). Despite Byzantium's status as a successor state to Rome, the absence of an urban dynamic or a widespread slavery, and the consolidation of small landed property beneath large estates in Byzantine Anatolia starkly contrasted with the legacy of Antiquity in Western Europe. In this respect, the Ottoman Empire incorporated the Byzantine institutions as much as the nomadic origins of its Turcoman founders (Keyder 1987:9-13, Vryonis 1971, Stefanos 1974:I). Anderson's preoccupation with the continuities between Antiquity and capitalism may be attributed to his France-centred approach (Skocpol and Fulbrook 1984). However, while both parcellisation of sovereignty and the growth of a commercially minded and urban-based bourgeoisie characterised France's evolutionary advance towards capitalism, neither Roman Law nor parcellisation of sovereignty had a

substantial impact and importance in England where capitalism first arose (Mooers 1991:38-39). Likewise, the existence of obstacles set by the Ottoman state to the capital accumulation of merchants, leads Anderson mistakenly to the conclusion that the merchants and the bankers in the classical period of the Empire until the 17th century were non-Muslims (1974:517). This error is the result of projecting back into earlier centuries a development which occurred only after the 17th century. Until then Muslims were as numerous and as active as non-Muslims in commercial activities. The ascendency of Jewish, Armenian and Greek merchants was due to the rise of the Empire's trade with the West, while the Eastern trade declined after the 17th century.

6.The only exception to this rule was the *vakıf* institution. A *vakıf* was a charitable foundation whose income was being expended only upon the defined charitable purpose. The state controlled the establishment of *vakıfs*, they were registered by the *kadı* and were legally valid only after confirmation by the ruler; but once established, they were immune to confiscation and protected, in effect, the fortunes of specific families. However, *vakıfs* were pious establishments and supplied the expenses of mosques, colleges, hospitals, hospices. They were, thus, fundamentally consuming institutions and never assumed the characteristics of a manufacturing enterprise (İnalcık 1969:132-6).

7. This being said, it is necessary to stress that the *Celali* uprisings never assumed the character of peasant uprisings in Europe. For the contrasts between the early 17th century peasant unrest in France and in the Ottoman Empire see Barkey 1991. It is more correct to characterise the anarchy and brigandage prevailling in Anatolia during the *Celali* outbreaks as a rivalry between the central state, *sipahi*, and tax-farmers in order to appropriate a larger portion of the peasants' surplus (Pamuk 1988b:136-7). The extension of tax-farming in the latter part of the 17th and 18th centuries corresponded to an increase in peasant exploitation on the one hand, and to a stalemate between the contending forces of central state and tax-farmers on the other.

8. The seminal essay (İslamoğlu and Keyder 1977) which set the agenda for the research tradition providing the most impressive scholarly output on Ottoman economic history in recent years (İslamoğlu-İnan ed. 1987) tended to argue otherwise. Influenced by Wallerstein (1974), İslamoğlu and Keyder gave analytical priority to "integration with the world economy" in analysing the post-16th century transformations in the Ottoman economy (see also Wallerstein 1979). Though they noted that the volume of trade did not increase significantly until the 1830s, adopting unqualifiedly Wallerstein's arguments on the rise of the world economy, they pointed out that the commencement of the process of integration of the Ottoman economy into the circuit of world capital can be traced back to the 16th century. While not abandoning the primacy given to integration with the world economy, by dating this integration to the 19th century, Kasaba (1988b), Pamuk (1987a), and Keyder (1987) seem to have resolved the tension in the Wallerstein tradition with respect to the timing and conditions of this process. However, in spite of moving towards a more syncretic approach (see Keyder 1987 in particular), the retention of Wallerstein's paradigm and its related concepts such as "incorporation into the world-economy" and "peripheralisation" results in giving undue emphasis to integration to the division of labour of the capitalist world economy, and responses to the imperatives of the drive for accumulation of capital on a world scale in explaining coercive forms of labour in agricultural relations of production. The circulationist nature of this argument which dictates an externally determined underdevelopment through the workings of a trade-induced division of labour in the world-economy has been criticised by Brenner (1977). The major drawback of Wallerstein's

approach, according to Brenner, is that "it defines capitalism not by a specific relation between classes but rather by production for profit in the world market; it, thus, displaces class relations from the centre of analysis and neglects the way in which class structures emerge: as the outcome of class struggles whose results are incomprehensible in terms merely of market forces" (1977:27). Noting that the divergent trajectories of long-term development in the Western and Eastern halves of Europe were due to the termination of serfdom in the West at a time when it was inaugurated in the East in the 15th century, Brenner attributes this bifurcation to the results of class conflicts, themselves dependent upon different organisational forms of classes and states (see also Brenner 1985a and 1985b). Here we are using the methods and results of Brenner's analysis on early modern European development to make some suggestive remarks on Ottoman development. Brenner's position has been the subject of an extended debate known to students of early modern European history as the "Brenner debate". Some participants in this debate, such as Hilton and Bois have pleaded in favour of a model incorporating both class relations, and economic and demographic conjectures (Aston and Philpin eds. 1985). An elaboration of such an alternative model, let alone its application to Ottoman history, is beyond the scope of this study.

9. In his comparative analysis of the property relations resulting from the differential outcomes of class struggles across Europe in the late medieval and early modern period, Brenner developed the three-way contrast between Eastern Europe, France, and England first pointed out by the French historian Marc Bloch. While successful struggle by peasants to protect the integrity of the tenancy of their holdings led to the consolidation of smallholder property in France; in Eastern Europe, successful repression of peasant resistance by the lords led to the spread of demesne farming and serfdom. The long-term rise of feudalism from the 15th century onwards represented the most important factor underpinning the nondevelopment of capitalism in the areas East of the Elbe. Because of its inability to generate technological innovation, French small-scale farming, too, led to a sort of historical regression. In England, by contrast, the dominant tendency of landowners was to consolidate larger and larger holdings and to farm them out to large tenant farmers who in turn cultivated them with the aid of wage labour (Brenner 1977, 1985a, 1985b). The breakthrough from "traditional economy" to relatively self-sustaining economic development in England was a "historically limited, surprising, and peculiar phenomenon"; the agrarian capitalism in 17th-century England, necessitating cost-cutting and productivity increasing measures on the part of capitalist tenant farmers, sowed the seeds of the subsequent industrial revolution. This was an "unintended" outcome of a two-sided process of class development and class conflict: on the one hand, the destruction of serfdom; on the other, the short-circuiting of the emerging predominance of small peasant property (Brenner 1987:53, 1985a:30).

10. The testing of this hypothesis would require a different research agenda than the one set by the approaches influenced by Wallerstein. The considerations below are based partly on Barkey's (1991) account. Barkey also contrasts the peasant/*tımar*-holder alliances and the peasant/noble alliances *vis-à-vis* the central state in the 17th century Ottoman Empire and France respectively, and attributes the relatively acquiescent nature of the peasant unrest in the Ottoman Empire to the weakness of these alliances due to the lack of solid patron-client relations caused by the rotation of *tımar*-holders.

3. The international context and its impact on the Turkish development

3.1 Periodisation of growth patterns in the world economy during the 19th and 20th centuries

One way of schematising the recurrent periods of growth and crisis in the world economy is to make use of the so-called "Kondratiev long waves". Although their existence and causes is a matter of contestation among the economic historians, they provide a suitable way of periodising the successive cycles of economic rise and decline. In what follows, the Kondratiev periodisation will mainly be used to organise the exposition of the world economy context in the 19th and 20th centuries. In contrast to the approaches which give mono-causal explanations of these long waves of economic development, we will attempt to interpret them as an expression of the complex interrelationships between technological dynamics, production organisation forms, and international monetary, trade, and security regimes.[1] Neo-Schumpeterian perspectives, the work of the French regulation school, and the hegemonic stability theory will provide the complementary perspectives for the charting of these complex interrelationships. After a brief excursus of each of these approaches, I will sketch the developments in the 19th and 20th centuries by using the conceptual apparatus they provide. A summary of the interrelationships between the trends depicted by these three theories and the Kondratiev periodisation is presented in Table 3.1.

The Schumpeterian tradition has emphasised the role of new technologies as the basis of long waves. The upturn phase of K1 (first Kondratiev long wave) is related to the unprecedented growth in cotton cloth production in England arising from increases in the productivity of cotton spinning and weaving. K2 is interpreted as a consequence of the expansion of iron and steel industries and railways, and the accompanying transport revolution. K3 is seen as an electro-chemical and heavy industries long wave, while K4 is presumed to be supported predominantly by Fordist — based on mass production and mass consumption — industries. As a matter of conjecture, a presently emerging information and communication long wave is added to the periodisation.

Table 3.1
A periodisation of the development of the "core" of the world capitalist economy

Kondratiev Long Waves	K1		K2		K3		K4	
	1790-1814	1814-1845	1845-1872	1872-1892	1892-1929	1929-1942	1942-1973	1973-
	A	B	A	B	A	B	A	B
Techno-economic Paradigm	Textiles	Textiles	Railways	Railways	Electro-Chemical	Mass Production	Mass Production	Micro-electronics
Regime of Accumulation	None	None	Extensive	Extensive	Intensive	Intensive	Intensive	?
Mode of Regulation	None	None	Competitive	Competitive	Competitive	Competitive	Monopolistic	?
Monetary Regime	None	None	Gold Standard	Gold Standard	(Gold Standard)	(Gold Standard)	Dollar Standard	(Dollar Standard)
Trade Regime	Protectionism	Protectionism	Liberalism	Protectionism	Protectionism	Protectionism	Liberalism	Liberalism
Economic Leadership	England	England	England	Multi	Multi	USA	USA	Multi
Security Regime	Mercantilistic Wars	Pax Britannica	Pax Britannica	Pax Britannica	Fragmentation	Fragmentation	Pax Americana	Pax Americana
Political Leadership	None	England	England	England	None	None	USA	USA

Sources: Compiled from Aglietta 1982:8-9, Arrighi 1988:51, Mjøset 1989, Mjøset 1992b:70, Nordhaug 1989:A13, Perez 1985.

Note: K's stand for Kondratiev long waves. In Schumpeter's terminology, A-phases correspond to prosperity and recession phases, B-phases to depression and recovery. The years of long waves as well as the degree of overlap between the various values of the variables written in the left-most column are based on approximations. Parentheses in the description of monetary regime in some periods indicate the hegemonical power's drawing on the resources of the previous gold or dollar standard in spite of its enfeebled financial position.

To overcome the inclination towards technological determinism in the classical Schumpeterian interpretation which links long waves to the clustering of innovations in particular industries, the neo-Schumpeterian theorist Perez (1985) has emphasised the role of institutions associated with each long wave and has introduced production organisation forms at the intra-firm and inter-firm level to her definition of *techno-economic paradigms* which she associates with each Kondratiev long wave. According to her account, each techno-economic paradigm requires a fundamental restructuring of the socio-institutional framework on the national and international levels. The resulting social and institutional transformations determine the general shape of the propagation of new technological innovations across industries and countries, and the form of economic development or the "mode of growth" of the next long wave: a Kondratiev wave is thus described as the rise and fall of a mode of growth (1985:441).

Regulation theory (Aglietta 1979, Lipietz 1987, Boyer 1990) attempts to link the growth patterns in the world economy to national and international institutional structures which support them.[2] Accordingly, the history of capitalism is seen as a succession of phases, each distinguished by certain historically developed, socio-institutionally defined structural forms that give rise to distinctive economic trends and patterns (Brenner and Glick 1991:46).[3] The concepts used to analyse the growth dynamics of these distinct periods mediate between pure abstraction and empirical verification. The middle-range concepts of *regime of accumulation* and *mode of regulation* are used to explain what seems to be a paradox according to Marx: the question of how a contradictory process such as capitalism can stabilise over a long period of time given the conflicts stemming from the relationships of exploitation and competition. The answer, according to regulation theory, is that there are a set of routines which establish coherence against the workings of destabilising tendencies in the capitalist system.

The *regime of accumulation* denotes a systematic mode of allocating the social product, which results over a long period of time in a certain match between conditions of production and consumption. The two ideal-types of regimes of accumulation are *extensive* and *intensive* accumulation described in detail in Table 3.2. The components of a regime of accumulation involve on the production side:

(i) technical structure of production organisation, origins of productivity gains;
(ii) volume of capital employed, and its distribution between various branches;

Table 3.2
Ideal-typical regimes of accumulation in dominant economies

Extensive accumulation. Examples: 19th-century US and France	
Technology and production organisation	Artisinal production, productivity gains through absolute surplus value increases, low productivity gains
Distribution of capital	Department I (capital goods sector) most dynamic
Articulation with other production relations	Gradual disappearance of petty commodity production in agriculture, workers reproduced partly outside capitalism
Income distribution	Low wages
Composition of social demand	Capital formation plays the motor role, final consumption secondary, no collective expenditures
Intensive accumulation. Examples: 1945-74 North America and Western Europe	
Technology and production organisation	Taylorism and Fordism, productivity gains through relative surplus value increases, high productivity gains
Distribution of capital	Balanced growth between Department I and Department II (consumption goods sector)
Articulation with other production relations	Workers depend entirely on wage labour for reproduction
Income distribution	High wages
Composition of social demand	Dynamic linking of consumption and investment, welfare state

Sources: Aglietta 1979, Boyer 1990, Lipietz 1987, Mjøset and Bohlin 1985.

(iii) transfers associated with other production relations such as rent, manner of articulation with the other relations of production (i.e. non-capitalistic economic forms).

On the consumption side, components of a regime of accumulation involve:

(iv) income distribution that allows for the reproduction of different social classes or groups;

(v) composition of social demand (Boyer 1990:35).

At a second level of analysis nearer to empirical verification, the concept of *mode of regulation* (sometimes called *institutional forms* or *structural forms*) moves from social relations described in general by the regime of accumulation to their specific configuration in a given country and during a particular historical phase. Thus the mode of regulation is the ensemble of institutional forms, explicit or implicit norms which assure the compatibility of behaviours in the framework of a regime of accumulation. It denotes the set of institutionalised norms which ensure the conformity of the conflictual relations between agents and social groups with the state of social relations circumscribed by the regime of accumulation. The two ideal-types of modes of regulation are *competitive* and *monopolistic* regulation forms, described in detail in Table 3.3.

The components of a mode of regulation involve:

(i) forms of monetary constraint: the reallocation of capital between branches, monetary and credit policies, international management of currency;

(ii) the configuration of the wage relations: capital-labour relations which may include the social and technical division of labour, the ways in which workers are attracted and retained by the firm, fixing the norms of working hours and intensity of work, workers' norms and patterns of consumption and the use of collective services outside the market;

(iii) forms of competition in capital-capital relations: the interrelationships between accumulation and profitability, and the concentration, centralisation, and sectoral composition of capital;

(iv) the role of the state: the routines the state creates based on the institutional compromises between classes which may include the management of the currency, essential components of the wage relations both in terms of the judicial framework pertaining to the industrial relations and interventions through income policies, codification of certain rules governing competition such as industrial regulations, antitrust laws, tax system, government purchases, management of transfer payments and public expenditures which affect the collective costs associated with the labour force (Boyer 1990: 37-42).

Table 3.3
Ideal-typical modes of regulation in dominant economies

Competitive regulation. Examples: 19th-century US and France	
Monetary constraint and credit system	Gold standard restraining domestic credits
Wage relations	Craft control, individualised bargaining, competitive determination of wages, limited potential for mass consumption
Competition between firms	Competitive pricing
Form of state intervention	*Laissez-faire*

Monopolistic regulation. Examples: 1945-74 North America and Western Europe	
Monetary constraint and credit system	Dollar standard allowing flexible domestic credit creation
Wage relations	Scientific management, collective and connective bargaining, determination of wages through a complex system of capital-labour and government institutions, social regulation of mass consumption
Competition between firms	Oligopolistic pricing
Form of state intervention	*Dirigisme*

Sources: Aglietta 1979, Boyer 1990, Lipietz 1987, Mjøset and Bohlin 1985

Finally, in regulation theory, the concept of *mode* or *model of development* refers to a pattern of development based on a specific regime of accumulation and mode of regulation. The operating site of these is the national level, thus the mode of development establishes itself within the boundaries of the nation-state. With respect to the international level, the existence of a configuration of different national modes of development, which may exist in relations of complementarity, dependence or domination with each other, may be postulated (Aglietta 1982). The stability of a national mode of development depends upon the compatibility of its constituent regime of accumulation and mode of regulation. The extension in time of each mode of development ultimately issues in a series of crippling contradictions which result from the fetters imposed by the

already existing mode of regulation upon the regime of accumulation. When the old mode of regulation has finally broken down, a *structural crisis* ensues. Such a crisis is accompanied by the necessarily unregulated and conflictual action of classes, firms, political groups and governments. Out of these indeterminate processes of competitive economic war and socioeconomic and political struggle, one specific resolution of the crisis is reached. A new mode of regulation is established, which by governing the historically developed regime of accumulation makes possible a new mode of development (Brenner and Glick 1991:48).

Out of the elements of macroeconomic regulation outlined above, regulation researchers give explanatory priority to the changes in the form of wage relations in understanding the dynamics of the development pattern in the advanced capitalist countries. The absence of a complementarity in the wage relations — a balance between production and consumption norms — leads to a general economic crisis. The success of the post-Second World War "Golden Age" of capitalism or Fordism lies exactly in establishing this complementarity. In Fordism, national variations apart, wage increases are linked to the increases in productivity and thereby a balanced growth between the spheres of consumption and production is secured. This indexing of wages to productivity is achieved through the institutionalisation of collective bargaining and connective bargaining — the procedure whereby income increases in a few central industries (e.g. the auto industry in the US) are propagated to non-unionised sectors. With the balanced growth it provides between production and consumption, and between capital goods and consumption goods sectors of the industry, this mode of development sustained by intensive accumulation and monopolistic regulation corresponds to the auto-centric development described by Amin and Senghaas (Ruccio 1989:48).

As this theoretical excursus reveals, the regulation approach attempts to synthesise diverse areas of socioeconomic research — those related to international, national, inter-firm and intra-firm spheres — through analyses of different forms of labour processes, firm and sectoral strategies, modes of macro-economic regulation and modes of growth within the overall dynamic of the global circuit of capital. Moreover, by emphasising that historically specific social and political struggles and institutionalised compromises deriving from these struggles constitute the parameters for the stabilisation of a mode of regulation, the approach provides a theorisation of the link between the economic and political spheres. The breadth of this theorisation covering both the macro and the micro levels of sociological and economic analysis, and the question of how the regularities at the macro level emerge from the micro behaviours of individuals, groups,

institutions, classes and nation-states necessitates an interlocking between the regulation approach and institutionalist and corporatist theories studying interest mediation in general. Thus, regulation theory provides a useful institutionalist theoretical framework for the synthesis of the neo-Schumpeterian perspective, examining the effects of particular industrial innovations and international hegemony theories concentrating on institutional forms at the international level which regulate the modes of development of nation-states.

As it was schematically shown in Table 3.1, during K2 covering the latter half of the 19th century, an extensive regime of accumulation was superimposed on a competitive mode of regulation. Under the pressure of class struggle and technical change there arose at various historical junctures – from the first decades of the 20th century in the US – a new mode of development. Here, craft control was sufficiently weakened to allow for the emergence of intensive accumulation based predominantly on Taylorist work organisation principles. However, this new mode of development turned out to be unstable because the mode of regulation, still essentially competitive, was unable to institutionalise the expanding mass consumption that was required to underpin the expanding mass production made possible by intensive accumulation. The result was the severe structural crisis of overinvestment and underconsumption of the interwar period. The absence of institutional arrangements, which were essential for securing stable and expanding markets, led to the collapse of the world economy in the 1930s.

As a result of the class struggles of the 1930s, there emerged the new monopolistic mode of regulation which resolved the contradictions of the previous mode of development by providing for the rise of mass consumption. However, the repetition of the very processes that had underwritten the prosperity of this new Fordist mode of development eventually proved problematic, as the progressive perfection of the Fordist labour process resulted in the exhaustion of the system's capacity for steady growth of productivity (Brenner and Glick 1991:49). The result was the crisis of productivity experienced most severely between 1974-84. This period witnessed a sharp decline in growth, and a rise in unemployment in the OECD region. The balance of power decisively turned against the wage workers in the industrial relations system. Delocalisation of the labour process from the advanced countries to the low wage pools mitigated the effects of the crisis in the NICs. However, apart from these very general observations, it is a matter of controversy among researchers working in the regulation tradition what sort of a new mode of development will emerge from this structural crisis. Although some commentators see the

inauguration of a new post-Fordist mode of development based on flexible specialisation in OECD countries (Piore and Sabel 1984), others understand these changes not as a symptom of the emergence of a new mode of development but rather as the decay of an old one (Gordon 1988).

The distinction brought by regulation theory between the different regimes of accumulation and modes of regulation characterising the second halves of the 19th and 20th centuries allows for a differentiated view of centre-periphery relations in the world economy in these two periods (Lipietz 1987:47-68). Under extensive accumulation, in the absence of sufficient internal demand in the core capitalist economies – because there is no monopolistic regulation of wages – demand is necessarily created in the periphery. In Lipietz's words, the periphery acts as a "thermostat": "the capitalist circuits of extended reproduction can not be completed within the centre. The outside world therefore supplies it with both hot and cold sources (labour-power and raw materials, and markets)" (1987:49). The result is the military struggle between great powers to acquire different "zones of influence". However, as the centre becomes more auto-centric with the development of intensive accumulation during the Fordist mode of development, the problem of external markets in the periphery becomes less pressing, and the ratio of trade flows between centre and periphery to flows internal to the centre falls as home markets are consolidated. Thus until the 1970s, the history of capitalism in the 20th century can be seen as the declining importance of foreign trade (Lipietz 1987:57).

In contrast to the neoclassical theory of international economic relations which stipulates the dissolution of spatial heterogeneity in the international economy and its replacement by the homogeneous space of "pure" market relations on a world scale, regulation theory "bases itself on the primacy of the national dimension and regards the world economy as a system of interacting national social formations" (Aglietta 1982:6). The site of regulation is the nation-state where the correspondence between the regime of accumulation and the mode of regulation must take place if there is to be a stable and harmonious mode of development. The dynamics of institutional forms which regulate the workings of national modes of development in the international arena can be clarified using hegemonic stability theory.

The hegemonic stability theory (Kindleberger 1973, Gilpin 1987) asserts that international economy benefits from having a single hegemonic power – Britain in the 19th century and the US since 1945 – to provide military stability and international financial instruments in the global system. The leading power provides a stable medium of exchange, ensures free trade, and exports capital for its development. It sustains global order with its

military force and channels investment and trade in a generally beneficial fashion with its economic strength and institutions. A youthful hegemon in the mid-19th century, Britain took on these functions with relative ease and the liberal world order prospered accordingly. In due course, however, the hegemonic power begins to grow weaker relative to other major states and to the system as a whole. A liberal system favours a diffusion of economic development, and thus leads to a gradual diminution of the economic superiority of the leading power. At the same time, the hegemonic function – both military and economic – draws resources from the hegemon. As the economic strenght of the hegemonic country ebbs, the growing challenges to its economic position compells the hegemon to allocate more and more resources into the military sector. This "imperial overstretch" squeezes out productive investment and, over time, leads to the downward spiral of slower growth, heavier taxes and a weakening capacity to bear the burdens of defence (Kennedy 1988). The absence of a single hegemon, as was the case in the interwar vacuum when Britain was too weak and the United States was yet unwilling to assume leadership, is held to have contributed to chaos, and then to war (Mann ed. 1990:6, Hall, J. 1990:116-17). Thus, broadly speaking, the decay of the *Pax Britannica* led to World War I, the interwar Depression and finally to World War II. Restoration of the liberal global economy awaited a new hegemonic power – the United States – after World War II.

Mjøset (1990) distinguishes between three areas of international regimes through which the hegemonic country exerts its influence in accordance with its national mode of development. In this usage, "regimes" refer to principles, norms, laws and procedures governing transnational interactions (see also Krasner ed. 1983). Accordingly, each hegemonic power dominates the international arena by exerting a decisive influence, through its own policies and through the policies of the international organisations which it dominates, on constitutive international regimes:

(i) the trade regime (agreements concerning trade liberalisation);
(ii) the monetary regime (organisation of the international monetary system);
(iii) the security regime (network of security alliances).

As the schematic representation in Table 3.1 revealed, the period of British hegemony in the 19th century was superimposed on an extensive accumulation and Britain's lead in the techno-economic paradigm. This period was characterised by international free trade (though not without periods of German and French protectionism), an international gold

standard, the dominance of the sterling and British financial capital, and the fluid military alliance system enabling Britain to check the strength of other powers (especially Germany). Even after it lost its economic and political leadership, Britain continued to draw upon the resources it had created: it used the gold exchange standard as a device to rebuild its enfeebled global financial position and thus contributed to the international monetary instability in the interwar period. Fordism in the second half of the 20th century, on the other hand, was presided over by the US hegemony. Under the GATT system world trade grew faster than world production. But two thirds of this trade was within the OECD region. The Bretton Woods system of the dollar standard and fixed exchange rates ensured that the balance-of-payments constraint never weighed on the US in spite of its chronic current account deficit. Thus, the continuous export of US capital abroad resulted in the spread of Fordist production norms. The security regime, too, was characterised by American hegemony built on the strong presence of the US within NATO.

3.2 The impact of the international context on the Turkish trajectory

The international context delineated by the leading techno-economic paradigm, dominant national modes of development, and international trade, monetary and security regimes does not exert a fully determining influence on national development trajectories. Contrary to approaches which tend to see class relations and state action as determined by the dynamics of world economy (i.e. Wallerstein's world system theory) (Skocpol 1977), we will attempt to advocate a more subtle conception of the structure/agent dialectic in the world economy and polity, and try to strike a balance between the two extremes of full national autonomy and the determining influence of external constraints. The focus on the institutional arrangements in the international space, to which we have hinted, provides a firm departure point for the constitution of such a balanced assessment because the strength or weakness of the influence of international economic regimes is closely linked to the relationships of political and military power among states.

Polanyi's concept of *opportunity structure* can be useful in maintaining the analytic autonomy of international and national levels of analysis (Bloch and Somers 1984:74). Accordingly, it can be postulated that international regimes underpinned by dominant powers' techno-economic paradigms and modes of development create a global opportunity structure that shapes

what is possible for particular states. This set of limits, in turn, creates a national opportunity structure that shapes in what ways social groups or class forces will be most effective in influencing state policy. The strategic space circumscribed by the set of possibilities offered and constraints imposed by the opportunity structure of the international regime may involve geopolitical as well as economic elements. The elements of this strategic space may include the country's position within the security regime, the effect of hegemonic countries' monetary policies, and the extent and nature of foreign investments.

A suitable starting point for the impact of the international context on the Ottoman Empire/Turkey is the effect of the security regime. Prior to the aftermath of Napoleonic Wars (1815), the frequent incidence of wars between European absolutist states had limited the extent of external military threat to the Ottoman Empire. Although it had begun to lose territories as early as in the 17th century, the political and military contestations of the Empire was mostly with the states in its immediate vicinity. With the emergence of the European balance-of-power system in the post-Napoleonic era, direct military confrontations between the states decreased, but the Ottoman Empire's role in the interstate system was increasingly reduced to that of a pawn in the fluid 19th-century alliance system. Because a central feature of the balance-of-power system was the aim to contain Russia's ascent, when need arose, Western powers, especially Britain, acted to preserve and strengthen the Ottoman state while obtaining as much trade concessions as possible.

In 1799 the Ottoman Empire had entered into a Tri-Partite Alliance with Britain and Russia against the Napoleonic France. For the European powers the pact was motivated by the need to check French hegemonic claims and to postpone the collapse of the Ottoman Empire. Once the French threat disappeared, the alliance crumbled. What followed was a century of shifting alliances between European states and the Ottoman Empire mainly against Russia, directed at preserving the European balance of power by ensuring the Ottoman state's survival and preventing the emergence of a dangerous power vacuum in the case of its collapse. Hence, during *Pax Britannica*, the primary aim of Britain became to support the Empire, dubbed "the sick man of Europe", and to check Russian expansion. Given the high level of imports of English goods, the Ottoman market was a vital region for 19th-century English industry. In addition, British maritime supremacy in the Mediterranean, and the strategic placing of Ottoman lands precluded any accommodation of English and Russian interests. During the Mohammed Ali crisis of 1838, when the rebellious governor of Egypt came on the brink of capturing İstanbul, England backed the Ottoman army and prevented the

Empire's collapse. In the 1853 Crimean War, Britain and Ottoman Empire were again allies against Russia.

Both during the Greek Liberation in the first half of the 19th century and the secessionist Balkan and Arab nationalisms towards the end of the century, the interventions of foreign imperial powers were prominent. With its emerging technological leadership in electrochemical industries and national unification, Germany began to contest *Pax Britannica* towards the end of the century. Thereafter, the main axis of inter-imperialist rivalry between Britain and Russia was displaced by the rivalry between Britain and Germany. During the fragmentation of the security regime in the first decades of the 20th century, the nationalist leadership gaining ascendency in the bureaucracy of the Ottoman Empire allied with Germany to break the hegemony of Britain over the Ottoman state conclusively.

The dependent position of the Ottoman state in the European balance-of-power system did not mean that the actions of the Ottoman state bureaucracy were dictated by the foreign powers. Within the room for manoeuvre provided by the extent of inter-imperialist rivalry, the Ottoman state sought to preserve its own interests. The timing and nature of state actions were, however, determined by the balance of power in the interstate arena. The milestones of the period we will analyse corresponded to critical junctures in the international arena.

The mid-19th century reforms were an attempt of the state bureaucracy to ease the tensions of inter-imperialist rivalry over its domains and to enhance the strength of the Ottoman state. The judicial clauses of these reforms giving privileges to foreigners were adopted as a result of the pressure of foreign powers increasing their dominance over the Empire. Thus these reforms, *Tanzimat*, were introduced in 1839 at the height of the Mohammed Ali crisis. The 1856 reforms, reaffirming the privileges and immunities for non-Muslim communities and introducing a new principle of religious equality throughout the Empire, appeared a month before the Treaty of Paris by which Sublime Porte (the Ottoman Government) was officially accepted as a member of the European state system. The first Ottoman constitution was promulgated in December 1876, at a time of another Balkan crisis which threatened to involve the Ottomans in a war with Russia. The fragmentation of the European security regime leading to the First World War prompted the disintegration of the Empire and created a strategic space for the emergence of the Turkish nation-state. The 1930 World Depression was instrumental in the initiation of the state-led industrialisation drive. Finally, Turkey's position within the newly emerging security system in the post-World War II era facilitated the transition to multiparty democracy.

The Ottoman central bureaucracy was strong enough *vis-à-vis* the imperialist powers and/or the rivalry among those powers was such that the Ottoman Empire never became part of a formal or informal empire.[4] Increased infrastructural capacities in the 19th century, which enabled the central government to establish a more effective army, improve the transportation and communications network, reinforced the strength of the Ottoman state. Because no single power was able to exclude its competitors from the Empire, rather than developing alliances with merchants or landlords, European powers had to come to terms with the Ottoman central bureaucracy. Despite the continuous attempts of imperial powers, penetration of foreign capital in agriculture remained limited. The government resolutely protected its control over agriculture, it successfully resisted the attempts of European citizens to establish capitalist farms employing wage labourers in Western Anatolia.

The agrarian structure consisting mostly of small-sized holdings employing family labour represented the most favourable conditions for appropriating the agricultural surplus. The state supported freeholding peasant property against landlords and foreign capital both in order to preserve its financial base and to prevent a political challenge to its rule (Pamuk 1988a:134). The persistence of small-scale production in agriculture was, in this way, intimately related to the manoeuvring room of the central bureaucracy in the interstate arena. This room, of course, was not constant; it varied directly with the degree of rivalry on the world scale. At the height of *Pax Britannica*, the ability of the Ottoman state to play one European power against other was limited; this ability increased following the 1880s with the ascendency of Germany on the international scene.

With respect to the trade regime, while the major European countries reacted to the expansion of British cotton exports during the first Kondratiev wave with protectionist measures, the Ottoman Empire, being paralysed with the geopolitical struggles between Western imperial powers, experienced a major competitive pressure against its large textile proto-industry. Because Britain's economic leadership was accompanied by a military and political superiority especially in the latter half of K1, the Ottoman market was opened to British manufactured goods, which were composed predominantly of textiles, following the 1838 Free Trade Agreement with Britain.

"The steam power and railway" long wave (K2) led to a transport revolution. The loss of the protective capacity of long distances resulted in the tighter integration of the world market and the prices of traditional staples declined due to cheaper transport. Due to its relative geographic remoteness, this development wave, which drew ever newer areas into the

international economy, reached Anatolia later than other regions of the periphery (e.g. Scandinavia and the Balkans) (cf. Berend and Ranki 1982:114). With the building of railroads in the last quarter of the century, the Western Anatolian hinterland was connected to world markets, while formerly world market integration was limited to coastal areas.

The A-phase (first half, prosperity and recession phases) of the second Kondratiev wave saw continuous liberalisation in the world economy. This started with unilateral British free trade in the 1840s and 1850s and continued in the 1860s and 1870s with limited multilateralism in the model provided by the Anglo-French Treaty of Commerce. Although British free trade policies were solidly supported at home, they were fragile abroad. A cooperative international institution formally independent of the British state and comparable to the post-Second World War GATT did not exist. This institutional weakness contributed to the rapid dissolution of the system following Germany's industrial ascendency (Mjøset 1990:31). The export of agricultural products and import of manufactured goods in Anatolia gained momentum during the boom of world trade in the A-phase of K2 and the transport revolution that accompanied it. Thus, the economic growth in Anatolian major port cities over the 19th and early 20th centuries showed a close correlation with Kondratiev cycles. The B-phases (second half, depression and recovery phases)(1814-45 and 1872-92) corresponded to periods of faster growth of imports than exports, while the reverse was true for A-phases. The most rapid expansion occurred during the mid-Victorian boom of the 1850s and 1860s (cf. Kasaba, Keyder and Tabak 1986:127).

The European trade (imports plus exports) with the total areas of the Ottoman Empire expanded by average annual rates of 1 to 1.5 per cent between 1730 and 1830. In the following quarter of a century until the eve of the Crimean War (1853), this trade increased at average annual rates of 5 per cent. In the 1840-1913 period, in constant 1880 prices, the increase in exports was ninefold and increase in imports was tenfold. During the second half of this period, characterised by protectionism in Europe following 1880 and the escalation of inter-imperialist rivalry with the rise of Germany, the expansion of the Ottoman foreign trade was comparatively slower (Pamuk 1987a:18-41). As we shall see later when looking at the handicrafts production in the 19th century, the decline in the rate of increase in the levels of production in industrialised economies during the 1873-96 Great Depression led to the easing of the "pull" generated by European economies, and created a room for a relative revival of handicrafts production towards the end of the century.

The free trade regime imposed by Britain and France could only be abolished by the Young Turk government unilaterally when World War I broke out. The 1923 Lausanne Treaty made by the Entente powers ratifying the formation of the Turkish Republic, imposed the Ottoman trade regime on Turkey until 1929. Until then, Turkey did not have the sovereignty to adopt a trade regime of her own. Coincidental with the end of Lausanne restrictions, the total breakdown of the international trade regime, the consolidation of rigid economic zones, the contraction of world trade, and the collapse of the international payments system following the 1930 World Depression facilitated Turkey's adoption of a "self-reliant" strategy of industrialisation.

By the time a proper monetary regime was established, the European trade regime constituted by bilateral trade treaties had begun to erode. The monetary regime, which was subsequently established under British dominance in the 1870-1914 period, was connected to the international gold standard. Sterling's dominance during this period was underpinned by the permanent balance-of-payments surplus of Britain. Under the gold/sterling system managed by the Bank of Britain, most countries were linked to the London-based banking network and kept sterling balances on their London accounts; as a result British banks controlled large quantities of funds for financing world trade.

The importance of having gold reserves in the central banks contributed to the growing tensions in the gold standard system which basically arose from its London-based monocentredness. The priority given to the national gold reserves increased the geopolitical tensions among European imperial powers which rivalled among themselves in search of "spheres of influence" in the periphery. The gold standard was perpetuated by the political domination of peripheral countries by the core. Since core countries had to defend their gold reserves, they needed a supply of foreign currency deposits to provide room of action for themselves. By keeping their reserves in Britain, France and Germany the peripheral countries that were under the sphere of influence of these imperial powers provided this room of action. As the gold hoarding and inter-imperialist rivalry increased, it became more difficult for London to attract the funds needed for the smooth monocentric operation of the monetary regime. When the British interest rates were increased to overcome this difficulty, given the centrality of the London-based banking network, credit contracted and industrial production declined setting the stage for the 1873-96 Great Depression (Mjøset 1990:33-9).

The gold standard corresponded to a compromise solution to the problem of financing international trade and investment under conditions of

declining British economic leadership and escalating political rivalry among the core states. In Polanyi's interpretation (1957:9-19) of the 1870-1914 period, the *haute* finance supplied the instruments for an international peace system. Although it failed to maintain peace in the end, due to its interests in widespread infrastructural investments in peripheral countries (e.g. railway construction), high finance attempted to prevent the emergence of military confrontations among imperial powers. One important consequence of this was to limit the violent rivalries among big powers over peripheral areas like the Ottoman Empire and to integrate these into the European financial system.

As the peripheral countries were forced to accept the gold standard, they became subject to the international control of high finance. To protect its investments, high finance acted in concert with the European states in their respective zones of influence. By the first decade of the 20th century, the rigidity of the respective economic zones of the big powers undermined the establishment of any common interest, and inter-imperialist rivalry took a violent turn. The attempts of Britain to reintroduce the gold standard in the 1920s led to international monetary instability which was worsened by the 1930s World Depression. The subsequent failure of economic liberalism released the autocratic tendencies within the world economy in the 1930s and 1940s.

By the transfer of the monopoly to print paper currency inside the Empire to the Anglo-French owned Ottoman Bank in 1863 under the pressure of the European powers, the Ottoman Empire was in effect linked to the international gold standard. This linkage to the prevailing monetary regime had two major consequences which would prove to be detrimental in the years to come. Firstly, although the introduction of the gold standard assured relative price stability by preventing the debasement of the gold/ silver content of the local currency, it meant the complete loss of monetary independence of the Ottoman state. The exchange rate of the *lira* against major European currencies thus remained unchanged throughout the rest of the century, and destructive European price movements were directly transmitted to the Ottoman economy (Boratav, Ökçün and Pamuk 1985:388).

Secondly, by accepting international financial control, the Ottoman state was given the "privilege" of borrowing in the European financial markets which it would increasingly have recourse to. Most of the financial inflows to the Empire thus began to be composed of loans to the central state. The share of external debt in total foreign investments (66 per cent) was much higher in the Ottoman Empire compared to the other medium-sized countries in the periphery (Pamuk 1988a:145). Direct foreign investments were mainly concentrated in the construction of railways in coastal regions

and in harbour-works; foreign investment in production activities such as agriculture, industry or mining remained limited. A large part of the foreign loans, on the other hand, were used for military purchases abroad leading to rapid increases in the external trade deficit and making the repayment of the loans impossible.

In 1881, after two decades of extensive borrowing had engendered the financial collapse of the Ottoman government, the Ottoman Public Debt Administration (PDA), *Düyun-i Ummumiye*, was formed by the European bondholders of the huge Ottoman debt. To repay its loans, the Ottoman state ceded to PDA a variety of important revenues; thus, whole sectors of the Ottoman economy functioned under direct European financial control. The PDA, as an agent of the Ottoman state, collected revenues directly from the specified areas of the economy to service new loans or to construct railways.

While keeping the Ottoman bureaucracy from bankruptcy, the PDA effectively checked its control over the economy. By 1914, revenues ceded to the organisation comprised 15 per cent of all Ottoman tax revenues (Quataert 1987:289). After the foundation of the PDA, the fiscal crisis of the state deepened. In an attempt to provide a solution to its long-standing fiscal crisis, the Ottoman government began to hand out railway concessions to foreign investors. As a consequence of intensified imperialist rivalry, the partitioning of the Empire into spheres of influence through the construction of railroads by German and French capital gained momentum during 1888-1896 (Pamuk 1987a:15). European powers also used renewed lending as an instrument for gaining influence over the Empire. On the eve of the First World War, payments on the outstanding debt could only be made by further borrowing. By the stipulations of the Lausanne Treaty, sealing the international recognition of the new Republic, Turkey inherited two-thirds of this Ottoman debt which was only liquidated between 1929-53 (Boratav 1981:170, 1988:32).

Notes

1. In other interpretations, Kondratiev waves have been seen as an automatic, technically or economically generated phenomenon of capitalist economy. Kondratiev's (1935) long wave theory is based on the capital goods replacement cycle for very long-lived capital goods — the need to replace old capital. Schumpeter's (1939) theory is based on the bunching of long-term investments which result from the clustering of major innovations. Mandel (1980) on the other hand, explains long waves by employing Marx's law of the tendency of the rate of profit to fall, resulting from a rising organic composition of capital: a long wave expansion occurs when several "noneconomic" factors (e.g. gold discoveries, major innovations, wars, capitalist

victories over the working class) tending to counteract the falling rate of profit operate in a synchronised way. In Kondratiev's and Schumpeter's versions both phases of long waves are caused by economic factors whereas in Mandel's version the downward phase is caused by economic factors while the upward phase is contingent upon accidental factors. Common to all three approaches is a tendency to undermine the role of the social institutions which coexist with these waves. Finally, the neoclassical tradition in economics has been sceptical towards long waves and has regarded capitalist growth as stable in the long run. Even when it has accepted the premise that capitalism is unstable at the macro level, as in the case of business cycle theories, the neoclassical tradition has seen these instabilities as sporadic rather than regular or systematic (Kotz 1987:18).

2. I will not give a full-scale exposition of the regulation approach here. I will merely employ the regulationist conceptual apparatus to give a comprehensive summary of the development of the international economy in the 19th and 20th centuries. Economic development in the post-Second World War US and Western Europe, comprising the bulk of regulationist writing will be mentioned with the aim of providing a contrast to earlier patterns. Neither will I be using the regulation approach to study the Ottoman/Turkish development pattern in the 19th century. Developed to explain the history of industrial capitalism, regulation theory concepts are inappropriate to analyse the dynamics of a social formation which is characterised by a feeble industry and a predominance of self-sufficient peasant households and which is only partially market-dependent for their reproduction. For the weaknesses of regulation theory in this regard see Brenner and Glick 1991. I will, however, use elements of regulation theory later, when studying the Turkish state-led industrialisation of the 1930s and 1940s. For critical surveys of the regulation approach see Hirsch 1990, Jessop 1990, Mjøset and Bohlin 1985, Noël 1987. A similar perspective, working with a slightly different conceptual framework, is the "social structures of accumulation" (SSA) approach (Bowles, Gordon and Weisskopf 1983). According to this approach, capital accumulation requires the existence of a set of social institutions which facilitate the accumulation process. This set of institutions, SSA, includes political, ideological and economic structures. For surveys of the SSA approach see Jessop 1990, Kotz 1987.

3. The origin of regulation theory was an analysis of the 1974 crisis through a theoretical synthesis of Marxist, Keynesian and institutionalist (most notably Polanyi's) traditions in economics. The theory criticised the neoclassical interpretation of the crisis, according to which, a crisis represented a difference between theory and reality, or more specifically, the blockage of the market mechanisms by monopolies, labour unions and interest groups. Adhering to a "realist" theory of science, Regulation theorists claimed that *both* growth and crisis patterns were dependent upon prevailing forms of social organisation, institutional forms and constellation of social forces. In their usage, the term *régulation* corresponded to a "balancing mechanism" or "equilibration" – not to the standard usage of regulation in English as a shorthand for "government intervention in private markets". Thus, regulation was defined as "the conjunction of the mechanisms working together for social reproduction, with attention to the prevalent economic structures and social forms" (Boyer 1990:20). One of the central results of regulationist research was a periodisation of the history of French and American capitalism in terms of a set of specifically designed concepts. In delimiting distinct periods of capitalist development, the theory gave central analytical importance to the study of structural crisis. A main emphasis was that the 1974 crisis was fundamentally different from the 1929 crisis. While the 1929 crisis was an underconsumption crisis, the 1974 crisis was related to the slow exhaustion of the productivity potential due to the problems in the organisation of production. The two crises corresponded to different sets of incompatibilities

between their respective regimes of accumulation and modes of regulation — the two central concepts used to describe the set of institutional forms in a national economy.

4. Pamuk (1988a) offers three basic categories of peripheral countries (formal colonies, countries belonging to the "informal empire" of an imperialist power, countries which due to inter-imperialist rivalry did not belong to the informal empire of any single power) with respect to their position in the security regime. He analyses economic development as conditioned by this balance of power in the international arena. In the formal colony, the patterns of production in the colony were transformed such that they were most beneficial to the interests of the colonising power; trade and investment by other industrialised countries were severely restricted; the local state had lost its autonomy of jurisdiction or taxation. In the countries belonging to the informal empire (e.g. the cases of countries in Central and South America), the opening to world capitalism proceeded under conditions of formal political independence, but the country in question belonged to the sphere of influence of one imperialist power. Although there was less room for direct intervention on the part of the imperialist power in this category of countries, the interests of the ruling alliance of merchant capital and export-oriented landlords in the periphery in most instances coincided with the interests of the imperialist country. In the third category of countries (e.g. 19th-century China, Persia and Ottoman Empire), the relatively strong state structure of the country in the periphery together with conditions of rivalry between major imperialist powers resulted in the peripheral country's state bureaucracy obtaining greater political and economic influence. As an empirical support for his argument, Pamuk notes that medium-sized countries in Latin America (Argentina, Mexico, Brazil and Peru) belonging to informal empires, had higher per capita foreign trade and investment levels than the Ottoman Empire in the early 1910s. Or conversely, the highest rates of growth in per capita exports in the later half of the 19th century were registered by the three formal colonies (Algeria, Egypt and Sri Lanka). Similarly, on the eve of the First World War, commodity exports from the Ottoman Empire were more diversified than those of any other medium-sized country in the periphery. This was an outcome of the resistance of the Ottoman governments, whose strength were supported by inter-imperialist rivalry, to attempts of the European powers to intervene directly in Ottoman agriculture and to transform it in the direction of monoculture (Pamuk 1988a:138, 141, 146).

4. Anatolia in the long 19th century

4.1 The modernisation attempts of the state bureaucracy

Because of the delicate balance in the 19th century interstate system we have sketched in the previous chapter, the European imperial powers opted for the survival of the Ottoman state or, correlatively, the Ottoman state made use of the inter-imperialist rivalry in order to prolong its survival. Within the room for manoeuvre provided by the imperial powers, the Ottoman bureaucracy acted to preserve its own interests: while it resisted the British attempts to establish large-scale capitalist farming in Western Anatolia, it made substantial attempts to modernise the military, administrative and economic apparatus of the Empire and initiated, however unsuccessfully, a state-led industrialisation. Thus, liberal trade policies imposed by the Anglo-Ottoman Treaty of Commerce of 1838, and the copying of legal, administrative and educational institutions of the West became the hallmark of the 19th-century Ottoman Empire. The initial thrust of the reforms in the 1820s was military modernisation directed at territorial control through enhanced infrastructural capacities, and uncovering of new sources of taxation to support the creation of a new standing army. With the abolishment of janissary corps and the creation of a more centralised and disciplined army, central control over the provinces was reasserted and the local power of *ayans* was gradually undermined. Although the century proceeded with a continual struggle between state and the notables, the Ottoman state managed to hold the notables to a standoff until its final hour at the end of the First World War.

The culmination of these reform movements was the *Tanzimat* (reordering) reforms of the mid-century.[1] Through *Tanzimat*, the Ottoman reformers attempted to transform educational institutions, reform state administration, secularise courts of justice, and establish rights to private property. These reforms assured juridical security of private property within the Empire and religious equality before the law (Lewis 1969:106-8). The Land Laws of 1858 and 1867 extended these rights to landownership; with the consolidation of small peasant ownership the financial basis of the state was secured.[2]

The restructuring of the central apparatus of the Ottoman government brought it closer to Weber's ideal-type of rationalised bureaucracy: the

bureaucratic network was expanded, Ministries were formed, new bureaucratic linkages emerged within the Ministries, new regulations appeared, and all these were accompanied by a novel administrative law. With a more precise definition and limitation of the powers of provincial administrators, control of the central administrative machinery of the Ottoman state was strengthened. Bureaucratic centralism and effectivity was enhanced with the reorganisation of Sublime Porte, now constituting the executive headquarters in Istanbul and including the office of Grand Vizier, Council of Ministers and the Ministries of Internal and Foreign Affairs. The Ottoman bureaucracy known as the scribal service (*kalemiye*) thus evolved into a new form known as civil officialdom (*mülkiye*) after the 1830s. The shift from traditional to rational-legal authority remained incomplete due to the subversion of the processes of rationalisation to serve the ends of patrimonial discretionalism in the high echelons of power (Findley 1980). But the Ottoman administrative reforms undoubtedly involved a long-term transformation of a scribal corps operating under conditions of traditional patrimonialism into something more like a modern civil service (Findley 1991:10).

One consequence of *Tanzimat* in the judicial sphere was the emergence of a system of secular courts. The application of the religious law, *Şeriat*, became more and more confined to matters of personal status such as marriage and inheritance and was relegated to religious courts. With time, however, principles of Western civil law codes began to infiltrate into Ottoman legal practice. In response to this challenge, the government appointed a committee to codify Muslim law in areas corresponding to those covered by the civil code. Though never completed, *mecelle*, the basic document which emerged from the years of work of this committee, was later considered to be a monument of Ottoman jurisprudence (Mardin 1989:114-15).

An important component of 19th-century reforms was related to the transformation of educational institutions. In 1847 the state replaced the old system of neighbourhood schools financed by charitable grants by a system of state financed primary schools. The programme of primary schools which had consisted of Koranic recitation was also modified. In the 1850s military and civilian *rüştiyes*, new schools of secondary education, began to spread throughout Anatolia. This was followed by a wave of lycée building inspired by the programme of French lycée. The secularisation of education went even further with the establishment of university level institutions after the model provided by the French *grandes écoles*. Beginning with the 1880s, the administrative, judicial and military posts of

the Ottoman state were increasingly staffed by the graduates of these university level Political Science, Law, and Military schools.

Concomitant with these reforms in the educational institutions, the *medrese* system underwent a deep crisis. The programme of education in *medreses*, Muslim "seminaries", had traditionally been devoted to the study of Koran and other classical Islamic texts; now that the bureaucratic cadres were increasingly recruited from the new secular schools, the study of religion in the *medreses* became more of a field of specialisation than a pervasive social function. Successive attempts to reform *medreses* in order to cover Western scientific subjects in their programmes failed (Mardin 1989:111-12). The result was an institutional duality of religious and secular schools with the disparate structures of the new educational institutions and *medreses* nourishing the separation between the "modernising" and "traditional" sections in the bureaucratic apparatus and the population at large. On the other hand, the new schools established with *Tanzimat* were essentially geared to the purpose of providing military and civilian cadres to the Ottoman central bureaucracy. A disinterested attitude towards technical education was conspicuous in the design of the educational reforms well into the 20th century.

The *Tanzimat* reforms were not instigated by a unitary bureaucracy. They originated among the higher ranks of the Ottoman bureaucracy. The secular aspirations of the reformist bureaucrats were opposed by the Islamic oriented *ulema* trained in *medreses*. If the *ulema* did not firmly oppose the reforms, it was because they regarded the military and administrative modernisation as a last resort for the preservation of the Ottoman state. However, with the gradual Westernisation of the Ottoman institutions, the position of *ulema* was undermined, and they were, progressively, assigned to marginal roles in the administrative, judicial, and educational areas of the state. As late as the beginning of the 19th century, Islamic ideology and institutions had been integrated into the Ottoman governmental machinery. The *ulema* through their offices as *kadıs*, through their positions in the central bureaucracy and finally through the supreme religious authority of *Şeyhülislam* had exerted a powerful influence on the preparation, elaboration, and execution of state policy. Although a number of *ulema* continued to be nominated to government posts in the *Tanzimat* era, with the gradual segregation of religion from the administrative affairs, their politically influential positions were undermined.

Mardin (1989:113) ascribes the swiftness with which the Ottoman state adopted policies which displaced *ulema* from their influential position in government to the emergence of reforming bureaucrats at the end of 18th century. It was the Ministry of Foreign Affairs which shaped the careers of

these reforming statesmen. Confronted with the ever more menacing superiority of the Western imperial powers, these bureaucrats urged Turkey to accept the civilisation of Europe in its entirety, to prove itself a "civilised state". While realising that some anchoring for the Ottoman was necessary, they showed an increasing propensity to disregard the *ulema*, and believed that the good government and the development of commerce and education would fill the gap left by the gradual receding of Islam.[3] In Findley's (1991:13) words, the role of the Foreign Ministry officials was that "they represented the outside world to their compatriots, more than the other way round ... [they] were virtually *the* vanguard of Westernising cultural change." In this sense, the mid-19th-century Foreign Ministry formed the leading sector of the state bureaucracy which would eventually establish the secular and Westernised Turkish nation-state in the 1920s.

Although the administrative reforms brought a leap in the number of civilian bureaucrats, from 2,000 scribes to 35,000 civil officials by 1900 (Findley 1991:25), the changes this transformation entailed was more qualitative than quantitative. Sons of bureaucrats with similar backgrounds were recruited through the modernised educational institutions and, by the end of the century, the civilian and military state bureaucracy formed a distinct social stratum reproducing itself mainly from its own ranks.[4] With its particular Westernising and transformative potential, civil officialdom and the military corps had become nearly coterminous with "intelligentsia" by the end of the century. Moreover, they were the most organised and coherent social group on the scene when the external military threats emanating from the international crisis prior to the First World War hit the Empire.

Within two decades of the inception of *Tanzimat*, the need for a principle of legitimation of the reform movement had arisen. The reformist bureaucrats of *Tanzimat* were wary of initiating a movement in this direction. Their critics of the 1860s, the Young Ottomans, found the new political formula of providing political participation through their proposal of representative government. Though they were basically a secular intelligentsia, the Young Ottomans sought to revive Islamic cultural principles in an attempt to find a new legitimising foundation for the Ottoman state. While the *ulema* leaned towards traditional "populistic" Islam seemingly more appealing to the Muslim masses of the Empire, the Young Ottoman ideologues adhered to Islam more as a legitimising discourse and a cultural foundation. According to the Young Ottomans' version of liberal constitutionalism, participation in the process of government would rally Muslims to reforms and eliminate the barriers between different religious groups. Through the creation of an Ottoman

patriotism one would be able to elicit allegiance to the Ottoman state regardless of religious affiliation (Mardin 1989:116).

The Young Ottomans interpreted the thrust of the mid-century reforms as the creation of a "nation-state". Their patriotism, however, depended on a different set of premises than the emergent contemporaneous nationalism among the non-Muslim communities of the Empire. The Young Ottomans' preoccupation with "saving the Ottoman motherland" was rendered anachronistic with the rise of nationalism in 19th-century Europe. Rather, what Seton-Watson (1977:148) has called "official nationalism" characterised the Young Ottoman thought. Parallel to the contemporary policies of dynastic empires like Russia, Great Britain, and Austro-Hungary (Anderson 1991:83-111), the Young Ottomans advocated the creation of an "Ottoman nation" over the polyglot domains under the rule of the Empire. As Anderson (1991:86) observes, "official nationalism" – the willed merger of nation and dynastic empire – developed after, and in reaction to, the popular national movements proliferating in Europe since 1820. As a deliberate policy of the Ottoman state as it was progressively adopted towards the end of the century, Ottoman "official nationalism", too, was a response of the bureaucracy to the appearance of linguistic nationalisms in the Balkans. Greece had gained her independence from the Ottoman Empire in 1829. By 1878, Bulgaria had received autonomy; Rumania, Montenegro and Serbia had proclaimed their independence; Bosnia-Hercegovina was under Austrian occupation.

The new idea of an "Ottoman nation" involved a fusion of two distinct ideologies, the traditional *millet* (religious community) system of the Empire and the principles of French Revolution. According to the *millet* system, the non-Muslim subjects of the Empire were free in the management of their domestic affairs – though this freedom often meant indifference of the central state to non-Muslim communities. Through a synthesis of *millet* and French revolutionary ideals, the Young Ottomans advocated an "Ottoman nation" where all Ottoman subjects would be equal before the law regardless of religion and the Empire would be a free and equal nation like France. Nevertheless, the implicit adoption of these principles by the modernising bureaucracy was to be resented by all the communities of the Empire, including the Turks. As a result of its policies like the imposition of the "Ottoman" language – a dynastic officialese combining elements of Turkish, Persian, and Arabic – and the mass conscription of Muslims and non-Muslims alike, the Ottoman state came to be hated by Turkish-speakers as apostates and by non-Turkish-speakers as Turkifiers (Anderson 1991:85). The discrepancy between nation and the dynastic realm lying at the heart of "Ottoman national synthesis" was

finally resolved by the Young Turks — the movement leading the 1908 Revolution.

The reform drive in the Western mould did not, however, issue in a permanent Western form of parliamentarianism. With the initiative of the Young Ottomans, the first Ottoman parliament was formed in 1877. Elected through limited — based on property restrictions — and indirect male suffrage, the parliament was broadly representative of the various national and religious communities of the Empire. Although the Muslims had a majority in the parliament, Christians and Jews were proportionately much better represented, and ethnic Turks were in a minority among the deputies. The introduction of constitutional government, however, was the work of a very small group of reformist government officials and intellectuals, and it was based neither on popular support nor on organised parties. Thus, when Sultan Abdülhamid disbanded the parliament a year later and established his three-decades-long repressive rule, there was hardly any popular reaction. During the 19th century then, a mechanism of representation that would have translated the interests of the bourgeoisie, the tax-farmers, or the peasants onto the political level did not evolve.

4.2 The commercial bourgeoisie

The structure of landownership in Anatolia characterised by the predominance of small peasant landownership necessitated a large number of merchants mediating between agricultural production and trade (Keyder 1983a). Due to the rise of the Empire's trade with Europe following the 17th century and given the cultural affinities of non-Muslim minorities to the West, the majority of this commercial bourgeoisie were composed of Greek and Armenian minorities who were concentrated in the major entrepôts of İzmir and İstanbul. The ethnical alignments of the commercial bourgeoisie's class formation had a direct bearing on their subsequent cultural and political choices. Especially after the 1870s, the imperial rivalry between Britain, France and Germany included attempts to draw segments of this bourgeoisie to imperial interests mostly in the form of schools and cultural associations established in various parts of the Empire. Thus, these groups articulated their interests by taking into account both their economic relations with the outside and their administrative and legal affairs with the Ottoman state.

It would be misleading to portray this commercial bourgeoisie as a mere appendage of foreign capital — i.e. as a "comprador" bourgeoisie. In dependency theory, the comprador bourgeoisie means that fraction of capitalists who are concentrated in trade and finance, and whose interests

are entirely subordinated to those of foreign capital. Except for the fact that the activities of the numerous non-Muslim bourgeoisie of the 19th-century Anatolia were concentrated in trade and finance, there was by contrast no correspondence between the interests of indigenous bourgeoisie and foreign capital; rather than assisting it, the bourgeoisie prevented the implantation of foreign capital in Anatolia (Kasaba 1988a). The cleavages which arose between the Muslim and non-Muslim factions of the bourgeoisie in the first quarter of the 20th century were a result of the nation-building efforts of the state bureaucracy rather than an outcome of an unsubstantiated convergence of interests between the non-Muslim bourgeoisie and foreign capital in the 19th century.

By the end of the 18th century, amid growing difficulties of the imperial finances, members of the commercial bourgeoisie, having easy access to liquid capital, had begun to finance government officials who were engaged in bidding for the government auctioning of tax-farms. In the absence of formal banking institutions, these merchants had become the main creditors of both government officials and peasants. Especially during the first half of the 19th century, these ventures in financing had become more profitable than trading activities. It was at this point that the commercial bourgeoisie, composed mostly of non-Muslim merchants, found itself in fundamental disagreement with British foreign capital (Kasaba 1988a:218-22). As we have seen, the British geopolitical interest in checking the Russian advance into the Mediterranean, and its economic interest which necessitated a stronger Ottoman economy to pay for more British imports, resulted in Britain's backing of the Ottoman state in the latter's centralist drive to curb the decentralising aims of tax-farmers. In its financing as well as its commercial activity, however, the Ottoman bourgeoisie was thriving precisely on the weaknesses of the Ottoman central state. To the extent that they could obtain higher and more secure profits from financing tax-farmers, the interests of the cosmopolitan commercial bourgeoisie were not in harmony with the interests of foreign capital.

When the Empire was forced by the imperial powers to award capitulatory privileges to foreigners in the latter half of the 19th century, the Greeks and Armenians engaged in trade and finance were given passports and privileges (most notably, extraterritoriality and tax-exemptions) by foreign embassies. Thus, the positions of Muslim merchants in overland and maritime trade were further weakened. The predominance of Christian minorities within the bourgeoisie and their privileged status granted by foreign powers had two important consequences for the subsequent pattern of political mobilisation within the Empire. Firstly, due to their privileged status the Christian bourgeoisie was reluctant to articulate

their interests collectively and form a pressure group in the domestic political arena.[5]

Secondly, Ottoman bureaucrats' continuous objections to non-Muslim bourgeoisie's immunity from the judicial and fiscal reach of the Ottoman state (Kasaba 1988a), bore the seeds of bureaucracy's subsequent hostility to non-Muslim bourgeoisie in the Young Turk era in the 1910s. The ethnic gap between the bourgeoisie on the one hand, and bureaucracy and the bulk of the peasantry on the other hand prevented the realignment of bourgeoisie behind the nationalist project gaining ground from the 1910s onwards. Turkish nation-building was going to be carried out by the state bureaucracy independently of and often in opposition to the bourgeoisie.

4.3 Handicrafts and industry

The steep rise in the export of manufactured goods from Western Europe in the first half of the 19th century led to a decline of the indigenous preindustrial manufacturing activities in the periphery. In fact, the destruction of the pre-industrial handicrafts-based manufacturing activities, as a result of the increases in productivity and declines in the prices of industrial commodities, was common both to the core and periphery of Europe. Whereas this process was paralleled by the emergence of the factory system in England and in other European countries constituting successful cases of peripheral industrialisation, it was not until the 1930s that the commodities produced by the domestic industry prevailed in the Turkish home market.

Not all branches of preindustrial production in the 19th-century Ottoman Empire were similarly effected. There were cases of successful resistance and adaptation to the resurgence of European industrial goods in the Ottoman market. But the general downward trend in handicrafts production was unequivocal. The impact of the European industrial goods in the Anatolian economy was most pronounced in the textiles sector. This was so for two reasons. Firstly, the initial thrust of the Industrial Revolution in England was based on the textiles sector. This first wave of industrialisation generated outstanding increases in textiles production and declines in the prices of textiles. Secondly, similar to the usual pattern in preindustrial economies, the most important branch of nonagricultural production in the Ottoman Empire, both in terms of employment and output, were textiles.

In spite of the massive impact of imported cloth and yarn, not even in the case of cotton textiles — the main nonagricultural item consumed by the Anatolian population in the 19th century — the destruction of Ottoman handicrafts was complete. Nor were textile factories completely absent,

especially towards the end of the century. However, given the predominant position of textiles in handicrafts production in the secondary sector of the Ottoman economy at the end of the 18th century, it is not surprising that the flood of the Ottoman markets by the European textiles in the 19th century led to a substantial decline in the share of the secondary sector in the total employment in the Ottoman economy.

As late as the second decade of the 19th century, the Empire had been self-sufficient in cotton textiles. Anatolia was a net exporter of cotton; imports of cotton cloth from Europe were limited – comprising not more than 3 per cent of total domestic consumption. In the urban areas of Anatolia the artisans were organised around small-scale manufacturing establishments which were under varying degrees of guild control. Throughout the 19th century the strength of these guilds decreased continuously although they were not formally abolished until the 20th century. Capital accumulation in the hands of the owners of these establishments and the degree of differentiation among artisans were small.

The other site of the production for the market was in the rural areas of Anatolia. Here, until the arrival of the imported yarn, merchants organised rural women at their homes for the spinning of yarn. While a large proportion of the cotton yarn produced for the market was spun in this putting-out mode; in the context of a more or less self-sufficient rural economy, spinning and weaving for immediate consumption within the rural household or the village constituted the predominant form. Since around 80 per cent of the population lived in rural areas during the 19th century, home production of cotton and woollen textiles for immediate consumption was the form of production with the largest share of the total production of textiles (Pamuk 1987a:110-11).

The self-sufficiency in cotton textiles changed rapidly after the Napoleonic Wars when the expansion of trade brought about an intense competition by European industrial goods. The adverse consequences of the Free Trade Treaties signed after 1838 were determinant in this context.[6] Between 1820 and World War I, imports of cotton cloth and yarn into the area within the 1911 borders of the Empire increased over hundredfold, per capita imports of cotton textiles increased over fiftyfold, As a result of this massive invasion, the share of imports in total domestic consumption increased from less than 5 per cent in 1820 to more than 80 per cent in the early 1910s (Pamuk 1987a:118).

The rate of transformation brought about by European industrial exports in the Anatolian society was not uniform with respect to time and space. As the rates of expansion of the Empire's external trade suggest, the degree of integration of the Ottoman economy into the world market was more

rapid in the decades until the 1870s in comparison to the period stretching from the 1880s to World War I (Pamuk 1987a:18-41). Nor were these changes uniform throughout Anatolia. Coastal areas and the major urban centres of İstanbul, Bursa, İzmir, Aleppo were more adversely affected by the competition from imported factory products. This regional differentiation was due both to high transportation costs of imported manufactured goods and to the lack of demand for these goods in the more or less self-sufficient nature of the rural economy in the interior parts of Anatolia.

The 1840-73 period, starting with the signing of the Free Trade Treaties between the Ottoman Empire and the European powers and coinciding roughly with the Victorian boom of the world economy, witnessed a decisive decline of Ottoman handicrafts production in cotton textiles. Corresponding to this production decline, according to Pamuk's (1987a:120-1) careful calculations, employment dropped by about 2 to 3 per cent of the working population, affecting about 100,000 jobs (in full-time equivalents) during this period. Since the share of the nonagricultural sector was a small fraction of the 19th century economy, this decline meant a major contraction in the employment provided by the secondary sector. Given the differential impact of European textile exports on the spinning and weaving stages of Ottoman cotton textiles, unemployment in weaving was only one-tenth of the amount of unemployment in spinning. Since spinning was an overwhelmingly rural activity as opposed to the predominantly urban character of weaving, the unemployment in the nonagricultural sector was more pronounced in the rural areas. This trend was reinforced by the increasing commercialisation of agriculture especially in the coastal areas. As a result of increasing specialisation and increasing incomes in agriculture, less time was allocated to nonagricultural activities in the rural areas.

The 1882-1914 period, on the other hand, witnessed a rise in domestic production. However, because the increase in domestic production levels was about the same as the rate of increase in the size of the domestic market and the rate of increase in the volume of imports, domestic production did not regain the relative share of the domestic market it lost during the 1840-73 period. Part of the increases in domestic production were due to the emergence of a limited number of factories using imported technology. More importantly though, reflecting an adaptive mechanism, the volume of hand spinning continued to decline while the volume of hand weaving approximately doubled between 1880 and 1914 (Pamuk 1987a:118-119). The result was that while the employment in hand spinning continued to decline after 1880, there was a limited increase in the total amount of employment provided by handicrafts-based production

because of increases at the weaving stage. However, this increase was quite limited in comparison to the decline in employment during the half century until 1870. All in all, the numbers of people employed (in full-time equivalents) in Ottoman cotton textiles (the most important branch of production outside agriculture) declined by two-thirds between 1820 and 1913 (Pamuk 1987a:122-3).

The first wave of the industrialisation drive in cotton textiles was initiated by the Ottoman state primarily to meet military and government demands. However, despite effective insulation from the competition of the European imports, several dozen factories established during the 1840s collapsed within a decade. Until the last quarter of the 19th century many attempts to establish similar factories met with resistance from the guilds. Towards the end of the century, availability of the locally grown cotton and low wages constituted the basis for the construction of factories by private capital under conditions of very low rates of tariff protection. By 1910 these factories produced less than a quarter of the yarn consumed in the domestic market. The industrial production of cotton cloth was even more limited, it averaged about 2 per cent of the volume of cotton cloth imports and about 1.5 per cent of domestic consumption (Ökçün 1972).

In sum, in the case of the textiles industry, trends showed that while in the 1820s, the Ottoman economy was basically self-sufficient in cotton textiles, by the 1910s about four-fifths of consumption was being imported. A 150 per cent per capita increase in the consumption of cotton textiles had broken the self-sufficient nature of the rural economy in the course of one century. Rural households which had been producing the largest part of textiles for consumption within the village in the beginning of the 19th century, were meeting two-thirds of their consumption in the marketplace by the beginning of the 20th century (Pamuk 1987a:129).

The trajectory of the Ottoman industry in general was more complex than the simple decline presented by the textiles industry. Restructuring in some sectors contributed both to a shift in employment patterns and to cases of successful adaptation to the threat posed by rising European imports. The shift from spinning to weaving in the cotton textiles industry has already been mentioned. In another case, the centuries-old carpet weaving industry in the interior of Anatolia, underwent a vast expansion responding to the rise of European and American demand for "Oriental" carpets especially after 1870. The value of carpet production at least tripled in the last three decades of the century. More importantly, an increasingly significant portion of the total West Anatolian outputs of carpets derived from the rural parts rather than from the urban centres. Organised in a putting-out mode by export merchants – some Ottoman but mostly foreign – production in

carpet weaving workshops of rural Anatolia had surpassed the output of the major interior Anatolian urban centres towards the end of the century (Quataert 1986). By then employment in the carpet weaving industry, composed predominantly of women, may have equalled 50,000, almost as much as half of the employment provided by the cotton textiles production. (Quataert 1988:176).

Similar to many cases of European proto-industrialisation, the increase in the production of carpets in the rural areas was achieved without mechanisation. Towards the end of the century, however, the loom operators were increasingly required to accept the dyed yarn produced in the factories of the merchants organising the putting-out mode. By dictating that the loom operators making the carpets use only the dyed yarn that had been prepared in their factories, the merchant houses effectively took away most of the available spinning and dying jobs; the fact that most of this merchant capital was concentrated in the hands of foreigners and non-Muslim minorities added to the popular discontent directed towards mechanisation (Quataert 1986).

In yet another case of successful adaptation, the raw silk industry of Bursa restructured around the use of steam powered spinning mills during the 1840s and 1850s following a pattern similar to carpet weaving. As a result of the European and Ottoman entrepreneurs' placing of steam powered mills in the rural areas in order to take advantage of the reservoirs of underemployed and cheap labour, factories in small towns and in the countryside were by 1900 employing 15,000 persons, nearly three times the workforce in the mills of Bursa. The administrative measures introduced by the Public Debt Administration (PDA) after it was ceded part of the revenues of the silk industry by the Ottoman government in the late 1880s furthered the revival of this industry (Quataert 1987, 1988).

Thus, the opening up of the Ottoman market to cheap British manufactured goods did not lead to a complete collapse of the domestic proto-industrial activity. Although there was a decline in some branches of traditional handicrafts, in other branches (e.g. in cotton-weaving and carpet-making) there was an expansion of production and employment. In most cases, this expansion was made possible by the intervention of commercial capital in the production process through the putting-out system. Moreover, even for cases of deindustrialisation, there was no indication that the destruction of crafts had a regressive impact, or that these crafts might have evolved into an advanced form had they not been destroyed.[7] As we shall see, the roots of the sluggish industrial dynamics in the Empire lay elsewhere.

While in rural Anatolia the major impact of European industrial goods had been to undermine the self-sufficient nature of the economy and to increase specialisation in the direction of cash crop production, there had also been a shift within the sphere of nonagricultural activities themselves. Decline in the hand spinning of yarn had been followed by a resurgence of carpet weaving for the market. In urban centres, on the other hand, given the predominantly weaving character of the urban textiles industry, the unemployment effect of European imports had been much smaller. However, because of the weakening of previously strong guilds in the big coastal cities, the effects on the production organisation level had been much stronger — a fact which explains the unduly large emphasis given to the destructive effects of European goods on Ottoman cities rather than on their impact in rural Anatolia by the 19th century contemporary observers (Quataert 1988).

In the cities, the guilds had sought to maintain artificially high wages for their members through their restrictive practices; but under the pressure of low price imported goods, such practices had proved disastrous. In the absence of a large scale indigenous industrial production, artisans pushed out of the craft guilds had either fallen into unskilled labour categories (becoming, for example, transport workers and stevedores) or had worked for piecework wages in small shops of five to ten workers organised by merchants and exporters (Quataert 1988:175). Thus, while as late as in the mid-18th century the established masters had not prevented the entry of newcomers into their field, the 19th century saw a stepping up of stringent rules for entry into the guilds — proliferation of the so called *gedik* system — on the one hand, and supersession of independent artisans by a putting-out system, on the other (Faroqhi 1991:52-5). However, urban guilds continued their existence throughout the 19th century especially in İstanbul, İzmir and small Western Anatolian towns. In most instances, these guilds opposed the introduction of modern methods of production.

Accompanying the partially successful restructuring in rural proto-industrial activities and deindustrialisation in urban manufacturing, were the largely uncoordinated attempts of the Ottoman state to establish state-owned manufacturing facilities. These attempts reached a peak in the 1840s. They were primarily directed towards meeting the requirements of the military and the palace. Hence, this industrialisation drive became confined to setting up factories for the production of military supplies ranging from gunpowder to woollen cloth or leather boots. These factories employed imported machinery, foreign skilled workers and engineers. This largest attempt at state-led industrialisation in the 19th century ended in failure within a decade. Although profitability was never an issue, the bottlenecks

in the flow of raw materials, intermediate goods, and imported machinery could not be eliminated. Foreign engineers and skilled workers were hired at rates twice as those current in Western Europe and they had little incentive to train recruits for their positions. The most important reason for the eventual failure of the mid-19th century state-directed industrialisation effort, however, was the low level of development of wage labour. As we shall analyse in depth in the next two sections, the agrarian structure based on the predominance of freeholding peasantry did not provide sufficient amounts of free wage labourers for industrial production. Therefore, a permanent industrial work force did not evolve; the efficiency in these state-owned factories remained low with high levels of absenteeism. However unsuccessful, one important legacy of the ill-fated industrialisation efforts of the mid-century was that several of the Ottoman factories of this period provided the nucleus of the managers and workers of the *étatiste* industrialisation attempt in the 1930s (Clark 1974).

4.4 Agriculture

The increased exports from the Ottoman Empire to Europe after the Napoleonic Wars were composed of agricultural products for the most part. In 1913, the share of agricultural commodities in exports were close to 90 per cent. As a result of the extensive commercialisation of agriculture brought about by this export orientation, the share of agricultural exports in net agricultural production rose from 18.4 per cent in 1889 to 26.4 per cent in 1913. According to an estimate, by 1913, 14 per cent of GNP of the Empire and more than one-fourth of net agricultural production was being exported (Pamuk 1987b:179-80).

The shift in the composition of agricultural output from subsistence to cash crops, however, was not as pronounced as the new export orientation would suggest. In 1910, cereals covered 84 per cent of all land and accounted for 77 per cent of the value of agricultural output, but no single crop dominated the exports. During the export increase years following 1840, only rarely did the share of any single commodity exceed 12 per cent of the value of total exports. The share of the eight most important commodities (tobacco, wheat, barley, raisins, figs, raw silk, raw wool, and opium) in the total value of exports was around 40 to 50 per cent (Pamuk 1987b:181-2).

Specialisation in agriculture in the direction of exports was neither accompanied by a strengthening of large-scale landownership (*à la* Latin America) nor by a mechanisation and modernisation of predominantly small landholdings (*à la* Denmark). This was due to two interrelated reasons: the

relative scarcity of labour and the relative abundance of land on the one hand, and the attempts of the Ottoman state to prevent the emergence of a powerful landlord class on the other. Though the immigration of large numbers of Muslims into Anatolia from the areas that seceded from the Empire contributed to the growth of population which had showed a net decline in the two centuries preceding the 19th century, labour shortage continued to be an important characteristic of the Ottoman agriculture until World War I.

The availability of marginal lands meant that substantial amounts of new land could be brought under cultivation under conditions of high world market demand for cash crops. This improved the bargaining position of the small peasant producer so that the attempts of large landowners to implement labour-saving machinery in order to reduce their dependence on relatively scarce labour remained limited. Under conditions of labour scarcity, the Ottoman state, being very much aware that the most secure taxation base would be constituted by small-owner producers, actively promoted the consolidation of simple commodity production by independent peasant households.

The emergence of a powerful landlord class, which might expand its share of the agricultural surplus at the expense of the state and/or challenge its rule, was seen as a threat by the central bureaucracy. But this did not mean that the state did not heavily tax the small peasantry — as much as a quarter of agricultural production was taxed. Moreover, given the low levels of productivity, dependence of the harvest on weather conditions, and heavy state taxation, both the small owner producers and the sharecropping tenants were permanently indebted to usurers at high interest rates.

Attempts of British foreign capital to organise large-scale farms in mid-19th-century Western Anatolia failed for similar reasons. Land was cheap and plentiful but labour was scarce and wages were high. Moreover, it was difficult to bring and maintain farm machinery in the interior. Even if they were willing to tackle these problems, as they did occasionally, the resulting costs were so high that British capitalists had little chance of successfully competing with those peasant holdings that were situated in the immediate vicinity of İzmir (Kurmuş 1974:101-2).

A survey of land ownership and tenancy patterns in the Asiatic provinces of the Ottoman Empire clearly reveals the predominant proliferation of small-landholdings and small peasant producers in Anatolian agriculture. As evident in Table 4.1, in the late 1860s, three decades after the reversal of the decentralisation tendencies of the two previous centuries, 82.5 per cent of all cultivable land was in smallholdings ranging from 2 to 20 hectares while large holdings comprised 17.5 per cent of all cultivable land.

Regional variations notwithstanding, fixed-rent and sharecropping tenants in small-sized holdings constituted the majority of direct producers (52.4 per cent). Following them were owners of smallholdings (31 per cent).

Table 4.1
Distribution of landownership and tenancy patterns in the Asiatic provinces of the Ottoman Empire around 1870

Type of direct producer	*Size of the holding operated*	*Share in all direct-producer house-holds (%)*	*Share of the total cultiv-able land (%)*
Small peasant owner-producer	2 to 20 hectares with an average of 6-8 hectares	31.0	27.5
Nonowner producers working in small owners' holdings; mostly sharecroppers, some paying fixed rent	2 to 20 hectares with an average of 6-8 hectares	52.4	55.0
Nonowner producers working in large land holdings; mostly share-croppers; some tenants paying fixed rent; some year-round wage labourers; 200,000 seasonal wage workers	Greater than 20 hectares with an average of 120 hectares	16.6	17.5

Source: Pamuk 1987b:188-190

A useful contrast here is the pattern of land ownership in Denmark, a case of successful agricultural modernisation in Senghaas's typologies. As the distribution of landholdings in Table 4.2 shows, 77 per cent of landholdings in Western Anatolia (the most commercialised and developed region of the peninsula) were less than 5 hectares in size while in Denmark the corresponding percentage was 32.7. In comparison to the predominance of medium-sized farms in Denmark, land ownership in Anatolia was much more "pulverised". On the other hand, while 90 per cent of the farms in Denmark were owned by the farmers themselves (Senghaas 1985:103), only 31 per cent of the direct producer households owned the landholdings they were tilling (see Table 4.1). Thus, despite the predominance of small landholdings — 82 per cent of total land were comprised of farms with less than 20 hectares in size — only one-third of these farms were tilled by their

owners, the remaining two-thirds were being rented by sharecroppers, comprising 52.4 per cent of direct producer households.

Table 4.2
Distribution of landholdings with respect to size:
Denmark and Western Anatolia

Denmark 1919		
Hectares	Less than 5	More than 5
No. of landholdings as percentage of total	32.7	67.3
Western Anatolia 1900		
Hectares	Less than 5	More than 5
No. of landholdings as percentage of the total	77	33

Sources: Calculated from Pamuk 1987b:192, and Mjøset 1992b:210

4.5 The state and the relations between industry and agriculture

Confronted with the pull of Western European countries in the 19th century, some areas of the periphery, most notably Scandinavia, managed to catch up with the industrial core as their primary exports triggered industrial spin-offs on a large scale. Other areas, such as the Balkans and Anatolia, on the other hand, could not transform their economic structures in the direction of industrialisation despite rising primary exports. In Hirschmann's (1977) linkage terminology, increases in the exports of staple goods, primary goods with low value added, did not generate enough "linkage effects" to enhance the development of an indigenous industry in these regions. Such export production may trigger new types of production by linkage effects: forward linkages are established when the initial export good is used as an input of a new local production, while backward linkages are established by new local production of inputs for the export sector. Incomes from the export production may create indirect linkages as well: consumption linkages are established when export incomes spent on consumption stimulate new production for domestic consumption demand; fiscal linkages, on the other hand, are established by taxation of export incomes and investment of these incomes in new production (Nordhaug 1992:162-9).

In 19th-century Anatolia, agricultural export commodities (wheat, barley, cotton, raisins, figs, raw wool) generated very limited linkage effects. In the production of raw silk backward linkages were strong. Steam-powered silk reeling mills increased their production towards the end of the century. Cotton exports, too, generated some backward linkages with the establishment of a number of small factories for the cleaning and pressing of cotton. The brief nature of the cotton export boom between 1862 and 1866 – due to the contraction of American exports because of the American Civil War – however, inhibited the consolidation of these linkages (Kurmuş 1987). Due to the Ottoman state's heavy taxation of agricultural incomes and their channelling to unproductive military expenditures, consumption and fiscal linkages, too, remained limited. Export incomes, in effect, went to the expenses of the central government, most importantly to its war effort. Fiscal linkages, were primarily limited to the construction of railways and reached a moderate magnitude especially during the last decade of the century. The bulk of railway construction was undertaken by foreign capital rather than by the Ottoman state.

The inability of agriculture in promoting the industrial transformation of the Anatolian economy, can be illustrated by looking at another set of variables. According to Menzel (1985:168 cited in Nordhaug 1992:170) agriculture has five vital functions during a process of industrialisation:

1. The product contribution of agriculture: food production for the non-agrarian population and primary goods for industry. In order to sustain economic transformation, the contribution of agriculture should be to produce sufficient amounts of both at low prices.
2. The currency contribution of agriculture: export earnings generated by agriculture which contribute to the necessary imports for industrialisation.
3. The capital contribution of agriculture: transfer of funds to industrial investments through taxation and savings.
4. The labour contribution of agriculture: agriculture's supply of a labour force for industry.
5. The home-market contribution of agriculture: the role of agriculture as an outlet for manufactured consumer goods and agricultural inputs.

With respect to the experience of 19th-century Anatolia, product contribution of agriculture was large in consumption goods but small in industrial inputs. With roughly a quarter of agricultural production going to exports towards the end of the century, agriculture had a moderately strong potential for currency contribution to industry. However, as it was

the case for the potential capital contribution of agriculture, the Ottoman state's debt burden and war effort inhibited the realisation of these potential contributions.

On the other hand, the socio-institutional conditions in agriculture and the persistence of subsistence-oriented small owner production limited agriculture's supply of a labour force for industry — the fourth functional contribution on Menzel's list. The form of the duality in the Ottoman economy negated the basic premise postulating an "unlimited" labour supply from the traditional (agricultural) to the modern (industrial) sector in Lewis' model (Lewis 1954). The absence of a self-sustaining dynamic between agriculture and industry, which prevented both productivity increases and a generation of a substantial surplus in agriculture, was conditioned by the pre-capitalist nature of agrarian surplus extraction relations (class structure) — an important feature neglected in Lewis' model (Skarstein 1985:26-44). Thus, one of the major findings of Lewis' model predicting the tendency of the agricultural sector's subsistence "wages" to keep the industrial wages low was not realised in 19th century Anatolia; urban real wages rose at an average rate of 1 per cent per annum between 1839 and 1913. Furthermore, in spite of a rapid integration into the international division of labour and specialisation in the direction of primary commodity exports, the wage differential between the preindustrial Ottoman economy and industrial economies did not increase in the 19th century (Boratav, Ökçün, and Pamuk 1985:396-8).[8]

The absence of downward pressures on urban wages so as to keep them at "subsistence" levels was primarily due to the chronic scarcity of agricultural labour. Although the high ratio of conscription contributed to this scarcity, the primary reason for this labour shortage was related to the Ottoman bureaucracy's resolute opposition to any movement towards the dissolution of small ownership in the rural economy, because it regarded the small peasantry as the fiscal basis of the state. Neither could the position of the Ottoman economy in the 19th century international division of labour as a producer of cash crops exert a downward pressure on agricultural "wages". In the production of tobacco, raisins, figs, raw wool, cereals — the commodities the economy was specialising in — wage labour was of limited significance. Production was predominantly carried out through family labour by small peasant producers or sharecroppers working on small landholdings.

The growing commercialisation of agriculture in Anatolia in the 19th century neither generated increases in agricultural productivity — as was the case in 17th- century England, 19th-century US or Denmark — nor the emergence of forced labour — as was the case in 17th-century Eastern

Europe, or to a lesser degree, 17th and 18th-century Anatolia. The availability of untilled land, combined with the scarcity of labour, resulted in an agricultural growth pattern based not on productivity gains but on increasing the share of cash crops in agricultural production and the amount of total cultivable land. The upward trend in urban wage levels were the result of the growth in the Ottoman economy whose impetus was provided by this low-key dynamism of the agricultural sector.

In addition to inhibiting the emergence of widespread wage labour, the persistence of subsistence-oriented peasants and the smallholding structure in 19th-century Anatolian agriculture also limited the home-market contribution of agriculture — the final point on Menzel's list. The contribution of agriculture as a market for manufactured consumer goods and agricultural inputs remained weak. This was not due to an unequal distribution of land – the explanatory factor frequently iterated by Senghaas while accounting for the low level of development of the home market.[9] The structure of the Ottoman agriculture was unlike the Latin American or East European. In these cases the loss of sovereignty, or semicolonial status, and the prevalence of large landholdings in agriculture prevented the transfer of export earnings to agricultural investments and inhibited an effective enlargement of the home market. In the Ottoman Empire, on the other hand, the semi-peripheral status of the Empire presided over the prevalence of small land ownership in agriculture. While the surplus extraction by the large landowners was the predominant form in Latin America, in Anatolia the major part of the agricultural surplus was usurped by the central state. In the Ottoman case, then, the factor mainly responsible for the inhibition of agricultural modernisation was the effective taxation system of the central state which, in its turn, used this surplus in unproductive spheres, the most prominent of which was war making. Between 1804 and 1913 the Ottoman Empire was involved in 13 major wars as well as in numerous insurrections by the various nationalities under its rule. Between 1914 and 1922 there was hardly a year in which the Empire was not at war. While the Anatolian population was around 15 million at the end of the 19th century, the standing army numbered as much as 878,000 even at times of no apparent belligerence, and it was estimated that if the occasion arose half a million reserves could be called to arms (Kurmuş 1981:95).

In the light of the above discussion, an emphasis on the predominance of large-scale landownership and inegalitarian distributional patterns seem implausible in explaining the "failure" of industrialisation in the Ottoman case. Thus, the prematureness of postulating a close correlation between the distribution structures at the basis of growth and opportunities for truly

effective development (Mjøset 1992:50-1) also applies to the Ottoman case. Just as both auto-centric (Germany) and dependent (Latin America) development seems to have followed from cases of rather well-developed structural heterogeneity; relatively egalitarian distributional patterns issued in both successful (Scandinavia) and unsuccessful cases (Ireland) of industrialisation. In the 19th-century Ottoman Empire relatively egalitarian distributional patterns led to the persistence of pre-capitalist relations in agriculture and structural heterogeneity at the level of the economy, and thereby limited the growth of the home market.

In addition to agricultural relations of production – smallholder structure of agriculture and the role of Ottoman state in diverting resources away from productive activities – a complex set of factors contributed to this outcome. Among these factors, the most important were the rivalry between imperialist powers aiming to obtain "spheres of influence" in the geopolitically strategic Ottoman Empire, the low level of capital formation because of the judicial limitations set by the Ottoman state to accumulation of wealth, and the population heterogeneity in the Anatolian peninsula. Conditions of inter-imperialist rivalry created a favourable atmosphere for the survival of the Ottoman state while, at the same time, draining its resources through increased military expenditures. Lack or insufficiency of legal guarantees given to private property, on the other hand, retarded accumulation of merchant capital and the emergence of the factory system. Finally, ethnic, religious and above all linguistic heterogeneity impeded the formation of a homogeneous market for both labour and capital (see Anderson 1992 and Gellner 1983 for the role of population homogeneity in industrialisation). As we shall see in more detail in the following chapter, the concentration of the already scarce commercial and industrial capital in the hands of non-Muslim subjects had an adverse effect on both the level of investments and on the Muslim population's reactions to the development of capitalist relations of production.

In the light of Brenner's (1977, 1985a, 1985b, 1986) theory on the agrarian roots of capitalist development, egalitarian starting conditions become only a special case of a more general theory of capitalist development. Accordingly, pre-capitalist agricultural producers, because they have nonmarket access to their means of subsistence, are not prone to the market rationality of profit maximising and cost-cutting. Pre-capitalist agriculture is, therefore, not characterised by perpetual productivity gains. Successful industrialisation can not occur without the transformation of these pre-capitalist relations in agriculture. Rather than being dependent upon a relatively egalitarian land distribution, this transformation is

primarily predicated upon autonomous processes of class structure changes which emerge as the unintended outcomes of class conflicts.

As the case of early modern France versus England reveals, transformations which are beneficial to agricultural producers in the short-term — consolidation of small landholdings — can be detrimental to long-term capitalist development. With the peasants' failure to establish freehold control over land in England, from the 16th century onwards landlords were able to engross, consolidate and enclose, to create large farms and to lease them to capitalist tenants who could afford to make capital investments. The emergence of the tripartite structure of capitalist agriculture constituted by landlords, capitalist tenant farmers and wage labourers led to significant inputs of capital, involving the introduction of new technologies and larger scale of operation, and this was the key to England's subsequent successful economic development (Brenner 1985a:49).[10]

The contrasting failure of agricultural transformation in France followed directly from the continuing strength of peasant landholdings in the early modern period, while they were disintegrating in England. The economic and political rights — to use the commons, to fix rents and to secure hereditability — won by the peasants led to the predominance of petty proprietorship in France which ensured long-term agricultural backwardness. Technical barriers to improvement built into the structure of smallholdings, development of a surplus extraction structure which tended to discourage agricultural investment — in particular, the heavy taxation by the monarchical state resulting from the mutual dependence between strong peasant property and absolutist state — and the subdivision of holdings by peasants blocked agricultural modernisation.

The divergent paths taken by France and England in the early modern period resulted in disparate agricultural structures: by the end of the 17th century in France, 40-50 per cent of the cultivated land was still in peasant possession, in England, by contrast, owner-occupiers at this time had no more than 25-30 per cent of the land (Brenner 1985a:61). The "egalitarian" structure implying most complete freedom and property rights for the rural population in France meant a long-term failure of agricultural productivity and a corresponding inability to develop the home market in France. It was the absence of such rights in English agriculture that facilitated the gradual construction of mutually interdependent and mutually self-developing agricultural and industrial sectors and the onset of economic development (Brenner 1985a:62, 1985b:326).

Similarly, in the 19th-century Anatolia, it was the social-property systems in agriculture which blocked the path towards industrialisation. Geographical, demographic or commercial trends like the availability of

uncultivated land, scarcity of labour or the expansion of external trade gained significance only in connection with these historically developed systems of social property relations and given balances of class and state forces. The priority given to property relations and consequently to the outcome of class conflicts in the explanation of the onset of industrialisation does not imply a voluntarist vision of history. Far from being the product of conscious design by any of the actors involved, the emergence of capitalist agrarian relations and industrialisation should be seen as "an unintended consequence of the actions of individual pre-capitalist actors and especially the conflicts between pre-capitalist classes" (Brenner 1986:26). Such a perspective on the transformation dynamics of pre-capitalist agricultural relations requires an incorporation of political factors into the analysis. There is an interdependent relationship between the system's limited potential for long-term economic growth and what Brenner calls "political accumulation" – that is, the build-up of a larger, more effective military organisation and/or the construction of a stronger surplus extracting machinery (Brenner 1985b:238).

A reversal in the "political accumulation" pattern in the beginning of the 19th century led to the consolidation of small peasant ownership in Ottoman Anatolia. The long period of decentralised rule in the 17th and 18th centuries came to an halt with the implementation of the *Tanzimat* reform programme of centralisation and Westernisation. The central state reasserted its authority and broke the power of tax-farmers and local magnates (*ayans*), and regained control of the peasants' surplus. The result was a resurgence of small peasant proprietorship. After the historical detour of tax-farming, small peasant ownership, whose rudimentary forms had already existed in the *tımar* system, was finally given *de facto* recognition with the Land Law of 1858. Because the imposition of the *Tanzimat* reforms meant higher taxes for the peasantry and more of the surplus going to treasury and increasingly less to *ayans*, the implementation of these reforms met with some resistance. However, the incidence of unrest remained low in Anatolia due to the prevalence of small family holdings (Quataert 1991).

The persistence of peasant proprietorship and its final consolidation in the 19th century was closely related to the form of evolution of the Ottoman state. Enhanced by its infrastructural capacities and sustained by the balance of power in the interstate arena, the Ottoman centralised state developed as a class-like phenomenon – i.e. as an independent extractor of surplus – in particular on the basis of its power to tax the land. The state had an interest in limiting tax-farmers' rents so as to enable the peasants to pay more in taxes – and thus in intervening against the *ayans*' control of the peasants.

Peasants, on the other hand, when they gained freehold property, exposed themselves to exploitation providing the financial basis for the autonomy and strength of the state.[11] The target of the limited peasant unrest in 19th-century Anatolia was, therefore, the heavy taxation of the central state which, ironically, had been instrumental in securing peasant ownership and thus impeding capitalist development.

The consolidation of smallholding peasantry was retrogressive for long-term economic development and consequently for the advancement of industrialisation for a number of interconnected reasons. Firstly, the small size of the peasant holding set definite limits to the advance of production and to the application of technology. Secondly, peasant plots were increasingly subject to heavy taxation by the Ottoman state. The state took a large part of the agricultural surplus and spent it unproductively on the financing of war. Thirdly, although the peasants sold part of their output on the market, the reproduction of their means of production and subsistence did not depend on it. The peasant proprietors or the sharecropper tenant families employed on small farms were under relatively little pressure to operate their plots as profitably or effectively as their potential competitors in order to "hold their place" in the market for tenants or in the market for goods. All that was necessary for them was sufficient output to provide for subsistence and to pay the taxes.

In other words, the freeholding peasantry did not have to produce at a competitive level, because they did not have to sell in order to reproduce. In this way, small property tended to dictate individualised and unspecialised production. Rather than specialising, the peasants tended to diversify their own production in order to produce as many as possible of their own necessities on their own plots. Within such a structure, cash crops did not dominate the market or the agricultural exports. Peasants increased their output for market purchases merely by intensifying their labour — rather than by applying productivity increasing techniques — in the production of mainly subsistence products (cf. the theory of self-exploiting peasantry in Shanin 1986). Finally, this generalised peasant proprietorship blocked the creation of a home market for industrial goods which might have been used for increasing agricultural productivity, and by inhibiting the separation of agricultural producers from their means of production and subsistence, retarded the generation of industrial and agricultural wage labourers. In the absence of competitive pressures, productivity increases in agriculture which might have issued in an upward spiral of interdependent growth in agricultural and industrial sectors were not realised. Though their efficacy declined through the impact of the imported European goods, guilds organising urban industries continued their

operations throughout the 19th century. The limited demand provided by agriculture meant little pressure for innovation in the urban industry; hence the continuing rationale of guilds limiting entry and output, and determining methods of production.

Notes

1. *Tanzimat* was officially inaugurated in November 1839, by the reading of the *Hatt-ı Hümayun* (rescript) of Gülhane, the charter which described the aim of the reform. It continued to be implemented up to and beyond the reign of Sultan Abdülhamid. Although the Young Turks disassociated themselves in the 1910s from this 19th-century reform movement, claiming that they had introduced a radical element into the reform, their policies were in the mainstream of the *Tanzimat* (Mardin 1989:30).

2. The motivations underlying the commencement of the *Tanzimat* reforms is still a matter of dispute among the historians. The controversy arises with respect to assessing the relative weights of the pressures of foreign imperial powers and the genuine reformist tendencies of sections of the Ottoman bureaucracy. On the one hand, *Tanzimat* was in close conformity with the legal and commercial preoccupations of Britain and France – hence explicit clauses in the reforms protecting the rights of non-Muslim minorities especially with respect to private property rights and judicial trials based on secular principles – on the other hand, these reforms also included measures attempting to increase the administrative efficiency of the Empire and to secure its financial base. The initiation, adoption and the implementation of the reforms took shape according to a balance of forces among three basic circles: the leaders of the Ottoman bureaucracy, diplomats of the Great Powers, and the Muslim, Christian, and Jewish communities to which the reforms were directed (Timur 1987:10).

3. It would be wrong however to exaggerate the oppositionality between graduates of *medreses* and graduates of modern schools as a struggle between traditionalists and modernists. Therefore, I would dispute modernisation theorists' (e.g. Frey 1965:37-8) claim that the Ottoman 19th century can best be understood as a power struggle between "modernists" influenced by a Western-oriented, secular education on the one hand and a "traditionalist" educated elite trained in *medreses* on the other hand. As we have already noted many of the leading *ulema* were not only supporters but also active proponents of reform (cf. Szyliowicz 1971:375). An important factor in the hostility of *ulema* to the new bureaucrats was probably related to career considerations.

4. The fathers of about 70 per cent of the graduates of the Civil Service School, the primary higher educational institution from which the bureaucrats were recruited, were civil or military officials (Szyliowicz 1971:393). Non-Muslims on the other hand never made up as large a share of the bureaucracy as of the population of the Empire. From the mid-19th century to the 1910s, the proportion of Muslims in various ministries increased from around 75 per cent to nearly 100 per cent. In İstanbul, in the corresponding period, the non-Muslim population declined from 50 to only 40 per cent. Only in the Foreign Ministry was the non-Muslim representation higher, but even there Muslim bureaucrats were disproportionately represented (Findley 1991:102-12).

5. A notable example in this regard was the failure of the attempts to institute a self-governing municipality in Pera (the section of İstanbul mainly inhabited by the non-Muslim bourgeoisie) as analysed by Rosenthal (1980). Unwilling to sacrifice the privileges granted to them through Western imperial powers — most importantly extraterritoriality — the bourgeoisie chose short-term gains over long-term political effectiveness.

6. Not only were the tariff rates on imports kept at low levels (5 per cent *ad valorem*) until World War I, but all exports from the Empire, among them exports of cotton cloth woven with imported yarn, were subject to high tariffs (12 per cent *ad valorem*) until the 1860s. Moreover, the external trade regime imposed by the imperial powers was not the only source of discrimination against domestic manufacturers. In order to raise revenues, the central government subjected domestically produced commodities transported over land from one part of the Empire to another to a 12 per cent internal customs duty until 1860; those transported within the Empire by sea were subject to a 4 per cent duty until 1889 (Pamuk 1987a:113).

7. This position corresponds to Tilly's (1983) argument in the proto-industrialisation debate. Proto-industrialisation is defined as widespread industrial production in rural areas in the 17th and 18th-century Europe. Its main sectors involved spinning and weaving of wool and linen, and manufacturing of iron and wood products. Proto-industrial activities were based on the part-time employment of the rural labour force in small-sized production units. While in Mendels' (1972) model proto-industrialisation is seen as a forerunner of successful industrialisation, Tilly is critical of the attempts adding proto-industry as a missing link in the transition from predominantly agricultural production to the Industrial Revolution. In Tilly's typologies of transition to capitalism, successful industrialisation ensues even when deindustrialisation follows proto-industrialisation.

8. The stable wage gap between the US and Ottoman Empire in the 19th century provides a stark contrast to the tendency of widening wage differentials in the 20th century. While the Ottoman wages were around 30 per cent of the US wages on the eve of the First World War, in 1974 Turkish wages were estimated to be around 18 per cent of the US wages; in 1980 the ratio had dropped 10 per cent. Between 1913 and 1980, the ratio of metropole wages to Ottoman/Turkish wages increased from 2.5-fold to tenfold (Boratav, Ökçün and Pamuk 1985:393-4). The low industrial wage levels in the 19th century industrial economies as a result of the prevalence of competitive forms of regulation were effective in generating this trend. The high growth in industrial countries based on monopolistic regulation and a high wage profile in the period after the Second World War was mainly responsible for the widening wage gap.

9. Among the socio-structural, institutional and political factors constituting a development promoting profile, Senghaas (1985) seems to ascribe a strategic explanatory role to moderate — rather than gross — inequality in the initial distribution of the main resource — namely, land. Both in his comparative discussion of the 19th century small exporter countries (1985:95-138) and larger countries (1985:138-57), he stresses the importance of egalitarian land distribution in the modernisation and diversification of the agricultural economy and the opening up of the domestic market via promoting the transfer of agricultural surplus to productivity increasing investments in agriculture rather than unproductive consumption. In Senghaas's account of the transition from an export enclave to an auto-centric economy, the distribution profile is fundamentally important. Widely dispersed export receipts result in a demand profile that is oriented towards industrialisation thus serving to produce widely accessible mass consumer goods leading to an opening up of the domestic market (1985:163). Senghaas briefly refers to the contrasting cases of the Balkan countries (1985:47) — e.g. Greece and

Bulgaria – where relatively egalitarian land distribution patterns did not lead to auto-centric development; he explicitly states that "where predominantly fragmentation of the land in too small holdings prevails – that is, where export income per producer is very low (the Balkan countries in the 19th century), dynamic development is inhibited despite broadly distributed landed property, because fragmented land does not allow the production of surplus, therefore remains undercapitalised and resembles a poor subsistence economy more than a commercialised farming one" (1985:164). By hindsight, Senghaas tentatively points out that 19th-century Anatolian agriculture verifies his hypothesis about the close connection between a stagnating agriculture (smallholdings with no productivity increases) and the improbability of a more embryonic industrialisation to which he empirically refers usually by hinting to the Balkans, to Galicia in Spain and to South Western Germany (personal communication with the author).

10. This does not mean that this "classic" English pattern was the only way for an agricultural breakthrough leading to economic development. In Catalonia, during the same period, a similar breakthrough was initiated by large-scale owner-cultivators also using wage-labour (Brenner 1985a:49). In the 19th-century US the social basis of agricultural modernisation was owner-operator family farmers. These agricultural producers had retained the control of their means of production but were, from the 1820s onwards, largely market dependent for their means of subsistence. Through their market dependence, these owner-operator farmers had to cut costs by purchasing agricultural machinery; they, thereby, created a demand for a capital goods industry. Furthermore, because agriculture could only with difficulty supply a sufficient labour force to industry, industrial wages rose. The growth of agricultural productivity thus combined with the growth of the wages, on the one hand, increased workers' purchasing power and thereby their demand for nonfood consumer goods, and on the other hand, stimulated cost-cutting technical change in the industry as a whole (Brenner and Glick 1991:70-1). The self-sustaining spiral of growth between capital and consumer goods industries and agriculture laid the foundations of US industrial supremacy in the 20th century.

11. The "weakness" of the Ottoman state *vis-à-vis* England, France, Germany or Russia in the geopolitical arena did not decrease its "strength" in enforcing policies which tended to strengthen its grip over the domestic economy through cash-taxing the peasantry and perpetuating the craft organisation of industry by its control of the guilds. On the contrary, as the external debt of the Ottoman Empire increased towards the end of the century, the Western powers tended to support the Ottoman state's position *vis-à-vis* tax-farmers, and encouraged its effective taxation of the peasantry. With the establishment of the Public Debt Administration (PDA) – the foreign consortium managing the repayment of Ottoman foreign debt – the domestic strength of the Ottoman state seems to have been replaced by the salaried agents of the PDA who collected some of the agricultural taxes directly. The change of the destination of the agricultural surplus from one unproductive sphere – the Ottoman state – to another – external debt payments to Western states or companies – meant little with respect to the dynamics of agricultural structure. In other words, the state's relationship to the nondevelopment of capitalist relations in Anatolian agriculture was not related to its external "strength" or "weakness"; its contribution to the relative stagnation of agriculture was not mediated by its transfer of surplus out of Anatolia but rather by its interconnection with the domestic class structure. Thus, contrary to Wallerstein's emphasis on treating state forms and strength as simple functions of positions in the world capitalist division of labour, economic and political power were not perfectly correlated (cf. Skocpol 1973:31). Also compare this argument with Brenner's discussion of the 17th-century Polish and Prussian state (1977:65-6).

5. The nation-building phase

5.1 The emergence of Turkish nationalism

Printing had been introduced to the Ottoman Empire in 1727-29; after stagnating for a long time, it expanded only in the first half of the 19th century. The 1870s saw the emergence of a sizable vernacular press in İstanbul. In the subsequent years, concomitant with the expansion of printing, the growth of journalism created a new readership in İstanbul and other large provincial towns (Mardin 1989:31). Towards the end of the century, the newspapers and periodicals printed in Turkish (the vernacular language of the bulk of the population in Anatolia) proliferated. The increasing readership among the intelligentsia, educated in the newly established modern schools and employed in the state administration and military, contributed considerably to the spread of Turkish nationalist sentiments in the state bureaucracy. Through their bilingual literacy — particularly French — the vanguard of the bureaucracy came to see modern Western culture and the models of nationalism it presented as a remedy to the decline of the Empire.

By the end of the 19th and the beginning of the 20th century, the student body of The Civil Service School (*Mülkiye*) and The Military Academy (*Harbiye*) — the primary sources of civilian and military bureaucratic recruitment — was increasingly drawn from Anatolia. The growing influx of students from the interior Anatolian provinces was related to the developments in communication and education that had been going on since the mid-19th century. Most of these students were sons of local bureaucrats and military officers. Bureaucratic recruitment was, in effect, exclusively carried out from within the state bureaucracy itself, and the fact that recruitment patterns had shifted to Muslims from official backgrounds and from other parts than İstanbul (Szyliowicz 1971:397) gave an additional impetus to the growing influence of nationalism in the bureaucracy. In this sense, the centralising and standardising administrative and educational reforms of the 19th century facilitated both the emergence of a bureaucratic stratum and created the infrastructural conditions of its subsequent nation-building project.

The dead end of "Ottoman nationalism" — the aim of constructing a pseudo-nation-state from among the subjects of the multinational Empire

— led to the conversion of Ottoman intellectuals to Turkish nationalism. The initial manifestation of Turkish nationalist sentiment among the intelligentsia in the beginning of the 20th century was the search for a Turkish national identity and the construction of a social unity by the "awakened" Turks. The movement was led by Gökalp, a sociologist who, through a radical reading of Durkheim, advocated the creation of a Turkish nation united by a solidaristic sentiment, organised in guilds articulating their interests within a corporatist framework (Parla 1991). Gökalp, although later discredited as a result of his Pan-Turkist ideals, became the intellectual mentor of the Turkish nationalist movement which subsequently established the Turkish Republic. His advocacy of a Turkish nation, speaking the same language, sharing a common past, and united in its religious, moral and aesthetic ideals (Gökalp 1923), had close parallels to Fichte's integral nationalism in its rejection of individual liberties implicit in liberal nationalism and in its glorifying the ascriptive and "primordial sentiments" of the nation (Smith 1971:16).

The accelerating imperial decline combined with the rise of nationalist movements in the Balkans and the repressive rule of Abdülhamid prompted the 1908 coup d'état which was organised by a group of military officers affiliated to *İttihat ve Terakki Teşkilatı*, the Committee of Union and Progress Party (CUP), popularly referred to as the Young Turks. The declared aim of the CUP military putsch was to protect the territorial integrity of the Empire and to restore its constitutional government after a three decade interruption brought about by the despotic sultan Abdülhamid regime. The Young Turk seizure of power occurred in the context of mounting popular unrest which stemmed from widespread crop failures, high food prices, declining standard of living among workers, mobilisation among railroad and mine workers, and bread riots in a number of towns and cities (Quataert 1979). The agitation of the Young Turk revolutionaries were crucial in translating the economic discontents of the population into popular unrest. Young Turk *provocateurs* in the higher echelons of the provincial state bureaucracy played an active role in the initiation of riots (Quataert 1986:483).

After the parliament and electoral process were reinstated following the 1908 takeover, the CUP dominated the parliament. Rather than being based on a class mobilisation "from below", the CUP's structure was composed of military, bureaucratic, and intellectual cliques which "used the urban crowd with consummate skill in their political manoeuvres" (Ahmed 1969:161-2). Turks now constituted half of the deputies in the parliament and the proportion of non-Muslim deputies had declined relative to the first parliament in 1877 — a trend which would continue until the dissolution of

the Ottoman parliament in 1920. Under the increasingly repressive policies of the CUP during the Balkan War and then during the First World War, the small opposition party, the Liberals (*Osmanlı Ahrar Fırkası*) found it harder and harder to contest the CUP. Although it was not officially outlawed, by 1914 the Liberal Party was condemned to passivity. Towards the final dissolution of the Empire, the already weak political opposition of the Liberals — who favoured parliamentary democracy, administrative decentralisation, more reliance on private initiative and a more Ottomanist policy — was, under the harsh atmosphere generated by external military threat, crushed by the modernising, centralising, nationalist, authoritarian CUP (Özbudun 1987:335).

From around the 1860s, the non-Muslim religious communities of the Empire were fastening to a new sense of identity promoted by their churches. Turkish nationalism, being at the core of the Empire and most closely associated with its ruling elite, developed belatedly and in part as a reaction to these nationalisms. The transition from the aim of creating an Ottoman nation to the advocacy of forming a linguistically and religiously homogeneous Turkish nation was most discernable in the ideological transformation undergone by the Young Turk regime. The initial liberal and Ottomanist ideals, which the CUP cadres had inherited from their Young Ottoman precursors, gave way to a repressive and ultranationalist orientation under external military threat and internal secessionist movements. It was, in fact, the Young Turks' increasing association of the two, the involvement of imperial powers in the nationalist movements of the Empire — the rise of Balkan nationalism under the auspices of Russia and growing English support to Arab nationalist movements — which led to the proliferation of Turkish nationalist ideas. The CUP cadres began to envisage a new Turkish state in place of the multination Ottoman Empire.

With the rise of Turkish nationalism, agitation of the Young Turks to consolidate the CUP regime led to disharmonious relations among the Ottoman religious and ethnic communities. Under the conditions of economic strife, secessionist Balkan nationalism and external military threat, the potential for violence against Ottoman Christians were kept alive by the CUP's policies. The dictatorial centralism of the CUP regime did not stop the decline of the Empire. Increasingly bent in the direction of nationalism, the CUP furthered the repression of the subject nationalities of the Empire. The fact that the Empire had lost most of its territories lying outside its Anatolian heartland by 1913 precipitated the decision of the Germanophile Young Turk faction to enter the First World War against the Entente in an attempt to recapture the former Ottoman territories and to rejuvenate Ottoman imperial ideals. The defeat in the War led to the

disintegration of the Empire. The perceived threat the Armenian minority presented in the War with Russia led to the killing and forced deportation of the largest non-Muslim minority in Eastern Anatolia in 1915 (Melson 1991). This facilitated, however, to the dismay of most CUP cadres, the subsequent realisation of the newly found Young Turk ideal of the creation of a homogeneous Turkish nation in Anatolia.

The Young Turk regime's policies did not correspond to the interests of a particular class; they more closely reflected the detachment of the CUP from the bourgeoisie and tax-farmers. The Young Turk resistance to Abdülhamid's regime had found some initial support among provincial notables whose position had been deteriorating in the face of the increasingly effective central rule of the Sultan. The formation of PDA in 1881 had probably also weakened the notables' fiscal hold as tax-farmers when the PDA's salaried agents collected agricultural taxes on behalf of the foreign consortium (Quataert 1991:42). But the subsequent rule of the Young Turks did not strengthen these initial relations. The CUP remained above all an urban movement based on the intelligentsia and bureaucrats in the big cosmopolitan cities of the Empire — Salonica, İstanbul, İzmir. With its growing nationalist orientation following 1913, the CUP became increasingly hostile to the Christian bourgeoisie.

Under the "national economy" programme, CUP policies were aimed at creating a Muslim Turkish bourgeois class. Nevertheless the enrichment of individuals, those within the bureaucracy or those with informal links with the bureaucratic cadres through war-time profiteering, exacerbated the dependence of the nascent Muslim bourgeoisie on the state bureaucracy. The inevitable outcome of the CUP's involvement in the economy was widespread corruption. Patronage became one way to enrich loyal party members and to create a Muslim bourgeoisie (Ahmed 1988:272). With the abolition of the Capitulations and the suspension of foreign control over state finances by the PDA, CUP policies increased sovereignty over the domestic economy. This increased national sovereignty was provided by the outbreak of the First World War: only then did the Porte find the opportunity to abrogate the Capitulations unilaterally without the fear of foreign intervention. With the boost this provided to the nationalist sentiment, the CUP cadres set about the task of Turkifying the Ottoman state and society: Turkish was declared to be the language used in all official communications, and a decree was issued requiring all shop signs to be in Turkish (Toprak 1982).

5.2 The formation of the Republic

Before the defeat in the First World War, the CUP leadership had began to lay the basis for the defence of Turkish national rights against the policies of the Entente and the Christian minorities through a future armed struggle. This attempt found its definitive expression in the National Pact (*Misak-ı Milli*) — resolutions adopted by the nationalist representatives in the last Ottoman parliament in 1920. In effect, the National Pact demanded the preservation of the Ottoman territories with a Muslim majority — with the exception of Arab provinces under occupation where a plebiscite was demanded — as an indivisible and independent whole within the armistice boundaries established at the end of the War.

When the pressure of the Entente powers on İstanbul increased with the arrests of key figures of the nationalist movement and the eventual closure of the last Ottoman parliament in 1920, the centre of nationalist agitation shifted from the capital to provincial centres. In Eastern and Western Anatolia, and particularly in those areas which were most threatened by Armenian and Greek territorial claims respectively, "societies for the defence of national rights" were established. The driving force and control of these organisations were local CUP branches; often, however, large landowners and religious dignitaries were recruited as figureheads to emphasise the national and nonpartisan character of the movement (Zürcher 1984:88-93). Rather than being representative, these organisations were packed with local CUP leaders trying to mobilise the Muslim population through meetings and mass demonstrations.

In spite of the initial role the CUP played in the organisation of the national resistance, the movement was dominated by the followers of Mustafa Kemal from 1919 onwards. Mustafa Kemal had been a member of the CUP since its inception in spite of his stringent criticism of the policies of the CUP leadership. As a successful general with a nationwide reputation, having extensive ties with CUP cadres without being closely identified with the policies of the wartime CUP leadership, Kemal made use of the networks of the CUP in the army and the provincial administration in his successful organisation of the dispersed resistance movement. As he became less dependent on CUP resources, he gradually outflanked the CUP structures. As the Young Turk leadership had fled the country following the defeat in the War, the CUP cadres were dispersed and lacked the emerging centralising thrust of the Kemalist movement.

With the establishment of *Anadolu Rumeli Müdafaa-ı Hukuk-u Milliye Cemiyeti* (Association for the Defence of the Nationalist Rights of Anatolia and Rumelia) (ADNR), a nationwide congress of "the societies for the defence of national rights" with Mustafa Kemal as its president, the

resistance movement became centralised and gained momentum. Under the external threat of Greek invasion and with the support of former CUP generals and officers in the army Kemal's leadership was gradually consolidated. The first indications of a transition from a nationalist resistance movement towards the creation of a nation-state came with the establishment of *Büyük Millet Meclisi* (Grand National Assembly) in Ankara in 1920 when British troops occupied İstanbul and disbanded the Ottoman parliament.

Following the final victory over the Greek invasion army in 1922, which strengthened his position immensely, Kemal started to make his bid for absolute civilian power. Soon after the Sultanate was abolished by the National Assembly, he founded *Cumhuriyet Halk Fırkası*, the Republican People's Party (RPP) to succeed ADNR. In the years following the establishment of the new Republic in 1923, the victorious nationalist resistance evolved into a movement aspiring to radically modernise Turkish society. The new regime undertook a momentous secularisation move: in 1924 the Caliphate, the Ministry of Religious Affairs, the *medreses*, and the *ulema* hierarchy were abolished. The training of state employees conducting religious services were placed under the auspices of the government and suffered a sharp decline. The disestablishment of Islam continued in 1926 with the adoption of the Swiss Civil Code (Toprak 1981:54). In 1932 the Arabic call to prayer was made illegal.

The new movement dominated by Kemal and organised in the RPP had eliminated its rivals within the nationalist movement and had given way to a monolithic one-party state by 1926 (Tuncay 1981). The struggle for power, ending with the dominance of Kemal and his followers, only slightly revolved around programmatic differences between rival factions. Rather the power struggle was between "those who laid claim to authority independent of Mustafa Kemal on account of their status as resistance leaders or as former CUP leaders, and those who were prepared to accept his authority unquestioningly" (Zürcher 1984:119). The gradual elimination of rival power centres had come with the British occupation of İstanbul when the CUP leadership lost its freedom of action. Later in 1920-21 the meagre left-wing resistance seeking closer ties with the newly established Soviet Union was crushed. This was followed by an unsuccessful bid for power by the former war-time CUP leadership. In 1923, via the means of rigged election laws, the liberal opposition to Kemal in the Assembly was removed. Lastly, in an atmosphere characterised by hesitant popular opposition to the disestablishment of Islam and more importantly under the martial law imposed in Eastern Anatolia following the Kurdish rebellion in

1925, *Terakkiperver Cumhuriyet Fırkası*, the Progressive Republican Party (PRP) was closed.

The closure of the PRP, the opposition party led by some of the leaders of the nationalist resistance movement, marked the beginning of the uncontested rule of the RPP. Contrary to the subsequent claims of official Kemalist historiography, the PRP was not involved in the Kurdish uprising, neither was this small opposition reactionary: its programme did not plea for a larger role of Islam, for a return of the Caliphate or for any other attempt to reverse the constitutional changes that had taken place between 1922 and 1924. The only difference of some substance was related to economic policy prescriptions; the PRP, during its brief life, laid more emphasis on the elimination of state influence, decentralisation, free trade and use of foreign capital (Zürcher 1991:107-8). The drastic suppression of the PRP opposition was not, however, related to its advocacy of the principles of classical liberalism. The PRP was a potentially dangerous competitor to Kemalist RPP not because it represented a diametrically opposed ideology, but because it was made up of the very same groups which formed the core of the nationalist movement from which the RPP had issued: "there was no room at the top for [an] opposition that tried to mobilise support from the main sources of Kemalist strength" (Frey 1965:335).

In the two decades following its taking of power in 1908 in the Ottoman Empire, the nationalist movement had sought to safeguard the Muslim parts of the Empire and, opposing extreme external military threat, had established a nation-state in Anatolia. During the process, through an elimination of alternative power centres within the movement, Mustafa Kemal and his followers had instituted political dominance in the newly founded Republic. Rather than being an expression of class mobilisation, the power struggle had been a factional fight within the nationalist movement itself. The Kemalist RPP's dominance meant the beginning of a centralist tradition which would put more emphasis on the effectiveness of the state to force through reforms. Although not much of an economic policy was evolved until the implementation of *étatisme* in the early 1930s, the RPP's initial declared policy was one of self-reliance and the necessity of having an indigenous industry. While avoiding popular mobilisation and restoring the centralist thrust of the 19th-century Ottoman state, the RPP under the leadership of Kemal, who wielded a mild form of *Führerprinzip*, became an instrument of authoritarian modernisation.

5.3 The nature of the Turkish revolution

The sharp decrease in the Christian population of Anatolia during the First World War and in the immediate aftermath of the Independence War had two important consequences for the subsequent path of the Turkish economic and political regime.[1] On the one hand, it diminished the ethnic and religious heterogeneity which had undoubtedly contributed to the slow growth of the infrastructural powers of the state and retarded the development of a domestic market sustained by a linguistically homogeneous population.[2] On the other hand, the departed or perished Christian minorities probably contained 90 per cent of the pre-First World War bourgeoisie (Keyder 1987:69); their elimination increased the absence of bourgeoisie influence on the subsequent Kemalist rule and contributed to its class-aloofness. The rise of the nationalist sentiment had, unintentionally, played a decisive influence in the determining the balance of forces between the classes and state bureaucracy.

The particular nature of the process leading to the decrease in population heterogeneity — its violent form under the exigencies of the international war — added to the centralist and repressive thrust of Turkish nation-building. Now predominantly Muslim, the ethnic and religious mosaic of the newly founded Republic went deeper; in addition to small ethnic groups (most notably Laz, Arab, and Circassian), the *Alevi* Muslim religious sect comprised about 15 per cent of the population (Andrews ed. 1991).[3] More importantly, the linguistically distinct Kurdish population comprising as much as 15-20 per cent of the population, largely living in Eastern Anatolia, presented the greatest barrier to the nation-building programme of the Kemalist regime. Ethnic diversity was perceived as a danger to the integrity of the state, and the Kurds, as the largest ethnic group, constituted the most serious threat. The use of Kurdish language was forbidden, family and village names were Turkicised, all external symbols of Kurdish ethnic identity as well as Kurdish cultural heritage were suppressed.

In the 1930s, following the Kurdish rebellions, large numbers of Kurds were deported to Turkey's Western provinces while other ethnic groups (Circassians, Laz, and immigrants from the former Balkan territories of the Ottoman Empire) were settled in Kurdish districts. These assimilation policies were backed up by a new official historical doctrine according to which Kurds were originally Turks who had lost their language by historical accident (Bruinessen van 1978). The final assimilation policies of Turkish nationalism was related to its "Ottoman nationalist" origins. As we have seen, Ottoman nationalism had been transformed into Turkish nationalism under the pressure of events leading to secessions from the Empire. When the nation-state was finally established in Anatolia in the

1920s, the Ottoman nationalist ideal of unity between Muslim and non-Muslim communities was forcefully applied this time to the Kurdish Muslim ethnic community.

The violent repression of the Kurdish rebellions in the 1930s, together with the effects of assimilation policies, effectively subdued the Kurdish nationalism until the 1970s and 1980s when Kurdish nationalism, which until then had remained restricted to a limited circle of intellectuals only, established a mass base. The repression of the Kurdish language and identity in the early years of the Republic not only laid the foundations of the subsequent restrictive policies of the Turkish state, but it also prevented a considerably large part of the population benefitting fully from the educational system of the Republic, thus contributing to the growing scale of the regional disparities in Anatolia.

These conditions surrounding the formation of the Republic continued to haunt the state bureaucracy. The necessity for having a "strong" state in order to defend the Republic against the "external and internal enemies" trying to "divide and rule" the country became a pillar of the ideology of the Republican bureaucracy. The state repression exercised on the pretext of maintaining "unity" was an important apology for the continued existence of regressive legal practices preventing an effective articulation of class and group interests. As we shall see in the next chapter, this resulted in the avoidance of institutionalised linkages between the state and the society, and inhibited the realisation of the state's subsequent strong development drive.

The roots of this ideology must be sought in the Young Turk era. Despite their claims to the contrary, most of the RPP cadres, including Kemal Atatürk – who later adopted the last name Atatürk, "the father of Turks" following the laws introducing last names – had their origins in the CUP, though not in its ruling factions. The Young Turks' devastating experience of the final disintegration of the Ottoman Empire and the Kemalist cadres' Independence War against the Greek invasion of Western Anatolia in the aftermath of the First World War contributed to the formation of a unique blend of outlook in the state bureaucracy of the newly founded Republic. Being at once the descendants of the ruling stratum of a former empire and the victors of an "independence" war, their nation-building project was characterised by a conceit of popular classes, ethnic and religious minorities, and a forceful modernisation of the political, social and economic institutions of the Republic "from above" in order to reach "the level of Western civilisation".

The mediation of three important particularities characterised Turkish nation-building and drew it close to the "revolution-from-above" route to

capitalist industrialisation described by Moore (1967).[4] Firstly, the relative weakness of tax-farmers *vis-à-vis* the Ottoman state charted in the previous chapter undermined any substantial role which might have been played by this agrarian landed class in this period. Secondly, the elimination and expulsion of the majority of the Armenian and Greek populations between 1914-24 diminished the already meagre strength of the bourgeoisie, most of which was Christian. Thirdly, the state bureaucracy's — both military and civilian factions — perceived threat to the territorial integrity of the Empire and their own political survival, reaching an all time peak in the period between the 1912-13 Balkan Wars and 1919-22 Independence War against the Greek invasion, strengthened the autonomous action of the bureaucracy: between 1908 and 1922 there was hardly a year when the Empire was at peace. These internal — related to the class, ethnic and religious structures within the Empire — and external — related to geopolitical relations in the interstate arena — conditions increased the likelihood of bureaucratic action autonomous from classes and foreign powers, and determined the subsequent character of the Republican regime.[5]

The workability of the bureaucracy's independent action was further increased by additional factors which permitted the reproduction of the bureaucracy as a distinct social stratum without discontinuities. On the one hand, the Ottoman bureaucracy survived intact through the process leading to the final disintegration of the Empire: the Empire was never colonised, nor did it become an informal empire with the bureaucracy totally subordinated. On the other hand, the structure of landownership in the 19th century, the predominance of small independent peasant proprietors and relatively few large landowners, provided a secure financial and political base for the reproduction of the state bureaucracy while at the same time detaching it from the particularistic interests of agrarian classes.[6] Finally, the increasing recruitment of bureaucratic cadres from the modern educational institutions, which were established during the 19th-century reforms, generated a cultural gap between the members of the state elite and the bulk of the Anatolian population. The "Westernised" members of the bureaucracy began to see themselves as "enlightened despots" who would bring Western values and life-style to a predominantly Muslim population, if need be by dictatorial means.

The causes of the belatedness of Turkish nation-building which, as will be argued, consequently constituted one of the primary reasons for the failure of the subsequent late-industrialisation attempt were related to the independence/dependence of religious institutions and the conditions for the development of a distinctive linguistic standard — the two major cultural dimensions identified by Rokkan (1975) to explain the variations in nation-

building in Europe.[7] The institutional integration between the central Ottoman state and the Arabic cultural and lingual predominance in the Islamic heritage led to the consequent subsumption of the Turkish language in a subordinate position in the Empire and to the subsequent retardation of Turkish nation-building until the beginning of the 20th century, in spite of the early state formation of the Empire.[8] The discrepancy between the dominance of the Turcoman heritage in the Ottoman dynasty and the cultural dominance of Arabic and Persian in the Ottoman realms retarded the emergence of Turkish nationalism until the late 19th century. In this context, the effect of Islam corresponded to the regressive role played by Roman Catholicism in Southern Europe, and the influence of Arabic and Persian as religious scripts corresponded to the role of Latin in Rokkan's model.

The multilingual religious community (*ümmet*) was bound together by Arabic. The sacred language of written Arabic created a community out of signs, not sounds. Given the institutional integration between the Ottoman state and Islam, the status of Arabic in Islam as a script-language offering privileged access to an ontological truth (Anderson 1991:13-19, 36), blocked any possible breakthrough of Turkish as a language-of-state. Even when it emerged by the late 19th century, Turkish nationalism had developed primarily as a reaction to the ideologies of the secessionist nations in the Balkans. Being at the core of a multiethnic Empire, the Turkish state elite found it difficult to make the ideological transformation towards the advocacy of a Turkish nation-state. Correlatively, being the native readers of the official vernacular, the Turkish speaking bureaucracy of the Empire was the last elite group in the Ottoman dynastic realm to develop a self-conscious nationalism (cf. Anderson's (1991:78) argument about Austria-Hungary).

The late proliferation of the Turkish vernacular language can thus be explained by the relatively belated nature of three factors: territorial consolidation, spread of printing, and industrialisation (Rokkan 1980). With secessions from the Empire in the Balkans and Arab provinces, the overlapping between the spatial spread of the Turkish language and the territory of the state was only achieved in the second decade of the 20th century. The absence of social mobility resulting from the lack of widespread industrialisation and stagnation of printing until the first half of the 19th century also contributed to the late emergence and anchoring of a standardising elite dialect. Whereas the print-languages had created unified fields of communication below Latin and above spoken vernaculars, and had given fixity to "national" languages in Europe by the 17th century

(Anderson 1991:44), a similar stabilisation of Turkish as a print language was only achieved by the late 19th century.

The ethnic and linguistic diversity of the Anatolian population together with the insistence of the state bureaucracy in promoting the "Ottoman" officialese composed of a mixture of Turkish, Persian and Arabic languages in Arabic orthography blocked the unification of the Anatolian population around a standard medium of communication. The emergence of a national script came only with the aggressive language reforms of the early Republican regime which proliferated Turkish written in the Latin alphabet through a bureaucratic centralist system of mass education. Through the imposition of compulsory Romanisation and discarding of Arabic orthography, the Kemalist reforms sought to heighten Turkish national consciousness at the expense of Islamic identification.

The inability to break with the "Ottoman" language due to the institutional integration of Islam with the Ottoman state delayed the legitimation of Turkish as a national vernacular standard used as the language of worship as well as of state craft. This was, of course, also related to the extent of ethnic and linguistic heterogeneity in Anatolia whose origins dated back to the conditions of Turkic invasions between the 11th and 13th centuries, which has been identified as the most recent mass immigration in European history (Vryonis 1971). As a result, in the Turkish case the passage from state-building to nation-building was long-drawn, and a unified culture was not developed well before the era of mass politics. In a fashion which breaks with the simple unilinearity posited by modernisation theory, the lateness of nation-building (Phase II in Rokkan's periodisation), resulted in the more or less synchrony of Phase II and Phase III (era of mass politics) processes.

The Turkish nation-state was thus not only late in achieving sovereign status, it was also left with only a minimum time to build up its institutions before it was faced with disruptive pressures from the outside — inter-imperialist rivalry over the Ottoman state, the First World War, the 1930s World Depression, the Second World War — as well as from the inside — mass mobilisation based on ethnic and religious cleavages enhanced by rapid means of communication. In contrast to the low levels of overall mobilisation at the time of early nation-building in Europe, the increased infrastructural capacities of the state as well as of the civil society resulted in the violent form taken by Turkish nation-building and in the first "ethnic cleansing"[9] of the 20th century.

Turkey approached the ideal-type of an "endoglossic" (having language standards growing from within) homogeneous nation-state only towards the mid-20th century as a result of the Kemalist reform drive. This cultural

unification — with the exclusion of Kurdish speaking population — was achieved through the disestablishment of Islam, the language reforms and schools of mass education, and was brought about by the centralist, secular, and authoritative Kemalist regime. One consequence of the lateness of nation-building was that religious cleavages became a permanent feature of mass politics in the second half of the 20th century. Another consequence was that redistributive welfare arrangements (Phase IV in Rokkan's scheme) were never entrenched in Turkey. Rather than being an outcome of a simple progression of stages, the consolidation of Phase IV in the OECD zone was contingent upon the post-Second World War upswing of the world economy which was in turn underpinned by national institutionalised compromises between capital and labour, and a mutually sustainable Fordist spiral of growth between mass production and mass consumption. When the mass politics finally began to articulate the redistributive demands towards the end of the 1970s in Turkey, the international economy was already in downswing and the Western countries had begun to contract their welfare states: Turkey, in a way, had missed the favourable international prerequisites supporting the post-Second World War welfare states in Western Europe.

Lipset and Rokkan's (1967) observations that cultural, linguistic and religious, rather than functional cleavages, characterise the early phases of nation-building also applied to the Turkish politics of the first half of the 20th century. This period witnessed conflicts between the centralising and secular state, and religious, linguistic forces in the periphery rather than conflicts based on class cleavages. Thus, the brief oppositions of the Liberal Party in 1908, the Progressive Republican Party in 1924, and the Free Party (*Serbest Fırka)* in 1930, although they were expressions of an internal power struggle within the state bureaucracy itself, found it hard to resist the temptation of appealing to the sentiments of the peripheral-Islamic opposition to the Young Turk CUP or the Kemalist RPP regime.

In contrast to the nation-building constructs of modernisation theorists (Deutsch 1966) where the self-propellant processes of social mobilisation, linguistic assimilation, spread of mass media and mass education bring about nations through an endogenous evolution, the Turkish nation-state was built by the active intervention of the state bureaucracy. The nationalism of the state elite entered as an independent variable into the process of nation-building. Recognising the functional necessity of a literate and numerate society, and a mass, standardised education system in an industrial age — both sustained by a linguistically homogeneous state — nationalism became the banner of the nation-building project of the Republican state bureaucracy. Kemalist bureaucracy saw economic growth

as dependent upon cultural modernisation and cultural modernisation upon effective political authority; effective political authority had to be rooted in a homogeneous national community (Huntington 1968:348-57).

Thus, through a transformation of the Young Turk nationalism which had developed in reaction to the secessions from the Ottoman Empire, the early Republican nationalism was related to the Kemalist state bureaucracy's perception of the "backwardness" of Turkish society: Republican nationalism, in this sense, fitted Gellner's (1983) characterisation of nationalism as a manifestation of the uneven global development of modernisation and industrialisation.[10] Through the working of a demonstration effect — whereby Western nation-states presented positive models — and the perceived necessity of meeting the threats of degradation and dependency these nations presented, nationalist ideology became a stimulant for intrasocietal development in an attempt to overcome Turkey's "backward" position in the intersocietal arena. It was little wonder that nationalism became *the* tenet of the early Republican state bureaucracy, the central actor at the intersection of these intersocietal and intrasocietal arenas.[11]

Finally, the Turkish nation-state was not merely an "invention" of the state bureaucracy prepared by the improvements in communications, administration and education in the 19th century and dictated by the requirements of linguistic homogenisation or the overcoming of industrial backwardness in the international arena. The prior existence of a Turkish ethnic core in Anatolia not only played a vital part but also provided a point of departure for the nation-building project of the bureaucracy.[12] The Turkish *ethnie* by providing a sense of common historical culture and life style, common myths of descent, shared historical memories, an association with a recognised territory and a sense of solidarity increased the feasibility of the nation-building project.[13] The absence of this common "language" and symbolism provided by ethnicity in the Kurdish regions of Anatolia hampered the spread of controls by the bureaucracy and constituted a threat to the very fabric of state power and to the territorial basis of its jurisdiction, hence resulting in the attempts of the Kemalist regime to "form" *one* Turkish *ethnie* in Anatolia and to assimilate the Kurdish ethnic identity. The prospect of a Kurdish ethnic secession would have called the whole enterprise of nation-building into question. To apply Smith's (1986: 258) words on Third World postcolonial nationalism to the 1920s Turkey: to subtract any part of the population which was to make up this would-be Turkish nation would have not only encouraged other secessions, it would also have undermined the whole idea of a new, composite "nation".

Notes

1. The Ottoman population within the present-day borders of Turkey was 15 million in 1906. 10 per cent of this population was Greek, 7 per cent Armenian and 1 per cent Jewish. By 1924, the size and the composition of the Anatolian population had changed dramatically. In 1927, the total population was 13.6 million and 18 per cent of the Muslim population was killed between 1914 and 1922. By then, non-Muslims accounted for 2.6 per cent of the population, there were only 120,000 Greeks and 65,000 Armenians left. 1.3 million Armenians were either killed or forced to migrate mostly during the 1915-16 period. The Greek population suffered less in terms of deaths: 1.2 million Greeks either fled or migrated to Greece. Thus, one-quarter of the 1913 population of Turkey were no longer there in 1925: compared with the 18 per cent of the Muslim population who had perished, only one-sixth of the non-Muslim population remained (Karpat 1985, Keyder 1987:69, 79). The only non-Muslim minority who emerged from the strife of the period intact was the Jewish minority. One of the possible reasons for this immunity was that the Jewish population was already quite small and was mainly confined to İstanbul.

2. Anderson (1992:6) has argued that in a highly interconnected world economy it is often ethnically and religiously homogeneous countries that do the best. In Europe he points to the experience of Finland, Norway and Austria by comparison with Italy, France and United Kingdom. In Asia he refers to South Korea, Thailand and Japan, by comparison with India, Indonesia or Sri Lanka. The reason for the divergent patterns of development in countries with homogeneous populations compared with the countries with heterogeneous populations is that in homogeneous countries the sense of national solidarity is especially strong, making it easier for the political and economic leaders to ask for sacrifices without expensive coercion, to develop smoother industrial relations, and effectively to seek specialised niches in the international division of labour. Conversely, domestically troubled countries face political difficulties in bending and renovating the national economy to the requirements of international environment.

3. Although *Aleviism* has affinities with Shiism — the predominant Muslim sect in Iran — *Alevis* are fundamentally distinct from Shiites especially in religious practice. More closely *Aleviism* is a synthesis of the pre-Islamic, shamanistic beliefs of 10th-century Turkic nomads and Persian Shiism. The fact that the religious practices of *Alevis* are outside the established religious institutions and distinct form *Sünni* practices has led to the stigmatisation of *Alevis* as "heretics". Precisely for this reason, *Alevis* supported the secular reforms of the Republican regime in a way the predominant *Sünni* population did not. However, with the subsequent evolution of state policies, *Sünni* Islam became a kind of quasi-official religion financed and controlled by the state. Thus, for example, the state began to finance the building of mosques or the wages of *imams* — the leaders of congregational prayers in mosques — both activities irrelevant to *Alevi* religious practices. The building of mosques in *Alevi* villages with motivations of "preserving the unity of the nation" was, in particular, perceived to be extremely offensive by the *Alevis*.

4. Moore uses the "revolution-from-above" concept to describe the trajectory of societies that experienced fascist dictatorship on their path to modernisation. On this route, which applies most paradigmatically to the case of Germany and Japan, the bourgeoisie never gains sufficient strength to establish political and cultural supremacy. Instead, the landed aristocracy, maintaining its dominance over the bourgeoisie, uses the state mechanism to effect a modern

industrial transition. The other two routes identified by Moore are the cases of "bourgeois revolutions" resulting in Western parliamentary democracies (Britain, France, USA) and "peasant revolutions" that became communist dictatorships (Russia, China). In Moore's comparative scheme, these three routes are differentiated causally by the strength of bourgeois impulse and peasant revolutionary potential. While the bourgeois impulse is strong in the bourgeois revolution and weak in the peasant revolution paths, it is of medium strength in revolution-from-above. Peasant revolutionary potential, on the other hand, is low in bourgeois revolutions (except in the French Revolution where it is high) and in revolution-from-above, whereas it is high in peasant revolution cases. Trimberger's (1978) account provides an elaboration of revolution-from-above model by looking into the conditions of autonomous bureaucratic action in more detail. Through an analysis of the Japanese Meiji Restoration and the Turkish Kemalist periods, Trimberger contends that bureaucratic autonomy is possible only if the bureaucracy is not bound to the landowner class of the old regime — an important divergence from Moore's original use of the revolution-from-above concept which accords a primary role to a strong, labour-repressive landed upper class (Skocpol 1973:23). Furthermore, motivations related to the assertion of national strength in the interstate arena in the face of an external threat to territorial integrity enhances bureaucratic autonomous action. Here, in the application of the revolution-from-above scenario to Turkey, I date the beginning of the Turkish revolution, earlier than in Trimberger's account, to the CUP takeover in 1908.

5. With the exception of some modifications, my approach to the characterisation of Turkish nation-building is similar to Trimberger's (1978) further theorisation of Moore's revolution-from-above construct. This approach must be differentiated from Keyder's (1987, 1988:160) which locates the autonomy of the state bureaucracy *vis-à-vis* the bourgeoisie and the agrarian classes in its distinctive *class* character by virtue of its constituting one side of the surplus extracting relationship in the Asiatic Mode of Production (AMP). Apart from the problems related to the characterisation of the Ottoman system as an example of AMP (cf. Anderson 1974), this approach reduces the state to its role in relations of production. The contrasting approach of Skocpol (1979) and Mann (1986a, 1986b) which is the one adopted here, however, derives the autonomy of the state from its dual character rooted in the internal social structure and the external geopolitical arena. This approach is better suited to analyse the dynamics of the nation-building phase because it allows a theorisation of internal conflicts not related to relations of production (e.g. conflicts related to ethnicity and the bureaucracy's efforts to create a linguistically homogeneous nation-state) as well as a better incorporation of external geopolitical relations in the interstate arena into the constitutive dynamics of the state.

6. The obvious historical analogy to the position of the state bureaucracy here is Louis Bonaparte's rule through a bureaucratised state analysed by Marx (1962). For Marx, Bonaparte's rule corresponds to a balance of class power between the bourgeoisie and peasantry. The essential element underpinning this rule is the peculiar character of smallholding peasant property; the isolated, self-sufficient nature of their production precludes the formation of an effective political organisation among them. Due to their fragmentation, freeholding peasants are incapable of enforcing their class interests: "they can not represent themselves, they must be represented ... their representative must appear as an authority over them ... the political influence of the smallholding peasants therefore finds its external expression in the executive power subordinating society to itself" (1962:334). But the analogy between the Bonapartist and Young Turk/Kemalist regimes with respect to the autonomy of the state bureaucracy, which is sustained by an agrarian structure predominated by freeholding

peasantry, should not be carried too far. For Marx, Bonaparte's rule was an *exceptional* situation of *political balance* of classes. In the Turkish case, however, the bureaucracy's rule was neither exceptional nor did it correspond to a class balance. It rather derived from the logic of a belated industrialisation and nation-building process characterised by the weakness of the large landed classes and the bourgeoisie. Under the Turkish transition to capitalism, then, the role of the state was contrary to the assumptions of orthodox Marxist state theory: the Young Turk/Kemalist state did not conform to the characterisation of the state as "the executive committee of the bourgeoisie" in Marx and Engels' concise phrase; the bourgeois personnel did neither control the strategic parts of the state (Miliband 1969) nor did the ultimately conditioning effects of capitalist economic structures constraint the state bureaucracy to serve the objective interest of the economically dominant class (i.e. the bourgeoisie) (Poulantzas 1973). The Turkish state's action was nonclass-conditioned — this perspective on the character of the Turkish state is similar to Skocpol's (1973) analysis of the role of the state in the 17th-century English Revolution and in the 19th-century Japanese revolution-from-above. To argue that the state action was "capitalist" because it effected a transition to capitalism and bourgeois domination in the long run, while also acknowledging the fact that there was no strong bourgeois class at the beginning of this transition, involves a confusion of causal and functional explanation (cf. Elster 1985:3-48). A more correct assessment, according to the perspective adopted here, will be that the state bureaucracy undertook the project of nation-building, warding off external threat, and the late industrialisation attempt *independently* of class political capacities, but that it *consequently* found itself *unable* to prevent socioeconomic and political changes that undermined its dominance *vis-à-vis* the bourgeoisie in the second half of the 20th century.

7. It is impossible to do justice here to the richness of Rokkan's (1975) comparative/typological map studying variations of nation-building in Europe. Although there are some methodological problems involved in the transformation of Rokkan's typologies to causal explanations for the trajectory of single cases (Kommisrud 1992:229-30, Abrams 1982:170-1), his work undoubtedly provides valuable insights for the isolation and identification of threads running through the "empirical chaos" of state formation and nation-building in Europe and elsewhere. Rokkan identifies an ideal-typical sequence of four phases with respect to state and nation-building. The first two of these phases correspond to centre-generated thrusts through the territory, the first military-economic, the second cultural; the third and fourth phases open up opportunities for the periphery, the third through symbolic-cultural and the fourth through economic means. In Rokkan's model, phase I covers the initial state-building process. It is a period of political, economic, and cultural unification at the elite level: cultural bonds are established between local power-holders, institutions are built for the extraction of resources for common defence and for the maintenance of internal order. Phase II corresponds to nation-building. It increasingly brings the masses into the system: conscript armies, compulsory schools and emerging mass-media create channels of contact with the central elite. The peripheral populations' feelings of identity with the political system develop although not without a protracted conflict with the already established identities such as religious sects or peripheral languages. Phases III and IV broadly cover the era of mass politics. Phase III brings the active participation of the masses into the workings of the territorial political system through the organs of representation and through the formation of organised parties for the mobilisation of support and the articulation of demands. Finally, phase IV witnesses the growth of agencies of redistribution, the building of public welfare services and the development of nationwide policies for the equalisation of economic conditions. Rokkan notes that this ideal-typical sequence finds its closest fit in the histories of the older Western European nations; it applies less closely to the secessionist nations

obtaining sovereignty after the Napoleonic Wars. In the latter cases, phases II, III and IV either come in very close succession or coincide with each other chronologically. Rokkan explains the variations with respect to the timing and conditions of these phases in different European countries by using four master variables. Through a provisional generalisation from the European experience, he identifies these variables guiding the processes of state and nation formations as: 1) independence-dependence of the city network; 2) the level of concentration in the rural economy and the character of integration between rural and urban economy; 3) independence-dependence of religious institutions; 4) conditions for the development of a distinctive linguistic standard (1975:584-5, 592). He uses the first two of these variables related to the economic sphere to explain the conditions of state-building (Phase I), while the last two, related to culture, are employed in the analysis of nation-building (Phase II). As we tried to emphasise in our narration in Chapter Two, the initial thrust of the early Ottoman state formation from the 14th to the 19th centuries can be accounted for more satisfactorily by concentrating on the geopolitical conflicts in the interstate arena — a major aspect neglected in Rokkan's model (Kommisrud 1992:232-3) — rather than by emphasising the lack of powerful autonomous cities or the character of integration between the rural and urban economy in the Ottoman expansion zone. Innovations in military technology and infrastructural capacities were gradually adopted by the Ottoman Empire and gained momentum in the 19th century mainly through the external necessities of warfare. Centralised taxation and administrative efficiency — the pillars of state formation — were manifestations of the response of the state bureaucracy to the exigencies of conflicts in the interstate arena. Rokkan's cultural variables related to the nation-building phase, however, can be successfully employed to explain the lateness of Turkish nation-building.

8. Ottoman state-building was synchronous with European state-building which Rokkan dates from the 15th to the 18th centuries. Turkish nation-building, on the other hand, followed the post-Napoleonic secessionist nation-states — the latest nation-building efforts Rokkan analyses in his comparative/typological map — by nearly a century. In Western Europe the attempt to wield state power on the basis of a particular ethnicity was long-lived and tacit — it predated the era of nationalism. In Turkey, on the other hand, nationalism was a catalyst in the process of creating a nation-state. The age of nationalism in the Americas was between 1760 and 1830, and in Europe between 1820 and 1920 (Anderson 1991:47-65). The emergence of the Turkish nation-state in the 1920s placed it in an intermediate category between post-Napoleonic War secessionist nations in Europe and 20th-century postcolonial nation-states with respect to timing.

9. The term widely used with respect to the war in Bosnia-Hercegovina in 1992-93 was first coined following the Armenian "genocide" in the 1910s and Greek-Turkish exchanges in the 1920s (Kaldor 1993:96).

10. Gellner explains the emergence of nationalism as an outcome of industrialisation. In his account, occupational mobility is a major imperative of industrialism: the more fluid the social structure, the more unitary is the culture it requires of its agents. But the advent of industrialism is not undifferentiated, it hits a world which is ethnically and linguistically divided. The later a region comes to industrialisation, the more it risks subjugation to those which arrived earlier; the result is nationalism: the spread of the drive to create states whose territories roughly coincide with ethnical boundaries. Gellner's theory of nationalism has been criticised for its economic functionalism and neglect of the "overpowering dimension of collective *meaning* that modern nationalism has always involved: that is, not its functionality for industry, but its fulfilment of identity" (Anderson 1992b:205). An elaboration of Gellner's argument, however, shows that it provides a valuable insight to the explanation of the roots

of Turkish nationalism. Rather than being a result of indigenous industrialisation, nationalism shaped the identity of the Republican state bureaucracy because it gave a *hope* of future industrialisation. As such, nationalism was inseparable from the uneven development of industrialisation among nations, it became the only feasible way of entering into the developmental race.

11. A central point in Gellner (1983:73-5) is the distinction between early-industrialising integrative nationalisms based on mobility within a linguistic unit, and late-industrialising secessionist nationalisms based on genetic or deep cultural "counter-entropic traits" like race, language – i.e. those which refuse to "blur" in the assimilative pressures of industrial culture. While the emergence of Turkish nationalism at the beginning of the 20th century is an example of the former, it may be argued that Kurdish nationalism of the late 20th century is an example of the latter. In a more detailed typology Gellner (1983:88-109) distinguishes between three distinct classes of historical nationalism. In the first case, what he calls "Habsburg" nationalism (e.g. Balkan nationalisms), power-holders have privileged access to a central high (literate) culture and the powerless are education-deprived, and share folk cultures. The intellectual awakeners of the powerless ethnic group eventually lead the formation of a nation-state. In the second type, the case of "classical liberal Western nationalism" (e.g. unification nationalisms of 19th-century Italy and Germany), the differential access to power and education does not coincide with ethnical divisions and state formation is build upon an already existing fully effective high culture. In the third species, "diaspora nationalism", the ethnic group in question (e.g. Jews, Greeks, Armenians) is economically superior and culturally identifiable but politically and militarily weak, and territorially dispersed. The tragic consequence of this brand of nationalism, Gellner notes, has ranged from genocide to expulsion. Turkish nationalism approaches the first case in this typology with some important qualifications. It mainly developed in mutual opposition to both Balkan nationalisms and Greek and Armenian diaspora nationalisms. Its chief promulgator, the Ottoman civilian and military bureaucracy was, in fact, in a power-holding position with a privileged access to Ottoman high culture. But when Balkan and Arab nationalism undermined its political power as well as its cultural anchoring, it sought a redefinition of its power-base and cultural roots through the formation of a nation-state.

12. This is also the argument Smith (1986) puts forward against the "reconstructive" approaches of Anderson (1983) and Gellner (1983). While Gellner and Anderson see nationalism not as the awakening of nations to self-consciousness but as the *invention* of nations where they do not exist, Smith emphasises the prior formation of ethnic communities which influence and condition the success of the attempts to build nations.

13. This is, of course, not to deny that much of the "historical culture" of the Turkish *ethnie* was "reinvented" to serve the needs of nation-building. Kemalist historiography, for example, set out to "prove" that the population of Anatolia, as far back as the fourth millennium B.C., had descended from the "Turkic" peoples of Central Asia or emphasised the exclusively Turkish character of the Ottoman administrative elite since the inception of the Sultanate in the 14th century, neglecting the "multinational" descent of administrative cadres through the *devşirme* system.

6. The rise and demise of the one-party rule

6.1 The dynamics of state-led industrialisation

The initial economic policies of the newly found Republic could not break radically with the Ottoman governments' disinterested attitude towards industrialisation. Both the ravages of a decade of uninterrupted wars and external constraints inhibited the formulation and implementation of a stable set of policies until 1930. The sharp demographic decline had wiped out almost all of the Christian merchants, who provided most of the commercial activity during the Ottoman period, as well as leading to a 20 per cent reduction in the agricultural labour force. With the foundation of the Turkish Republic and the PDA's loss of its control, most of the prospering industries of the late 19th century — most notably silk and tobacco processing — which had been under the partial administrative control of the PDA and were mostly owned by the Greek and Armenian minorities, had declined in the absence of foreign organisation, capital, and Armenian and Greek entrepreneurs. The Lausanne Treaty had imposed the Ottoman free trade regime on the Republic and had precluded the adoption of protectionism deemed necessary by the state bureaucracy.

By the time the effects of the World Depression hit the Turkish economy, the weak industrial structure was still very much that of 1915. The composition of the industrial output was basically unchanged between 1915 and 1927, the years of the last Ottoman and the first Turkish Industrial Censuses respectively. In 1927, close to 80 per cent of the value produced in industry came from the production of wool and cotton yarn, cloth and raw silk, flour and tobacco processing. The predominance of the textiles and food processing sectors in the industrial structure was also visible in the sectoral distribution of the labour force; of the 237,000 workers in the manufacturing industry, over 70 per cent were concentrated in these two sectors. Moreover, reflecting the overwhelmingly small-scale nature of the industrial activity, close to 50 per cent of the labour force was working in establishments employing four or less workers (Ökçün 1970, DİE 1969).

The coincidence of two factors with the World Depression resulted in the state's undertaking of a more active role in the governance of the economy

from 1930 onwards. Firstly, when the restrictions brought by the Lausanne Treaty, which had frozen the Turkish customs tariffs at the 1916 Ottoman tariff scale, ended in 1929, the government embarked on a restrictive trade regime. The average protection rate was increased from 13 per cent to 46 per cent (Kurmuş 1978). Secondly, the first instalment of the Ottoman debt scheduled for 1929, comprising as much as 10 per cent of the annual export earnings of the Republic, exacerbated the effects of the currency crisis brought about by the Depression. Although the government subsequently suspended the repayments, the initial pressure on the currency due to the beginning of debt payments and plunging exports due to Depression elicited the depreciation of the *lira* (Boratav 1988:36-7). The fall in the value of currency, in turn, increased the importing merchants' debt and led to widespread bankruptcies in the commercial sector (Keyder 1987:96).

Faced with the disruption of the economy largely brought about by the currency crisis, the bureaucrats sought to minimise the external dependence of the domestic market through a "disassociative" trade policy. The share of exports and imports in GNP fell from 11 to 8 per cent and 15 to 7 per cent, respectively (Boratav 1988:56). Following the adoption of restrictive external trade and the creation of the Central Bank, which took over the functions of controlling and concentrating foreign exchange transactions from the Anglo-French Ottoman Bank, foreign trade registered an export surplus for the first time in 1930. The positive balance of trade between 1930 and 1947 – apart from 1938 – has been an exceptional period in the record of Turkish foreign trade, which has been negative ever since 1947 (DİE 1991:292-4).

The initial defensive mechanisms against the Depression in controlling foreign trade and foreign exchange transactions began to be complemented by policy instruments which aimed at rapid industrialisation via state intervention from 1932 onwards. The Republican regime thereafter revived the CUP's practices on the role of the state in economic engineering. Inspired by the interwar example of Italy, Soviet Union and Germany, and constrained by the effects of the World Depression, *étatisme* (*devletçilik*) became the pillar of Kemalist ideology.[1] Accordingly, heavy state intervention was necessary in a backward society as Turkey and the state would assume those responsibilities that private enterprise could or would not. Thus, the Kemalist state bureaucracy, in effect, perceived the international economic conditions of the early 1930s as an historical opportunity for industrialisation.

The new strategy was first formulated in the First Five-Year Industrialisation Plan (1934), which was an explicit allusion to the Soviet experience, and the first of such attempts by a developing country outside

the Soviet Union (Barkey 1990:48). The investment projects in the first and second Plan, which was interrupted by the Second World War, were concentrated in the building of factories producing flour, sugar, textiles, and intermediary goods such as copper, ceramics, chemicals, paper, iron and steel. Although the bulk of the investment capital was devoted to the development of basic consumer goods industries — food processing and textiles sectors — in these plans, Kemalist cadres, believing that the country's well-being, power and security depended on heavy industrialisation, also accorded a central place to intermediary goods industries such as paper, cement, chemical, and iron and steel. With the spin-offs they would create in other sectors, it was hoped that these sectors would provide the backbone of industrialisation (İnan 1972). A common characteristic of these investments was their scale, whose capital requirements were beyond the capabilities of the bourgeoisie.[2]

Simultaneously with this industrialisation drive, the state continued the ambitious railway construction projects it had started in the latter half of the 1920s, and launched an all-out campaign of nationalisation, which had begun earlier by the nationalisation of cabotage (1926) and the *Régie Coïnteressé des Tabacs* (1925) — the main intermediary between the merchants and tobacco producers. Throughout the 1930s the government purchased the foreign investments in public services, mining and railways.

We can give a broad characterisation of the *étatiste* period by concentrating on the credit system, wage relations, and forms of competition between the firms — the three major areas defining a mode of regulation. The credit system was under close government supervision and interest rates were, in principle, fixed by the state. Correlative to its emergence as the main productive agent through the ownership of State Economic Enterprises (SEEs), the state also financed the industrial investments through the banks it established or promoted. The two state banks, *Sümerbank* within industrial production and *Etibank* within mining, became vast conglomerates incorporating both financing and production activities.

Despite a *de facto* monopoly of state ownership in heavy industry, in many sectors large state enterprises existed side by side with medium and small-sized private industries. The links between the industrial bourgeoisie owning these firms and the state was provided by the semiofficial *İş Bankası*, which held as much as 38 per cent of the deposits in the national banks in 1937 (Keyder 1987:106). Although private capital owned the majority of its shares, *İş Bankası* was an officially promoted bank; it was founded under the auspices of Atatürk by Bayar, an ex-CUP person, who would later oppose the heavy state interventionism of *étatiste* policies and

become president following the Democratic Party (DP) victory against the RPP in 1950. The centrality of the bank in financing medium-size investments in *étatiste* years heralded the post-1946 conflicts between the state bureaucracy and the bourgeoisie as well as gave indications about the extent of the symbiosis between the two. *İş Bankası* had intricate and strong links, albeit through clientelistic rather than institutionalised channels, with public banks and SEEs; its board of directors consisted entirely of deputies, and the board of directors in all the firms in which the bank held shares included high level bureaucrats and deputies. The state-owned industrial credit banks, although established specifically to advance long-term loans to private industry, never operated satisfactorily. Instead, *İş Bankası* allocated credits to industrialists; but rather than based on long-term planning, its financing decisions were directed by favouritism.

With respect to the competition between the firms — the second major area of *étatisme*'s mode of regulation — oligopolistic policies were basically used as a means of increasing capital accumulation. In the case of SEEs, this often took the form of monopoly pricing. The SEEs, however, could not behave as true monopolists because they incorporated into their decisions the goal of providing higher employment, often to the political clientele of the RPP. Giving priority to maximising physical output and maintaining high employment (Birtek 1985:414), the state industries sacrificed the objectives of profitability, thus, hampering their chances of increasing productivity through increased capital investments. Private firms, on the other hand, safe behind protective walls, maximised their profit without any concern for the level of output and employment. The government often responded positively to the demands of industrial capitalists to organise cartels in order to prevent overproduction and to safeguard high profit rates. With the formation of sector-based associations, private firms sought to fix prices and to avoid competition (Tekeli and İlkin 1982:220).

In terms of wage relations, *étatisme* restricted workers' consumption and organisation. The shift of the internal terms of trade in favour of the manufactured goods meant that as the price of wheat, the principle wage good, declined industrialists could afford to lower workers' wages. Paternalistic laws regulating industrial relations in state industries, based on Italy's 1935 law, were generalised to all of the work force in 1936. This legislation outlawed strikes, guaranteed stable wages, improved working conditions, prohibited lock-outs, and limited the political rights of labour. In 1938, political liberties were further restricted by the prohibition of any political organisation that professed the defence of any specific class interest. As a result, 56 hour working weeks became the norm (Berberoğlu

1980:120) and workers' wages declined by 25 per cent between 1934 and 1938, and by a further 75 per cent between 1939 and 1946 (Keyder 1987:104-5, Birtek 1985:419).

As Kurth (1979) has noted with respect to 19th-century German and 20th-century Latin American late industrialisations, there was an "elective affinity" between the dynamics of *étatiste* late industrialisation and the Kemalist political regime. Unlike the experience of the economically and politically liberal regime of the early industrialiser England with its light textiles industry and uncontested international competitiveness, the late industrialising Turkey in the 1930s, faced with the need for heavy state intervention, rapid industrialisation based on heavy industries, surplus transfer from consumption and protectionism, developed an authoritarian type of rule.

As a result of the industrialisation drive, the size of the manufacturing work force grew rapidly to reach 427,000 by late 1940s (Berberoğlu 1980:109). The industrial production as percentage of GNP rose from 9 per cent in 1929 to 16 per cent in 1943 (Bulutay, Tezel, and Yıldırım 1974). This level would be unchanged until the beginning of the second industrialisation drive in 1961 (DİE 1991). At a time when growth in the world economy was stagnating, the annual growth rate of the Turkish economy reached 7 per cent on the average (Boratav 1988:55). An important feature of *étatiste* industrialisation, which set it apart from the 1960s Import Substituting Industrialisation (ISI), was that industrial expansion had taken place simultaneously with the elimination of the trade deficit and with a significant fall in imports as percenage of GNP (Boratav 1981:179).

The success of the state-led industrialisation drive of the 1930s and 1940s, despite its resulting in the formation of an industrial base, was short-term and partial. A major reason for the long-term failure of the industrialisation attempt was related to the techno-economic requirements of 20th century late industrialisation. As its emphasis on the techno-economic paradigms of 19th-century Kondratiev waves — textiles and iron and steel — showed, *étatiste* industrialisation relied not on newly emerging but on borrowed technologies. However, it did not stress the institutional arrangements which would allow it to incrementally improve the borrowed technology.[3]

Instead *étatisme* reduced industrialisation to the transfer of what Amsden (1992:57-8) has called alpha technology — machinery, equipment and designs. A notable characteristic of the Kemalist industrialisation policies was their underestimation of beta technology — the supporting institutions such as the educational systems improving the technical skills of the

working class or the administrative capacities of the managerial staff, and preferential state policies disciplining SEEs or private firms towards increasing their technological capabilities – which, as we shall see below, was ultimately related to the lack of the "embedded autonomy" of the Kemalist state.

Unlike the examples of successful European late industrialisation in the 19th century, Turkish *étatisme* did not envisage a well-developed system of higher education with linkages to industrial production; nor did it discipline private or public enterprises through autonomous state action (as, for example, the South Korean or Taiwanese states did in the 1960s). As the decades following the 1940s would reveal, once the stage of easy substitution requiring little fixed capital was passed, and as further development required increased mechanisation, the cost of investments and imported capital goods increased at an unforseen rate (cf. Lipietz 1987:61) in the absence of any indigenous technological capacities necessary to generate further adaptations of the initially imported technology.

In terms of the domestic market, the industrialisation strategy was not geared to the expansion of the home market. Keeping workers' consumption to a minimum and transferring surplus from agriculture through shifting terms of trade, it was essentially based on an extensive regime of accumulation which had already begun to be outdated in the centre of the world economy in the 1930s. Two major sources of accumulation in *étatiste* industrialisation were high prices paid by consumers of industrial goods due to high protection rates and low prices paid to farmers by the state (Boratav 1981:183). More importantly, *étatisme* did not connect industrial development to the objectives of increasing agricultural productivity. Of course, the problem was not a simple matter of choice of the wrong industries for investments; the limited domestic market would not have sustained Fordist mass consumption industries or industries producing agricultural machinery, which might have been established by an act of foresight in the 1930s. However, the nature of the industrialisation strategy neglecting agricultural producers comprising as much as 80 per cent of the population did not involve any move in the direction of expanding the domestic market. Turkey's limited size precluded the viability of an industrialisation strategy neglecting agricultural sector's demands (cf. Lipton 1977:122).

The timing of the Kemalist industrialisation attempt within the world economy conjuncture determined the outer boundaries of its achievements. On the one hand, the collapse of the world economy in the 1930s decreased the peripheralisation pull of the core countries and enabled industrial development in partial "delinking" from the world economy. On the other

hand, the contraction of the world trade decreased the viability of *étatiste* policies which depended on the export of raw materials to finance the import of capital goods. In this sense, the 1930s World Depression gave an opportunity for the implementation of *étatisme* by leading to a decrease in the export of manufactured goods from advanced capitalist countries, but it also limited its eventual success.

6.2 The state and socio-institutional relations in agriculture

As we have seen in the sketch of agrarian socio-institutional relations in 19th-century Anatolia in Chapter Four, the recentralisation of the 19th century effectively combatted the "feudalising" tendencies of provincial landlords, *ayans* and tax-farmers of the earlier two centuries. The Republican regime inherited this agrarian structure characterised by the predominance of small independent peasant holdings. The revolution-from-above of the Kemalist bureaucracy was achieved with minimal support from the weak landed interests. The formation of the Republic, however, was followed by a closer collaboration of the bureaucratic elite and large landlords with the bureaucracy as the dominant partner. One reason for this alliance was dictated by the nature of the modernisation programme. The Kemalist conception of modernisation involved mainly the adoption of Western political and cultural institutions; it was an attempt to remould the society by starting with the peasant masses. However, the RPP leadership made little effort to broaden the party's popular base and to enlist the support of the peasant masses to effect this modernisation. On the contrary, its cultural reforms "from above" (e.g. banning religious dress and religious associations) aiming to establish a national identity at the expense of the entrenched popular Islamic identity, alienated the peasantry from the state.

Therefore, support of local notables was essential for maintaining law and order in the countryside and enabling the central leadership to devote its energies to the programme of Westernisation. It was almost as if in return for the support notables gave to the modernisation efforts, they were allowed to retain their land and local influence, as evidenced by the conspicuous absence of land reform in the *étatiste* period, though given the abundance of small-sized holdings land reform never became a mass demand. Other benefits accruing to the landlords were the abolition of the tithe (the *aşar* tax), the final legal recognition of their private land ownership through the adoption of the Swiss Civil Code, and their acquisition of sizable landholdings formerly held by the Greek and Armenian minorities (Özbudun 1976:43-4).

Due to the land distribution pattern, however, landlords remained subordinate to the bureaucracy. The weakness of landed interest allowed the state bureaucracy to adopt the industrialisation policies of the 1930s and 1940s in collaboration with the now enfeebled bourgeoisie. Although the volume of agricultural production and the area under cultivation increased during *étatisme*, the lack of effective linkages between industrial and agricultural production meant that the use of machinery and the increases in productivity in agriculture remained limited. The result was the continuing low rate of marketisation inherited from the 19th century. The entire period between 1929 and 1945 was characterised by the closure of isolated villages as declining prices of agricultural products resulted in a stagnation implying substantially decreased levels of economic integration with both national and world markets (Keyder 1987:129).

Government control of agricultural commodity markets was achieved through direct and indirect price support policies and the state's trading monopolies. The state had monopoly on buying and marketing tobacco and wheat, the former a major export commodity and the latter a strategic commodity influencing the standard of living of the peasantry and the urban working class, and thereby determining the trade-off between wages and profit margins in the industry. Although the state had no trading monopoly on agricultural inputs for the newly established industries (e.g. cotton, sugar beet), the size of the public ownership within the textiles and sugar industries equipped the state with quasi-monopolist powers to act as the price leader (Boratav 1981:178).

In the second half of the 1930s, owing to its monopoly on wheat purchasing, the state kept the prices paid to the wheat producing peasants lower than the world price, and by doing so accumulated a surplus through the export of wheat (Keyder and Birtek 1975). This surplus transfer from agriculture to industry was further accelerated by a general reversal of the terms of trade in favour of industrial products: between 1929 and 1934 the general price level of agricultural commodities against the prices of industrial goods deteriorated by 25 per cent and kept their low level throughout the *étatiste* period. Hence, low prices paid by the state to the independent peasantry, in particular to wheat farmers, constituted an important source of capital accumulation. Under the World Depression during which the world market prices of Turkey's five major export crops (hazelnuts, figs, grapes, cotton, and tobacco) fell between 50 and 70 per cent (Margulies and Yıldızoğlu 1987:273), the effects of this price policy alienated the peasants from the state.

The major blow to the agricultural producers, however, came with the Second World War. Not only were peasants conscripted in massive

numbers — most of the one million conscripts were taken from the agricultural labour force — and their animals and products requisitioned but the stable prices offered to the farmers also remained far below the inflationary trend. The drastic shift in the state's policies against agriculture, together with the war-time profiteering of merchants and industrialists, caused bitterness in the peasants and further estranged the peasantry who were already hostile to the RPP's authoritarian secularism. This would contribute decisively to the peasantry's support of the postwar opposition party.

6.3 The party system and state-society relations

During the one-party regime extending until 1946 — the year of the first competitive elections in the Republican period — there were two brief periods involving an opposition party. Although the cadres of both parties had emerged from the RPP's own ranks and shared its modernising and secularist outlook, the RPP did not tolerate any criticism of its policies in both instances. As we saw in the previous chapter, the quick suppression of the opposition of the Progressive Republican Party in 1924-25, marked the beginning of the one-party rule. Similarly, the summary banning of the Free Party (*Serbest Fırka*) in 1930, which defended a less interventionist approach in the face of the world economic crisis, marked the beginning of *étatisme*. However, the Kemalist regime continued to adhere to parliamentarianism. General suffrage for men was introduced in 1923, and for women in 1934.

Republican parliamentarianism was not only based on a single party, it was extremely tutelary as well. Nomination by the RPP automatically meant election to the Grand National Assembly, and nominations were firmly controlled by the top leadership of the party, especially by Atatürk himself (Frey 1965:431-3). Adherence of the RPP to electoral principles in spite of its authoritarian character was related to legitimation purposes. A radical heir to the 19th-century modernisation drive while at the same time claiming to have made a break with the Ottoman past, the Kemalist regime retained as its ideal a Western-style national, republican, secular and democratic state institutionalised in the form of regularly held elections and a theoretically all powerful National Assembly (Özbudun 1981) — a fact which explains the relatively smooth transfer of power to the opposition Democratic Party (*Demokrat Parti*, DP) following the second multiparty elections in 1950.

As the social backgrounds of the deputies indicated, like its precursor the CUP, the RPP was essentially a cadre party of government officials and to

a minor extent also of local notables (mostly large landowners). The state bureaucracy's influence within the party, however, remained dominant and landowners were only co-opted to increase the legitimation of RPP rule (Frey 1965:89-98, 133-4). Despite its avowed "populism", a conspicuous characteristic of the RPP's politics was avoidance of popular mobilisation: the party, rather than encouraging collective representation, co-opted its political clientele to its structure. Neither its modernising reforms nor the elections were preceded by intense campaign activities; the use of party or government controlled press for mobilisation was also limited (Özbudun 1987:340).

Even if the bureaucratic elite had favoured social mobilisation, an adequate platform for it was absent, given the prior evolution of the Ottoman state and class structure and the experience of Kemalist revolution-from-above. As Keyder (1987:109) has noted, unlike in Latin America (e.g. Brazil and Argentina) there was no threat of foreign capital: a potential comprador bourgeoisie (i.e. Greek and Armenian merchants and industrialists) had already been ousted; there had never been strong interests tied to large landownership; and neither the international context nor the economy allowed a revanchist military adventure.

The lack of mass mobilisation during the Kemalist nation-building meant the absence of institutionalised linkages mediating between the state and the society. Rather than underwriting a unilateral dominance of the state over the civil society, this brought about a situation whereby societal groups — the sparse and dispersed large landowners and the weakened commercial and industrial bourgeoisie — increasingly encroached upon the state, projecting their interests onto its institutions and thereby weakening state power.[4] Thus, contrary to its general identification as a "strong" repressive state and in view of Mann's distinction between the *despotic* and *infrastructural* powers of state, the Kemalist state was "soft" due to its low infrastructural powers in penetrating the society. Transposing Merquior's (1986:281) characterisation of the 1930s Brazilian state to Turkey, the Kemalist authoritarian state was not necessarily authoritative.

The encroachment of societal groups upon the state took place through dyadic patron-client relations rather than institutionalised channels expressing collective interests. This meant a low level of institutionalisation at the political sphere. The autonomy and coherence of political organisations and procedures remained limited (cf. Huntington 1968:8-24). Although the reach of party politics and the scope of mass participation remained limited in the one-party period despite the party's "populistic" ideology, the RPP made systematic use of patronage to increase the legitimation of its rule (Sayarı 1977:106-7, Özbudun 1981). The *de facto*

clientelism — the mode in which the client offers his/her political support in exchange for various services — and the avowed "populism" — the mode in which the political leadership is hostile to strongly institutionalised intermediary levels — of the RPP's rule were the two sides of the same coin. Both were *incorporative* political modes (Mouzelis 1986) in which participation in the political arena was established in a more or less dependent/vertical manner. In this sense, Turkey did not diverge from the pattern represented by parliamentary societies with "late-late" capitalist development (e.g. Balkan and Latin American countries). If populism remained limited, this was due to the single-party character of the Kemalist regime: with the transition to multiparty democracy, the DP increasingly made use of populist incorporative modes for the mobilisation of the peasantry against the RPP.

The large extent of clientelism was related to the belatedness of Turkish nation-building. The heterogeneity of Turkish society in the initial stages of nation-building with its ethnic (Turkish versus Kurdish), religious (*Sünni* versus *Alevi*), and regional cleavages provided an ideal setting for the proliferation and influence of clientele networks. In a social and political context where the tasks of nation-building were combined with responding to or warding off the demands of the population at large — the concatenation of Phase II (nation-building) and Phase III (mass politics) in Rokkan's scheme — the Kemalist cadres increasingly relied on clientelistic networks in an attempt to legitimate their nation-building and modernisation programme.

The circumstances of the RPP's origins — the fact that it enjoyed access to state's resources and patronage at the time of its founding — also crucially influenced its subsequent recourse to clientelism.[5] Although the RPP's origins went back to the ADNR, the congress of "the societies for the defence of national rights" during the Independence War, the relatively swift success of the war against Greece did not compel the nationalist movement to mobilise a substantial mass following or to build a strongly institutionalised party organisation before taking power. Consequently, the RPP was founded by the Kemalist elite *after* the latter had liquidated the Ottoman regime and taken the decisive steps towards the establishment of the new nation-state. Approaching the ideal-type of an internally mobilised party in Shefter's (1977) typology, the RPP made extensive use of the patronage at its disposal to increase the following for its rule.

In the absence of strongly organised agrarian and/or urban upper classes — a consequence of the 19th century Ottoman agrarian structure and the nationalist revolution-from-above resulting in the flight and deportation of the Christian bourgeoisie — there did not exist what Shefter (1977:412-3)

has termed a sufficient "constituency for bureaucratic autonomy" which would have prevailed over the competing "constituency for patronage". Thus, despite (or because of) its over-centralism and aloofness from class rule, the Kemalist state had neither the infrastructural powers for intensively penetrating the society nor did it possess the bureaucratic autonomy which would have excluded a patronage system and ensured the public benefits to be allocated according to a set of general procedures guided by *étatiste* policies. Not confronted with a strong constituency for bureaucratic autonomy — landowners and/or the bourgeoisie — the RPP had no incentives against taking advantage of its patronage access (cf. Shefter 1977:421-2).

The state bureaucracy and the bourgeoisie coalition underpinning the *étatiste* industrialisation excluded the peasantry and the working class from political decision-making by inhibiting collective representation of their interests, and lowered their incomes through agricultural price policies and restrictive labour legislation in an attempt to maximise industrial accumulation potential. The state, however, could not discipline the bourgeoisie as successfully as it disciplined the peasantry and the working class; and therein lay the reasons for the eventual failure of *étatiste* policies. Unable to attain bureaucratic autonomy, the relations of the bureaucracy with the bourgeoisie bore the mark of clientelist modes.

The state's involvement in the economy during the 1930s and 1940s did not limit the domain of private capital; rather *étatiste* policies involved a division of labour between the spheres of public and private enterprises. While undertaking directly those investments beyond the capacities of the weak industrial bourgeoisie, the state, in effect, supported private accumulation and strengthened the bourgeoisie. Rather than being an outcome of deliberate long-term planning and strategic policies directed at specific industries, the state support was the result of the symbiosis between the bureaucracy and bourgeoisie in the absence of a powerful organised bourgeois influence — again a consequence of the ethnic dislocations of Turkish nation-building. Where the Turkish bourgeoisie was weak, it was deemed necessary to create one via the enrichment of *particular* individuals through state support (Boratav 1981:170).

The symbiotic relationship between the bourgeoisie and bureaucracy, despite the authoritarian rule of the latter, reduced the autonomy of the state in industrial policy. Under the protectionist trade regime, only raw materials entering as inputs to manufacturing were exempt from the import quotas announced monthly by the government. "Factories" producing import substitutes with minimal value added and obtaining high profits were established by "industrialists", and the monthly announcement of quotas resulted in intense politicking by importers in order to benefit from the

"raw materials" exemption (Keyder 1987:103). The operation of the quota system, by politicising state's involvement in the economy, impeded the autonomy of state industrialisation policies.

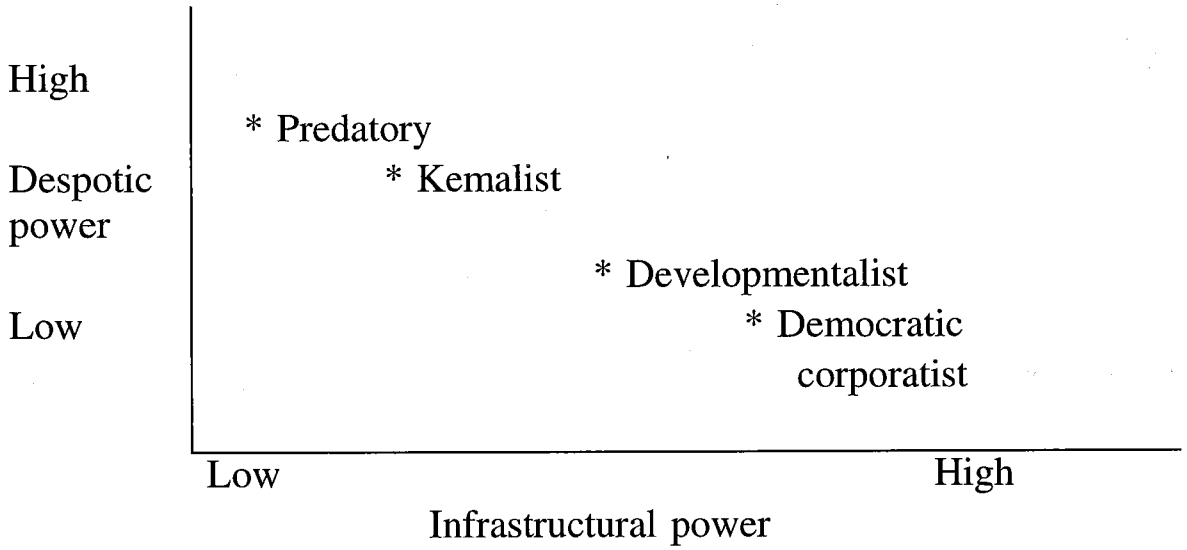
A similar development took place in banking. As we observed in the case of *İş Bankası*, given the centrality of the bureaucracy in the governance of the economy, capitalists actively sought to appoint prominent political figures to the board of directors of private banks. These banks became a substitute for institutionalised relations between the state and the bourgeoisie. They acted as influential lobbies through which deals were struck between private interest groups and individual bureaucrats. Likewise, directors of the firms in which these banks held shares included bureaucrats: in 74 per cent of all firms established between 1931 and 1940 the founding entrepreneurs were bureaucrats (Keyder 1987:106). Inescapably, the use of state resources for private accumulation contributed to the generalisation of the atmosphere of profiteering in the political circles.

Retrospectively, the eventual failure of *étatiste* industrialisation was an outcome of the lack of "embedded autonomy" of the Kemalist state (Evans 1989).[6] The Turkish state in the 1930s and 1940s corresponded, more closely, to an intermediary case between the two polar ideal-types of *developmental* and *predatory* states. In the absence of bureaucratic autonomy, which could successfully integrate *étatiste* policies with discipline over business performance, the bureaucracy-bourgeoisie coalition easily degenerated into situations where industrialisation goals were reduced to private interests.

Thus, the Kemalist state was not a strong one in the sense that it did not have sufficient bureaucratic autonomy and capacity to enter into institutionalised interactions with the autonomous power centres within the civil society. In comparison to the developmental states which had embedded autonomy, it had higher despotic powers in that it regulated economic and political activity without institutionalised negotiations with societal groups, but it had lower infrastructural powers in that it was unable to penetrate society and implement policies through processes of negotiation and cooperation (see Figure 6.1).[7]

The reasons for the lack of the embedded autonomy of the Kemalist state were related both to the low administrative capacity of the bureaucracy and to the weakness of the constituency for bureaucratic autonomy — the bourgeoisie. Well established meritocratic recruitment patterns and long-term career rewards which might have enhanced a coherent bureaucratic organisation were absent. More importantly, the virtual absence of an industrial bourgeoisie seriously impeded the strategic selectivity of the

Figure 6.1
Position of states in the despotic-infrastructural power continuum



state's industrial policies. Instead, the large size of the public sector under *étatisme*, combined with pervasive subsidies and controls, nurtured the proliferation of clientelistic relations and limited the state's capacity for effective intervention in the economy.

The ideology of nationalist solidarity which denied the existence of conflicting class interests both blocked the emergence of institutionalised channels of interest representation and undermined the power base of the bureaucracy. In terms of both administrative structure and ideological underpinnings, the contemporaneous experience of Italian fascism provided a model to the Kemalist bureaucracy in this regard. Thus, the predominance of particularistic relations between the bureaucracy and bourgeoisie at the expense of institutional linkages found its counterpart in the denial of collective representation to the working class and the peasantry in the name of a nationalist ideology. Rather than being merely a pretext for the exploitation of the peasantry and the working class, the strength of this nationalist ideology derived from the almost one-century-long project of the state bureaucracy.

Ottoman bureaucratic reformism was prompted by the external military weakness of the Empire, and Turkish nationalism had become a means of saving the Anatolian heartland and overcoming the "backwardness" of Turkish society through authoritarian modernisation and industrialisation. But the Ottoman/Turkish bureaucracy's long-lasting project was not guided by purposive-rational action alone; its Westernisation, secularism, and

nationalism was a cognitive response to the final crisis of the Ottoman Empire, and was part and parcel of the bureaucracy's identity. Thus, the Republican nationalist elite saw economic development and industrialisation on the one hand, and Westernisation and secularisation on the other hand as inseparable processes. In an effort to impose the elements of its own identity onto the society at the expense of the popular Islamic identity of the latter, the bureaucracy contributed to the final demise of its industrialisation programme.

Conceit and distrust of the popular classes lest they might undermine its Westernisation programme, led the bureaucracy to prevent the emergence of collective working class or peasant interest organisations which might have sustained a growth dynamic based on mass production and consumption, if not during the World Depression and the War, then certainly during the post-war era of Fordist growth in Western Europe and North America. Instead, due to this cultural aberration or identity rift between the bureaucracy and the popular classes, the integration of the industrialisation objectives with popular mobilisation was delayed until the 1970s.

One area where the objectives of industrial transformation and cultural modernisation conflicted was the educational policies. The proliferation of lycées constituted the pillar of educational reforms in the 1930s. The Kemalist ideologues described the main function of Republican lycées as providing "general culture" rather than the acquisition of technical skills (Öztelli 1974:81-5). Thus, the industrialisation objectives were, in effect, subordinated to the objectives of culturally transforming the Turkish society through Westernising and secularising reforms. Rather than generating a coupling between the educational institutions and the industry, the educational strategies of Republican governments were designed to supply administrators or teachers to the bureaucracy who would effectively contribute to the cultural modernisation of the society.

The most forceful "colonisation" of the "life-world" of the Anatolian peasantry, of course, had come with the secular reforms. In its Kemalist version, laicism meant more than an institutional separation of Islam from the state; it became a way of intervening in the "popular Islamic" conduct of the masses. As we have hinted in Chapter Two, the Islam integral to the Ottoman state apparatus and the "popular Islam" deriving from the Byzantine-Turcoman cultural synthesis had, in fact, two distinct and separate domains (cf. Vryonis 1971 and Keyder 1987:10, 87-9). While the former was part of the judicial and administrative system of the Empire, the latter was articulated with pagan cults, accounts of the legendary heroes and

mystical sects, and was inseparable from the identity of the Anatolian peasant.

Seeing economic modernisation as inextricably linked to the Westernisation of the culture, Kemalist secularism continued its reforms disestablishing the Islam organised in the Ottoman state (e.g. abolishing the Caliphate, *Şeyhülislam*, *Şeriat*) by attempts aiming at the transformation of this identity (e.g. banning the religious dress, mystical sects, pilgrimage to the graves of legendary heroes). The bureaucracy's candidate for filling in the ideological vacuum was nationalism. Accordingly, the identity provided by belonging to the same nation — the meaning found in belonging to a national unit — would give the alternative means of social cohesion. Thus, the new homogenising pull of nationalist solidarity became a cover for eradicating both class-based and potentially religion-based associations.

The bureaucracy's nationalism, as a catching up strategy for "latecomer nations" became the driving force behind the industrialisation attempt while it, at the same time, inhibited the realisation of the industrialisation attempt by preventing the emergence of interest mediation forms which might have underwritten its success through an expansion of the domestic market. Contrary to "productivist" accounts, it was not its position within the production relations or the "objective" requirements of industrial accumulation alone which conditioned the bureaucracy towards attempting to effect an industrial transformation at the expense of the popular classes. The bureaucracy's "meaning system" or the "representation of reality both to itself and to others" while acting as the "subject" of societal transformation — its nationalism, Westernism, and secularism — resulted in its suppression of "alternative meaning systems" which might have formed the basis of a "collective representation of a different reality" (cf. Jenson 1990). When a "space" was opened in the dominant "nationalistic discourse" of the bureaucracy by the end of the Second World War, the opposition to RPP quickly ensued.

The changed international climate at the end of the Second World War underlined the transition to multiparty democracy in 1946 and the electoral victory of the DP in 1950. Just as the World Depression had been an important catalyst contributing to the rise of *étatisme*, the ascendency of the US in the international arena had a catalytic role in the reversal of the *étatiste* commitment. Internal political developments hastened this change and determined its particular nature. The industrial development of the *étatiste* years had strengthened the bourgeoisie. Both in terms of its size and the extent of its accumulation, it was no longer the weak class it had been in the early years of the Republic. Especially the war-time profiteering of merchants had taken substantial proportions and subsequently became an

important factor in the breakdown of the bureaucracy-bourgeoisie alliance at the root of *étatisme*. Following the end of the War, the Associations of Commerce, the major representative organs of the bourgeoisie at the time, increasingly began to attack state interventionist policy on the grounds that it retarded economic development by the misallocations and the bureaucratic inefficiency of the SEEs.

In an attempt to win the support of the peasantry, which had been the main victim of the state-led industrialisation and war-time austerity measures, against the growing criticisms of the bourgeoisie, the RPP leadership pushed for a land reform in 1945. The reform stipulated a redistribution of land to the poor peasantry in order to end sharecropping and to narrowly limit the size of landholdings.[8] Although the reform was subsequently shelved, it alienated the landlords from the RPP for good and resulted in the defection of a faction from the party. The dissent in the RPP following the disagreement over the issue of land reform later crystallised into the Democratic Party (DP).

A factor which greatly facilitated the RPP's initial tolerance of the DP was that it was founded by former RPP members with good republican and secularist credentials. The DP's leadership was perceived not as a counter elite that would betray the Kemalist legacy but as a part of the Kemalist elite itself. Although it did not win the first multiparty election in 1946, its unexpected success led to the RPP's assimilation of the DP's criticisms as much as possible. Heavy state interventionism was abandoned, and the severity of antireligious policies was toned down. An alliance with the emerging hegemon US was actively sought through discarding Turkey's neutrality, entering the War in 1945, becoming a member of the postwar Bretton Woods institutions – the IMF and the World Bank – in 1947, and receiving the Marshall Aid. The authoritarian thrust of the RPP, however, resulted in a broad coalition of social forces including the bourgeoisie, landowners as well as the small peasantry rallying for the DP, which won the 1950 election.

Notes

1. Kemalist cadres imitated some of the institutional arrangements of these authoritarian regimes. The antiliberal attitude defending *dirigisme* in the inter-war years was, however, a more general phenomenon which was not limited to fascist or Stalinist policies. Responding to a similar macroeconomic environment characterised by the breakdown of the international economy, even the New Deal exhibited similarities with Turkish *étatisme*. *Etatiste* policies

were one of the first examples of what was to become a fairly general pattern in the Third World nationalist states in the 1960s and 1970s.

2. The experience of European late industrialisers in the 19th century (e.g. Germany in the 1850s, and Russia in the 1880s) also exhibited increased state intervention in industrial production and financing. Gerschenkron regards the increase of government intervention in sequentially later industrialisations as a consequence of the shortcomings of institutional actors in the capital market. While the gradual character of English industrialisation based on textiles had eased the pressure for developing specialised credit institutions for the provision of long-term capital to industry; the scarcity of capital, the greater scope of the industrialisation movement arising from the big development differential with the leading countries, the larger plant sizes, the concentration of the industrialisation effort on branches with higher ratios of capital to output necessitated a close interlocking between industry and banks and the state in later industrialisations. Thus, in these cases, industrialisation began with heavy industry and the state compensated for the handicaps in capital accumulation. Moreover, the industrialisation drive was financed by the state often at the expense of urban or agrarian consumption demands.

3. Amsden (1992), drawing on the experience of late industrialising NICs in the latter half of the 20th century (e.g. Taiwan, South Korea) distinguishes between the conditions of late industrialisation in the 19th and 20th centuries. While the 19th-century US and German industries leapfrogged ahead of England by their ascendency in the newly emerging most dynamic techno-economic paradigms (i.e. iron and steel, or electrochemical industries), 20th-century late industrialisation is predicated on borrowing technology and then improving it incrementally. Consequently, in Amsden's formulation, 19th-century leaping to the world technological frontier can no longer work in the 20th century; leading enterprises in 20th-century industrialisation must not only be passively subsidised, but the state must actively trigger technological innovation through disciplining subsidy recipients, enhancing the technical capabilities of the work force, and coupling higher education institutions to the industry.

4. The proponents of O'Donnel's (1973) Bureaucratic Authoritarian state formulation (e.g. Barkey 1990) reach similar conclusions as to the crisis of ISI in Turkey in the 1970s. A notable characteristic of the ISI's crisis, however, was that the encroachment of the bourgeoisie upon the state took place not through particularistic channels, but via the diverging demands of commercial and industrial organisations representing the collective interests of the various "sections" of the bourgeoisie.

5. Shefter (1977:414-22) makes a distinction between "internally mobilised" and "externally mobilised" parties. Internally mobilised parties are those which are founded by elites who occupy positions within the prevailing regime; externally mobilised parties, on the other hand, are established by outsiders who do not hold positions and these parties do not enjoy access to state patronage at the time of their founding. While externally mobilised parties are not in a position to distribute particularistic benefits, and thus rely upon establishing a network of mass organisations not fuelled by patronage; internally mobilised parties do not develop such an organisational structure, but attempt to win support by distributing benefits through local notables and politicians. In this sense, the longer the party is without political power, the stronger the non-clientelist party organisation.

6. Evans (1989) connects the differential effectiveness of the Third World states as agents of industrial transformation to the differences in their internal structures and external ties to the society. On the one end of the spectrum, he locates the most effective *developmental* state (e.g. Japan, South Korea, Taiwan) characterised by "embedded autonomy" which joins well-developed, coherent bureaucratic internal organisation with dense public-private ties and institutionalised linkages. Developmental states foster long-term entrepreneurial perspectives among private elites by increasing incentives to engage in transformative investments according to a set of general, universalistic rules. Unlike the *democratic corporatism* of Scandinavian countries which include organised representation of labour in their embedded networks (Katzenstein 1985), the East Asian developmentalist states conform to a pattern of "authoritarian corporatism" which only includes institutionalised cooperation between state elites and business groups. On the other end of the spectrum, the least effective, *predatory* or "klepto-patrimonial" state (e.g. Zaire) combines undisciplined internal structures with external ties ruled by the "invisible hand" of the market or "rent seeking". Such states extract large amounts of otherwise investable surplus and provide little in the way of industrial transformation.

7. I am indebted to Kristen Nordhaug for drawing the parallels between Mann's despotic versus infrastructural power dimensions and Evans's embedded autonomy formulation at a talk titled "Politisk Regime og Økonomisk Utvikling: om problemstillingen i en sammenliknende studie av Taiwan of Elfenbenkysten" at the Department of Administration and Organization, University of Bergen on 8.4.1992. See also Öniş 1991:123-4 for the linkages between Mann's conceptualisation and embedded autonomy.

8. As we have seen in Chapter Four, due to labour shortages being a perennial problem in Anatolian agriculture, there had never been a popular demand for land distribution. Because of the abundance of independent small owners, and the absence of a sizable landowner class, land reform never became as thorny an issue as in Latin America. In the absence of an expressed demand for it by its potential beneficiaries, the proposed land reform was an attempt of the state bureaucracy dominant in the RPP at forging a new alliance with the poorer peasantry against the growing challenge of the bourgeoisie (Keyder 1987:126).

7. Conclusion: An overview of the Turkish trajectory

7.1 Divergent paths of development: Lessons for development theory

A central assumption of modernisation theory was that international linkages to states and markets of developed industrial societies had positive long-term effects. This assumption was the institutional counterpart of the neoclassical emphasis on the beneficial free play of the market forces. The assertion that external linkages play a contributory role in initiating development was complemented by the basic contention that the major determinants of self-sustained growth were to be found within the developing countries themselves. Once diffusion had cleared away traditional obstacles to development, growth unfolded in an evolutionary fashion. To these was added the assumption that in the long run, economic development fostered the increase of both democratic participation and egalitarian income distribution.

That it did not do so, provided the basic point of departure of dependency theory. The dependency paradigm argued that national economic disengagement from advanced industrial countries was necessary to achieve the objectives of development, democracy and equity. Dependency theory and Wallerstein's historical version of it held that incorporation into the world capitalist system encouraged specialisation in the production of primary export commodities, which resulted in the predominance of the external over internal economic linkages. Associated with such enclave growth was the emergence of social groups which benefited from this development pattern.

In response to the challenge posed by the Newly Industrialising Countries (NICs) to the dependency theory, a newer intellectual tradition, drawing on the writings of Cardoso and Faletto, argued that the term "dependent development" would be more suitable to account for the development pattern of the NICs. This new school recognised a more complex and contingent relationship between dependency and economic growth, and sought to understand the ways in which the interaction of domestic and foreign classes, and institutions influenced development. However less

deterministic compared to the dependency theory, this dependent development school, too, remained wedded to several of the key assumptions of the traditional dependency theory. Central among these was the assumption that development in the dependent countries, even if it emerged, tended to be politically exclusionary and economically unequitable.

If the industrialisation of the Latin American NICs in the 1960s and 1970s forced a reconsideration of dependency while essentially confirming this school's basic assumptions, the experience of the East Asian NICs posed a fundamental challenge to the dependency paradigm. Though authoritarian in nature, the East Asian states enhanced full employment, continued increases in real wages, and maintained low levels of economic inequality. The East Asian NICs' development became the subject of divergent interpretations. While some observers regarded the East Asian states' policies as an assertion of the neoclassical virtues of open, market-directed strategies of economic growth (Balassa 1981), others emphasised the impact on the growth of strategies pursued by the strong, developmentalist states (Amsden 1992, Deyo ed. 1987, Wade 1990). Consequently, the crisis in development theory and suggestions for its transcendence became a recurrent theme in the recent years (e.g. Vandergeest and Buttel 1988, Corbridge 1990).

A common denominator in the suggestions for the transcendence of the impasse in development theory has been a stronger emphasis on middle-range theorising about the complex interrelationships between international and national, exogenous and endogenous development contexts on the one hand, and between state and market on the other. The narrowing of the gap between modernisation and dependency approaches has paved the way for a convergence of Weberian and Marxian theorising around meso-concepts incorporating both instrumentalist and interpretive analyses of class and state action in a comparative framework (Vandergeest and Buttel 1988). This, in turn, has led to a revival of an intellectual tradition (e.g. Gerschenkron, Polanyi, Moore, Hintze) combining historical sociology and sociology of development (Evans and Stephens 1988).

Gerschenkron had emphasised that economic development took on divergent paths depending on the timing of industrialisation. Polanyi had attempted to disclose the institutional underpinnings of the dominance of market exchange and had integrated the interplay of classes within society and the interplay of states in the interstate arena into a single analysis. Moore had examined the links between economic models and political forms as expressions of class and state strengths. Finally, Hintze had

stressed that the interplay of states in the international state system had a central influence on the internal development of individual states.

In more recent versions of this "Marxified Weberian" (Mann 1986b:111) tradition, Skocpol and Mann have argued that state structure and capacity can not be reduced to a reflection of class forces and must be brought back as an independent actor into the analysis — due to the external structuring provided by the interstate arena. In a similar vein, Amsden and Evans have analysed the successful late industrialisation of East Asian NICs as conditioned by the autonomous action of the state. They have associated the effective operation of markets with the presence of strong, interventive states and market failure with the lack of bureaucratic autonomy. Thus, if one consequence of the convergence of the paradigms of modernisation and dependency approaches has been an emphasis on the autonomy of the state which is enhanced by the confluent endogenous and exogenous influences; the other has been the rejection of the binary opposition between the political rationality of the state and the market rationality of the civil society.

Senghaas and Menzel have applied the challenge that the late 20th-century development of NICs presented to development theory to the study of 19th-century developments in the European periphery. Seeing the history of industrialisation in Europe as a "microcosm of world history that encompassed all facets of the problem of catching up by the Third World today", Menzel (1992:44-5) has noted that similarly to the experiences of the NICs in East Asia and Latin America in the 1970s, the Scandinavian countries in the 1890s, the Soviet Union in the 1930s, and the South European countries in the 1950s can all be considered to have been NICs. Breaking with dependency convictions, Senghaas and Menzel have emphasised that comparable world market positions did lead in the 19th century, and can lead in the 20th century both to auto-centric and dependent development. In their scenario of auto-centric development, democratic participation and egalitarian income distribution is a *sine qua non* of successful development. Their multicausal analyses focusing on the complex interrelations between successful late industrialisation, socio-institutional relations, and political regimes have pointed towards a convergence of the agendas of historical sociology and development theory.

7.2 Determinants of the outcome of Turkey's late industrialisation attempt: Approaching a multicausal explanation

The rejection of the binary opposition between the political rationality of the state bureaucracy and the market rationality of the civil society provided a departure point for our analysis. We contested the state versus civil society model shared by the modernisation and dependency approaches to Ottoman/Turkish development. Instead, we stressed the particular intermediations – geopolitics and the requirements of late industrialisation attempt – which boosted the territorially centralising thrust of the state while making it vulnerable to the encroachment of particularistic interests emanating from the society.

Contrary to the discourse of Orientalism which regarded the Ottoman/Turkish state as omnipotent and civil society as primordial or absent, we introduced a distinction between the despotic and infrastructural powers of states. We underlined that the infrastructural reach of the Ottoman state was weak similarly to the pattern represented by European absolutist states until the 18th century. While the acquisition of infrastructural capacities was more balanced between the state and civil society in Western Europe in the 19th century, the geopolitical balance of power in the interstate arena, and the objectives of late development resulted in the Ottoman/Turkish state's acquiring a disproportionate part of society's capacity for infrastructural coordination. The necessities of a centrally coordinated military command and the late industrialisation attempt favoured the form of territorial centralisation "advocated" by the state. From this perspective, the problem with the Kemalist state was that it had high despotic but low infrastructural powers: it lacked embedded autonomy. It could not set up the institutional framework within which it could successfully resist particularistic demands and strike the bargains underpinning the sustenance of its industrialisation policies.

Contrary to Wallerstein's world-system paradigm, which essentially argued that international market patterns defined Anatolian social structure, and that internal class and state relations were dictated by a division of labour on a world scale, we emphasised that changes in trade routes or trading interests could not have transformed economic and social structures because foreign trade absorbed only a limited portion of the preindustrial productive capacity. Prior to the 19th century, the Ottoman system, with its low level of infrastructural capacities, did not have the coherent economic structure which could be disrupted by the alleged emergence of a world-economy from the 16th century onwards.

Rather than being an outcome of unmediated responses to outside economic stimuli, the processes which the world-system approach dubbed "incorporation into the world-economy" and which we studied as belated industrial transformation and nation-building, were the result of a complex combination of global developments and locally specified systems of class interactions and power structures. The outcomes of the *Celali* uprisings of the 17th century and the subsequent symbiosis between tax-farming and freeholding peasant property placed the 17th and 18th century rural Anatolia in an intermediate category between the two regressive agrarian structures represented in Brenner's typology by the early modern French and East European patterns.

A subsistence-based agricultural economy in Anatolia lasted well into the first half of the 20th century. The fundamental pillar underpinning the solidity of this agrarian structure in the 19th century was the symbiosis between the central Ottoman state and the "pulverised" freeholding peasantry whose roots dated back to the prebendal *tımar* system of the 15th century and whose solidity was not broken with the strengthening of tax-farming in the 17th and 18th centuries. In an effort to stand against the increasingly menacing external military threat in the 19th century interstate system, the Ottoman state supported the consolidation of freeholding small peasant proprietorship while channelling the agricultural surplus it extracted to the nonproductive spheres of military expenditure and foreign debt repayment. The result was both a technical stagnation in an agrarian structure which was not geared to capitalist competitive pressures, and a nondeveloping industrial production in the absence of widespread "free" wage labour. The peasantry's commitment to the social order of the Empire reflected in its relative acquiescence and lack of political mobilisation enhanced the autonomy of the Ottoman state, and increased its centralist thrust which manifested itself in the opposition to the countervailing economic power of the largely non-Muslim commercial bourgeoisie.

Ethnic differentiation within the bourgeoisie and its reluctance towards political mobilisation, prevented the convergence of interests between the state bureaucracy and the bourgeoisie. During the nation-building phase in the first quarter of the 20th century, the predominantly non-Muslim and non-Turkish composition of this bourgeoisie led to a lack of bourgeois interest articulation. The bureaucracy effecting the transition from the Ottoman imperial state to the Turkish nation-state through a revolution-from-above undertook an aggressive cultural modernisation programme which was followed by a state-led industrialisation drive in the 1930s under the impact of World Depression. In a conscious attempt to close the gap with Western Europe, the traditional symbiosis between the state and

peasantry was attempted to be abrogated. Nevertheless, the industrialisation attempt at the expense of agriculture did not prove successful. Finally, *étatiste* economic policies were reversed with the DP's rise to power in 1950, which established the political dominance of an alliance of large landholders, smallholding peasants and the bourgeoisie.

The historical exposition we have provided suggests a host of conditions that might influence whether late industrialisation attempts succeed or not: the external structuring of the state in the interstate arena, the socio-institutional relations in agriculture which ultimately determine the size of the internal market and the industrial labour force, the education level, the ethnic composition of the population, the conditions of nation-building, and so forth. We have attempted to provide a summary of our major findings circumscribing the "failure" of Turkish late industrialisation based on Senghaas's analytical scheme in Table 7.1. The confluence of these multiple determinants around the role of the state in the Ottoman/Turkish case directed our attention to the actions of the state bureaucracy. We diagnosed this collective actor as being the primary initiator of the late industrialisation attempt, and as being the ultimate barrier to its success. The analysis of the Turkish trajectory pointed towards an elaboration of Senghaas's hypotheses on specifically two points: socio-institutional relations in agriculture and the nature of nation-building. In view of the Turkish experience, we argued that both of these areas were intimately related to the external structuring of the state in the geopolitical arena.

With respect to the interrelations between economic development and income distribution, we have dismissed a general positive correlation between successful industrialisation and egalitarian land distribution. The experience of the 19th-century aborted industrialisation attempt of the Ottoman Empire pointed towards a revision of the postulate that a relatively equal land distribution is generally conducive to economic development through the creation of a domestic market. While this postulate held true in the explanation of the divergent development trajectories of the Scandinavian and Latin American countries, as the negative effects of the "pulverisation" of landholdings in Anatolia showed, it did not work below a certain threshold. Below this threshold, the scenario of auto-centric development was not realised. As Senghaas's reference to the development history of the Balkans and Brenner's analyses on the divergent paths of industrial development in early modern England and France showed; when the land was splintered, the agricultural surplus and therefore the means to invest in productivity increasing investments remained low – the result was little demand for consumer goods. The resulting high degree of subsistence

Table 7.1

Turkey's "unsuccessful" industrialisation path from the early 19th to the mid-20th centuries: An analytical summary of the major findings

Area	Variables and sections of the report	Value of variables for the Ottoman/Turkish trajectory
1. Economic structure		
	- Nature of staple exports, their linkage effects in industry (4.5)	- No single crop dominating agricultural exports, weak backward and forward linkages
2. Socio-institutional factors		
Agriculture	- Distribution of land holdings (4.4)	- Predominance of self-ownership and sharecropping; land distribution "pulverised" (i.e. prevalence of small-sized holdings); freeholding peasant property supported by the state impedes the modernisation and mechanisation of agriculture.
Distribution of Income	- Distribution of income, relation between distribution of income, saving rates and demand for investment goods (4.5) (6.1)	- Domestic market not consolidated despite only "moderate inequality" because military expenditures and debt repayments of the Ottoman state keep the savings rate low; low shares of industrial wages and agricultural incomes during the *étatiste* period generates low demand.
Economic institutions	- Entrepreneurial capacities (6.3) - Banking system (6.1) - Level of education, quality of higher education institutions (4.1) (6.3)	- Despite the weakness of agrarian elites who might have stood against industrialisation, the administrative and military priorities of the Ottoman state bureaucracy directed at preserving the Empire impede industrial development; the exit of the Christian bourgeoisie during nation-building hampers entrepreneurial capacities on the eve of the *étatiste* industrialisation attempt; the banking system reflects the weak institutionalised linkages between the state and the industry; low literacy mainly due to the late standardisation of language; loose connections between educational institutions and industry primarily due to the priorities given to cultural Westernisation in educational policies.

Area	Variables and sections of the report	Value of variables for the Ottoman/Turkish trajectory
3. Political and social mobilisation		
Social	- Mobilisation of farmers and workers (6.3)	- The "pulverised" peasantry does not generate farmers' organisations in the Ottoman period; obstacles against worker and peasant mobilisation during the Kemalist revolution-from-above.
Political	- Democratisation (5.3)	- The state bureaucracy's hegemony leaves democratisation incomplete during both Ottoman and Republican periods; belated nation-building due to "imperial overstretch" and institutional integration between Islam and the state results in a concatenation of nation-building stages; violent ethno-religious conflicts and authoritarian conflict resolution attempts during nation-building; the resulting absence of conflict resolution systems inhibits the articulation of the interests of both the bourgeoisie and the lower classes; the consequent lack of the embedded autonomy of the state bureaucracy; domination of the state bureaucracy's party (RPP); extensive clientelistic networks due to the meagre infrastructural powers and the RPP's internally mobilised party structure.
	- Nation-building and sovereignty (5.1) (5.2)	
	- Nature of the party system (4.1) (6.3)	
State apparatus	- Administrative reform (4.1)	- The bureaucracy does not adjust to democratisation during the multinational Empire and conflictual nation-building periods; a unified legal system and legal security is established only gradually throughout the 19th century; the Christian bourgeoisie enjoys extraterritorial rights in the Ottoman Empire; ethnic groups (Christians during nation-building and Kurds during Kemalist period) are excluded from the legal system; state provision of infrastructure begins substantially only during *étatisme*.
	- State provision of infrastructure (6.1)	

Note: Numbers in the parentheses indicate the section numbers in the text where the details of the arguments are provided.

production led to a shortage of wage labour. Thus, the development of a mutually supporting growth spiral between the production and consumption requirements of agriculture and industry was blocked.

The consolidation of small peasant proprietorship was ultimately related to the form of political accumulation. The external structuring of the Ottoman state in the 19th century geopolitics – its strategic position in the inter-imperialist rivalry – enhanced the internal strength of the state bureaucracy. The Ottoman state jealously defended peasant freeholding – the fiscal basis of its political rule – against foreign capital and local landlords.

Our exposition underlined the role of popular Islam as a primary determinant of Anatolian culture and emphasised the Helleno-Turcoman synthesis defining the early economic and political structure of the Ottoman Empire. We drew attention to the institutional integration between Islam and the Ottoman state, and stressed the role this integration played in postponing the formation of the Turkish nation-state. Drawing a parallel to Rokkan's analysis of divergent outcomes of nation-building in Southern and Northern Europe, we likened the effects of Islam in the core nationality of the Ottoman realms to the regressive effects of Roman Catholicism in Southern Europe. The belatedness of Turkish nationalism resulted in the late development of infrastructural capacities deemed necessary for successful industrialisation. The creation of a linguistically homogeneous national space was only achieved in the 1920s, and even then the ethnic heterogeneity of Anatolia – the existence of a sizable Kurdish population – contradicted the Kemalist ideal of a unitary Turkish nation.

Rather than seeing bureaucracy solely in terms of its position in the relations of production or in instrumental action contexts, we drew attention to the normative and cognitive context of the bureaucracy's actions through the analysis of its nationalist ideology. The legacy of Turkish nation-building was contradictory: it emerged, on the one hand, as a reaction of the state bureaucracy to the Ottoman/Turkish society's backwardness with the aim of achieving national development through strengthening normative cohesion; on the other hand, the necessarily exclusionary character of the bureaucracy's nationalist outlook seriously impaired the chances of the success of its industrialisation attempt. Given the disproportionately large representation of Greeks and Armenians within the bourgeoisie, the ethnic conflicts of Turkish nation-building which left the new Republic predominantly Muslim, resulted in a drastic reduction of entrepreneurial capacities at a time when the Kemalist bureaucracy adopted the aim of rapid industrialisation. During the *étatiste* industrialisation attempt, the Kemalist state was not strong or autonomous enough to discipline the

bourgeoisie. The conditions of Turkish nation-building – the Kemalist revolution-from-above in virtual autonomy from the social classes and the RPP's internally mobilised party nature – enhanced the political dominance of the state bureaucracy, but these conditions also paved the way for its subsequent lack of embedded autonomy identified by Evans as the hallmark of 20th-century developmental states. As the bourgeoisie was weak, the bureaucracy actively sought to create one. This process, rather than enhancing the bureaucratic autonomy of the industrialisation policies, strengthened clientelism.

Concomitant with the 19th-century centralisation measures in the form of reforms in the army, administration, and education was the formation of the state bureaucracy as a distinct social stratum. By perceiving the position of the Empire in the interstate arena as "backward", the bureaucracy gradually adopted the legal and secular Western principles and eventually a nationalistic ideology in organising the state and its relationship with society. These new principles gradually undermined the Islamic hegemonic ideology which had been sustaining the Ottoman model of development prior to the 19th century through such institutions as guilds, *vakıfs*, and *medreses*. Once the element of consent to the ideological hegemony of Islam was gone, the modernising reforms of the bureaucracy involved more and more coercive forms. In attempting to resolve the crisis of the Ottoman model of development, the state bureaucracy found its new legitimation basis in the nationalist ideology. But the prior ethnic heterogeneity of Ottoman Anatolia and the large extent of overlapping between ethnic and class differentiation – i.e. the predominantly non-Muslim composition of the Ottoman bourgeoisie – proved detrimental to the further evolution of the *étatiste* model of development established in the aftermath of the national revolution.

The exit of the Christian bourgeoisie from the stage as a result of the violent conflicts of nation-building, and the subsequent hegemony of bureaucracy became dysfunctional in the perpetuation of the state-led industrialisation drive of the 1930s and 1940s. Thus, the response of the bureaucracy to the exigencies of 19th- century international context ended "unintentionally" in a blind alley. On the one hand, a dichotomous structure of culture emerged between the secularising, Westernising, and nationalist ideology of the bureaucratic elite, and the popular Islam of the peasant masses. On the other hand, the Young Turk and the Kemalist revolution-from-above led to a drastic weakening of the bourgeoisie. Rather than resulting in a generalised dominance of the state over the society, the complex intermingling of these cultural and class-related factors, impeded the growth of the infrastructural powers of the Republican state. The state

bureaucracy implicitly fostered an anti-industrial culture by giving priority to the objectives of cultural modernisation in its educational institutions. Given the weakness of the bourgeoisie and the intent of the bureaucracy to invade the popular Islamic life-world of potentially self-organising public spheres, the channels of communication between the state and society were severed. Hence, in the absence of institutionalised linkages between the state and social classes of the kind found in democratic corporatist or developmentalist states, the industrialisation policies of *étatisme* were channelled to particularistic domains.

In the historical exposition we have followed in this study, we have used comparisons as a way of contextualising the specific points made with respect to the Ottoman/Turkish development trajectory. Rather than being a rigorous application of the comparative method, our approach was directed towards disclosing the dynamics of a single case — the Turkish late industrialisation attempt. The testing of the specific interrelations we have hinted between the socio-institutional relations in industry and agriculture, and the nature of the political regimes deriving from geopolitics and nation-building, will hopefully be provided by a convergence of the paradigms of historical sociology and sociology of development and future single and comparative case studies.

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