

TWO VERSIONS OF ENLIGHTENMENT STATE IN THE LATE OTTOMAN ERA:
PROTECTIONIST STATE VERSUS LIBERAL STATE IN THE WORKS OF
AKYİĞİTZADE MUSA AND MEHMED CAVID

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Approval of the Graduate School of (Name of the Graduate School)

Prof. Dr. Sencer Ayata
Director

I certify that this thesis satisfies all the requirements as a thesis for the degree of Master of Science.

Prof. Dr. Feride Acar
Head of Department

This is to certify that we have read this thesis and that in our opinion it is fully adequate, in scope and quality, as a thesis for the degree of Master of Science.

Assoc. Prof. Dr. Ahmet Haşim Köse
Co-Supervisor

Assist. Prof. Dr. Osman Galip Yalman
Supervisor

Examining Committee Members

Assist. Prof. Dr. Osman Galip Yalman (METU, P.Sc.P.Adm.) _____

Assoc. Prof. Dr. Ahmet Haşim Köse (AÜ SBF, İktisat) _____

Prof. Dr. Sina Akşin (AÜ SBF, Kamu Yön.) _____

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Assist. Prof. Dr. Onur Yıldırım (METU, Econ.) _____

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Name, Last name : Sarp Balcı

Signature :

ABSTRACT

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Balcı, Sarp

MSc., Department of Political Science and Public Administration

Supervisor : Assist. Prof. Dr. Osman Galip Yalman

Co-Supervisor: Assoc. Prof. Dr. Ahmet Haşim Köse

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The initial concern of this thesis is to understand the historical conditions that conditioned the two writers (Akyığıtzade Musa and Mehmed Cavid) who had written on economic issues in the late Ottoman era, in addition to display their perception of state in their essential works. Thus, in order to locate these two writers in a historical time-frame and to explore the understanding and the reality of the Ottoman state at the end of the nineteenth century, the thesis is dealing with the major issues of the Ottoman modernisation history in a concise sense, and it is aiming at disposing the righteous stead and the importance of these two writers in the Ottoman economics literature, while giving an overall review of Ottoman economic perspectives in terms of their relationship with Western economic thought. Finally, the thesis tackles the personalities and biographies of these writers in order to expose the social conditions that determined the thinking of these writers, and lay out the anatomy of the state as conceptualised by them on the basis of their original texts. So, following the ascertainment of these structures, their impact over the work and the life of these two writers is being considered. Thus, it is an attempt to provide an explanation of the physical and mental conditions that structured the writings and their perception of the state.

Keywords: Turkish Economic History, Protectionism, Liberalism, Late Ottoman State

ÖZ

OSMANLI SON DÖNEMİNDE AYDINLANMA DEVLETİNİN İKİ VERSİYONU: AKYİĞİTZADE MUSA VE MEHMED CAVİD'İN ESERLERİNDE KORUMACI DEVLETE KARŞI LİBERAL DEVLET

Balcı, Sarp

Yüksek Lisans, Kamu Yönetimi ve Siyaset Bilimi Bölümü

Tez Yöneticisi :Yrd. Doç. Dr. Osman Galip Yalman

Ortak Tez Yöneticisi: Doç. Dr. Ahmet Haşim Köse

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Bu tezin öncelikli hedefi, Osmanlı son döneminde iktisat alanında yazılar yazmış iki yazarın (Akyığıtzade Musa ve Mehmed Cavid) kişisel tarihlerini şartlandıran koşulları ortaya çıkarmanın yanı sıra, her iki yazarın kendi temel metinlerinde ortaya koydukları devlete ilişkin bakış açılarının serimlenmesidir. Dolayısıyla tez kapsamında, bu iki yazarın, belli bir tarihsel zaman dilimine yerleştirilebilmesi ve ondokuzuncu yüzyıl sonunda Osmanlı toplumsal gerçekliğinde devletin ortaya konulabilmesi için, Osmanlı modernleşmesi ana hatlarıyla ele alınmakta ve her iki yazarın Osmanlı iktisat literatüründeki konumlarını ortaya çıkarmak amacıyla genel olarak Osmanlı iktisat literatürü ve bu literatürün Batı iktisat düşüncesi ile bağlantıları üzerinde durulmaktadır. Son olarak tez, bu iki yazarın görüşlerini oluşturmada etkili olan toplumsal koşulları anlamlandırabilmek için kişilikleri ve biyografilerini ele almakta ve her iki yazar için devletin ne olduğuna dair çıkarsamalarda bulunabilmek amacıyla kendi metinlerini incelenmektedir. Böylece, hem yazarların içinde buldukları sosyo-ekonomik koşulların kendi yazdıkları metinler üzerindeki etkisi ele alınmakta hem de eserlerde örtük olarak yer alan devlete ilişkin görüşler ortaya konmaktadır.

Anahtar Kelimeler: Türk İktisat Tarihi, Korumacılık, Liberalizm, Geç Dönem Osmanlı Devleti

PREFACE

The author have some points to be affirmed regarding the ways he used in writing the thesis.

In writing the names and places in Turkish the author used Turkish characters and transcribed them to their sound as it is being used in everyday utterance.

All translations and transcriptions from Turkish sources has been both written with the Latin and the Arabic characters belong to the author.

On calendar conversions from *Rumi* and *Hicri* calendars the author capitalised the software written by one of his prominent friend and colleague Ahmet Murat Aytacı. The program has been on the internet at the web-page of Turkish History Institute.

Moreover, in the preparation of this thesis the author is indebted to many persons. His first interests to the field were encouraged by an eminent scholar, Professor Sina Akşin, in the very first days of the author's employment at the Faculty of Political Sciences, Ankara University.

The author is thankful for valuable support that has been given by various members of the Faculty: Ayşegül Mengi, Aykut Çelebi, Barış Övgün and Mete Akkaya. Among these Nesrin Algan has a prominence in her implacable countenance, and Faruk Alpkaya had to be phrased for sharing his archive.

However, the author is particularly in need of mentioning two of his colleges for their mitigating contribution. Ahmet Murat Aytacı had to be stated for his detailed analysis and adjuvant effort in reading the draft and, on the other hand integrity of Ersin Embel had made it possible to construct a coherent text.

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Yet, in contravention of all these support and encouragement any errors or shortcomings, however, are the author's alone.

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CHAPTER I

INTRODUCTION

The eighteenth and nineteenth centuries were a period characterised by unprecedented change and progress as a consequence of the industrial revolution and the consolidation of capitalist system.* In contradiction with the despotic imperial rule, the capitalist system had raised a multi-centred hegemony among the nation-states that instituted the universal capitalist system. In this period, liberalism became the dominant ideology in both coasts of the Atlantic, hand in hand with the idea of liberty and free enterprise that was accompanying the rapid development of science, technology and industry parallel with increasing amounts of state revenues. Here, both the commercial and newly emerging industrial bourgeoisies of these geographies were in need of a regulatory and facilitating central bureaucracy.

Capitalist development in Great Britain constituted a convenient ground for a significant breakthrough in economics during the eighteenth century. In addition to pyhsiocrats' objections to mercantilist approach, British colonisation policies colligated the need of a theoretical stance. This approach would have several aspects, such as leading the blossoming British commerce both ethically and politically and legitimising the policies that would be governed by the rising hegemonic leader of the world

* Walter Benjamin is quite remarkable in describing its immediate and unavoidable character in his ninth thesis on the philosophy of history; "(...) [T]here is a picture by Klee called *Angelus Novus*. It shows an angel who seems about to move away from something he stares at. His eyes are wide, his mouth is open, his wings are spread. This is how the angel of history must look. His face is turned toward the past. Where a chain of events appears before us, he sees one single catastrophe, which keeps piling wreckage upon wreckage and hurls it at his feet. The angel would like to stay, awaken the dead, and make whole what has been smashed. But a storm is blowing from Paradise and has got caught in his wings; it is so strong that the angel can no longer close them. This storm drives him irresistibly into the future, to which his back is turned, while the pile of debris before him grows toward the sky. What we call progress is this storm" (see Walter Benjamin, "Theses on the Philosophy of History", *Illuminations*, Hannah Arendt, Ed., trans. Harry Zohn, Fontana/Collins, G. Britain, 1982, p. 259.).

economy. Likewise, it would be emancipatory to remove-or at least diminish the resistance led by- the restrictions and the prohibitions of the mercantilist era.

However, this open strategy could not survive without a challenge. With the unification of Germany by 1800 and onwards, a rapid development of capitalism unlinked her economic, political and legal remnants of the middle ages, and the establishment of *Zollverein*² was opening the way to get in touch with capitalism and its theoretical matters, such as territoriality, nation and nation-state building processes. Germany became inquisitive with other parts of the world, which had forced to follow semblable patterns. Hence, borrowing from an old competition generated from the Napoleonic Wars to the American War of Independence, in connection with the refinement of German philosophical tradition, liberal policies brought Germany to the position of theoretical opposition as much as economic and political.

In Karl Polanyi's terms, it was a reaction of modern society in protecting itself against the perils inherent in a self-regulating market system. Although, the counter movement was not compatible with the market system in resisting its pernicious effects, the "*double*"³ movement was borne out by the evidence. The market system had changed the fabric of the society comprised of physical and human components and the organisation principles of production while the countermovement was aiming at protecting, intervening and restricting the market system by obtruding collectivities to the front.

Thus, the controversy against the liberal creed and its spreader -the British Empire- became perceivable. Thereafter any country that seeks an alternative way came to the point of evaluating the German pattern of economic experiences. In this framework, Ottoman Turkey cannot be considered as an exception.

² Customs union of German states.

³ Karl Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time*, Beacon, Boston, 1957, Chapter II, *Self-Protection of Society*, pp. 130-222.

During the eighteenth and nineteenth centuries, the unifying activity of capitalism achieved the integration of industrialised nation-states with the rest of the world in a dialectical process. Polanyi was heralding the collapse of the nineteenth century civilisation that rested on four institutions. For him, “the first of these institutions was *the balance of power system*” which for a “peace” century prevented the occurrence of any long and devastating war between the Great Powers. The second was the *international gold standard* which symbolized a unique organization of world economy. The third was the *self-regulating market* which produced an unheard-of material welfare. The fourth was the *liberal state*.⁴ Of these institutions, “the fount and matrix of the system was the self-regulating market.”⁵ However, “the idea of a self-regulating market implied a stark utopia. Such an institution could not exist for any length of time without annihilating the human and natural substance of society.”⁶ “Inevitably, society took measures to protect itself, but whatever measures it took impaired the self regulation of the market, disorganized industrial life, and thus endangered society in yet another way. It was this dilemma which forced the development of the market system into a definite groove and finally disrupted the social organization based upon it.”⁷

As in the advancement of infra-structure through market economy and capitalism, the super-structure of capitalism had been determined by rationalisation and secularisation of human mind through emancipation from dogmas and prejudices. In this framework, the materialisation of the capitalist project over the Ottoman Empire was cumbersome. The Ottoman Empire was lacking in instituting modern rational structures compared with the European capitalisms on each and every field – economically, militarily, socially and politically. The gap between Western Europe and the Ottoman manufacturing in terms of output, technology and contribution to the national

• Italics belong to the author of this thesis.

⁴ Polanyi, *op. cit.*, p. 3.

⁵ *Idem.*

⁶ *Idem.*

⁷ *Ibid.*, pp. 3-4.

income already present at the beginning of the nineteenth century and had widened geometrically in the course of the century.⁸ Moreover, the Ottoman thought could not be strong and courageous enough to brake its earthbound character and chains of scholasticism of Islam in relation with the conservative order in the material life processes, consequently the Ottoman thought was not able to surpass the idea of divine order, and its rationalism could merely be a marginal one and limited to finding convenient accommodations to modern entanglements, instead of being capable of analysing the theocratic society it was generated from.⁹

History of the second half of the same era in Eastern Europe is also the history of falling apart of the empires and coming off of the nation-states in this geography. In this conjuncture, dismemberment -the idea of nationalism and the struggle of nation-state building processes- was the paramount challenge of the bureaucracy and the ruling strata within the Ottoman Empire as well. Thus, the threat of dissolution (a spreading tendency of creation of nation-states among the former subjects of the Ottoman Empire) had a significant impact over the Revolution of 1908.

The answer of the Ottoman élite to the dismemberment was symptomatic. Therefore, very first solution was the implementation of an encompassing nationalist ideology of Ottomanism. This ideology was well-known by the freedom coalition which was against the rule of the Sultan, because, it was the ideology of the first generation of the Young Turks, which were claiming the need for liberal institutions that would lead the Empire to a survival with a minimum loss from her territory more than half of a century.¹⁰ Yet, inconsistencies of this ideology and effectiveness of separatist nationalist

⁸Donald Quataert, *Ottoman Manufacturing in the Age of the Industrial Revolution*, Cambridge Univ., Cambridge, 1993, p. 162.

⁹Taner Timur, *Osmanlı Kimliği*, 3rd Ed., İmge, Ankara, 1998, p. 213.

¹⁰For a detailed analysis of the first generation of Young Turks see, Ebuzziya Tevfik, *Yeni Osmanlılar Tarihi*, Hürriyet, İstanbul, 1973 and Şerif Mardin, *The Genesis of Young Ottoman Thought: A Study in the Modernization of Turkish Political Ideas*, Syracuse Univ., Syracuse, New York, 2000., **passim**.

thought especially in *Rumelia** during the First Balkan War in 1912 waylaid the policies which have reference to the Ottomanist ideology.

Thereby, the CUP leadership put another strategy into progress which was much more realistic and came about as a consequence of voluntary reaction of the strata that the CUP Administration pertains to. They found the mere salvation of the Empire, in building an autonomous nation-state which would have a transformatory-bourgeois character. This was not the expected strategy of the freedom coalition, but the reality of the Central Committee.

However, the consensus of freedom was aiming at creating a westernised state and society. Yet, within a short period the coalition had been crystallised and brought about a programme to be achieved. The gist of it was comprising of the transformation of the Ottoman society into a capitalist society, building a constitutional state on the principals of freedom and independence. Because the Eastern Question was the elementary problem of the Ottoman state which had to confront the solicitations of the capitalist project. Thereof, it was the substantial rupture of the Ottoman thought and politics as there was an inclination to be a part of the world capitalist project instead of being subject to it. Yet, the dispute concerning how and by which strategy could these be implemented, brought the split on economic and social policies among the elements of the coalition. Indeed, expectations vary on the strategy instead of the nature of the state. Decision on the need to be capitalist, and thus constitutionalist brought about the question of "*How is to be done?*" Thus its method was a matter of both ideological heritage and the brittle conjuncture to be faced, within the mind map of the Ottoman élite. Therefore, contradicting tendencies were far from bringing a homogenisation to the policies of the CUP.

Likewise, they had to deal with the problems that came with the heritage of

* The Balkan territories of the Empire.

the Empire within a strict time shortage. The World War was at the door just after a couple of years after the First Balkan War. Furthermore, the outcomes of bureaucratic and technological transformation of the *Tanzimat*^{*} period and centralisation and rationalisation tendencies of central government were far from being ripe. It was a process that “melts all that is solid into air”. However, contradictory nature of modernism brought about tensions and required adaptations to develop creative interplay among all sorts of artistic, intellectual, religious, and politic activities as part of one dialectical process in a dialogue among the past, the present and the future.¹¹

With the hand of the military power and the bureaucracy of the Empire, the CUP had the opportunity to control the state apparatus. Nevertheless, the Committee was well aware of the fact that, in order to achieve the transformation of Ottoman society, it would have to instil its policies and ideology to the society through the appropriation of intellectual, economic, civil, and political spheres rather than controlling and using merely the coercion instruments.

In fact, economic issues from a theoretical perspective had a secondary character among the élite since the *Tanzimat* till the 1908 Second *Meşrutiyet* (Constitutional Monarchy) period in general. Parallel with the superficiality in social theory, economic issues had been tackled in a perspective, repeating, translating and imitating the works and the ideas approbated by the Western world. Among its rudimentary examples, the absence of a unitary monetary system and the monetarisation of the economy which are kernel indicators of sound articulation to the world capitalism can be stated. Nonetheless, the indispensable urgencies of the 1908 *Meşrutiyet* set forth a breakthrough in minding the salvation and transformation of the Ottoman state. For the economic sphere, it was a reaction to the impact of the *haute finance* and the European Powers through their embassies over Ottoman finance and

* The reformation period from 1839 to 1908.

¹¹ Marshall Berman, *All That is Solid Melts into Air: The Experience of Modernity*, Penguin, New York, London, Australia, Canada, New Zealand, 1982, p. 5.

politics. Besides; the purpose of the CUP was finding new answers to the complications of the *Tanzimat* which had to bring about “dual forms” in order to retort the transformatory activities of world capitalism on the one hand, and the institutional structure of the ongoing static old order on the other. Instead of dual forms that procured the CUP, the movement was ascertained the need for the transformation of the society through centralised bodies. The conjuncture instructed them to intervene the economic and social fields directly as they were prepared in moiety. Hence, major policy makers and bureaucrats played a conveyor role in the economic sphere and ideas.

Thus, this research will be an attempt to understand the meaning of the “state” within the context of liberal and protectionist perspectives by focusing on the works of two writers who were the product of their own history. Hence their intellectual and political ideas and stances shall be recognised in the same way. They both lived in propinquity time period, so they had to deal with relatively similar economic and political conditions of the Ottoman state. However, their works epitomised the controversy on liberalism and protectionist approaches. Akyiğitzade Musa as a Kazan Turk was bringing protectionist principles systematically into the existing literature. On the other hand, Mehmed Cavid as the Minister of Finance during several CUP governments had a unique position by being both theoretician and policy-maker at the same time.

Both writers had been product of nineteenth century economic thinking, which entailed the values of Enlightenment. Thus, a rationalist foundation in which the assumption that abstract individuals are able to change the “is” into “ought to be” had been in the epicenter, in line with the founding fathers of political economy as it was put forward by the Scottish Enlightenment thinkers. While, liberalism has never been built upon the “state” in its assumptions and establishment, yet it was always tacitly there. Ironically, it was the economic practice of the autonomous nation-state which had been crowned with the conception of self-regulating market. From the moment of

coalescence, it is not a way of knowing any more, it became a way of re-constituting the world as a political project.¹² During the nineteenth century the protectionist approach challenged its rival, the liberal economic understanding. This understanding was based on the autonomous nation-state. Yet, instead of liberal cosmopolitanism and natural harmony rhetoric, protectionism was bringing the reality of the “others” of the international arena back in. Therefore, this thesis will not be a simple inventory of political and economic facts of the last quarter of the nineteenth and first quarter of the twentieth centuries or a mere evaluation of the texts of these two writers. It will be an attempt to understand the “is” and the “ought to be” of the Ottoman élite about the Ottoman state in the cited period in the light of the process of autonomous nation-state building. It will be attempting to make an assessment of selected positions as represented by these two figures who were in search of their own reconstitution of the world as a political project.

The main arguments of Akyiğitzade Musa, borrowed from Friedrich List, a German journalist and former professor of political economy, follow the idea that, the world economy does not work on the basis of the principles of free trade. Rather, all countries, great and small, manage their international economic relationships on the basis of regulated trade. For this view, the bourgeois state has to have a nationalistic character. Such arguments brought the rejection of free trade ideology of the English tradition and the revival of protectionism and interventionism over a modern nation-state. In fact, Akyiğitzade did not discuss the conditions and problems of state in his writings, yet he was in search of an autonom state to be built upon nationalist principles. Thereupon, his convictions will be annotated within the context of this theses.

¹² Ahmet Haşim Köse, Ahmet Öncü, “İktisadın Piyasası, Kapitalizmin Ekonomisi”, Ed., Ahmet Haşim Köse, et. al., *İktisat Üzerine Yazılar I: Küresel Düzen: Birikim, Devlet ve Sınıflar: Korkut Boratav'a Armağan*, 2. B., İletişim, İstanbul, 2003, p. 97.

Evidently, an evaluation of the role of Mehmed Cavid in Turkish modernisation would lead to the point, that as a thinker his contribution was limited, because his only effort was to employ, the basic tenets of liberalism to the Ottoman political sphere. Therefore, according to him, Ottomans could progress owing to division of labour both within the country and also at the international level and the Ottoman economy had to specialise on certain goods and services, and let others having comparative advantages produce other goods and services. It would be odd to pursue an industrialisation project in the Ottoman land, while she had already shown the ability on agriculture. The state would not be a constrain at the economic activities, on the contrary it would be in a facilitating character.

The significance of the debate between Mehmed Cavid and Akyiğitzade Musa lies in both its timing and its chronic character. The capitalist system comprises the *laissez-faire* and the protectionist tendencies in it. Sometimes one approach and sometimes the other are going to the fore. This thesis will contribute to solidify the necessity of protectionist economic policies on the way through capitalist modernisation and nation-building process of a subsequently articulated entity to the world capitalist project and will be in search of a depiction of the implicit state within the texts which belongs to these two writers. In this context, the understanding of the author makes a research on the movements of thought compulsory, because understandings of both writers took shape and generated from the framework of the tradition of the Enlightenment.

Although it seems inevitable to use historical analysis in such a subject matter; the ambivalences and uncertainties in Turkish experience of modernisation brings difficulties in achieving a coherent set of answers. In addition to this, the reader should be aware of the fact that, the concepts and the phenomena that will be discussed here have further outcomes and implications considering the Republic of Turkey. Thus, the ideological duality and the controversy is exceeding the Second *Meşrutiyet* period which was, in

regards to a prominent historian and political-scientist¹³ of the relevant era, the political and ideological laboratory of the new Turkish Republic. As a consequence, an interpretative approach to the subject-matter becomes mandatory.

1.1. THE METHOD

This thesis has been written with an historical materialist aspiration. In definition, historical materialism designates itself as a certain apprehension of history “which seeks the ultimate cause and the great moving power of all important historic events in the economic development of society, in the changes in the modes of production and exchange, in the consequent division of society into distinct classes, and in the struggles of these classes against one another.”¹⁴ From this perspective, classes are “groupings of social agents defined principally but not exclusively by their place in the production process, i.e. in the economic sphere. The economic place of the social agents has a principal role in determining social classes.”¹⁵ Yet, beside the antecedence of the economic; political and ideological spheres have significant role in the determination of history as well. In this regard, history is the product of individuals who make their own history within the conditions structured by their history. Because, “men do not live as they think, on the contrary, men think as they live. This assertion suggests to the ones who concern with humans and humanity, that if someone is interested in comprehending the world of men than, he has to get involve with their material life. And as they live in a social organisation than he has to understand the structure of that social organisation. From that, he can open a

¹³ The definition belongs to Tarık Zafer Tunaya (see Sina Akşin, *Jön Türkler ve İttihat ve Terakki*, 2nd, İmge, Ankara, 1998, p. 440.).

¹⁴ Friedrich Engels, “*On Historical Materialism*”, in Karl Marx & Friedrich Engels, “Basic Writings on Politics and Philosophy”, Ed. L. S. Feuer, Anchor, New York, 1959, pp. 53-54.

¹⁵ Nicos Poulantzas, *Classes in Contemporary Capitalism*, Trans. David Fernbach, 2nd Impression, NLB, London, 1976, p. 14.

window to the real life of men, and sorts of practices they take part in in a given structure.¹⁶

In this perspective, the initial concern will be to understand the historical conditions that conditioned the two writers (Akyiğitzade Musa and Mehmed Cavid) who had written on economic issues in the late Ottoman era. Thus, in order to locate these two writers to a historical time-frame and to explore the understanding and the reality of the Ottoman state at the end of the nineteenth century, the second chapter of the thesis will be dealing with the major issues of the Ottoman modernisation history in a concise sense.^{*} The third chapter will be aiming at disposing the righteous stead and the importance of these two writers in the Ottoman economics literature, while giving an overall review of Ottoman economic perspectives in terms of their relationship with Western economic thought. Finally, in the fourth chapter, the thesis initially tackles the personalities and biographies of these writers in order to expose the social conditions that determined the thinking of the writers, and secondly the thesis intends to lay out the anatomy of the state for these two writers by using their original texts. So, following the ascertainment of these structures, their impact over the work and the life of these two writers will be considered, in addition to display their perception of state in their essential works. Thus, it will be an attempt to provide an explanation of the physical and mental conditions that structured the writings and the perception of state that has been implicitly mentioned by these two writers in their own works.

There is a constant historical and ideological struggle in every society on defining the same concepts, descriptions of reality and practices, emanating

¹⁶ Ahmet Haşim Köse, Ahmet Öncü, **op. cit.**, p. 97.

^{*} Hence, by neglecting the classical period of the Ottoman Empire, the thesis will not touch upon the discussions on Asiatic mode of production.

from different/opposite positions.¹⁷ It is also the case that toleration of “the other’s” description will not be the ignorance to the heterodoxy, because, here, “the other” is also the political other and its existence would be its preparation to root out its own “other”, whenever it would be ready in political struggle. The upshot is that, as Walter Benjamin says in his VII. Thesis; “a historical materialist has to regard his task to brush history against the grain.”¹⁸

In order to reach this goal, the thesis is aiming at repositioning these two men to their righteous spot while considering them as individuals strongly determined by the structural formation of the late Ottoman period. However, in doing this, the writer of this thesis is also aware of the fact that, both writers had the courage to attempt to change the given as they had been conditioned by it. They had the nerve to make their own history and the history of their society. Yet, within the literature covering the intellectual history of the late Ottoman period, neither nationalist version nor the liberals of the post-sovietic era have been dealing with the real individuals. The first group blamed the economic history as a process of semi-colonisation and the second blamed the first group for not being aware of the fact that the process was itself could be read in a totally different fashion, which is to appraise the process as a development and articulation to the world economy/capitalism. They both have reasonable evaluations.

On the other hand, since Carr*, historians are aware of the reality that history can only be read and written regarding the readers’ and/or historians’ actual reality. Thus, today in Turkish intellectual life there are two major currents in

¹⁷ V. N. Voloshinov, *Marxism and the Philosophy of Language*, Seminer, New York, 1973, p. 21 stated in Aykut Çelebi, *Söylem Çözümlemesi: Gazetelerin ‘Haber’ Oluşturma ve ‘Gündem’ Belirleme İşlevlerine Eleştirel Bir Yaklaşım*, Ankara Üniversitesi Sosyal Bilimler Enstitüsü İletişim Anabilim Dalı, Unpublished Master of Arts Thesis, Ankara, 1990, p. 83.

¹⁸ “(...) There is no document of civilization which is not at the same time a document of barbarism. And just as such a document is not free of barbarism, barbarism taints also the manner in which it was transmitted from one owner to another. A historical materialist therefore dissociates himself from it as far as possible. He regards it as his task to brush history against the grain.” see Benjamin, **op. cit.**, pp. 258-259.

* Edward H. Carr, *Tarih Nedir?*, **Trans.**, M. G. Gürtürk, 5th Ed., İletişim, İstanbul, 1996, **passim**.

reading Turkish modernisation history from the left. The first version of this reading is much more engaged to the national development discourse and blaming the economic history of the late Ottoman era as a process of semi-colonisation and the second group is much more attached to the regional unification and globalisation processes of the 21st century. This version blame the latter one for not being aware of the fact that late Ottoman economic history is the history of development and articulation to the world economy/capitalism. Frankly, they both have reasonable arguments.

CHAPTER II

ECONOMIC AND POLITICAL CONJUNCTURE DURING THE TURN OF THE CENTURY

Boratav defines the Ottoman Empire as a semi-colonial state and, gives foreign debts, *Düyun-u Umumiye** and the growing difficulties of permanent capitulations* in addition to a classical type of division of labour¹⁹ in world economy as the most clear examples of it, and, mentions the role of this chain for the troubles that have been faced during the struggle against economic captivity.²⁰ He defines the period of 1908-1922 as an incomplete bourgeois-democratic revolution, and as the first and timid steps towards a national capitalism. For him, various objective and subjective difficulties, such as semi-colonial status of the economy, a number of continuous riots and wars and puny character of the Turkish bourgeoisie, could never be totally surpassed.²¹ Because, it was under the constant threat of the European imperialism.

* Ottoman Foreign Debts Administration.

* Capitulations in general was not a form of privilege that had been found and initially implemented by the Ottoman Empire. Yet, the Ottomans had changed its nature with the enforcement of the European Powers by taking it to the point of a permanent bilateral agreement status among the states, instead of a recognition of a temporary extraterritorial privilege to the tradesmen of the two countries but enlarged its status to the point that encapsulates almost every aspect of the private sphere. Thus, it became the very mean of the way in which European economy could implement colonialist policies in the Ottoman Land. Hence, capitulations were the reverberation of colonialism in the Ottoman geography (The author is thankful to his colleague Ahmet Murat Aytac to call his attention to this point.).

¹⁹ According to classical type of division of labour, there were two category of countries, the first group were countries which were exporters of raw materials and importers of industrial products and the second group were countries which were exporting industrial products and importing raw materials.

²⁰ Korkut Boratav, *Türkiye İktisat Tarihi 1908-1985*, 6th Ed., Gerçek, İstanbul, 1998, pp. 11-13.

²¹ **Idem.**

The turn of the century was reflecting an alteration in the relations among the capitalist states and the states that lack experiencing bourgeois democratic revolutions. Colonialism, as being essentially a political and military relationship, was evidentiary in the age of competitive capitalism, in which, one capitalist state forces another state, which is not sustaining similar features with the latter, to become dependent to its economy and compel the colonised state to be its raw material source and end product market, furthermore imperialism as the final stage of monopolistic capitalism, in which exploitation endures through financial capitalism composed of banking and industrial capital.²²

Thus, for the international system, imperialism and its adamantine organ, *haute finance*; “a *sui generis* institution functioned as the main link between the political and the economic organisation of the world that supplied the instruments for an international peace system, which has worked with the help of the European Powers as a permanent agency with an elastic nature by its contacts between diplomacy and finance”.²³ “Yet to the degree to which-in virtue of its position and personnel, its private fortune and affiliations- it was actually independent of any single government, it was able to serve a new interest, which had no specific organ of its own, for the service of which no other institution happened to be available, and which was nevertheless of vital importance to the community: namely, peace.”²⁴

According to Polanyi, organisation of “*haute finance* was the nucleus of one of the most complex institutions the history of man has produced.”²⁵ In fact, besides its international character, it was not designed as an instrument of peace, this function fell to it by accident because, the motive was to attain “the gain” that was necessary to keep in with the governments whose end

²² For a detailed analysis see V. I. Lenin, *Imperialism: The Highest Stage of Capitalism*, Foreign Languages, Peking, 1970, *passim*.

²³ Polanyi, *op. cit.*, p.10.

²⁴ *Ibid.*, p.12.

²⁵ *Ibid.*, p.11.

was power and conquest by using and increasing their national power.²⁶ Here, “power had precedence over profit. However closely their realms interpenetrated, yet politics were supreme. Hence, international finance had to cope with the conflicting ambitions and intrigues of the great and small powers.”²⁷

Moreover, for the Ottoman case the role of *haute finance* had been solidified by its iron grip when she defaulted on her financial obligations in 1875 and military conflagrations immediately broke out, lasting from 1876 to 1878 when the Treaty of Berlin was signed²⁸ and following the Treaty, there occurred a peace that lasted remarkably long in comparison with the antecedent and the following decades of Ottoman history.

Here, Polanyi’s clear vision brings an astonishing analysis for the foundations of economic and political conditions of the Ottoman Empire in the twentieth century;

(...) For thirty-six years thereafter peace was maintained. That astounding peace was implemented by the Decree of Muharrem of 1881, which set up the Dette Ottomane[•] in Constantinople[•]. The representatives of *haute finance* were charged with the administration of the bulk of Turkish finance. In numerous cases they engineered compromises between the Powers; in others, they prevented Turkey from creating difficulties on her own; in others again, they acted simply as the political agents of the Powers; in all, they served the money interests of the creditors, and, if at all possible, of the capitalists who tried to make profits in that country. This task was greatly complicated by the fact that the Debt Commission was *not*²⁹ a body representative of the private creditors, but an organ of Europe’s public law on which *haute finance* was only unofficially represented. But it was precisely in this amphibious capacity that it was able to bridge the gap between the political and the economic organization of the age.³⁰

²⁶ **Idem.**

²⁷ **Ibid.**, pp. 12-13.

²⁸ **Ibid.**, pp. 15.

• *Dünyun-u Umumiye.*

• İstanbul.

²⁹ Italics belongs to Polanyi.

³⁰ **Ibid.**, p. 15.

Due to its relations with *haute finance* and the diplomacy network named *Concert of Europe*, built by the major European powers, the Ottoman Empire has never been colonised by a single country but several had lasting ambitions on her. Instead, as couple of examples, such as 1877-78 Russo-Turkish War and First World War have revealed, an attempt for this aim brings considerable controversies among the European Powers. Therefore, foreign influences and their affection were depending upon the conjuncture and relative efficaciousness of the European Powers. However, from the general European perception, the Ottoman state was a despotic state as the exemplar of permissiveness and iniquity which had to be tamed/adjusted as to be a part of the European system due to its commitment in the Paris Agreement of the 1856.³¹

Throughout the years of decline, economy and technology based transformation reached to America in the west and to forment of the Ottoman state in the east. The enlargement of transformation coerced the downfall. Since the sixteenth century, the perception that Ottoman élite had put forward by their reports (*layiha*) was in a context of a need for returning to the pure form of old social and economic system that brought the Ottoman state from a tribal organisation to empire. Yet, by the end of the eighteenth century, the exigencies for the necessity to change became explicit. The Empire had to confront the challenge of rampageous capitalism and its coercive bodies. For the European Powers, their intentions towards the Empire could be conceived through the policy rationale of *beggar thy neighbour*.

However, the formation of the Empire was a great military establishment which conquered vast territories in Europe, Asia and Africa until the seventeenth century. When the reforming Sultans of the late eighteenth and nineteenth centuries began to modernise the structures of their ailing state,

³¹ For the analysis of Western thought and Ottoman despotism, see Taner Timur, “Batı Düşüncesi Despotizm ve Kimlik Sorunumuz”, *op. cit.*, pp. 173-214.

they gave their attention first to the army, in order to defend the borders of the Empire. Consequently, military schools and academies based on the Western model were set up, and out of these institutions emerged a new generation of reformist officers committed to the salvation of their state. Inevitably, they became politicised and conspired with high civilian officials who were also coming from the same new type of schools that have been re-organised or newly established due to the modern needs of the Empire.³² Modernisation was a need for survival and all that was modern within the imagination and the reality of the rising Ottoman élite was in the West.

The Ottomans were cognizant of the forces released by the European revolutions and learned that pre-modern Ottoman political and social structures would not be able to survive the onslaught of modern societies, but it was a tardy observation. Infidels were far from being at the door. They had already overcome the Ottomans by their technology in the economic and political field as well as in the battlefield.

Henceforth, in the last quarter of the nineteenth and by the beginning of the twentieth centuries, the westernisation attitude or being a part of the European civilisation subjugate the new élite in each and every aspect of the life. Although, “they were ready to borrow western civilisation with both its rose and its thorn”³³ the thorn already pricked them and the rose was far from being easily attained. In short, the modernisation period in the late Ottoman era was the source of a new man in the streets of İstanbul who was in search of new paths to survival for the state which had created him and which was also the new major topic and subject of him.

³² Feroz Ahmad, *The Making of Modern Turkey*, Routledge, London, 1993, p. 2.

³³ Abdullah Cevdet, “Şime-i Muhabbet”, *İçtihad*, no. 89 (January 29, 1914), stated in Şükrü Hanioğlu, *Young Turks in Opposition*, Oxford Univ., New York, Oxford, 1995, p. 17.

II.1. THE OTTOMAN MODERNISATION

Among the historians of modern Turkey, there is an assent for the commencement of history of modernisation in the Ottoman land with the reforms of Selim III (1761-1807).³⁴ First attempts were attaching a special importance to the reformation of the Ottoman army, because, the institution had a unique position in the structural formation of the Ottoman state³⁵. In fact, major failures of the Ottoman army and technological advancement of enemies of the Empire were jeopardising her well-being. Preliminary answer, to these failures, of the Ottoman bureaucracy was to address the Sultan by reports suggesting a return to the classical age-or the old *Nizam*³⁶- instead of a renewal. Yet, in a single century following the Carlowitz (Karlofça) Treaty signed in 1699, pointing out a clear defeat of the Ottoman army; calls for a return to the old order had gone bankrupt. "The re-opening of wars with Russia in 1711, followed by wars with Venice and Austria from 1715 marked by the Treaty of Passarowitz (Pasarofça) of 1718, the Empire made further territorial concessions. Thereafter, a new phase in the series of wars with Iran occurred in 1723-1746, and with Russia in 1768-1774 ending with the humiliating Treaty of Küçük Kaynarca of 1774, which brought the loss of major territories to a halt for a century."³⁷

³⁴ Some others, who accentuate the long history of the modernisation history pronounce the ameliorations of the *Lale Devri* (The Tulip Age from 1718 to 1730) as the possible threshold.

³⁵ For a comprehensive analysis of the Ottoman military structure and the role of military in Turkish history see M. Naim Turfan, *Rise of the Young Turks: Politics, the Military and Ottoman Collapse*, I.B. Tauris, London, New York, 2000.

³⁶ The classical Ottoman *nizam* which reigned until the beginning of seventeenth century, was composed of two major estates, the *askeri* (the military) and the *reaya* (tax-paying subjects). The *askeri*, comprising the *seyfiye* (men of sword; armed forces), *kalemiye* (men of pen; bureaucracy) and *ilmiye* (men of learning; *ulema*; judiciary) were paid by the Sultan and were exempt from taxation. They were not a class in the hereditary sense nor did they normally have historically-established rights independent of the Sultan, membership being contingent solely upon the Sultan's will which consistently chose to leave its ranks open to a suitable newcomers. While members of the *askeri* were obliged to profess Islam -indeed the *ulema* were naturally always recruited from among the Muslim – born population – and it was in the convert's interest to appear zealous in his new faith, motives for conversion and degree of faith were of less significance than was personal merit in attaining promotion and distinction. However, as the structures of every other state, Ottoman state and its functions were subject to change under external and internal stimuli. Yet, despite change, the *askeri* obtained an autonomous position and continued to rule the state as the leading elite till the end of the Empire (**Ibid.**, pp. 16-23.).

³⁷ **Ibid.**, p. 46.

Thereby, in the indigenous class relations of the Empire, a growing tendency of de-centralisation was threatening the Sultanate because of the rising power of a group of local respected people (*ayan*). The classical order was depending upon *tımarlı sipahî*s or bureaucratic landlords³⁸ who were authorised to perform the duties of; controlling production, collecting taxes and allocating resources within the territory (*tımar*) that had been given by the Sultanate to a local agent without obtaining its property right, in addition to their pre-determined duty of cavalry recruitment (*sipahi*) which was also holding a strategic position in both the practice of direct coercion over local *reaya* and in gathering under the flag of the Sultan whenever needed. However, by the end of the sixteenth century, along with advancement in military technology, decreasing need for *tımarlı sipahi* that were using swords and arrows compared to central army corps using rifles (*Yeniçeri* -Janissary-army) became evident. Thus, central army of the Sultan became much more important. Thus, a substantial increase in the number of this central army was parallel to eluding of the land to the *sipahis*, instead they were given to new class of *mültezim* who were monopolising the taxing activity of a certain land in auction in lieu of the Ottoman state, hence, giving way for her compensation need of hard money.

However, the dissolution of *gaza* (holy war for the opening of the land of infidels to Islam and its followers) idea which was mounting the linkage between the conception of gaining and conquests, brought about a crisis affecting the state apparatus in each and every field. Because in the years of conquest, the invasion of a land was providing the opportunity to distribute the new estates among the *sipahi* which would facilitate for the compensation of the economic and martial requirements of the state. Moreover, the invasion was itself a foremost source of revenue for the state and the *askeri*.

³⁸ The term belongs to Mübeccel Kıray (Mübeccel Belik Kıray, "Peasantry in the Ottoman Empire", paper for Discussion in the Peasants Seminar, University of London, Centre of International and Area Studies, 1974, stated in Emine Kıray, *Osmanlı'da Ekonomik Yapı ve Dış Borçlar*, 2nd Ed., İletişim, İstanbul, 1995, note 4, p. 14).

Accordingly, the annihilation of the latitude of new victories meant a sheer loss of advancement opportunities for the increase of state revenues and the military power of the Ottoman state and the impact of the price revolution due to the arrival of the precious metals from the “new world” had resulted in series of crises.

Thus the increase in the number of the central army, in addition to decades without victories forced the members of this army to enter into economic relations directly. They became a part of the mercantile bourgeoisie. Hence, while being the coercive power and controller of the trade of İstanbul, they became a major threat for the Sultans, grand viziers and viziers especially during the decades of peace. As being a capital owning group and the owner of the military power at the centre of the Empire, they established interest based relationships and coalitions with other groups of the ruling elite. Hence, any attempts of modernisation proceeded from structures related to the *askeri* confronted revolts and overthrows which lead to the repeal of the main oppressive body of it (the janissary army had been annihilated in 1826).³⁹

The aspect of the end of *timar* system for local people was quite forceful. As mentioned above, in the classical period or old *Nizam*, production had been strictly organised by the state which owns the property of land and shares out to its local bureaucrats responsible for the goodwill of the production in care of a peasantry without acquiring the property of the land. Later, by the end of the sixteenth century, *ayan* and *eşraf* (local respected people) took the place of *timar* owner bureaucratic agents and initiated to become the local dynasties that could rule for several generations through a coalition with local mercantile capital. Hence, this class coalition established their local councils and army by reaping the taxing means and acquiring the surplus on the one hand, and by being the new local agents of the central administration on the

³⁹ For a detailed analysis of the repeal and reform efforts of Mahmud II, see Taner Timur, “Osmanlı Askeri Düzeninin Çöküşü ve Yeniçeri Kırımı”, *Osmanlı Çalışmaları*, 3rd Ed., İmge, Ankara, 1998, pp. 119-163.

other. Consequently, “from the seventeenth century onwards, these local semi-feudal aristocracies challenged the political unity of the Empire”⁴⁰ and opened the way for a significant diminish in the state revenues. As a consequence, in addition to the emerging nationalist movements of the eighteenth century, a neat distress in the Ottoman political structures became perceivable.⁴¹

Another aspect was the befalling of a dramatic change in the relations between the Ottoman state and its subjects. Among the political units of the Ottoman state one single principle had a cardinal feature. This was the principle of *adalet* (justice) in a neo-Platonist sense as enveloping the Ottoman state and society by being the cement of these features. “The unconcealed dissolution of the relations had reached its repercussions in the accommodation of the idea of justice with *zulüm* (oppression) phenomenon which disrupted the “relative peace” among the state and society and brought the Ottoman monarchy to a despotic rule, as to be seen the pioneer motive in several rebellion movements.”⁴²

Yet, in the history of modernisation an incisive understanding of the Ottoman élite had been affected the relations with the West from the sixteenth till the end of the eighteenth centuries. In the era of modernisation “the beginning of the economic and political relations among the Ottomans and the Western states presents three characteristics: (1) Transformation and development efforts have been obscured with political velitations of these states; (2) Turning to, or being affected from the West has ever since been inverted or ill-timed; (3) Turning to the West, has ever been in a sort of, avoiding the imperativeness of reform or when it becomes inescapable, “clinging to the serpent when she falls in to sea (*denize düşenin yılanı sarılması*).”⁴³ The asymmetry was presented by two words in the Ottoman bureaucracy, *kafir*

⁴⁰ Bülent Tanör, “Anayasal Gelişmelere Toplu Bir Bakış”, *Tanzimattan Cumhuriyete Türkiye Ansiklopedisi*, Vol. I, İletişim, İstanbul, pp. 10-11.

⁴¹ *Ibid.*, p. 11.

⁴² *Ibid.*

⁴³ Niyazi Berkes, *Türk Düşününde Batı Sorunu*, Bilgi, Ankara, 1975, p. 175.

(infidel) and *frenk* (French). The first term was the reflection of the muslim versus infidel oppugnancy of Arab orthodoxy mastered after the sixteenth century and accompanied by the Byzantine-Latin or Orthodox-Catholic controversy entrenched by the *Fenerli Efendiler* (Greek -Roman- bureaucrats of the Ottoman state), and both groups curtailed sound relations which was substantiated before the sixteenth century.⁴⁴

Although modernisation has a hereditary character and prolonged history, undisputed breakthrough in Westernisation of Turkey is the proclamation of *Tanzimat Fermanı* (The Imperial Decree for Regulation) or *Gülhane Hatt-ı Hümayunu* (Gülhane Imperial Decree) in 1839. Also, the Yenıçeri repeal in 1826 brought about the need for the re-organisation of the central state from A to Z. In addition, The Decree was also complementary to the trade agreement signed with the British Empire in 1838⁴⁵, which paved the way for full and harsh implementation of the liberal doctrine over the Ottoman territory and secured the direct articulation of its domestic markets to the world capitalist system. Meanwhile, basic individual rights parallel to liberalism were being secured by the Decree.

Furthermore, instead of a creation and/or unification of domestic market, the agreement was creating an articulation type that creates direct linkages with European economies. During the first half of the nineteenth century, the Ottoman economy was largely rising upon agriculture and raw material production, parallel with little-scaled commerce and retail. Pre-eminent capital owners were the bankers of Galata⁴⁶ who were non-Muslim loansharks and exchange brokers and primary utilisers of capitulations and

⁴⁴ *Ibid.*, pp. 175-176.

⁴⁵ For the details of Balta Limanı Agreement see Tefvik Çavdar, *Türkiye’de Liberalizm 1860-1990*, İmge, Ankara, 1992, p. 8-9.

⁴⁶ Galata was the adverse coast of the Golden Horn, where the western coast was hosting the *Topkapı* Palace and, at the eastern coast, the former colony of the Genoese merchants’ located. Bankers of Galata were non-muslim merchants of Ottoman subjects and foreigners enjoying the opportunities of capitulations adverse to muslim Ottoman subjects. Therefore, it was hallmarking the spatial controversy between the state and the market in the Ottoman capital.

their principal client was the Ottoman Court. Thus, elemental revenue of the Empire was the taxes on agriculture which were diminishing.

Moreover, for the mercantile centres, largely seashore cities with large ports that have already at the forefront and have proved their potential in building up vast hinterlands in trade and business sector had been tangible for the uneven development compared to the vast lands of the rest of the Empire. Therefore, the agreement made Turkey to enter into the capitalist era and dissolved its mercantilist networks without giving an opportunity of harmonisation. Thereby, unavoidable depression of the old *Nizam* hit the people and economy, widely continued to survive in peripheral cities and lands.

As a complementary to the *Tanzimat*, *Islahat Fermanı* (The Imperial Decree of Reform), had been declared in 1856, in a conjuncture of reconciliation between Russo-Turkish strife that would be arbitrated by the European Powers in Paris Peace Conference of 1856 subsequent to the Crimean War (1854-1856) in which the Ottoman Empire had her first foreign loan and enter into the wheel of European finance.

With the Decree, European Powers were aiming at a restoration of the unsatisfactory results of the *Tanzimat*. The dual decrees were providing political, civil and economic rights, such as the right of property and equality before the law, to all the subjects of the Empire, ignoring their religious affiliations. Moreover, with the first *Meşrutiyet* (Constitution) period, for the subjects of the Ottoman Empire the enjoyment of these bourgeois liberal rights became verisimilitude by a new and educated generation⁴⁷ of

⁴⁷ The initial effort of this generation was to build a modern state for the integration of Western values to the Ottoman society through the concepts of Islam (There was a naive but diffused assent among the Muslim élite of the Empire suggesting the idea that the Western civilisation was not unique, on the contrary, it was an off-spring of the civilisation of Islam.). These Young Ottomans established contacts with the Western world with the mediation of translations from foreign languages, especially from French and using the opportunities of publication by using newspapers, books, reports and brochures. This generation was trained in *Tercüme Dairesi* (Imperial Translation Office), following the Greek riot of 1821. Before this incident, Orthodox *Millet* was the major source of interpreters within

bureaucrats and journalists who were in search of freedom, constitutional regime and a representative system.

In short, *via* the 1838 trade agreement and its supplementary regulations, in connection with the basic needs of capitalist market mechanism; modernisation of the Ottoman society accelerated in certain ways, such as increasing entrepreneurial opportunities, institutional, bureaucratic, political and legal reforms, and new urban centres, advanced transportation and communication opportunities and close relations with capitalist centres. In this conjuncture *Tanzimat* period appeared, as an aim of opening the doors of basic bourgeois values for the subjects of the Empire who were about to change into citizens that would fill the lack of institutions, regulations and agents mandatory for the sustainability of the capitalist network. But, this tendency was accentuating the duality, and parallel with the newly functioning bodies, although in a dialectical process, old forms and institutions continued to operate as the alternative and as the other side of the swinging pendulum. Yet, they also had been subjected to the same modernisation period. Thus as the Abdulhamit II's reign of thirty years of oppression reflected, a modernist version of conservatism was waiting for its turn to come.

As a consequence of the modernisation process, the subjects of the Empire had to face the trauma of being citizens of a modern state. Thus, the society had reacted to this process. Hence, the counter movement and its reaction became the history of adjustment to the process. Yet the movement of modernisation was much more organised in the coercive bodies of the state,

the Empire, but, rising distrust towards the Greeks who were leading the Orthodox *Millet* through the Patriarchate, brought about the need for training interpreters among the Muslim majority of the Empire. Owing to this, foreign language training became an opportunity to build a career of diplomacy for the Muslim subjects who would introduce with Western values and life-style. Thence, dual structurality was being institutionalised and the muslim subjects of the Empire were undertaking a new responsibility and location within the *askeri*. For this generation, generally the discouragements of dual structurality was in two ways. Firstly, they worked as the means (and reasons) of the implementations of the capitulations, and secondly, as they became instruments of intervention their position standing upon expansion of the modern values and institutions were enervated. For detailed analysis and history of the Young Ottomans see Ebuzziya Tevfik, **op. cit.**, **passim**.

and considered the counter movement as a danger against the well-being and the very existence of itself instead of a political rival to be challenged. This brought about severe intervention and an extreme preventent delineation of the “other” in political terms which materialised in excluding the counter movement out of the political sphere.

II.2. UNION AND PROGRESS

In 1889, a small group of *Askeri Tıbbiye-i Şahane* (Imperial Military School of Medicine) students have been gathering in secret meetings for founding an organisation that could lead the Ottoman Empire to establish the mechanisms for animating the principles of freedom, equality and fraternity, but especially freedom had a prominence among these Ottoman intellectuals.

Hence, they have founded the *İttihad-ı Osmani Cemiyeti* (Committee of Ottoman Unity) in the hundredth jubilee of the French Revolution. As the organisation blossomed, it procured a coalition character and later, transformed into *Osmanlı Terakki ve İttihad Cemiyeti* (Committee of Ottoman Progress and Union) with the special emphasis of the new leader of the Committee. Ahmed Rıza was deeply interested on the positivist thought and counselled the members of the Committee to transform the Committee both in the structural and ideological aspect and sealed the ideological framework of the organisation by the motto of “progress in order”. As a matter of fact, he insisted on Auguste Comte (1798-1857)’s ideas for providing a solid basis for the Young Turk movement, condemned revolutionary organisations, such as the Armenian committees, through its positivist rhetoric.⁴⁸

During the reign of Abdulhamid II, democratic reflexes of the society had been crippled and injured by the oppressive police state of Abdulhamit II. Any

⁴⁸ From “Aux Amis de la Paix”, *Mechveret Supplément Français*, no. 159, 2, stated in M. Şükrü Hanioglu, *Preparation for a Revolution: The Young Turks, 1902-1908*, Oxford Univ., Oxford, New York, 2001, p. 39.

attempt against this rule had been punished ruthlessly. In these years of oppression, another organisation which was established in Salonica later got into contact with Ahmed Rıza, and afterwards merged into the *Osmanlı İttihad ve Terakki Cemiyeti* and changed its name to *Osmanlı Terakki ve İttihad Cemiyeti* (Committee of Progress and Union –the CUP-) and changed both the structure and the destiny of the former organisation. This organisation was *Osmanlı Hürriyet Cemiyeti*⁴⁹ (the Committee of Ottoman Freedom).

In the reign of Abdülhamid II, the boundaries of political activity were extremely rigid under his authoritarian regime. Therefore, the opposition had to be organised in secret societies. Thus, the CUP had been deeply influenced from Italian *Carbonari* Movement and its Masonic organisation methods.⁵⁰ Likewise, universal feature of Masonic principles were well-fitting to the rudimentary requirements of the constituent elements within the Empire and facilitating coalitions among different *Millets* through revolution.⁵¹

However, separatist movements within the borders of the Empire became more visible during the turn of the century. Thus, the Armenian secessionist movements became deeply influential over the CUP, because Balkan nationalism was known to the Committee, yet as the *Millet-i Sadıka* (Loyal Nation) Armenian separatism was the solid marker of the end of Ottomanist co-existence. It became visible that co-existence between the christian and muslim subjects of the Empire would not be encountering the feature as a common destiny. Thus, the past experiences of the imperial habitus and governmental technology could no longer be the answer of the needs of a modern state.

⁴⁹ For detailed analysis of the members of the organisation see Akşin, *op. cit.*, pp. 108-111.

⁵⁰ For details see Angelo Iacovella, *Gönye ve Hilal*, Tarih Vakfı Yurt, İstanbul, 1999, *passim*.

⁵¹ Unification of the constituent elements within the Empire (*İttihad-ı Anasır*) was one of the foremost idea among the members of the CUP.

The second powerful group within the CUP was the liberal faction led by Prince Sabahaddin. His de-centralisation and private initiative based political stance had been welcomed by the religious and ethnic entities in regards to their expectations to take part in the political arena. Yet, the separation of two groups, before the Revolution of 1908, who were the speakers of two different social strata, major confrontation of the modern Turkish politics has been eventuated.

The Eastern Question⁵² was the reverberation of the failure of the splitting efforts of the European imperialism over the Ottoman Land. Yet, what would the internal conditions of the Empire reflect? Rosa Luxemburg in search of the determinants of Balkan nationalism considers the decline of the Ottoman state as the leading motive of the Eastern question⁵³, and for her:

(...) [T]he remedy could only have been achieved through a total transformation of economic and social life, through a transition to capitalist forms of production. But there did not exist and do not exist either the basis for such a transformation or a social class which could come forward as its representative. The 'repeatedly granted reforms' of the Sultan could obviously not obviate the difficulties, since they were necessarily no more than further juridical innovations, which left social and economic life undisturbed, and often simply remained on paper, since they were opposed to the dominating interests of officialdom."⁵⁴

Turkey cannot regenerate itself as a *whole*. From the outset, it consisted of several different lands. The stability of the way of life, the self-contained nature of provinces and nationalities had disappeared. But no material interest, no common development had been created which could give them internal unity. On the contrary, the pressure and misery of jointly belonging to the Turkish state became ever greater. And so there was a natural tendency for the various nationalities to escape from the whole, and instinctively to seek the way to higher social development in

⁵² In the second part of the nineteenth century, diplomacy concerning the Eastern Question dealt for the most part with the Balkan provinces of the Ottoman Empire. While in the past France and Great Britain had been the champions of the Christian *millet*s, in the second part of the century Russia emerged as their rival, with a double advantage. As the majority of the Christian nationalities under the Turkish rule were Slavs or Eastern Orthodox Christians or both, Russia was in a position to utilize religious as well as nationalistic pretexts in her propoganda and diplomacy (Niyazi Berkes, *The Development of Secularism in Turkey*, Mc Gill, Montreal, 1964, p. 224.).

⁵³ Rosa Luxemburg, "Social Democracy and the National Struggles in Turkey", <http://www.marxists.org/archive/luxemburg/1896/10/10.htm>, 10.05.2004.

⁵⁴ **Idem.**

autonomous existence. And thus the historic sentence was pronounced on Turkey: it was facing ruin.⁵⁵

Therefore, Luxemburg was coming to the point, that the Ottoman state would be dissolved not because of a class struggle, but by the common action of the nationalist movements.

In this conjuncture, Germany was in search of new markets and new areas to subordinate since the beginning of the nineteenth century onwards. Other Great Powers of Europe had already march up in colonising the world. So, Germany was tardy, and the closest possibility could be the Ottoman Land which was still the game-field of the European Powers in which none could control solely. Thus, Wilhelm II approached the Sultan by giving economic and military support which would give way to Germany's expansionist efforts such as the Baghdad Railway and military support and reorganisation affairs of the Ottoman army, and the Ottoman Sultan would like to take advantage of this affinity to balance the impact of other Powers regarding the rising power of the Germany. Because along with the German offer of a total military reform which was one of the major projects of the CUP, it was also offering contribution to agricultural reform efforts which seemed vital for the Empire because of its production capabilities and opportunities. Finally, (however, following their own interests in connection with reducing the domination of British and French financial influence over the Ottoman economy) German financial acquiescence had been considered vital for the avaricious Ottoman economy in regards to the general attitude of Wilhelmine Germany, insisting to become stronger militarily as well as economically. "German influence in the empire remained constant until 1908 when it was eclipsed by British influence, but German influence was restored after the defeats of the First Balkan War (1912-1913) and remained dominant until Germany's and her

⁵⁵ **Idem.**

allies' defeat in 1918".⁵⁶

As a matter of fact, with the Anglo-Russian Convention of June 6th 1908, the British and the Russian emperors were coming to an agreement on setting down the influence areas of each empire which reflects the split of the Ottoman lands in Reval. Although the Central Committee of the CUP had chosen the anniversary of Abdülhamit II's accession (September 1st) for the coup, the news spread out from the Reval Meeting was enough to convince the leaders of the Committee that the dismemberment of the Ottoman Empire by the Great Powers was about to commence. So they started the push.

Thus, on July 23rd 1908 with the revolution of the CUP and re-validation of the Constitution of 1876, abrogated by Abdülhamid II for almost thirty years, Turkey entered "the twentieth century". It was a revolution not only in the political life but also in the daily life of the ordinary people and contemporaries were aware of the fact that this event was a metamorphosis of a society and alteration of their lives in many respects especially for those who live in cities and towns and have great annoyances from the undergone system for about thirty years.

Under the police state of Abdülhamit II, publication was heavily censored and restricted. Yet, following the Revolution, in one day, censorship was lifted. Different political and cultural attitudes uttered by newspapers, magazines and pamphlets, spread all over the streets. Feroz Ahmad formidably conveys the very first days of the Revolution in depicting the popular demonstrations in acquiescence of the new regime and the return of the political exiles to the capital in the hope of carving out political careers for themselves, in addition to draw their attempts to refashion society by borrowing more freely from the West than ever before.⁵⁷ Moreover;

(...) Meanwhile, politics were in a limbo and the outcome far from certain. The sultan was viewed with suspicion by almost everyone

⁵⁶ Ahmad, *op. cit.*, p. 5.

⁵⁷ *Ibid.*, p. 32.

in the Young Turk élite. There was a healthy respect for his cunning and awareness that he would not become a constitutional monarch out of his own volition. Despite 30 years of despotism, Abdülhamid II had managed to retain the aura of a benevolent ruler who had bestowed a constitution upon his people when the time was ripe. The Young Turks expected him to fight to retain his power and they knew that he had the charisma of the sultan-caliph to do so.⁵⁸

The high bureaucrats, the pashas of the Sublime Porte, who had risen to power during the *Tanzimat* period only to be overshadowed by the Palace until 1908, were convinced that they alone were capable of making the constitutional regime work. They thought that the constitution, while curbing the sultan's absolutism, gave them the monopoly of power through their control of the cabinet which one of their number would lead as grand vezir. They also intended to maintain their hegemony by controlling the legislative assembly and the senate. Elections for the assembly were conducted through the indirect two – tier system in which deputies were elected by electoral colleges which were the domain of local élites. Moreover, the pashas believed that their modern, Western education, their knowledge of Europe and her languages, gave them the tools necessary to take Turkey into the modern world. Besides, they alone had the trust and confidence of the European embassies, especially the British, without whose active co-operation the new regime was bound to fail. Such was the sense of confidence and the social arrogance of the pashas that they did not conceive of any other group daring to challenge their authority.⁵⁹

During the first days of the Revolution, the CUP could/would not be able to exercise the government in regards to its contradictory character with the ongoing patriarchal provisional administration of the Abdülhamit II. Likewise, the sultan was sustaining his political ponderosity over his subjects. As the CUP was organised in *Rumeli*, proclamation of re-validation by the Committee was prevailing for the Balkan Land. However; Abdülhamid II proclaimed the *Meşrutiyet* in İstanbul, Anatolia and the Arab countries. Thus, the CUP had to consent the continuance of his reign for nine more months.⁶⁰ During this superintendence reign of the CUP, the Committee did

⁵⁸ **Idem.**

⁵⁹ **Idem.**

⁶⁰ Sina Akşin, “Siyasi Tarih (1908-1923)”, *Türkiye Tarihi Vol. 4: Çağdaş Türkiye (1908-1980)*, Ed. Sina Akşin et. al., 7th Ed., Cem, İstanbul, 2002, p. 27.

not directly enter into the government, yet, instructed the policies to be followed by the governments comprised by the high-rank bureaucrats of the former regime-the Power Control regime of the CUP*.-.

As seen in other parts of the world and in other periods of history *petit-bourgeoisie* appeared as a redemptive estate in this period. Through education, Ottoman intellectuals considered the possibility of filling the lack entrepreneurship in their society. Hence, the conductors of this bourgeois-bureaucratic reform would be the *petit-bourgeois* elements. Thereby, as being the constructive element of it, *petit-bourgeois* as an educated estate felt the necessity of advancement in modernisation, due to the need of the survival of the Ottoman state. Here, the role of modern education had an ultimate relation in spreading of collectivist nationalistic thoughts and incipient anti-imperialism. This unswerving determination could be considered viable for the perceptions of the leaders and the reign of the CUP which had generated the leaders of the newly established Republic due to a bifurcation within the organisation.⁶¹ Thus the story of the CUP did not come to an end with the defeat in the World War in 1918, but continued to survive during the years of the National Struggle and the first two decades of the new Republic.

* The term belongs to Akşin, see footnote 200.

⁶¹ Mete Tunçay claims that the ideology of the War of Independence is anti-imperialist without being anti-capitalist, and during the War, it was being run after the political salvation without taking the economic relations into consideration. At this point, anti-imperialist means; domestically to possess the ability of making decisions in a patriotic fashion through not allowing foreign intervention to the domestic affairs (Mete Tunçay, *Türkiye Cumhuriyeti'nde Tek Parti Yönetimi'nin Kurulması (1923–1931)*, Yurt, Ankara, 1981, p. 185.).

CHAPTER III

*Utopia and reality are thus
the two facets of political science.
Sound political thought and sound political
life will be found only where
both have their place.⁶²*
E.H. Carr

THE OTTOMAN ECONOMIC LITERATURE

III.1. BEFORE THE TANZİMAT

III.1.A. The Household Management

In the mentality of the medieval ages, economic cast of mind was limited, and the old *Nizam* was the ideal order that has been assigned by God, and the elements of the *askeri* were dominant in the administration of the state, albeit the economic classes of the society (*reaya*, artisans and tradesmen).⁶³ Both in the world of Christianity and Islam, within the context of the ideal form, there would have been a sovereign, ruling in the name of god, and a ruling élite of civilians, soldiers and ecclesiastics, aggregated by an alteration from their classes, govern the social classes due to the medieval turn of mind. These classes were in a state of quiescence, and a change would not be welcomed, because it would be the indication of disruption.

⁶² Edward H. Carr, *The Twenty Years Crisis 1919-1939: An Introduction to the Study of International Relations*, Macmillan, London, 1949, p. 10.

⁶³ Berkes, *Türk Düşününde Batı Sorunu*, pp. 18-19.

Thus, before the *Tanzimat*, economics as a discipline and economic thought had been embedded within the universe of Ottoman political thought. For centuries, the Ottoman statesmen were fail to leap a new conception of economics depending upon increasing the productivity in a given land, instead of an economics fundamentally based on war and taxing activities, rather they sticked to the idea of returning to the old *Nizam*.⁶⁴ Because, the Ottoman system did not give way for the improvement of social classes in strength, and for the establishment of class-based new structures, which would be odd for the Ottoman ruling élite.⁶⁵

Until the nineteenth century; economics had never been a course that is to be tackled in the educational system of the Ottoman world. Naturally, the limited literature endured within the contextual framework of ethical state and family administration, and it had been considered under Aristotelian “classification of sciences”. Therefore, the Ottoman *Medrese* (University) hired the understanding of *İlm-i Tedbir-i Menzil* (the science of household management) as a direct translation of *Oeconomia*;^{*} meant only the practical wisdom of household management in Greek thought, even where most abstract, always revolved around the concrete problems of human life that always centred in the idea of the Hellenic city-state, the *polis*, which was to the Greek the only possible form of civilised existence.⁶⁶

In the Aristotelian understanding there were two different ways of earning money, the obligatory and acceptable way and the commercial way that stands on exchange, and, in which due to its unnatural character and comes up by interchange among men, would be righteous to be reprobated. In a

⁶⁴ Şerif Mardin, “Tanzimat’tan Cumhuriyet’e İktisadi Düşüncenin Gelişmesi (1838-1918)”, *Tanzimat’tan Cumhuriyet’e Türkiye Ansiklopedisi*, Vol. 3, İstanbul, 1985, pp. 618-619.

⁶⁵An important observation at this point need to be stated. Yalçın Küçük overemphasise the role of struggle over theoretical cogitation. For him, “in the ether of tardiness, internal struggle can be truncate and do not endure long. Thus, before the accumulation of teeming theoretical upgrowth, being localised and driven out of the laboratory of history” (Yalçın Küçük, *Aydın Üzerine Tezler-2 (1830-1980)*, Tekin, İstanbul, 1984, p. 62.).

* It is a compound word joining the words *oikos* (house) and *nomos* (law or rule).

⁶⁶ Joseph Schumpeter, *History of Economic Analysis*, Oxford Univ., Oxford, New York, 1954, pp. 53-54.

different assertion, in contradiction with *Oeconomic* value there are namely *chrematistic* activities, videlicet, actions appendant to exchange value. For the house management, real assets is the provision and supply of use value which would have a natural limit, where as the exchange value relating to procure the exchange values and accumulating money, and these have no limits. Hence, Aristo puts the house and the market over against each other. Therefore, *Oeconomia* (material economy) would have an ethical essence and for the sake of justice there should be a balance, equity in the needs to be exchanged. Instead of an artificial price he was in search of a just price and a principle of a cost price.⁶⁷

Parallel to this, distinctive mind of Ottoman *Medrese* during the sixteenth century, *Kınalızade Ali* (1510-1572) in *Ahlak-ı Alai* (Ethics of Ali) inherited the Aristotelian understanding of *İlm-i Tedbir-i Menzil*⁶⁸ and Aristotle's contextual framework of classification of sciences.⁶⁹

III.1.B. The Mercantilist Tradition

As Kohn states;

(...) The expulsion of the Turks from Central Europe and the extinction of the Spanish Habsburgs, the last dreamers of a Christian world empire, at the end of the seventeenth century marked the definite end of medieval universalism -of Christianity-. In the transitional age of etatism the state emancipated itself by secularization and found a new basis for its actions in the rational principles of the *raison d'etat*.⁷⁰

⁶⁷ For this paragraph the author largely benefitted from İşaya Üşür, "Ekonomi Politik: Zarif Mezar Taşları?", http://www.bagimsizsosyalbilimciler.org/Yazilar_BSB/IktisatveToplum_IsayaUsur.pdf.

⁶⁸ *Taşköprüzade Ahmed Efendi*(1495-1561) and his work *Mevzuat-ı Ulum* (Conceptual Framework of Sciences) can also be stated within the same context.

⁶⁹ Z. Fahri Fındıkoğlu, *Türkiye'de İktisat Tedrisatı Tarihçesi ve İktisat Fakültesi Teşkilatı*, İstanbul, İktisat Fakültesi İktisat ve İçtimaiyat Enstitüsü, İstanbul, 1946, p. 11; Mardin, *loc. cit.*, p. 625.

⁷⁰ Hans Kohn, *The Idea of Nationalism: A Study in Its Origins and Background*, Macmillan, New York, 1956, p. 188.

Thereon, for the practical requirements of the emerging secular bureaucracy, a new set of work by administrators and academics eventuated first in Italy, later in north-western Europe and this literature is being called mercantilism in general and cameralism in German lands.⁷¹ Mercantilism was taking the accumulation of gold and silver as the most important form of national wealth. Although, state power and stability were common to all European mercantilists, the idea of mutual gain from trade was yet to be discovered. Instead, the common understanding was to assume that wealth was a static total, or practically so, which meant, more trade for a state would mean less profit for the others', and international trade was characterised by monopolies, closed markets, semi-public companies, smuggling, and piracy.⁷² Thereat, *chrematistic* was obtruding *Oeconomicus* –in Aristotelian sense- or exchange value was bouncing use value, wealth (money) was ascending household so wealth and its acquisition as the new question of the discipline had raised.⁷³ “Wealth is barely substantiated money (represented by silver and gold). The way money (treasure/wealth) would be collected by trade as an *occupation*⁷⁴.”⁷⁵ Trade in the understanding of the period was not only in the sense as it was in ancient Rome or feudalism, it is also an occupation/employment, hence a division of labour, which is production of goods for selling in the market and accumulation of capital (stock) for anew profiting, namely, mercantile capitalism.⁷⁶

At this point, economics as a discipline experienced a brake up from the classical classification of sciences and its effort on answering concrete problems of human life. This new way of analysis tend to focus on collectivities instead of individuals; “maximizing *state* power and wealth was the best means of ensuring *public* welfare. *Raison d'état*⁷⁷ became a central

⁷¹ Martin C. Spechler, “Economics and Nationalism”, *Encyclopedia of Nationalism*, Volume I, Academic, San Diego, San Fransisco, p. 220.

⁷² **Ibid.**, pp. 220-221.

⁷³ Üşür, **op. cit.**, pp. 4-5.

⁷⁴ Italic belongs to the writer of the article.

⁷⁵ **Ibid.**, p. 5.

⁷⁶ **Idem.**

⁷⁷ Italics belong to the editors.

economic principle, and state interest does and should, determine economics.”⁷⁸ Moreover, it was breaking the chains of medieval provisional economy conception, “which restricted exports of necessities so as to preserve life and order.”⁷⁹

The mercantilist era and theory coincided with the formation of nation-states, thus, apart from the British; French, German, and Russian mercantilist writers had to build their theory also on state-building and unification matters. Such as initiation of domestic customs, taxes and the revenues of the central authority^{80, 81} Because the rising bourgeoisie was in search of unified markets and customs, thus building the autonomous nation-states.

Yet for the Ottomans, mercantilist understanding and its constituting conditions could have never been substantiated, hence the Ottoman *Medrese* did not attend the literature. In fact, its response was stunted to utter the need for a return to the old *Nizam* of demureness and restraint, but any attempt that would alter the social structure which had been disregarded as it would lead to disruption and anarchy. Instead, the Ottoman *Medrese* was ready to rede to the statesmen for the evasion of this state of retrogression, where as all the conditions of such disruption had been matured.⁸²

In the seventeenth century, the Ottoman territorial regime had been totally collapsed, foreign trade had been taken under the monopoly of Western maritime trade companies, in regards to adverse trade balance, the Ottoman land had flatly become a raw material country, for this reason, the Turkish finance which had already shaken by the sixteenth century price revolution

⁷⁸ George T. Crane & Abla Amawi, **Ed.**, *The Theoretical Evolution of International Political Economy: A Reader*, 2nd Ed., Oxford Univ., New York, Oxford, 1997, p. 5.

⁷⁹ Spechler, **op. cit.**, p. 221.

⁸⁰ For example, Jean-Baptiste Colbert (1619-1683)’s (He was the general-controller of French finances during Louis XIV’s reign.) project was to initiate a domestic customs union to direct its taxes to the central authority, yet it was not achieved, and the physiocrats of the following century continued his efforts at national unification, public improvements, and fiscal reform during Louis XVI’s reign. But it was only the French Revolution which broke the power and privileges of the landlords.

⁸¹ **Ibid.**, p. 221-222.

⁸² Berkes, **loc. cit.**, pp. 22-23.

and its financial breakdown started off a drip in its golden reserves abroad, whereby state *esnaf* and *reaya* had been deeply shaken.”⁸³ Yet even in the nineteenth century, economics literature was following the understanding of the twelfth and thirteenth centuries through reprintings of works from those ages.⁸⁴

At the beginning of the nineteenth century, the Ottoman ruling élite along with the repeal of the janissary bureaucracy had noticed the need for the re-organisation. Therefore, they had raised new bodies in order to meet the requirements of the Empire engendered due to increasing relations with foreign drawees. However, it was not relinquish from the old structures of the Empire. On the contrary, there occurred a duality, in which new institutions were the exception. The new part of the central bureaucracy was elevating new ways of relations with Europe and the Europeans. Thence, this new group introducing the “new world” to the Ottoman Court through *seyahatnames* and *sefaretnames* (book of travels and annual diplomatic reports). In addition to these sources, Ottoman merchants who were in Europe for the sake of trade were the alternative means of oozing to the scraps of European economic thought, and finally the fourth source was the *layihas*⁸⁵ of the Ottoman bureaucrats.⁸⁶

Thus, the first cameralist ideas had been introduced to the Ottoman Court with the *sefaretname* and *layihas* of reform written by Sadık Rifat Pasha who was the Ottoman ambassador in Vienna in 1837. In these texts, he was suggesting the need for; abolition of confiscation, determination of square

⁸³ *Ibid.*, p. 23.

⁸⁴ For example Feridun-Al Attar’s *Pendname* (Book of Rede) was eulogising simplicity and poorness and it was merely eight times reprinted in the nineteenth century, and Keykavus İbn-i Kabus’s *Kabusname* (Book of Kabus) was, although espousing licitly procured wealth, disparaging debt and profit, likewise suggesting the individuals to dig in their surplusage money. The reprinting efforts of these works reflect the popularity of these bigoted ideas among the Ottoman intellectuals (see Timur, *Osmanlı Kimliği*, pp. 94-95.).

⁸⁵ These *layihas* were different from the ones being submitted in the seventeenth and eighteenth century. Because the new genre alter by being originated from the *cahiers de doléances* (books of desire) of the Great French Revolution (Ahmed Güner Sayar, *Osmanlı İktisat Düşüncesinin Çağdaşlaşması*, Der, İstanbul, 1986, note 35, p. 179.).

⁸⁶ *Ibid.*, pp. 174-184.

taxes, industrial advancement, giving priority to exportation and the importance of outrival of exports over imports.⁸⁷ In short, this Ottoman bureaucrat had experienced the new form of life in a former rival of the Ottoman state and decided that the Empire had already hindered in overstepping old conceptions and get rid of the distressful habits of the Ottoman bureaucracy and society. Hence, quick steps must have been paced as soon as possible.

With his contribution, the Ottoman bureaucracy was coming from astonishment towards the European civilisation to the point of bringing the ways in which the Empire would be a part of it. Thus, in the first years of *Tanzimat*, the principle of *laissez-faire* was finding a receptive audience among the Ottoman élite and the 1838 trade agreement was crowning this liberal principle.⁸⁸

III.2. AFTER THE TANZİMAT

III.2.A. The Principle of Laissez-Faire and the Liberal Hegemony

As specialisation and trade grew significantly in addition to industry and commerce during the latter part of the eighteenth and in the nineteenth centuries, increasing attention was devoted to the properties of the market system of economic organisation. The nineteenth century science was characterised by a general attitude of reaching objective knowledge of reality

⁸⁷ For details see *Ibid.*, pp. 217-235; Mardin, *loc. cit.*, pp. 622-623.

⁸⁸The framer of the Agreement, David Urquhart was a British diplomat who served in İstanbul between 1825-1835 and published his book *Turkey and Its Resources* (David Urquhart, *Turkey and Its Resources: Its municipal organisation and free trade*, Saunder and Oatley, London, 1833.) which was trying to find opportune answers to the British economy under the Ricardian pessimism by proffering a new geography to the British capital that could perpetuate with Smithian optimism in this untrodden country (from Ahmed Güner Sayar, *op. cit.*, p. 197.). For detailed analysis on Urquhart see Timur, “Osmanlı Devleti, İngiltere ve Rusya”, *Osmanlı Çalışmaları*, pp. 181-210.

based on empirical data. Parallel to this mode of explanation of reality and increasing importance and prestige of natural sciences accompanied to a new tendency of constructing similar scientific theories of the market system.⁸⁹ Thus, economics and statistics came into being as separate disciplines of social sciences.⁹⁰

Beside this objectivity affinity, European thought was still in the influence of seventeenth century metaphysics. In this regard, the concept of inherent harmony had influenced the structure and mechanics of economic organisation.⁹¹ This was a direct reflection of Leibnizian doctrine of pre-established harmony⁹², through which the activities of the independent entities are ordered without requiring the visible and tangible hand of any directing authority. If the world was in such an ethical order, than the economic sphere had to be subjected to this ethical principal of harmony. In the economic field, the harmony could be revealed in the harmony of interests, because any pattern of divergence and clash of interests should be fatal for the rational and moral rule that was created. Therefore, the good of the community had, also, to be the good of every individual and *vice versa*. Thus, the secular intellection based upon natural rights and popular sovereignty executed the harmonisation of “the individual aspect of protection from the state and the collective aspect of a sovereignty based upon the equality of all”.⁹³ Hence, the liberties of the individual and the constitution of the people as a community of equals were claimed on ethical basis instead of

⁸⁹ Scott Gordon, *The History and Philosophy of Social Science*, Routledge, London, New York, 1991, p. 220.

⁹⁰For a brief summary of the advancement of social sciences; The Report of the Gulbenkian Commission on the Restructuring of the Social Sciences, *Open the Social Sciences*, Stanford Univ., Stanford, California, 1996.

⁹¹ **Ibid.**

⁹² “Leibnitz did not simply assert that the world is a harmonious order, he attempted to demonstrate this as a conclusion following rigorously from two primary axioms: (1) the existence of God, a perfect being, who created the world; and (2) the principle of ‘sufficient reason’ – that nothing exists or occurs without a reason and, moreover, nothing fails to exist or fails to occur without a reason.” For this doctrine, “the specific features of the world are in no way accidental, for God himself does not act capriciously. The world cannot be different from what it is, since, given the above axioms, the possibility of alternative forms of existence for the things that actually exist is logically contradictory” (Gordon, **op. cit.**, p. 214.).

⁹³ Kohn, **op. cit.**, p.220.

historical and liberty and property became the foundations of the economic thought. Instead of the mercantilist understanding that is lacking in stimulating the production because of its nature depending on traditional restraints; class discriminations, prohibitions and regulations which hindered the free development of individual property and the optimum utilization of its productive capacity.

With the substantial role of the Scottish Enlightenment, namely Adam Smith and his canonical work An Inquiry into the Nature and Causes of the Wealth of Nations, liberalism reached to a fresh instance. Smith was secularising the natural principles of *laissez-faire*. Hence, his bias coincided the above mentioned accelerating rationalisation attitude of the nation-states. Moreover, his emphasis on the individualist character of wealth was also a laceration for the discipline. His liberal approach applied this assumption to economic theory by building on John Locke's arguments. For him, "men are by nature; all free, equal and independent".⁹⁴ While implementing the assumption, Smith also contributed the theory by upbringing the mechanism of the social harmonisation of interests which is the so-called invisible hand theory⁹⁵.

For him, any attempt to reach a gain by each individual would also lead an utmost realisation of the common interest. Thus, he championed the idea that the well-being of the nation could best be enhanced when individuals were allowed to pursue their private interests by their entrepreneurial endeavours

⁹⁴ John Locke, *The Second Treatise of Government*, Cambridge Univ., Cambridge, 1988, p. 95.

⁹⁵ "(...) as every individual, therefore, endeavours as much as he can both to employ his capital in the support of domestic industry, and so to direct that industry that its produce may be of the greatest value; every individual necessarily labours to render the annual revenue of the society as great as he can. He generally, indeed, neither intends to promote the public interest, nor knows how much he is promoting it. By preferring the support of domestic to that of foreign industry, he intends only his own security; and by directing that industry in such a manner as its produce may be of the greatest value, he intends only his own gain, and he is in this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention. Nor is it always the worse for the society that it was no part of it. By pursuing his own interest he frequently promotes that of the society more effectually than when he really intends to promote it. I have never known much good done by those who affected to trade for the public good. It is affection, indeed, not very common among merchants, and very few words need be employed in dissuading them from it" (Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, Great Books of the Western World No:39, Encyclopedia Britannica, Chicago, London, Toronto, Geneve, 1952, p. 194.).

without restrictions, because for him, the economic activity had two distinct objects; “first, to provide a plentiful revenue or subsistence for the people, or more properly to enable them to provide such a revenue or subsistence for themselves; and secondly, to supply the state or commonwealth with a revenue sufficient for the public services. It proposes to enrich both the people and the sovereign.”⁹⁶

On the other hand, Ricardian contribution was trying to answer the political and economic difficulties of Britain by being aware of the role of political interests behind existing economic policies. In the domestic issues of Britain he made distribution the chief problem in his theory, and tried to find out the true role of the state in determining the proportions of national dividend (or income) among labour, landlords and capitalists.⁹⁷ He knew that landed interests were more subversive to economic progress.

Moreover, for David Ricardo (1772-1823), international economics is not like domestic economics. “A national economy is constrained by finite resources and conflicting interests; the world economy offers untapped avenues of growth and expansion. He does not ponder global exhaustion, a remote possibility in his day. In sum, although Smith and Ricardo differ in methodology—Ricardo's abstract theories contrasting sharply with Smith's narrative style—they agree on the positive results of free trade”.⁹⁸ Yet, with a significant difference. In contradiction with Smith's “absolute advantages” approach, Ricardo was bringing in the “comparative advantages” theory, in which every nation would continue to exist as long as it would be ready to join the international trade over the exchange of the good/s it has comparative advantages over the states that would exchange other good/s. Since, Smith's absolutism was excluding the country which could not be able to produce a good as efficient as Britain, than Britain would have to produce all the goods subjected to foreign trade. However, Ricardian flexibility was increasing the

⁹⁶ *Ibid.*, p. 182.

⁹⁷ John Fred Bell, *A History of Economic Thought*, The Ronald Press, 1953, p. 222.

⁹⁸ Crane & Amawi, *op. cit.*, pp. 56-57.

ability of Britain to intervene to the rest of the world in terms of foreign trade and its complementary institutions.

The contributions of Smith and Ricardo, no doubt played significant part in the evolution of British economic and naval supremacy. They in turn were legitimised to the extent that Britain emerged as the “natural protector of the weaker communities.”⁹⁹ With her free trade and open market policies “she undoubtedly strengthens her hold on the interested friendship of other nations”.¹⁰⁰ “Great Britain, in virtue of her economic strength and the free trade policy made possible by it, was able to exercise in many countries a measure of indirect influence and control which no other Power could have achieved without interference with the political independence of the countries concerned”.¹⁰¹

Thus, the liberal understanding had been introduced to the Ottoman thought firstly through technocrats and diplomats of the European powers. One of the paramount example of this process was David Urquhart. With the impact of Urquhart the Ottomans were embracing the Smithian and Ricardian freer trade understanding which had deeply affected the implementations of the *Tanzimat* period.

Therefore, both Âli and Fuat Pasha, who stigmatised the period by their practices, policies and regulations, were leaving behind their written political wills/testaments also sharing the common *Weltanschauung* of the nineteenth century. These testaments were defining Turkey as an under-developed country and underlining the unevenness of the process she had challenged.¹⁰² Thus, by virtue of the liberal policies which were suggesting

⁹⁹ Highlight belongs to Carr (Carr, *op. cit.*, p.130.).

¹⁰⁰ *Ibid.*, pp. 130-131.

¹⁰¹ *Idem.*

¹⁰² According to Çavdar, “these two documents are in a significant inconsistency, in terms of economic policies. On the one hand, they suggest tariffs as an important instrument of economic policy in order to protect domestic industry, on the other hand they anticipate the application of unbounded liberalism and the principle of *laissez-faire*. Therefore, they were suggesting policies that would be inappropriate in any independent state” (Çavdar, *op. cit.*, pp. 20-32.). Whilst, stating their

the need for specialisation on the production of raw materials and increasing the opportunities and means of exportation, in order to meet the increasing expenditures and diminishing revenues, both Pashas were optimistic in the possible outcomes of the *laissez-faire* economics.

However, apart from the bureaucracy, there would be other attempts to introduce theory of liberalism and modern economics discipline just after two decades from the proclamation of the *Tanzimat*. “Hand written book in 1859 by Sehak *Efendi*, however much brings no alteration in naming the discipline and has called it *İlm-i Tedbir-i Menzil*, the book recounts and introduces J. B. Say’s (1767-1832) views as well as trying to implement them to the problems of Turkish economy.”¹⁰³ Fındıkoğlu states that; “the aim of the writer is to suppress the inaccurate and superfluous knowledge and unsound credo among people over this science which could not be limited to the scientific affinity of the viziers and omniscients. Thus, the book would introduce this science to the people who experience it during their everyday practice.”¹⁰⁴ In addition, the very first translation on economics of Say’s *Catéchisme d’Economie Politique*, comprised the basis of Turkish economic thought.”¹⁰⁵ Hence, these books were in search of a rupture from the old tradition and bring new answers to the economic and political difficulties of Ottoman society; consequently there were close links with the suggestions of the book and the implementations of the statesmen of the *Tanzimat* period.”¹⁰⁶

sincerity with their patriotism Çavdar is misreading these two statesmen in a retrospective and anachronistic way because, independence is a term that would be meaningful where bourgeoisie pursue its rights under the umbrella of a process of nation-state building. These two men were ruling a multi-national empire which has been vastly an agricultural based raw material producer that challenges imperialistic assault of great powers. They were, besides, being close colleagues; share a common understanding of their period that had been characterised by values of liberalism and enlightenment. They were confident about following a path illuminated by science and technology as long as liberal economic policies would lead them to an upper form of life i.e. the “European way of life”. Their modernisation conception can be naive and/or euro-centric, however, as Çavdar admits they would like to see the Ottoman Empire as a member of community of European countries, characterised by capitalist modernisation project (Çavdar, *op. cit.*, p. 42). As a matter of fact, their practices and policy applications were the cornerstones of capitalist development in the Turkish modernisation history.

¹⁰³ Fındıkoğlu, *op. cit.*, p.19.

¹⁰⁴ *Idem.*

¹⁰⁵ Mardin, *op. cit.*, p. 624.

¹⁰⁶ *Idem.*

In 1860, as being more and more conscious of the impact of *haute finance* the Ottoman élite gave way to a British expert, who will later be the first president of the Ottoman Imperial Bank, to prepare a special report on the Ottoman economy¹⁰⁷. Not surprisingly, the report had been written under the Ricardian conception, and the report became influential over the British politicians, financial circles and the Ottoman bureaucracy. Thus, the liberal hegemony continued to reign for several decades.

III.2.B. The End of Liberal Hegemony¹⁰⁸

Homo-economicus and competition based upon deductionist and abstract assumptions of Smithian and Ricardian economics caused initial reactions in France, the United States and Germany. Of particular significance was the challenge presented by the Historicist School of Germany which was highlighting the importance of relativity of social reality and the need for building theories on a social reality dependent base, instead of the universal and absolute claims of liberalism. The collectivist countermovement appeared largely as a reaction to the encroachment of interests and harmed by the pernicious affections of the self regulating market system.

The intellectual controversy that Bismarck's Prussia created originated from Friedrich List's work *The National System of Political Economy*, who made Hamiltonian¹⁰⁹ economic nationalism the footstone of German nationalism. List was of the view that protectionism was the only policy acceptable for the practical needs of Germany. His sympathy for Hamilton was to answer the

¹⁰⁷ (Lord) Vere Henry Hobart, "Reports on Turkish Finances", *Parliamentary Papers*, Vol. 65, No. 2972, 1862 (for a detailed analysis of the report covering both its reasons and results see Emine Kıray, *Osmanlı'da Ekonomik Yapı ve Dış Borçlar*, 2nd Ed., İletişim, İstanbul, 1995, pp. 92-122.).

¹⁰⁸ The Marxist and anti-system movements and criticism towards the liberal tradition will not be figured within the margins of this thesis.

¹⁰⁹ He, who in 1791, being then Secretary of the United States Treasury, made a report to the House of Representatives and instructed to promote the production of essential supplies by using duties, prohibitions, bounties and premiums (Carr, **op. cit.**, pp. 121-122.).

very practical reason that Hamilton had already achieved. “The aim of the economic program of Alexander Hamilton was to free the national government from dependence on the states and to ensure the economic self-sufficiency of America *vis a vis* foreign powers” especially from England.¹¹⁰

As Hamilton did, List was suggesting similar policy prescriptions and means for Germany while underlining the nationalist notions against Britain and once again bringing the economic rivalry to the stage in contradiction with the optimistic premises of the liberal creed. For List, the “thing to be achieved” could not be achieved by any actor other than the British. So, the cosmopolitan interventionism was a unilateralism in a taped package of cosmopolitan multilateralism.¹¹¹ As a matter of fact, it was internationalism rather than cosmopolitanism because the liberal approach was re-mapping the globe, while dividing it into nations and territories over the so-called national interest and the harmonisation of these interests through foreign trade.

¹¹⁰ Liah Greenfeld, *Nationalism: Five Roads to Modernity*, Harvard Univ., Cambridge, Massachusetts, 1992, pp. 441-442.

¹¹¹ As List puts the problem; “(...) The Britons as an independent and separate nation would henceforth take their national interest as the sole guide of their policy. The Englishman, from predilection for his language, for his laws, regulations, and habits, would wherever it was possible devote his powers and his capital to develop his own native industry, for which the system of free trade, by extending the market for English manufactures over all countries, would offer him sufficient opportunity; he would not readily take a fancy to establish manufactures in France or Germany. All excess of capital in England would be at once devoted to trading with foreign parts of the world.

(...) It would be most unjust, even on cosmopolitical grounds, now to resign to the English all the wealth and power of the earth, merely because by them the political system of commerce was first established and the cosmopolitical principle for the most part ignored. In order to allow freedom of trade to operate naturally, the less advanced nations must first be raised by artificial measures to that stage of cultivation to which the English nation has been artificially elevated. In order that, through that cosmopolitical tendency of the powers of production to which we have alluded, the more distant parts of the world may not be benefited and enriched before the neighboring European countries, those nations which feel themselves to be capable, owing to their moral, intellectual, social, and political circumstances, of developing a manufacturing power of their own must adopt the system of protection as the most effectual means for this purpose. The effects of this system for the purpose in view are of two kinds; in the first place, by gradually excluding foreign manufactured articles from our markets, a surplus would be occasioned in foreign nations, of workmen, talents, and capital, which must seek employment abroad; and secondly, by the premium which our system of protection would offer to the immigration into our country of workmen, talents, and capital, that excess of productive power would be induced to find employment with us, instead of emigrating to distant parts of the world and to colonies.” (Friedrich List, *The National System of Political Economy*, in Crane & Amawi, **op. cit.**, pp. 53-54.).

For the Ottoman intellectuals, List's arguments would not be applicable immediately, yet their awareness of the disastrous results of *laissez-faire* economics became apparent in a couple of decades time with the Young Ottoman generation.

After 1860, publication activities advanced on economics discipline as a consequence of the emergence of private newspapers and their columnists. Furthermore, systematic education next to growing relations with Europe and European thought also affected the relevancy to economic issues. At this point, Mehmed Şerif and Münif Pasha are two figures to be cited¹¹². Both writers were writing on economic issues in the newspapers of the respective period.¹¹³

In this conjuncture, a new generation of bureaucrats and/or columnists became more and more influential over the Ottoman thought related to Westernisation and reformation attitudes within the Empire. This Young Ottoman generation was the first opposition to the reign of the Sultan and the movement was in search of a developmentalist programme for the Empire. On economic matters, they were in the view that the economic reformation had to be achieved in each and every field, and the Empire had to find out new ways of development other than finding fresh debts for its expenditures, and they were ready to instigate the Ottomans in shaping domestic merchants, founding domestic banks and establishing sound domestic industrial investments.¹¹⁴

¹¹² Beyond, they were denominating the discipline as *İdare-i Mülkiye* (Administration of State and/or its Properties) in their articles published in *Ceride-i Havadis* (Journal of Tidings) newspaper. Hence, economics was still being taken under the framework of state centered evaluations. Later, whether Münif Pasha endured to write on economic matters in newspapers, he continued his career with the issues on law and philosophy of law and Mehmed Şerif commenced lecturing on economics and continued his articles in the newspapers.

¹¹³ Fındıkoğlu is stating four articles of Mehmed Şerif Pasha published in *Tercüman-ı Ahval* (Cicerone of Circumstance) in 1278: (1) "Ekonomi politik ilminin tarifi", *Tercüman-ı Ahval*, 1278, pp. 74-75; (2) "Bankaların envarı ile tabiatlarına dair", *Tercüman-ı Ahval*, 1278, pp. 84-85; (3) "İtibar-ı Umumi ticarete dair" *Tercüman-ı Ahval*, 1278, pp. 105-107; (4) "İlm-i emvali milliyeye dair mükalemeler", *Tercüman-ı Ahval*, 1278, pp. 119-153 (Fındıkoğlu, **op. cit.**, p. 23.).

¹¹⁴ Mardin, **op. cit.**, p. 626.

One of the foremost impressive of this generation was Namık Kemal (1840-). Indeed, Kemal was known with his political writings and poems, yet he was also writing on economic matters since 1867. His antecedent stance was reflecting his involvement with the *laissez-faire* understanding. Although he had noticed the exploitative character of foreign capital and its entrepreneurial operations in the Ottoman Lands, his rudimentary connection with the discipline was perspicuous in his naive entreaties such as in finding solutions to the lack of capital accumulation by progressing on education, trade and agriculture without bringing the ways in which these practical requirements to be achieved.¹¹⁵ Thus, he was trying to find out recipes without being emanated from the borders of the liberal perception.

As economic problems of the Empire deepened in every decade the liberal creed which was sedentary among the Ottoman intellectuals had been shaken, and the primus representative of this analysis was Ahmed Midhat.

Although the Ottoman bureaucracy and intellectual circles had get in touch with the ideas of cameralism and protectionism, its systematically apology came from Akyiğitzade Musa. Both the writer and his views on economic issues will be tackled in the following chapter. Yet, stating the impact of Ahmed Midhat's over him would be adequate for now. Akyiğitzade shows his respect to Ahmed Midhat as a doyen and states the importance of his works on economic matters.* They were both attaching importance to the Ottoman modernisation through economic policies.

In the last quarter of the nineteenth century, liberalism was reaching its highest theoretical advancement by the contributions of Ohannes *Efendi* and Mehmed Cavid, his student and follower from the *Mekteb-i Mülkiye-i Şahane*. Both were staunch supporters of the liberal understanding. Ohannes *Efendi*

¹¹⁵ Çavdar, *op. cit.*, p. 45.

* Ahmed Midhat, had written the first best-seller of economic literature. His book *Ekonomi Politik* (Political Economy) had been widely acknowledged for its affirmation on the bourgeois mentality and economic modernisation, along with the critique of the living conditions of mediocre men.

was championing the *laissez-faire* principles in his book, Mebadi-i İlm-i Servet-i Milel (Principles of the Science of Wealth of Nations).

As a matter of fact, the ignorance of the Ottoman intellectuals towards Marxism remained constant. Yet, in the establishment of a national economy Marxism had contributed directly through Parvus *Efendi* and affected the Turkist movement. As Berkes quotes that;

“Parvus *Efendi* (Alexander Helphand) shattered a persistent illusion of the Turkish intellectuals. He pointed out that Turkey was not a part of the European civilization and could not become a part of it simply through volition or even by being taken into the European diplomatic concert. On the contrary, Turkey was a target of imperialistic aggression by European capitalism and well along with the way to becoming an area for colonial exploitation. The economic relations between Turkey and Europe were of the nature of the relations existing between the exploited and exploiters. The major question of social revolution was not, therefore, one of a socialist revolution. This had meaning only in the capitalist countries. It was a question of national independence and economic recovery under a democracy that would turn to the people and take measures in terms of a national economy.”¹¹⁶

During the first years of the twentieth century, under the CUP Administration protectionist principles and German economic development experience in building of a *Millî İktisat* (National Economy) became actual. “And nationalism was the main spurt in the making of a national economic model.”¹¹⁷ Thus, the Young Turks discovered "economics" in the early years of the Revolution and mainly during World War I. Before the war, economics was more or less taught in secondary and high schools, but most of the literature then published consisted of word-by-word translations of the classical doctrine preached in Adam Smith's, Leroy Beaulieu's, or Charles Gide's textbooks and economists of a non-classical trend, such as List, Wagner, Schmoller, Philippovich were unknown.¹¹⁸

¹¹⁶ Berkes, *The Development of Secularism in Turkey*, p. 425.

¹¹⁷ Zafer Toprak, “From Liberalism to Solidarism, Ottoman Economic Mind in the Age of Nation State (1820-1920)”, <http://www.ata.boun.edu.tr>, 26. 04.2004.

¹¹⁸ **Idem.**

Millî İktisat had different connotations in the minds of CUP leaders. Gökalp's choice was for a "guild economy", due to his corporatist economic model which was based on small crafts, and Mehmed Cavid never lost his confidence in classical economic theory, and tried hard to reconcile "national interests" with the conceptual framework of the classics.¹¹⁹ "[Kara] Kemal Bey schemed his own national economic model on the rise of a Muslim commercial bourgeoisie. As for Tekinalp, he never shared the corporatist interpretation of nationalism. Rather, he emphasized the large-scale industry of the Industrial Revolution."¹²⁰

As a result, both Akyığıtzade Musa and Mehmed Cavid were the product of the evolution of the economic thought in regards to the material transformation processes and ambitions of the 19th century and their arguments continued to survive and went beyond their life times.

• Ziya Gökalp adjoined List's economic principles to Durkheim's positivism.

¹¹⁹ **Idem.**

¹²⁰ **Idem.**

CHAPTER IV

“It has been impossible to grasp and embrace the modern world’s potentialities without loathing and fighting against some of its most palpable realities.”¹²¹

M. Berman

A MODERN STATE DEBATE IN THE MAKING?

IV.1. PERSONALITIES

In social sciences, every cogitation has its own installation in presenting and making the social reality. Therefore, different argumentations of economics discipline can only be discussed by taking different elements, such as personalities, ideologies, subjectivities as much as empirical and objective controversies, into account. At the point that would be dealing with the personalities of these two intellectuals, it should be stated, that “men make their own history, but they do not make it just as they please; they do not make it under circumstances chosen by them, but under circumstances directly encountered, given, and transmitted from the past.”¹²²

¹²¹ Quoted **from** the preface of; Marshall Berman, **op. cit.**, p. 14.

¹²² Karl Marx, “The Eighteenth Brumaire of Louis Bonaparte” in Karl Marx & Friedrich Engels, *Basic Writings on Politics and Philosophy*, L. S. Feuer, Ed., Anchor, New York, 1959, p. 320. Marx annotate the same idea in German Ideology; “The production of ideas, of conceptions, of consciousness, is at first directly interwoven with the material activity and the material intercourse of men, the language of real life. Conceiving, thinking, the mental intercourse of men, appears at this stage as the direct efflux of their material behaviour. The same applies to mental production as expressed in the language of politics, laws, morality, religion, metaphysics, etc. of a people. Men are the producers of their conceptions, ideas, etc. (...) (<http://www.marxists.org/archive/marx/works/1845/german-ideology/ch01a.htm#a1>, 26. 04. 2003.).

In this context, the term intellectual betokens an evolutionary character in connection with the transformation of the physical, and thus mental conditions of men. In the cradle, intellectuals as social strata were functioning as to produce the certain apprehension to bring about the functionality and legitimation of social formation they were appurtenant to (...)¹²³ Thus, intellectuals were bringing homogeneity and an awareness of the function not only in the economic but also in the social and political fields to a social group which has an essential function in organising the economic production.¹²⁴ Therefore in the medieval ages, their schools were being organised under corporations within the feudal order and with the help of a scholastic philosophy they were both representing and reproducing the feudal structure.¹²⁵

Yet, with the dissolution of medieval institutions and the rising of the capitalist system, generation of a new type of intellectual became visible. It was an obvious result of the capitalist system, with the appearance of an abundance of a specific good, namely “the book”. As the production of book and its printing and distribution affairs has taken the form of a capitalist incorporation during the seventeenth and eighteenth centuries in Europe, then, culture has become subject to mass production and new opportunities and functionalities of the intellectual emerged which had acquired the possibility to survive outside the medieval corporatist system.¹²⁶ Thereupon, the capitalist entrepreneur book writers, book company owners, and book publishers were creating alongside themselves the industrial technician, the specialist in political economy, the organisers of a new culture, of a new legal system, i.e. the intellectual.¹²⁷ However, within the same time frame the Ottoman scholars, who preserved their position in the ruling trinity of the old *Nizam*, were not experiencing the same evolutionary process. Instead, system

¹²³ Timur, *Osmanlı Kimliği*, p. 122.

¹²⁴ Antonio Gramsci *Intellectuals*, <http://www.marxists.org/archive/gramsci/editions/spn/problems/intellectuals.htm>, 10. 05. 2004.

¹²⁵ Timur, *loc. cit.*, p. 122.

¹²⁶ *Ibid.*, p. 123.

¹²⁷ *Idem.*

continued to produce its generations without allowing a major change in their cogitations and conceptualisations, and did not give way to the evolution of the ideology of the state, which was hardened by the Sunni interpretation.

Yet, with the opening of new schools¹²⁸ and dualisation of structures in the nineteenth century, in the imperial centre there occurred a need for a different group of professors that could teach and follow the Western curriculums which would be scrutinised by these schools. The initial requisites other than the foreign specialists have been met by bureaucrats, journalists, columnists and etc. Later, former students have taken the seats in addition to the aforementioned groups. Thus, following the graduation from these schools, the ones that publish books, brochures, articles and comments in daily or weekly journals on matters related to the curriculum's of those schools could be smiled by the Court and appointed as faculty members and others were being allocated to the posts unfulfilled by the *Medrese* graduates and *Alaylıs*°. Due to this, the Ottoman Court was aiming at prescribing and bringing order to the notions and attitudes of these literate and studious generations, who later became the tomb diggers of the old *Nizam*.

As a consequence, discrepancy among the Ottoman ruling strata acquainted the controversy between *Medreseli* and *Mektepli*°, and *Alaylı* and *Mektepli*. The first controversy was among the *Medrese* graduates and the graduates of the newly established laic schools, and the latter was among the upbringings of military apprenticeship and the graduates of military schools established on Western principles.¹²⁹

Both Akyığıtzade Musa and Mehmed Cavid was the product of the above-mentioned process. They both entered to the *Mekteb-i Mülkiye-i Şahane*

¹²⁸ For a detailed analysis of the evolution Ottoman bureaucracy and the role of newly established schools see Carter Findley, *Ottoman Civil Officialdom: A Social History*, Princeton Univ., Princeton, 1989 and the author's previous work; Carter Findley, *Bureaucratic Reform in the Sublime Porte, 1789-1922*, Princeton Univ., Princeton, 1980.

° Military officers raised by virtue of loyalty and lustre -*cursus honorum*.

• The school graduate.

¹²⁹ İlber Ortaylı, *İmparatorluğun En Uzun Yüzyılı*, 6th Ed., İletişim, İstanbul, 2000, p. 247.

(Imperial Civil School)* in the imperial centre of the Ottoman Empire, and both came from places relatively advanced in capitalist relations. The Kazan Land came forth with its Tatar mercantile bourgeoisie in the nineteenth century. Therewith, Salonica was one of the considerable ports of the Empire with its population on foreign trade. Thus, both had attached importance to the role of trade and the production of the material life as a part of their past histories which determined their general character in social, political, and spiritual aspects, whereas at their social existence determined their consciousness.

Hence, with their past histories and the ideas, they became familiar with the intention of subjecting the conditions of material life to change within the Empire. These two men were breathing the same air in the Ottoman Empire. Yet, different relations they were subjected to, which were mediated by the whole fabric of society and by the complex of superstructures, brought about two different men.

Alongside with their differences, these two men had explicit commonalities further than coming from the mercantile capitalist centres and being the graduate of the same higher education institution. Among the Ottoman intellectuals during the turn of the century, positivist approach came into vogue, in connection with the popularity of natural sciences. Positivist thought was bringing a particular view of social science, namely the mechanistic Newtonian science and its methodology. It was an aim of understanding the world by claiming “law-like” generalisations. Besides all its complexity, insisting on this effort of recognising the world by its accepted inherent laws which are universal in their validity were simplifying the recognition, evaluation and understanding the social reality.

* The school is one of the leading institutions in Turkish history and has a special role in the personal histories of both Mehmed Cavid and Akyiğitzade Musa. The School was founded in on December 4th 1854 for the education of future bureaucrats and statesmen. Today it continues to operate in Ankara under the name, *Ankara Üniversitesi Siyasal Bilgiler Fakültesi* (Ankara University Faculty of Political Sciences).

Furthermore, these two writers became teachers on similar subjects as a phenomenon of the habitus of the provisional character of the reign of Abdülhamid II, who was in search of strengthening of his rule in a conjuncture of transformation and chronic financial and economic crises. They were active teachers parallel to their academic studies, yet they were not in a sparkling bureaucratic career despite their remarkable graduation records. As a matter of fact, the conception of economics was newly becoming established as a discipline, and at the royal schools, it was intended to be taught as it was required for the future bureaucrats and officers. Therefore, curriculums of these schools had not been organised with a view to raising economists.¹³⁰ Thus, they tried to introduce the new generations with the discipline and give the appropriate means in finding solutions to the problems in which the future bureaucrats and officers would encounter in their everyday practices. Moreover, the writers were not content with their conventional accountabilities and contributed to build public opinion for the solutions to the economic problems of their society via newspapers, journals and books.

¹³⁰ Ali Çankaya, *Mülkiye Tarihi ve Mülkiyeliler*, Vol. I, Örnek, Ankara, 1954, pp. 3-5.

IV.1. A. A Kazan Turk¹³¹

Akyiğitzade Musa (1865-1923)¹³² was born in Kazan¹³³ (today the capital city of Autonomous Republic of Tatarstan in Russian Federation). In the mid-nineteenth century, religion was the major commonality among the Russian Turks, whom were almost %90 muslim, and it was substituting the nationalist togetherness feeling among these loose peoples living in different[ated] geographies.¹³⁴ The Volga Tatars were the most sophisticated among these in terms of economic and cultural advancement, whom were in a diasporic character and compared mostly to the Jews.¹³⁵ This people was intermediary with the Russian and Turkic economies, from which an arouse of a mercantile capitalist class spread out all over the trade routes of Central Asia.¹³⁶ Therefore, in addition to improvement in transportation facilities and trading activities, as well as the emigration waves of the Crimean Turks as a

¹³¹ In fact, the literature on Kazan Turks in general and Akyiğitzade Musa in particular, is very limited in both Turkish and English. However, the book that had been written by Abdullah Battal-Taymas has a unique character by covering both the life of Akyiğitzade Musa and giving a general overview of Kazan Land (Abdullah Battal-Taymas, *Kazan Türkleri*, Ankara, Türk Kültürünü Araştırma Enstitüsü, 1966.). In addition to Taymas, Hilmi Ziya Ülken's book comprises almost all the information to be gathered on Akyiğitzade Musa's life and his works (Hilmi Ziya Ülken, *Türkiye'de Çağdaş Düşünce Tarihi*, 3rd Ed., Ülken, İstanbul, 1992) and François Georgeon's remarkable work gives an extensive look for the origins of nationalist thought in Turkey and the role of intellectuals came abroad and influenced the political thought and struggle, in the Second *Meşrutiyet* era (François Georgeon, *Türk Milliyetçiliğinin Kökenleri Yusuf Akçura (1876-1935) [Aux Origines du Nationalisme Turc Yusuf Akçura (1876-1935)]*, **Trans.** Alev Er, 3rd Ed., Tarih Vakfı-Yurt, İstanbul, 1999.). Rest of the literature on Akyiğitzade Musa mostly deal appertaining to these first two sources. Thus, the writer largely capitalised from these texts.

¹³² There is a constant disagreement between Hilmi Ziya Ülken and Ali Çankaya regarding the dates that are important for the life of Akyiğitzade. Ülken gives the date of his birth as 1865, however, Çankaya points out the year of 1870. In addition, the disagreement continues for the year of his graduation from *Mekteb-i Mülkiye-i Şahane*. According to Ülken, he was graduated from the school in 1894 and Çankaya gives 1899, but, Ülken's personal friendship with one of Akyiğitzade's classmates leads to the idea that Ülken's date is more accurate and rely on first hand information (for details see Çankaya, **op. cit.**, p. 233 and Ülken, **op. cit.**, pp. 221-222.).

¹³³ In the 17th century, merchant oligarchy of Tatar society transformed into a mercantile bourgeoisie. From the time of Catherine II onwards, this class became the guiding one amongst the Tatar nation, and in the second half of the 19th century, out of all the Turkish and Muslim peoples of the Russian Empire, it was from the Tatars of Kazan that the intellectual and political leaders of the Pan-Turkish movement in Russia arose ("Kazan", *The Encyclopaedia of Islam*, New Ed., Vol. IV, E. J. Brill, Leiden, 1978, p. 849.).

¹³⁴ Georgeon, **op. cit.**, p. 8.

¹³⁵ Alexandre Benningsen & Chantal Lemercier-Quelquejay, *Histoire des Mouvements Nationaux chez les Musulmans de Russie, I, Le "Sultangaliévisme" au Tatarstan*, La Haye, Paris, 1964, p. 42, stated **in Idem**.

¹³⁶ **Ibid.**, pp. 8-9.

result of the annexation of Crimea by the Russian Empire and Crimean and 1877-1878 Russo-Turkish wars, associated these Russian Turks one another and with the Ottoman Empire.¹³⁷

In the last quarter of the nineteenth century, Turkic intellectuals came to the Ottoman Empire in increasing numbers, among whom the Azerbaijanis were leading, and Crimean and Kazan Tatars were following the former. Both groups were escaping from the autocracy of Alexander III and his Russification policies.¹³⁸ Most of them had been educated in Russo-Tatar secondary schools, gymnasiums or Russian universities, and by being among the Turkic bourgeoisie, they were close to the Russian bourgeoisie with a consequential difference; they were in destitute of political power and even humbled.¹³⁹ Yet, in the Ottoman Land, they were among the domineering *Millet*, and with their higher qualifications, they had easily integrated to the Ottoman élite, and in their new posts they considered themselves in problem solving statuses.¹⁴⁰

In this conjuncture Akyiğitzade's family was from a village named Kabil which is close to the city of Penza. His father Mehmet Can *Efendi* was a public officer in a governmental institution.¹⁴¹ Therefore, he has taken his both sons Musa and Hasan to Penza, for giving them the opportunity to obtain modern education in the Penza Russian Gymnasium.

After his graduation in 1885, Musa arrived to Kazan where his first book, Hisamüddin Molla, was published.¹⁴² According to Taymas, the story was about the social life of the Kazan Turks and opened a new genre because of

¹³⁷ **Idem**

¹³⁸ **Ibid.**, p. 11.

¹³⁹ **Ibid.**, p. 12.

¹⁴⁰ **Idem.**

¹⁴¹ He was working at Davrenski Apeka (An institution for the protection of children and the weak).

¹⁴² As much as the shortage of knowledge and work on Akyiğitzade's life, each source refer different dates. For example, according to Levend it was in 1886 (Agah S. Levend, *Türk Dilinde Gelişme ve Sadeleşme Evreleri*, 3rd Ed., TDK, Ankara, 1972, pp. 294-296, stated in Necip Hablemitoğlu, *Çarlık Rusyası'nda Türk Kongreleri 1905-1917*, Kırım Dergisi Tarih Araştırmaları Serisi No 1, Ankara Univ., Ankara, 1997, p. 32.).

its characters' originality.¹⁴³ Taymas tells that the hero of the book has great distaste for customs and the system that Kazan Turks are subordinated to, and the object of the book was to underline the ardour for education and emancipatory power of modernisation.¹⁴⁴ Therefore, it is to be said that Akyığıtzade Musa was a man of modern concepts from the beginning.

After his first attempts in Kazan, he decided to go to İstanbul for obtaining his university degree. Thus, he had entered *Mekteb-i Mülkiye-i Şahane* by a special permission of Abdülhamit II, without taking any examination,¹⁴⁵ probably because of the Sultan's pan-Islamist policy towards Muslims living outside of the Ottoman land.¹⁴⁶

During his life in İstanbul, following his graduation from *Mekteb-i Mülkiye* in 1894, he was appointed to *Mekteb-i Fünun-ı Harbiye-i Şahane* (Royal School of War Sciences) infantry and cavalry divisions as teacher of Russian language and for veterinary officers, teacher of economics (ilm-i Servet-The Science of Wealth-). Meanwhile, he was employed in Sirkeci customs as an inspector of published materials. Beside his bureaucratic career, his first book *Avrupa Medeniyeti'ne Bir Nazar* (A Glance at the European Civilisation) had been published in September 21st 1897. In this book, his main argument was that the civilisation of Islam, depicted from the verses of Koran and Hadiths (the study of Prophet Mohammad's) of the Prophet, is the saviour of Europe from the barbarism and ignorance of the middle age.¹⁴⁷ Thus, the book was aiming at facilitating to espouse Western conceptions and institutions by the Ottomans regarding to the moulding impact of Islam over these conceptions and institutions.

¹⁴³ Battal-Taymas, *op. cit.*, p. 134.

¹⁴⁴ *Ibid.*

¹⁴⁵ Çankaya, *op. cit.*, p. 233.

¹⁴⁶ The literature on pan-islamism is extensive, and for a brief definition see Lewis, *op. cit.*, pp. 334-337.

¹⁴⁷ Musa Akyığıtzade, *Avrupa Medeniyetine Bir Nazar*, **Transcribed** by S. Uysal, Türkiye Diyanet Vakfı, Ankara, 1996, p. 2 (The book is now available. *Türkiye Diyanet Vakfı* (Religious Affairs Foundation of Turkey) transcribed and reprinted the book in 1996.).

The very next year (1898/1314) he was publishing his second book İktisat Yahut İlm-i Servet: Âzâde-gi¹⁴⁸ Ticaret ve Usul-i Himaye (The Economics or Science of Wealth: Free Trade and the Principle of Protectionism) in which he was annotating List's protectionist approach by using an argumentative wording.* This book was heralding and supplementary to his second book, İlm-i Servet veyahut İlm-i İktisat (The Science of Wealth or The Science of Economics) published in 1316.

The first chapter of İlm-i Servet veyahut İlm-i İktisat as being the major work of Akyiğitzade, was dealing with the historical evolution of Western economic thought stemmed from Ancient Greek and Roman thoughts while comparing them with the Islamic tradition.¹⁴⁹ Moreover, Akyiğitzade in this book was stating the importance of the rupture in the economic thought and policies in the eighteenth century, because with the eighteenth century, rationalism and capitalist development and their principles became decisive in each and every field of sciences.¹⁵⁰

Following the proclamation of Second *Meşrutiyet* and as the oppressive rule of Abdülhamit II came to an end, there occurred a blossoming of civil societal institutions such as journals, papers and associations everywhere in the Ottoman land and in accompaniment with this, Akyiğitzade Musa also started publishing a newspaper named Metin. It was one of three newspapers that editorial boards and issues had been united under the name Üç Gazete (Three Newspapers). The first issue of the newspaper was dated August 29th 1324 (September 11th 1908). Yet, their journey did not last long.¹⁵¹

¹⁴⁸ The term âzâde-gi means unrestraint and free (Ferit Devellioğlu, *Osmanlıca-Türkçe Ansiklopedik Lûgat*, 19th Ed., Aydın, Ankara, 2002, p. 57.).

* The only topic that Akyiğitzade did not agree with List was about List's insistence on industrialisation. At this point, Akyiğitzade reminds the role and importance of total development in the Ottoman Empire on both industrialisation and agricultural infra-structure (Ülken, **op. cit.**, p. 226.).

¹⁴⁹ Akyiğitzade Musa, *İlm-i Servet veyahut İlm-i İktisat*, Mekteb-i Harbiye, İstanbul, 1316, p. 5-7.

¹⁵⁰ **Ibid.** P. 8-11.

¹⁵¹ In Milli Kütüphane (National Library) archives only sixteen different issues of this newspaper could be reached and the last issue was dated September 14th 1324 (September 27th 1908 Sunday) as number 17. The missing issue is number 15. However, number 14 had been published on September 12th 1324 (September 25 1908 Friday) and number 16 had been published on September 13th 1324 (September 26 1908 Saturday) which is the very next day. Therefore, it seems that instead of a

Besides, Akyiğitzade was also in the group that established one of the earliest Turkish nationalist groups of Ottoman Empire, that is to say, *Türk Derneği* (Turkic Association)¹⁵². In the relevant period, among the Turkic intellectuals living in and outside of the boundaries of Russia, in identity and consciousness building benefiting from their religious notion perceived to be more unitive¹⁵³. Already, Akyiğitzade's first book *Avrupa Medeniyeti'ne Bir Nazar* can also be appraised in this context. Yet, it was subject to change.

(...) [P]an-Turkist ideas found little acquiescence among the Young Turk groups in exile, and such occasional expressions of them as Akçuraoğlu Yusuf's famous article Üç Tarz-ı Siyaset (Three Kinds of Policy) were either disregarded or refuted. The Young Turks were dedicated to the idea of the union -or association- of the Ottoman Empire, and Ottomanism, rather than Turkism, remained their official credo after the 1908 Revolution. But the march of events was leading in another direction.¹⁵⁴

The loss of *Rumeli* and ongoing unrest among the Albanians and the Arabs paved the way for the improvement of the pan-Turkist movement. Therefore, *Türk Derneği* had been established on 12 Kanun-ı evvel 1324 (December 25th 1908)¹⁵⁵ and began to publish a monthly journal named *Türk Derneği Dergisi* (Journal of Turkic Association) and Akyiğitzade had written for the journal. In the second issue of the Journal, his article *Kazan Tatar Şivesinde Darb-ı Meseller* had been published. In this article, parallel to the aim of the Association, he tried to prove that Ottoman Turkish and Kazan Turkish have

missing issue the publishers had been mistaken. It is possible because there are two issues numbered 7 but there is not any number 8 and both are different copies. Furthermore, each follows one another in date as well.

¹⁵² According to Akçura, it was the very first association in Ottoman history that established on the basis of Turkish nationalism. The association was aiming at studying history, language, ethnology, civilisation and geography of Turks. Among its founding figures, there were writers, historians and high rank bureaucrats. For the full list of founders and text of second article of the charter of the association that expresses the main target of the association see Yusuf Akçura, *Yeni Türk Devletinin Öncüleri: 1922 Yılı Yazıları*, Kültür Bakanlığı, Ankara, 1981, p. 189.

¹⁵³ For the readers on Turkish political thought, in addition to Akçuraoğlu Yusuf and Akyiğitzade Musa, Musa Carullah Bigi and İsmail Gaspirinski can be the first examples to be stated.

¹⁵⁴ Lewis, *op. cit.*, p. 343.

¹⁵⁵ Masami Arai by quoting from Tevetoğlu (Fethi Tevetoğlu, *Müftüoğlu Ahmet Hikmet*, Ankara: 1986, p. 80.) gives January 6th 1909, considering the stamp of the association centre (Masami Arai, *Jön Türk Dönemi Türk Milliyetçiliği*, 2nd Ed., İletişim, İstanbul, 2000, p. 23.).

similarities in suffixes, idioms and words in a detailed fashion by giving two Kazan proverbs as examples.

Following the Revolution of 1908 and the initiation of the CUP reign, in 1910 his classes had been taken¹⁵⁶ and he was sent to İzmir and Hama, later he was appointed *kaymakam* (local governor) to Adilcevaz, Hoşap and lastly Çapakçur. As the Russian army approached to Sivas, he went back to İstanbul. There, he was nominated curator to the Katanoff Oriental Library where he was retired. He died in 1923 in the first days of the salvation of İstanbul.

Akyiğitzade, as a man of modern concepts and as the follower of the idea of nationalism, has a significant character in the apprehension of the modern economic concepts in the late Ottoman era. His consciousness on history and his optimism in building a modern and developed capitalist society expose his allegiance to the values of Enlightenment.

IV.1.B. A Man From Salonica

Mehmed Cavid¹⁵⁷ was one of the most important figures of the Second *Meşrutiyet* period; considering his career, personality and intellectual work. He is the son of *Recep Naim Efendi*, a merchant from Salonica who died when young Mehmed Cavid was ten years old.

There exists an important amount of work that indicates the importance of the origins of Mehmed Cavid. They underline that; Mehmed Cavid was a freemason as many of the leading figures of the CUP. Therein, the CUP of

¹⁵⁶The Ministry of Mehmed Cavid concur with the loss of Akyiğitzade's classes in *Harbiye*, yet the writer of this thesis could not find any clear evidence that connects Mehmed Cavid with the loss of Akyiğitzade's classes.

¹⁵⁷ Ali Çankaya gives the year as 1875. However, Mehmet Zeki Pakalın's remarkable work (Mehmet Zeki Pakalın, *Maliye Teşkilatı Tarihi (1442-1930)*, Maliye Bakanlığı Tetkik Kurulu Yayını No: 1977-180/IV, Başbakanlık, Ankara, 1978.) gives the date as 1876 (1292).

Salonica was different from the Young Turk organisation in Paris. Another aspect is that; in the 1900's Salonica was a city that has a population of about 140 000 of whom 80 000 are Spanish Jews and 20 000 of the sect of Sabetai Sevi or crypto Jews¹⁵⁸, who externally profess Muslim faith and Mehmed Cavid was an descendant of Osman *Baba (Ağa)* and therefore leader of the *Karakaş* order.¹⁵⁹ Yet, due to the theoretical stance of this thesis; attaching importance to religious structures in analysing the political and ideological attitude of Mehmed Cavid is to be rejected. Therefore, his *Dönme* origin will not be evaluated as a key to understand his writings. In addition, his sincere expression in his diary for his son reflects his attitude towards any kind of religious belief. "Your father has no belief in any kind of religious creed but has a respect for all".¹⁶⁰ Nevertheless, the stamp of Salonica and the social status of his family had been quite influential over his state of mind.¹⁶¹

Following his graduation from *Şemsi Efendi Mektebi* in Salonica, Mehmed Cavid had continued his education in İstanbul *Mülkiye İdadî* (Administrative High-School) where he met his lasting friend and classmate Hüseyin Cahit (Yalçın)¹⁶². Later, he entered *Mekteb-i Mülkiye-i Şahane* and graduated from this school in 1896 (Rumi 1312). After a short bureaucratic career in *Ziraat Bankası* (The Bank of Agriculture),¹⁶³ he started to build his career in *Maarif Vekaleti* (Ministry of Education). His first post was at the department of statistics.¹⁶⁴ Thereon, in 1898 he started to teach *İlm-i Servet* and Finance in

¹⁵⁸ That are called *Dönme* (converted).

¹⁵⁹ John Freely, *Kayıp Mesih: Sabetay Sevi'nin İzini Sürerken*, Remzi, İstanbul, 2002, p. 267.

¹⁶⁰ The expression of the diary is quite convincing because, the style of the diary brings an impression that it had been written in a fashion not to be read by foreign eyes. Thus, the mere problem could have been occurred by the intervention of the editor (Şiar Yalçın, **Ed.**, *Şiar'ın Defteri: Eski Maliye Nazırı Cavid Bey*, İletişim, İstanbul, 1995, p. 18.).

¹⁶¹ For a comprehensive analysis of the social structure of Salonica over the CUP in general see İlhan Tekeli & Selim İlkin, "İttihat ve Terakki Hareketinin Oluşumunda Selânik'in Toplumsal Yapısının Belirleyiciliği", *Türkiye'nin Sosyal ve Ekonomik Tarihi (1071-1920): Social and Economic History of Turkey (1071-1920)*, Osman Okyar & Halil İnalçık **Ed.**, Meteksan, Ankara, 1980, pp. 351-382.

¹⁶² According to his diary, in 1890, when he came to İstanbul, he has newly finished his first year at high-school (Yalçın, **op. cit.**, p. 36.).

¹⁶³ Appointed on 12 Teşrin-i sani 1312 (November 24th 1896) (Pakalın, **op. cit.**, p. 237.).

¹⁶⁴ He is the writer of the very first book on statistics published in 1325 (1909), but written in 1318 (Mehmed Cavid, *İhsaiyat*, 1325 –National Library catalogue: 1973 A 41.).

Ayasofya Merkez Rüşdiyesi (Hagia Sophia Secondary School) and *Yüksek Öğretmen Okulu* (Teacher's Training School). In 1902 he was dismissed from the Ministry, because of his comments on the tax of *aşar*¹⁶⁵ (tithe), where he had become secretary of the bureau of primary education.

In the very same year he went back to Salonica and became the headmaster of *Mekteb-i Tefeyyüz* (*Feyziye Mektebi*) where he graduated. The school had been promoted to high-school from elementary. There he taught economics, economic geography and ethics and law.¹⁶⁶

During the years in Salonica, he took part in the foundation of *Osmanlı Hürriyet Cemiyeti* which later merged into *İttihad ve Terakki Cemiyeti*. In the first years of his underground activity, the Committee commissioned him to negotiate and persuade different Macedonian committees to join to the Committee.

In 1908, following the Revolution, he was elected member to the delegation of the CUP to meet the sultan, and soon afterwards, in the first and second terms of the Meclis-i Mebusan (The House of the Representatives) elected deputy for Salonica (December 17th 1908-January 18th 1912/April 18th 1912-August 5th 1912)¹⁶⁷ and subsequently *Biga* (*Çanakkale*, May 14th 1914-December 21st 1918), and following his membership to the parliamentary commission of finance, he became the Minister of Finance from June 26th 1909 onwards in the cabinets of Hüseyin Hilmi Pasha and İbrahim Hakki Pasha. He resigned from this post in May 9th 1911, and became the minister of *Nafia** in Sait Pasha Cabinet in February 18th 1912. Later, after the resignation of Nail Bey, once again he took over the Ministry of Finance in

¹⁶⁵ Ahmet Demirel, "Cavid Bey (Maliyeci)", *Yaşamları ve Yapıtlarıyla Osmanlılar Ansiklopedisi*, Vol. II, Yapı Kredi, İstanbul, 1999, pp. 336-337.

¹⁶⁶ Türk Ansiklopedisi, Vol. X, MEB, Ankara, 1960, p. 37.

¹⁶⁷ For the appointment and resignation dates the writer had largely benefitted from Mehmet Zeki Pakalın's and Deniz Karaman's works (Pakalın, *passim.*, Deniz Karaman, *Cavid Bey ve Ulum-ı İktisadiye ve İçtimaiye Mecmuası*, Liberté, Ankara, 2001, *passim.*).

* The Ministry of Public Works.

May 1912.

Following Said Pasha Cabinet's resignation in July 16th 1912, he escaped from the Ottoman land in November 1912, due to the arrest order of Kamil Pasha Cabinet for the leading members of the CUP. His and Hüseyin Cahid Yalçın's return in April were warmly welcomed both in Salonica and later in İstanbul.* After the inauguration of the third period, he became the Minister of Finance in March 10th 1914, in Sait Halim Pasha Cabinet.

Yet, due to his disapproval of the entrance of the Ottoman Empire to the World War, he once again resigned from this post in November 5th 1914. It was a necessity for the perpetuality of his credibility, because one of the provisions of the debt agreement with the French was mandatory on the prohibition of the employment of these sources on war expenses. Although he resigned from the Ministry, he was considered to be the man behind the curtain on financial matters during the years of war.*

As his role became overt and in reply to Talat Pasha's request he came back to the Ministry in February 10th 1917 and continued in Ahmet İzzet Pasha's Cabinet in October 14th 1918. Later, he was among the members of the *Düyun-u Umumiye Türk Dainler Vekilliği* (Turkish Debtors' Vicegerency Council) for a very short term.

Then, along with the escape of Enver, Talat and Cemal Pashas he was objected to the revulsion towards the former CUP leaders. Thereupon, subsequent to Mudros Armistice, he was condemned to 15 years of prison by the Court Martial, hearing the members of the CUP. Therefore, he flee abroad and supported the Turkish National Struggle. In accordance, he joined to the delegation of the Grand Turkish National Assembly as advisor, that was about to proceed the London Conference in February 1921.

* He arrived İstanbul and joined the session of *Meclis-i Mebusan* on April 27th .

* He attended the negotiations of debt agreements both with Germany and Austria.

Succeedingly, he once again became a member of the Detters' Vicegerency Council of *Düyun-u Umumiye* in December 1921 and came back to İstanbul. Subsequently, he joined to the first period of Lausanne negotiations as the financial advisor of the Turkish delegation. Yet, owing to discordance with İsmet Pasha (İnönü) on the division of Ottoman debts and his convictions in favour of the French and British interests, he could not attend the second period and was subjected to severe revilements from the press and the rostrum of the Grand Assembly.

As a matter of fact, his membership to the Central Committee of the CUP (1916-1918) and vicegerency council of *Düyun-u Umumiye*, in addition to his repeating Ministries were reflections of his importance among the CUP leaders. His profound knowledge on economic and financial issues and personal relationship with financial circles brought him a unique position within the Committee. Thus, one can follow the impact of these relations in his whole lifetime, yet, especially from the revolution of 1908 onwards.¹⁶⁸

The indisputable character and demands of the foreign debtors and global financiers, beside the obvious requirements of the Ottoman state forced the CUP to put a pragmatist collaboration policy into progress. Here, Mehmed Cavid played an essential role as a privileged figure among the financial lobbying circles on building measured relations, obtaining better conditions in financial matters and limiting compensations which were quite dazzling by being the reflections of the dependency of the Empire.¹⁶⁹ As a matter of fact, his words reveal Mehmed Cavid's approach to foreign capital;

(...) The number of those... who would not want the coming of foreign capital to our country is less than the foreigners believe. There are certain small-scale enterprises that can be carried by the accumulated capital in the country which, of course, we would not like to have pass into the hands of foreigners... Yet, in my opinion, we must accept foreigners even in such enterprises for the sake of establishing a skill, that of management and rationalization, which we lack so badly. As to

¹⁶⁸ For a detailed analysis see Jacques Thobie, "Jeunes-Turcs et Haute Finance, *Prémière Rencontre Internationale sur l'Empire Ottoman et la Turquie Moderne*, ISIS, İstanbul, Paris, 1991, p. 397 (The author is thankful to his colleague Dr. Nesrin Algan in deciphering the text from French.).

¹⁶⁹ *Ibid.*, p. 398.

important public works, these can be done only with foreign capital... All countries in a state of opening themselves to civilization will inevitably stumble and fall in their new path if they seek to advance by their own forces... All new countries have been able to advance only with the help of foreign capital.¹⁷⁰

The ideological framework of the CUP had always been in a cosmopolitan character until 1912; however, the Balkan War changed it and changed it deeply. Ottomanism, which was the prevalent ideology of the Ottoman state during the age of nationalism, since then, became a false dream and proved to be futile. Thus, the war was the proclamation of the dead-end with other Balkan nations. Thenceforth, shared goal of freedom and the idea of living together was no more in the agenda of these nations. However, Mehmed Cavid's insistence on the continuousness of the multi-ethnic character and sympathy to the French and British interests and to the international debtor circles, in addition to his foreign loan and debt strategy caused a series of political opposition both within the CUP and the opposition movements in the Ottoman Meclis-i Mebusan and the press.

By the end of the Balkan War, along with the annoyance from both the type of institutionalisation and implementations of *Osmanlı Bankası* (Imperial Ottoman Bank), there was a clear need for a bank of patriotic intentions in İstanbul.¹⁷¹ Because, since the CUP congresses of 1907, 1911 and also 1911, the clear need for the promotion of a substantial fiscal governmental reform to remove the obstacles in the development of agricultural, industrial and commercial fields in order to facilitate the prosperity of the country became visible.¹⁷² As a result of a decision that had been made in a CUP congress, he and Hüseyin Cahid along with some leading merchants that are

¹⁷⁰ Mehmed Cavid, "Neşriyat ve Vekayi-i İktisadiye", *Ulum-u İçtimaiye ve İktisadiye Mecmuası*, II, No. 5 (May 1909), 129-30 stated in Bekes, **loc. cit.**, p. 424.

¹⁷¹ Tekin Alp "Türkiye'de Bankalar", *İktisadiyat Mecmuası*, 1/34, 10 Teşrin-i sani 1332 (November 23rd 1916) and "İtibar-ı Milli Bankası", *İktisadiyat Mecmuası*, 1/40, 19 Kânun-ı sani 1332 (February 1st 1917) stated in Zafer Toprak, *İttihad-Terakki ve Cihan Harbi: Savaş Ekonomisi ve Türkiye'de Devletçilik*, p. 214.

¹⁷² Thobie, **op. cit.**, pp. 397-398.

close to the CUP established *İtibar-ı Milli Bankası*¹⁷³ (The National Credit Bank).

By depending on his membership to the Bank, many have described him as a protectionist in the days of the CUP administration.¹⁷⁴ However, he explained the project in a dramatically different fashion.

(...) I briefly told him the form of establishment of *İtibar-ı Milli Bankası* and explained that it was organised for saving the Ottoman Bank. They* did not know that it was not German capital. I expounded that; it is totally established by Ottoman capital and has twenty-thirty thousand share-holders, there occurred a great revolution within the country and in order to find capital for quite a number of initiatives there would not be any arduousness.¹⁷⁵

The CUP was in need of a Central Bank it could control and manage. In this regard, the formation of *İtibar-ı Milli Bankası*, can only be evaluated as the first steps in founding a central bank for the Ottoman state. Until that time, major banking activities had been conducted *via Osmanlı Bankası*. However, the bank had not been instituted for seeking the interests of the Ottoman state. It had been established to meet the needs of its foreign creditors and as the twin institution of *Düyun-u Umumiye*, to facilitate the financial control of the Ottoman state. Thus, *İtibar-ı Milli Bankası* was designed to substitute it.

Although, he and some other leading figures of the CUP contributed to the National Struggle, ensuing the success on Greeks, together with former CUP leaders, Mehmed Cavid encountered Mustafa Kemal and his cadre. The CUP prominents were blaming the new regime and its leaders' in establishing a single and permanent leadership standing upon military authoritarianism. Additionally, they were deeming the lack of an opposition

¹⁷³ The bank had been established on 19 Kânun-ı Evvel 1332 (January 1st, 1917) and later merged into *İş Bankası* (Bank of Affairs) due to an agreement signed on June 29th 1927 (Gündüz Ökçün, "1909-1930 Yılları Arasında Anonim Şirket Olarak Kurulan Bankalar" in Osman Okyar Ed., *Türkiye İktisat Tarihi Semineri: Metinler Tartışmalar Haziran 1973*, Hacettepe Üniv., Ankara, 1975, p. 416.

¹⁷⁴ Such as: Demirel, **op. cit.**, pp. 336-337.

* The French and the British (the author's note).

¹⁷⁵ 08.01.1918, Mehmed Cavid Bey, *Felaket Günleri: Mütareke Devrinin Feci Tarihi*, Vol. I, Ed. Osman Selim Kocahanoğlu, İstanbul, Temel, 2000, pp. 82-83.

for a democracy as a vital issue. Thus, they responded Mustafa Kemal's *Dokuz Umde* (Nine Principals¹⁷⁶) with a manifest that formulates the CUP's future role and its participation in the coming elections.¹⁷⁷ For Zürcher, "this programme seems to reflect those of Cavid's ideas more than of anyone else."¹⁷⁸

Cavid's house in İstanbul was the major meeting-place of the former leaders of the CUP. "In April 1923 a number of Unionist prominents gathered in the house of Cavid for discussions on their future political role. Cavit's house was chosen because it had more room than the others."¹⁷⁹ Consequently, despite his denial of any direct participation, he was prosecuted and hanged* by *İstiklal Mahkemesi* (Independence Tribunal) on account of participation by having information and assisting to the 1926 İzmir Assassination attempt. He was charged guilty by being the host of a number of secret meetings of the CUP leaders.

Besides his tragic death in the first years of the newly established Republic, and his political career, Mehmed Cavid has distinctive intellectual character. In fact, his education and career on education has close relationship with this feature. He has written the very first statistics book¹⁸⁰, in addition to his economics book which follows both contextual framework and substance of the book of Ohannes *Efendi*¹⁸¹ who was his teacher during Mehmed Cavid's years in *Mekteb-i Mülkiye*. The book was the masterpiece of Mehmed Cavid and comprised of four chapters. The name of the book was İlm-i İktisad (The

¹⁷⁶ For a complete text of the *Dokuz Umde*, see Tunçay, *op. cit.*, pp. 354-356.

¹⁷⁷ Erik Jan Zürcher, "The Last Phase in the History of the Committee of Union and Progress (1923-1924)", *Première Rencontre Internationale sur l'Empire Ottoman et la Turquie Moderne*, ISIS, İstanbul, Paris, 1991, pp. 374-375.

¹⁷⁸ *Ibid.*, p. 375, additionally, Anadolu Agency records published in *Vakit*, on inquisition and bill of indictment of Ankara *İstiklal* Court gives a great deal of knowledge on the issue (The author is thankful to Dr. Faruk Alpkaya for heralding and letting his transcribed version of the records to be used.).

¹⁷⁹ Erik Jan Zürcher, *The Unionist Factor: The Role of the Committee of Union and Progress in the Turkish National Movement 1905-1926*, E.J. Brill, Leiden, 1984, pp. 133-134.

* On August 10th 1926.

¹⁸⁰ See footnote 164.

¹⁸¹ Sakızlı Ohannes, *İlm-i Servet-i Milel*, A. K. Tuzlıyan, Dersaadet (İstanbul), 1302.

Science of Economics)and had been published in 1315 in İstanbul by Karabet Matbaası. Moreover, Mehmed Cavid had written in several journals and also published one, namely Ulum-u İktisadiye ve İctimaiye Mecmuası (The Journal of Economic and Social Sciences) with Rıza Tevfik and Ahmet Şuayip*. Later, he had published a text book for high schools on economic issues, namely Malumat-ı İktisadiye (Knowledge on Economics) in 1329.

IV.2. THE STATE FOR TWO WRITERS IN TWO BOOKS

Nation-state building in Europe went hand in hand with a radical transformation in the distribution of power between social strata as well as in the nature of social stratification itself, which reflected a change in the distribution of power between governments and the governed.¹⁸² Separation of powers between legislature, judiciary and executive organs and constitutionalism in connection with the rule of law were primary aspects.

For modern Turkey the story would be similar, albeit, not simply alike. The Ottoman élite considered the above mentioned principles as “the ought to be” and tried to implement it instead of waiting for an evolutionary social development. Thus, continuous struggle between the old *Nizam* and modernity has always been the norm since the Tanzimat. Hence, the Ottoman heritage should be tackled in a way that would provide clear and explicable assertions for the phenomena “reform from above” and “revolution from above”.

As it has been cited in the latter paragraph, for the nineteenth century Ottoman intellectuals there was an “is” and an “ought to be” in the

* For a detailed analysis of the journal and transcribed version of Mehmed Cavid’s articles in it see Deniz Karaman, *Cavid Bey ve Ulum-ı İktisadiye ve İctimaiye Mecmuası*, Liberté, Ankara, 2001, **passim**.

¹⁸² Norbert Elias, “Process of State Formation and Nation Building”, *Transactions of the 7th World Congress of Sociology 1970, Vol. 3* Sofia: ISA, (1972): 274-284, <http://www.usyd.edu.au/su/social/elias/state.html>, 10.05.2004.

conceptualisation of the state. The “is” was a problematic one referring to its militarised-feudal economy. The Ottoman state was not expedient for an evolutionary transformation in the formation of a capitalist nation-state. Consequently, the “reformation from above” project was not only an answer to the foreign interventions, but also a tool to maintain the centralised and peaceful territorial sovereignty over its vast geography. Through the modernisation of the agencies of direct coercion and its enduring form –i.e. the system of law, the Ottoman state was concentrating on the particularisation mettle of the feudal rule.

However, with the nineteenth century, in its domestic affairs, the Ottoman state was not able to confront the transformatory impact of capitalistic relations through a central rural economy any more. Therefore, the state was unable to control its vast territory in terms of economic production, bureaucratic organisation, and social and political demands of its multi-cultural structure.

Hence, the survival and development had been considered as constant reform process of adjustment to the “ought to be”. The internal production type and class formations do not reflect a convenient ground for capital accumulation in capitalist terms. In contrast with the ideal of *adalet*, capitalist accumulation rest on an uneven process through a social class in accordance with the domestic class structures –namely the bourgeoisie. Yet, this bourgeoisie as a social class did not evolve through the history of the Ottoman Empire. In that, the impact of the historico-sociological status of the Ottoman state was axiomatic.

At this point, it should be stated that; there existed people who carried out the economic functions of a bourgeoisie, but never acquired the political power and influence of that class to mould the state in its own image.¹⁸³ Their

¹⁸³ Feroz Ahmad, “Vanguard of a NascentBourgeoisie: The Social and Economic Policy of the Young Turks 1908-1918”, *Türkiye'nin Sosyal ve Ekonomik Tarihi (1071-1920): Social and Economic History of Turkey (1071-1920)*, Osman Okyar & Halil İnalcık Ed., Meteksan, Ankara, 1980, p. 329.

weakness suppressed constant struggles and reflected the poverty of classes to press their interests against those of the Ottoman central bureaucracy. Thus the lack of constant struggle prohibited the advancement of class consciousness of a bourgeoisie. The Ottoman state availed of the partitioned character of the Ottoman society with ethnic, religious and linguistic diversification of the old *Nizam* in controlling its subjects.

As a matter of fact, the capital accumulation had been limited in certain places which have large hinterlands and/or situated in the intersections of major trade routes and essentially could be achieved via international trade and finance. Thus, the major non-muslim elements of these traders without class consciousness became comprador wealthy men benefiting the capitulations by linking their interests with the European powers.

The nineteenth century re-formation was more than a curiosity towards the European civilisation and wealth. The Ottoman state was sick of impracticability of its rule. In western Europe, the experience of mercantilism was an essential medium in overcoming the disordered nature of political sphere in the establishment of the nation-states.¹⁸⁴ However, the Ottoman history was bereft of this experience and Mahmud II's efforts were merely a latecomer's spasms.* Yet, as the European interests over the Ottoman Empire had been materialised by capitulations the Ottoman ruling strata was well aware of the fact that the recognition of capitulations was the political concessions to be given to the foreigners in order to secure the survival of the state. Thus, the Ottomans had changed the nature of capitulations. Initially, they were only recognised to the individuals (citizens of) of foreign states. Later, their nature had been changed by being recognised directly to the states who had primary interests over the Empire*.

¹⁸⁴ Linda Weiss & John Hobson, *Devletler ve Ekonomik Kalkınma: Karşılaştırmalı Bir Tarihsel Analiz (States and Economic Development: A Comparative Historical Analysis)*, Trans. K. Dünder, Dost, Ankara, 1995, p. 92.

* For details see footnote 39.

* For details see p. 14 and its footnotes.

Hence, complementary to the domestic instability, through the years of *Tanzimat*, the Ottoman state had to challenge with the truculent expansion endeavours of European Powers and the lasting ambitions and demands of the *haute finance*. This vital conjuncture ensued the entrance of the Ottoman state into a new phase of its imperial rule. Its vast geography had been split into influence areas among the Powers and Germany was even seeking for the whole lot. In the international arena the decadence offered a game field, limited to the challenging interests of rival imperialist intentions.

In its domestic affairs, the form of articulation to the international division of labour determines the dominant process of capital accumulation and development strategies that the state constitutes and implements are being determined due to the necessities of this process of capital accumulation.¹⁸⁵ Beside the weakness of the Ottoman state, she had played on a grey zone or an autonomous domain that enables her to behave in a relatively-independent way from the instructions of the *haute finance* and the European Powers.

On the one hand, the grey zone or the autonomous domain is where *petit-bourgeois* attitude of radical populism finds its game field. Here, as class structures have not been as crystallised as in a capitalist state, the role of the intellectuals eventually adumbrates a developmentalist and/or progressive taste. Thus, intellectuals fill the gap by using opportunities of the state and bring about the ascendancy of an altered form of capital accumulation, where occurs a meeting point for nationalism, statetism and developmentalism. It would be re-forming the state where its structures are in lameness of the transformatory ardour of internal dynamics.

On the other hand, the ruling strata cannot be considered as homogenous. Another group would be much more raring in finding a path to “the ought to be”. This group would also be willing to articulate to the modernisation

¹⁸⁵ Haldun Gülalp, *Gelişme Stratejileri ve Gelişme İdeolojileri*, Yurt, Ankara, 1983, p. 11.

process. Yet, they would also be in favour of the dominant ideology of the *laissez-faire* which was the dominant ideology of the 19th century as it had been stated before. According to this understanding the source of wealth was stemming from the society namely the market. Thus,

(...) Any kind of state involvement had to be driven out of the economy. Hence, they, attacked tariffs and regulations which imposed legal constraints on economic activity, and for the most part they were content if such constraints were removed. They did not, in other words, demand a complete withdrawal of government from economic life. (...) A government activity may take coercive or non-coercive forms.¹⁸⁶

Because, *laissez-faire* was a thing to be achieved and in order to reach this goal, governmental intervention was vital.

Both these two understandings rooted from the same intellectual origin of the Enlightenment. Progressive, optimist, rationalist and secular state conception of the Enlightenment was in the foundation of these two understanding. Thus, the basic tenets of both approaches were closely related. As a matter of fact, they were the each sides of the coin. The problem was, the way in which the final goal of modernisation process would be achieved.

Here, the utopian makes political theory a norm to which political practice ought to conform. The realist regards political theory as a sort of codification of political practice.¹⁸⁷ In this context, Akyiğitzade Musa was highlighting the urgency of the application of protectionist principles by the reigning government and his contentment in the concordance of the principles (he uses the term *ilim*-science) he had quoted from List and Paul Cauwes and the practical requirements of the government.¹⁸⁸ Thus, he was underlining the necessity of the implementation of the principle of protectionism among the late-comers of the capitalist project in order to reach the “ought to be”. Once it would have been accomplished, then the principle of *laissez-faire*

¹⁸⁶ John Gray, *Liberalism*, 2nd Ed., Open Univ, Buckingham, 1995, pp. 73-74.

¹⁸⁷ Carr, **op. cit.**, p. 12.

¹⁸⁸ Akyiğitzade Musa, *İktisat Yahut İlm-i Servet, Âzâdeg-i Ticaret ve Usul-ü Himaye*, Karabet, İstanbul, 1314, p. 4.

would contribute to the economic and political interests of the Ottoman state.

There is not any specific discussion on “the state” in any of Akyiğitzade’s books*, although it can be depicted from his writings. The “is” of Akyiğitzade is a state which can heal its above explained wounds by employing a nationalist foreign trade policy. Therefore, it would not be an awkward speculation to designate this state as an autonomous nation-state based on capitalist principles. Thus, in its foreign relations, this state would have been free from the direct interventions of the foreign powers, and in the domestic affairs it would have been the indisputable sovereign over its subjects. Hence, in providing this authority it must have been the coercion monopoly that can control every aspect of social life and create a peaceful order within its boundaries. Here, the order must have been established on rational basis.¹⁸⁹ Therefore, the law must have been grounded on rational principles.

Furthermore, his homogenisation attitude towards the invention and building of the national market, he uses the terms *millet* (nation), *kavim* (people) and *ülke* (country/territory) in substituting one another, in which all three were referring to two constitutory elements of a state. The first element is the people and the second is the land that this people live on. Hence, the state as the organisation of this people within the boundaries of this land becomes identical with others.

Moreover, the state of Akyiğitzade is in a competition with other states.¹⁹⁰ As there are differences in the advancement degrees of states, each state must have been equipped with convenient means in overcoming crises.¹⁹¹ Yet,

* These two writers were writing their texts during the reign of Abdulhamid II and his reign was a period of conservative modernisation in which any attempt related to the political sphere had been strictly controlled and restrained. Thus, writing and publishing works dealing with the state could be a risk for severe punishment, unless it would have been due to the request of the Palace. Political issues of modernisation and the nature of the state had to be built upon the reverence of the existing rule.

¹⁸⁹ In Akyiğitzade’s understanding rationalism is discernment of each position and event through reason. Hence, for him, rationalism repeal the dogmatic thought and institutions and old forms (Akyiğitzade Musa, *op. cit.*, p. 47.).

¹⁹⁰ *Ibid.*, p. 48.

¹⁹¹ *Ibid.*, p. 57.

beside the asymmetric advancements of nations, every nation would reach to a certain degree via protection –upbringing-*, but it would be unavailing and even harmful to apply protectionist principles over unpropitious situations.¹⁹²

Finally, Akyiğitzade’s state has a history just as all its rivals,¹⁹³ and history is an experience, by which every nation would put in an appearance. Through their history, different nations follow different patterns, but the course of afflux would take them to a single point. Every nation will be a component of world capitalism. The problem is in the degree of advancement at the time of limitless articulation.

In short, Akyiğitzade’s state had to be an autonomous nation state that governs its own destiny. In fact, his emphasis on nations and national economies, in addition to his founding membership to the Turkic Association were reflections of this familiarity.

On the other hand, Mehmed Cavid, as being wedded to the universal generalisations of liberalism, maxims of homo-economicus, natural harmony and self-regulating market system that co-ordinates the activities of independent individuals, is dealing with the question of “the state” in the fifth chapter of his book. However, he had named the chapter; *Bütçe: Umumi Gelirler ve Harcamalar* (The Budget: General Incomes and Spending). In fact, the chapter has seven sub-chapters including the “budget”. So, at the first instance, one can determine that he could not even styled the chapter what it really focused on.

The chapter starts with a definition of “the state”. According to him;

(...) A state is a society with a political body and in order to form a state, nomadic individuals need to unite for building a permanent residence. A people under a state authority, no matter a gathering of different entities, as the time goes by, become a single tribe

* The principle of infant-industry.

¹⁹² *Ibid.*, p. 25.

¹⁹³ *Ibid.*, p. 21 and 61.

which is called a nation. The government is the executive apparatus of that nation and state.¹⁹⁴

At first sight, the definition brings about a neutral and functional explanation of the state, as it is of great use of a positivist, liberal approach. By dint of his definition, state becomes an organisation that results in a necessity for building a permanent residence of a group of individuals. Thus continue with a unification; Nation=People and builds-and built by- the State. Parallel to nineteenth century liberal discourse he brings an uncertainty for the question of *Qu'est qu'une nation?* And determines it in a functional way by stating the trinity of territory, people and organisation. Here, one has to take into account the role of "French Enlightenment's vision of a universal human civilization in which the claims of ethnicity and religion came long after to those of common humanity."¹⁹⁵

As a matter of fact, during the nineteenth century, the usage and the gravity of the concepts of state and nation was obvious, and any economist who lived during the turn of the nineteenth century, no matter how it is to be handled, had to deal with the term "state" because fiscal policies, currency and public finance was a reality of all economies. One called it state, and the other called nation state, government or administration. However, the term referred was always the same. "In short, no economist of even the most extreme liberal persuasion could overlook or fail to take account of the national economy."¹⁹⁶

Mehmed Cavid was quite cold to the term. Furthermore, the "is" in his mind was far from being his "ought to be". For him, the state would have been an enabling (f)actor instead of being a constraint. If the state would intervene to the spontaneous character of market economy, then it will be a

¹⁹⁴ Mehmed Cavid, *İktisat İlmi*, Liberté, İstanbul, 2001, p. 313.

¹⁹⁵ John Gray, *Enlightenment's Wake: Politics and culture at the close of the modern age*, Rotledge, London, New York, 1995, p. 31.

¹⁹⁶ Hobsbawm, *op. cit.*, p. 28.

circumscription in the efficient allocation of resources.¹⁹⁷ However, liberal implementations were not only bringing “an outburst of legislation repealing restrictive regulations, but also an enormous increase in the administrative functions of the state,”¹⁹⁸ in order to “stand in as constant need of repair, renewal, reconstruction, and adaptation to new requirements”¹⁹⁹. Because the nature of *laissez-faire* requires a state apparatus with a capitalistic character, or so to speak -needs to turn into *the administration* from being *the government*. Thus, as it would have been running away from the state, it was building of its own in a much more complex fashion. Likewise, the Ministry of Mehmed Cavid clearly reflects the reality. During his Ministry he had initiated structural reforms in the bureaucracy of Finance as a portent of his rationalisation attitude and the need to “invent” “the state” that would achieve the self-regulating market. A state that can and should intervene in order to free the markets from intervention. The intervention should have been performed through particular and anticipated institutions which brings about the mechanisms of the rule of a fictitious or an imagined community i.e. the nation.

Eventually, beside the illustration of the state, Mehmed Cavid delicately, expressed nation as a diffuse unification of diverse units. Hence, brought about a veiled Ottomanist framework which is quite comprehensible for the time he had written the book. Because, the expression refrains from stating any distinctive feature that could lead tensions within the Ottoman society such as ethnicity and/or language. Instead, the definition draws one mere collective belonging, which was territory. His definition is consistent with his cosmopolitan understanding and the practical exigencies of the Empire.

As a consequence, both writers were sincere in their will to modernisation. Moreover, their positions were based on the same philosophical genesis. Yet, their proffered paths to development had to be crystallised in a process

¹⁹⁷ Mehmed Cavid, *op. cit.*, 318.

¹⁹⁸ Polanyi, *op. cit.*, p. 139.

¹⁹⁹ *Ibid.*, p. 140.

of political struggle. Finally, the weak would be strong and the strong would be weak.

CONCLUSIONS

Within the context of this thesis, the nineteenth century modernisation history of the Ottoman state and society was shortly evaluated. In doing this, not only the transformation of the institutional forms, but also their material conditions regarding the domestic class structures and the role of the world capitalism were tackled. Thus, the two writers had been located in the modernisation history of the nineteenth century Ottoman world.

Moreover, the Ottoman economic literature had been subjected to a sketchy review, for an accurate positioning, and marking the significance of these two writers within the literature. Furthermore, the socio-economic backgrounds of the writers had been revealed through detailed biographies'. Eventually, different conceptualisations of both writers over "the state" had been depicted from their own texts, by bringing forward their whys and hows with special reference to the Enlightenment state.

Thus, a number of conclusions had been reached. The nineteenth century civilisation had been characterised by unprecedented change. The unconcealed transformation of the Ottoman state and society had been initiated with the *Tanzimat* period. The *Tanzimat* period paved the way for the emergence of the "dual" forms. These two writers were the by-products of the transformation period in general and the "dual" forms in particular.

Due to the establishment of new educational institutions, the Ottoman economic thought experienced a similar rupture from the ideological framework of the old institutions namely the *Medrese*. Initially, bureaucrats and journalists had been vigorous over the economics literature as a consequence of the superficiality of the Ottoman economic thought in the nineteenth century. Later, a new generation rooted from the new schools

had come to the fore and had written the economics literature mostly by copying the major European texts.

In the late-comers of the capitalist development, the state apparatus has a significant role in re-shaping the society, due to the political antecedence of the ruling élite who had to seek possible forms of survival of their society. As the bourgeois revolution did not come true with the rising of a national bourgeoisie in the Ottoman land, a developmentalist group of petit-bourgeois intellectuals within the ruling élite had to undertake this role, in order to answer the severe challenges of the capitalist project. At this point, the implementation of capitalism in general the values of Enlightenment had come to fore through the new élites of the Empire.

Within the very same context, the economic and social conditions of the Ottoman state had structured these two writers who were *petit-bourgeois* professionals. Both writers were *petit-bourgeois* specialists who were aiming at radical re-formation from above, in order to accentuate the transformation of the Ottoman state and society targeting rationalisation, secularisation and with the optimism of the possibility of development and progress. Akyiğitzade Musa, who was a Kazan Turk, brought the conceptions of protectionism systematically to the existing literature. On the other hand, Mehmed Cavid had a unique character. In addition to his specialisation on economics, he later became the Minister of Finance during the CUP Administrations and tried to implement his liberal perspective to the economic field which could not be possible because of the incompatibility of this project with that of the aims of the CUP.

During the last quarter of the nineteenth century, the state that the Ottoman intellectuals had to come across was a late-comer multi-national Empire which had to challenge imperialism. The liberal state had been founded in Britain. Yet, no one would be successful by following that pattern. Because,

liberalism was itself “a thing to be achieved”. And due to its policy-based character, once, it had been built in Britain, became the policy of Britain.

Consequently, the practice of the hegemonic power would not ensure appropriate means to reach the “ought to be” in rest of the world. Adjusting the “is” would be limited to the conjuncture and would not bring about the state that invents the self-regulating market. Yet, the capitalist project proved its success in the infiltration to the massive political units of former modes of production in the periphery. Hence, the periphery had to confront the modernisation with contractions due to rapid development of Enlightenment project and hegemony over the political and economic structures of the periphery.

In this context, due to the necessities of nation-state building process, the reign of the CUP (roughly 1908-1918²⁰⁰), showed an economic strategy with double aspect within the framework of the same mode of production. The delicate conjuncture did not bring a homogenisation to the constitution of its policies but the movement was heading the same goal. Therefore, both the classical liberal approach championed by Mehmed Cavid and the protectionist approach systematised by Akıgizade Musa and distilled by party ideologues of the CUP can only be considered within the limits of the Enlightenment.

The Ottoman élite in general and the CUP in particular had very limited knowledge on the theory of imperialism. They were deeply connected to the values of Enlightenment and they did not consider themselves to be the subject of an alternative project. On the contrary, they were looking for new opportunities of articulation to the same project through same principles.

²⁰⁰ The author is taking the period of *Denetleme İktidarı* (Control of Power Period: 1908-1913) within the framework of the CUP Administration –the term belongs to Sina Akşin, for details see Akşin, *Jön Türkler ...*, pp. 115-349.

Here, protectionism was one side of the same coin and liberalism was the other. The thing to be achieved found its contradiction in intervention. Thus, protectionist ideas are the reflection of the *double movement* so to speak. Yet, the re-formation could be achieved by radical political intervention and through an autonomous nation-state building process over a nationalist principle. Thus, Akyiğitzade's premature contribution had been realised by the CUP. Hence, Akyiğitzade's political practice defect had been filled by the CUP. The newly established Republic which had been built mostly by the former members of the CUP tried to put liberal policies into practice after *İzmir İktisat Kongresi* (İzmir Economics Congress) in 1923. However, with the World depression in 1929, protectionist policies were in fashion once more as the adverse movement of the pendulum.

In order to conclude, one has to mention the achievements and failures of the intended results as regards the mentioned aims of the thesis in the introduction section. The achievements can be enumerated as the revealment of the material, ideological and historical background of these two writers. However, the failure may be found in the depiction of the implicit state definitions of both writers. Yet, if the background arguments are bulky enough to disclose the *Weltanschauung* of the late Ottoman intellectuals, than it would have been competent to bring about an adequate manifestation to the reality.

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