

A CRITIQUE OF WORLD-SYSTEM INSPIRED HISTORIOGRAPHY OF  
TRANSITION TO CAPITALISM IN THE OTTOMAN EMPIRE

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## **ABSTRACT**

### **A CRITIQUE OF WORLD-SYSTEM INSPIRED HISTORIOGRAPHY OF TRANSITION TO CAPITALISM IN THE OTTOMAN EMPIRE**

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This thesis examines world-system inspired historiography on transition to capitalism in the Ottoman Empire that has been developed as a criticism of the modernization theory that was dominant in the analyses of the Ottoman transformation. It is argued that although the world system inspired analyses overcome the restrictions imposed by the modernization analyses that are based on the deficiencies of Ottoman society compared to the West, they are also crippled with their own restrictions. Considering change as a product of external dynamics, and ignoring internal relations and potentials, it commits the same mistake of regarding the ‘periphery’ as stagnant and shorn of any life, dynamics for creating change and therefore history. In this perspective, the peripheral societies such as the Ottoman society do not have the potential to be the actor of change but can only be subjected to it. Therefore, it is argued that the world-system inspired accounts fall short in understanding the process of change in the Ottoman Empire and the dynamics behind it. On that account, this thesis stresses the importance of studying the uneven but mutual relations between internal and external factors in order to understand social transformations that occur in and through the social relations and contradictions. There is, therefore a need to develop an account of the transition of the Ottoman Empire to capitalism with the help of such an approach.

Key words: Ottoman Empire, World-System Analysis, Transition to Capitalism, Peripheralization.

## ÖZ

### OSMANLI İMPARATORLUĞU'NDA KAPİTALİZME GEÇİŞ ÜZERİNE DÜNYA-SİSTEMİ TEMELLİ TARİH YAZIMININ ELEŞTİRİSİ

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Bu tez, Osmanlı tarihi çalışmalarına hakim olagelmiş modernleşme kuramının bir eleştirisi olarak ortaya çıkan dünya sistemi temelli tarih yazımını incelemektedir. Dünya sistemi temelli analizlerin, Batı ile karşılaştırıldığında Osmanlı toplumunda görülen eksiklikler üzerinden yola çıkan modernleşme analizlerinin sınırlılıklarını aştıkları fakat kendi sınırlılıkları tarafından da sakatlandıkları ileri sürülmüştür. Bu analizlerin, toplumsal dönüşümü dışsal dinamiklerin bir ürünü olarak görmeleri, içsel toplumsal ilişkileri ve güçleri göz ardı etmeleri nedeniyle, çevre toplumlarını durağan yani değişiklik yaratabilecek devimlilik ve güçten dolayısıyla da tarihten yoksun olarak görme hatasına düştükleri savunulmuştur. Bu bakış açısında, Osmanlı toplumu gibi çevre toplumları sosyal değişimin öznesi olabilecek potansiyele sahip değildir ancak ve sadece bu değişime tabi olabilirler. Bu nedenle, dünya sistemi temelli açıklamaların, Osmanlı İmparatorluğu'ndaki değişim sürecini ve bu süreci yaratan dinamikleri anlamakta yetersiz kaldığı öne sürülmüştür. Bu nedenle, sosyal ilişkiler içinde ve bu ilişkiler boyunca gerçekleşen sosyal dönüşümün anlaşılması için içsel ve dışsal faktörlerin eşitsiz fakat karşılıklı ilişkisini çalışmanın önemini vurgular. Bu yaklaşım doğrultusunda geliştirilecek Osmanlı İmparatorluğu'nda kapitalizme geçişe dair bir açıklamaya ihtiyaç olduğunu ortaya koyar.

Anahtar Kelimeler: Osmanlı İmparatorluğu, Dünya Sistemi Analizi, Kapitalizme Geçiş, Periferileşme

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## **CHAPTER 1**

### **INTRODUCTION**

The emergence of capitalism and its expansion all over the world has significantly influenced the formation of societies and their specificities. The concepts of development, underdevelopment, and unequal development are the reflections of the attempts to understand the dynamics of capitalist expansion and development. Moreover, the question of the emergence of capitalism, its relationship with trade and agriculture; discussions that were followed by questions on the capitalist development and industrialization of underdeveloped countries constitute a considerable amount of literature. On the one hand, these debates reflect the highly controversial character of the topic itself, which has not been settled; on the other hand they keep their importance with the insights they have brought into the comprehension of nature of capitalistic - imperialistic relations which in fact shape our approach to understanding the developments of the current period, too.

Despite the importance of the discussion of the dynamics behind uneven development, the scholarly interest on the topic has dissolved and uneven development is started be reckoned as given, commonsense knowledge. From a critical view point, there is still a need of understanding the dynamics of the expansion of capitalism and consequent uneven development, which necessitates an elaboration of the trajectory of the development of capitalism in late developing regions. Transition to capitalism seems to be staying at the core of these debates with its implications and insights.

As one of the late developing countries, it seems important to analyze the process in Turkey, which requires a return to the Ottoman period. The process of transition to capitalism in the Ottoman Empire had bearings upon mostly the

changes of nineteenth century. It does not mean that the Ottoman society was a stagnant one until the nineteenth century. On the contrary, it had undergone social transformation starting from the late sixteenth century. The nineteenth century change emerged within the social relations which was the product of social transformations that had started in the late sixteenth century.

The changes in the nineteenth century Ottoman Empire have been analyzed from different perspectives, firstly from the perspective of the modernization theory and later from that of the dependency theory and the world-system analysis. Considering the dominance of these perspectives in the field, it would be helpful to have a brief discussion on their general assumptions.

Modernization theory makes a distinction between the Western developed countries and the Eastern “traditional countries”. Developed countries are characterized by dynamism and rationality, which brought about development in these countries. The deficiencies of these characteristics resulted in underdevelopment in the “traditional countries”. That is to say, it is the internal characteristics and so the nature of societies that determine its development. In modernization theory, it is argued that the experience of Western societies constructed a path for the development that can and should be followed by the underdeveloped countries.

The modernization theory was quite influential on the Ottoman historiography, in fact a dominant strand until about thirty years ago. In the works influenced by the modernization theory, the Ottoman Empire is conceived as a “traditional country” marked by the deficiencies which brought about underdevelopment and the formulated solution is following the modernization path. From this perspective, the seventeenth and eighteenth centuries are considered to be the period of decline in line with the decline of Islamic societies and the changes in the nineteenth century are considered to be the culmination of top-down steps taken by the bureaucrats and the intellectuals. These were seen as the attempts to save the Empire and catch up with the Western countries by creating Western-like institutions in the path of modernization/westernization.

The modernization theory is based on the dualism of the West and the East that dates back to the Enlightenment period. As mentioned, the dynamism, change and rationality are identified with the West, whereas the East with the absence thereof. That is to say, the East is portrayed as lacking dynamism, change and development, and therefore, history. It is the construction of the ideal types on the bases of cultural and geographical elements. However, history of the world cannot be elucidated with ahistorical, essentialist ideal types that are closed to change (İslamoğlu-İnan, 1983, pp.9-20).

Starting from 1960's the modernization theory has been criticized basically for its assumption that similar stages of development is valid for all societies through generalizing the experience of the Western countries, for its Eurocentricism, and for contemplation that the specific characteristics of Western societies were the source of their development, for its essentialism, for the identification of the Eastern societies with stagnancy and for its orientalism, and for ignoring unequal economic relations between rich countries and poor ones (İslamoğlu-İnan, 1983, pp.9-20). The dependency school which gained influence starting from 1960's appeared on the basis of such criticisms.

The dependency school predicated upon the notion of worldwide division of labor between "center/core" of wealthy and developed states and "periphery/satellite" of poor and underdeveloped states. The relationship between core and satellite is considered to be constructed around exchange and circulations of goods and capital (trade) whose terms create disadvantages and dependency for the periphery of poor and underdeveloped states, while providing the sources for the development in core countries. That is to say, underdevelopment is not a condition stemming from internal characteristics of these regions but rather created by unequal commercial relations which transmit the wealth of periphery to the core and are in charge of the emergence of the core and periphery as two separate constituents of the world-economy. In other words, it is the same process that creates development and underdevelopment (Brewer, 1990).

In the dependency theory, unequal relationships and dependency are considered to be products of trade; that is to say relations of exchange and circulation, it is not dependency rising from production relations. Accordingly, it is not related so much to the local dynamics of relations of production, capital accumulation, relations and conflicts between classes and consequently the nature of states.

For the changes in the peripheral countries, the real dynamic comes from their incorporation into the capitalist world system via the market. The market enforces its rules in the commercial city centers of the periphery and creates the dynamic of change via commercial relations. This is the process where the market as opportunity turns to the market as imperative. In this process, the active agent is the externally imposed market forces. Accordingly, it is thought that periphery did not have any internal dynamic for change but became the focus of change through its relationship with external forces via the terms of trade.

World system analysis, as, developed by Immanuel Wallerstein and his circle starting from the 1970s, can be considered a revised version of the dependency theory. Different from dependency theory, the unit of analysis in the world-system analysis is the totality of the world-system and not nation-states. Besides, it brought into new concepts like semi-periphery in order to come to terms with the mobility in the statutes of the countries. While the dependency theory is dealing with the exploitative relations between core and periphery, world-system analysis tries to offer a more general theoretical account about the nature and functioning of the world-system.

The world-system analysis, especially Wallestein's version had an impact on the Ottoman studies. The works influenced by the world-system analysis focus mainly on the incorporation of the Ottoman Empire to the world market. They bring insights to the field that had been dominated by the modernization ideas which reduce the history of the Ottoman Empire starting from seventeenth century to decay and social changes in the nineteenth century to the political changes conducted by the bureaucrats with the goal of Westernization. World system analysis flourished from the critical scholarship against the essentialist,



Eurocentric approach of the modernization theory. It claims to transcend the obscured presentation of modernization theory. In this regard, the Ottoman studies influenced by the world-system analysis of Wallerstein directed criticisms to the ones that follow the modernization theory. The world-system inspired studies basically analyzed the Ottoman history within the framework of its integration to the capitalist world-system. They were critical of the modernization analysis for being restricted to the realm of politics and institutions; and for ignoring the socio-economic dynamics that were both within the context of and subjected to the fluctuations of the capitalist world-system. Accordingly, world-system inspired analyses add socio-economic dimension to the Ottoman historiography by emphasizing its becoming part of a systemic totality.

It is meaningful to examine Wallerstein's world-system analysis in general as a framework and his studies and world-system inspired historiography on transition to capitalism in the Ottoman Empire to the world-system in particular since they hold the promises for grasping the socio-economic history of the Ottoman Empire in terms of incorporation to the capitalist world-system; and question the validity of their claims with respect to historical events and trends. In addition, it is important with respect to broader concern of understanding the mechanisms underlying uneven development since the world-system analysis hold a promise to explain generally the nature and mechanisms of uneven development in general and in the Ottoman case specifically.

This thesis, therefore, is an attempt to examine the world-system analysis developed by Wallerstein -as a framework of the analysis inspired by it- and the world-system inspired historiography on transition to capitalism in the Ottoman Empire by questioning the validity of their accounts in terms of the historicity of the period, the way they approach the Ottoman transformation process, and the compliance of the periphery model developed by Wallerstein with the actual historical trajectory.

The thesis will argue that although the world system analysis breaks the restrictions of modernization theory, it is crippled with its own shortcomings. That

is to say, with the perspective of considering change as a product of external dynamic, ignoring internal relations and potentials, it commits the same mistake of regarding the periphery as stagnant and shorn of any life, dynamic and therefore history. In this perspective, the peripheral societies such as the Ottoman society do not have the potential to be the actor of change but can only be subjected to it. This perception is plausibly defined as lacking interest in or entailing ignorance of internal dynamics and exactly for this reason, world-system inspired accounts fall short in understanding the process of change in the Ottoman Empire and the dynamics behind it. The lesson from the review of world system analysis in general and the projection of it on the Ottoman Empire in particular can be considering the insights offered to and the problems pointed in the Ottoman historiography by these analyses; whilst being aware of its deficiencies. In this account, the importance of the perception of uneven but mutual relations between the internal and external dynamics seems to be apparent. Accordingly, the analyses of internal dynamics, their interaction with the external ones and the dynamics between them appear as key points.

Having defined the problematic of the thesis, its structure shall be explained. This thesis is divided into three complementary chapters. Following the introduction, in the second chapter, the world-system analysis developed by Wallerstein will be presented in order to lay bare the framework that became the source of inspiration in the Ottoman historiography. It will be portrayed by elaborating on its theoretical sources, interpretation of the historical evolution of European world-system and structural features. After the presentation of the world-system analysis, criticisms raised against it will be handled. These criticisms challenge the world-system analysis by both considering compliance of the arguments with the historicity of the period handled and questioning the way of approaching the course of history, the way of abstraction and the abstractions themselves. Besides, as part of the chapter, the development of capitalism and development of underdevelopment will also be addressed in terms of its conceptualization in the world-system analysis and the criticism rose against it.

The second chapter will start with a presentation of the peripheralization model developed by Wallerstein and criticisms of it in order to provide the basis for the subsequent examination of world-system inspired Ottoman historiography which will be the focus of the center. It is expected that this examination will enable us to discern the influence of the general assumptions of the world-system analysis and the peripheralization model developed by Wallerstein on Ottoman historiography. The discussion there will be based on the works by Wallerstein himself, and in collaboration with by Decdeli and Kasaba, by İslamoğlu-İnan and Keyder and by Pamuk. These works will be analyzed in terms of their understandings of the internal factors and dynamics before transformation, their depiction of the incorporation process, actors of the process, the relation between internal and external factors, and the conceptualization of commercial relations and production relations.

In the world-system analysis, it is assumed that incorporation to the capitalist world-system of a country in the status of periphery leads to the reorganization of the trade, agriculture and industry in accordance with the requirements of the world-market. It is asserted that all peripheral societies are subjected to more or less same process of peripheralization. Thus, Wallerstein develops a peripheralization model that is supposed to be covering the historicity of the peripheral countries. In the third chapter, the compliance of the peripheralization model with the Ottoman transformation process will be tested in terms of the organization of agriculture, state and industry, based on the existing literature. The discussion of Ottoman manufacture will be accentuated due to its distinct line of development. I will argue that in the case of the Ottoman Empire, the fields of agriculture and state were not reorganized in a way anticipated in the peripheralization model. Moreover, contrary to the prediction of collapse, Ottoman manufacture did survive and even grew through intensifying the exploitation of labour.

## CHAPTER 2

### WORLD-SYSTEM ANALYSIS

#### 2.1. Introduction

The world-system analysis was introduced with the publication of *The Modern World System* by Wallerstein in 1974, and became popular subsequently. It is, to a great extent, considered to be a critical follow on of the dependency theory that was popular in the nineteen sixties and revolved around the question of underdevelopment. Both kinds of analyses have supplied theoretical tools for the analysis of the “underdeveloped/ satellite/ peripheral” countries, such as the Ottoman Empire. The world-system analysis especially had a noteworthy impact on Ottoman studies and has been used in understanding the “incorporation” of the Ottoman Empire into the capitalist world-economy. In that sense, it seems important to elaborate on this perspective. In this regard, the world-system analysis will be handled in this chapter in two parts of the elaboration of the general framework of the analysis and the critique of it.

The world-system analysis was developed in the 1970’s, after the publication of the pioneering work of Wallerstein. World-system analysis is not a unified theory; there is a fair amount of contributors that do not strictly share same analysis but a common approach. Among all, due to the significance of Wallerstein’s analysis for the Ottoman historiography, this study and accordingly this chapter are assigned to its examination. For an account of Wallerstein’s version of world-system analysis, it seems appropriate to start with the theoretical sources out of which it grew. After an examination of the theoretical sources, the interpretation of world history and the formation of the structural features of the world-system in this historical process will be put forward.

## **2.2. Theoretical Framework of Wallerstein's World-System Analysis**

### **2.2.1. Theoretical Sources of the World-System Analysis**

In that sense, it can be argued that the world-system analysis flourishes from three main sources that are the dependency approach, the Annales school, and the theories of imperialism (Shannon, 1996, pp.1-2; Karaömerlioğlu, 2001, p.90).

The Annales school was developed as an alternative to the predominant way of writing history with an emphasis on politics, diplomacy and war in the 1920's. The theorists of the Annales school focus on long term historical structures, serving the purpose of promoting social economic history. Regarding the impact of the Annales school on the world-system analysis, firstly it provides empirical data for the world-system analysis (Karaömerlioğlu, 2001, p.90). Secondly, they have a common view on the nature of the world that can be identified as being holistic and composed of interrelated parts. The relationship between the core and the periphery is analyzed as being marked by the exploitation of the periphery. Thirdly, they have similar research questions on their agendas. Their works are both oriented towards “develop[ing] a systematic, historically grounded account of the evolution of the world-system during the last five centuries, particularly emergence and spread of capitalism” (Shannon, 1996, p.15). In short, the world-system analysis follows the Annales school in the utilization of empirical data, the incorporation of a general conceptualization of the world and determining a research agenda (Shannon, p.15).

The dependency approach was developed as a criticism of modernization theory, which supposes an evolutionary development for underdeveloped countries on the track of the developed ones and considers that the underdevelopment of those societies stems from their deficiencies compared to developed societies. The dependency approach underlines the fact that development and underdevelopment are repercussions of the same process. Unequal exchange is the bases of developed countries expropriation of surplus from underdeveloped ones. The economies of underdeveloped countries are structured in line with the interests of

developed countries. Therefore, underdeveloped countries cannot enter a development process as long as they maintain their relationship with the core. This approach has been criticized by both Modernist and Marxist theorists. First, for not being able explain the situation of the peripheral countries that are not locked in the situation of underdevelopment. Second, these theorists argue that delinking the relationship does not necessarily create development, as in the example of the USSR. Marxists criticize dependency theory for over emphasizing the external factors of its effects on the general situation of a country while ignoring internal class relations (So, 1990, pp.132-134; Ahmad, 1983, p.40 in Shannon, 1996, p.19).

The world-system analysis inherited from the dependency approach, the understanding that via the unequal exchange between the core and the periphery, surplus is transferred from the periphery to the core and this relationship constitutes the bases of the incorporation of the periphery into the world-system in a hierarchical manner, along with the understanding that this relationship sustains the preeminence of the core.

In many ways, world-system analysis can be reckoned the successor of the dependency approach. Nevertheless there are important differences that require attention. In that sense, the methodological difference is remarkable. The concerns preoccupying the research agenda of the dependency approach concentrate on the issue of underdevelopment in Latin American countries. It can be said that theorists of dependency approach come to their conclusions about the world within the light of the insights they derived from the analysis of underdeveloped countries. In contradiction to that, the world-system analysis conceives historical reality as a totality and the understanding derived from the analysis of totality determines analyses dealing with particular cases (Karaömerlioğlu, 2001, p.89). Referring to İnan, Karaömerlioğlu argues that defining the line of research from the totality to the particular is important in averting particularistic approaches - such as orientalism, nationalism- essentialist and Eurocentrist approaches (İnan,

1983 in Karaömerlioğlu, p.89). This makes it possible to discuss a particular local/regional process as a part of a larger unit of the capitalist world-system.

In addition, the world-system analysis acknowledges the exploitative relationship between the core/center and the periphery (or developed countries and underdeveloped countries) but applies an earlier date for the beginning of this exploitation that is molded by capitalism. As is the case in this example, world-system analysis recognizes the arguments of the dependency theory with reservations. “For example, world-system theorists acknowledge that some states have not remained locked in permanent dependency, and a major concern of world-system theory is to examine the strategies local elites have used to 'ascend' from dependency status in the world-system. World-system theorists also try to create a more general theoretical model of the nature of the peripheral exploitation” (Shannon, 1996, p.19).

Regarding Marxism and Marxist imperialism theories, both dependency school and the world-system analysis are inspired by them in terms of their emphasis on the unity of the world and its interrelated unequal character. These approaches gather their terminology from Marxism. They share the view that capitalism has a pivotal role in the formation of the world. They find the issues of the rise and expansion of capitalism important to understand the world and use them in their research agenda. In addition, in a superficial manner, they agree on the exploitative character of capitalism.

Marxist imperialism theories provide the notions of the transformation of capitalism from the free competition stage to the monopolistic stage, the importance of the division of the world for capitalist development and hierarchic and holistic character of capitalist development (Karaömerlioğlu, pp.84-85). Specific examples can also be given for the similarities. For example, the conceptualizations of ‘chain’ in Frank and center and periphery relation in Wallerstein have similarities to the understanding of Lenin and Bukharin that “finance capital ‘spreads its net’ over the world” and “a ‘few consolidated,

organised economic bodies' confronts an agrarian periphery" respectively (Brewer, 1990, p.167).

Apart from the superficial similarities, there are distinguishing differences that separate both the dependency approach and the world-system analysis from Marxism and the Marxist theories of imperialism. Both the dependency approach and the world-system analysis modify the Marxist notions so much that they exclude generally accepted principles and become exposed to the criticisms of the Marxist theorists (Shannon, pp.11-12).

One of the differences is that of ignoring the relations of production in the analyses in general and in defining the nature of capitalism in particular. In these analyses, capitalism is identified with a quantitative increase in exchange relations, while Marx and Marxist theory define capitalism with a qualitative break in the relations of production (Brewer, p.168). Correspondingly, the transformation from merchant capital to the modern monopoly capital is not regarded as a distinctive development but part of a single defining process of the development of market trade. This understanding stems from finding the origins of capitalism in the intensification of exchange relations not in the transformation of the relations of production.

The exploitation of the periphery by the core in the nineteenth century is reckoned as the characteristic of capitalism at its specific stage of development by the Marxist theories of imperialism, while for the dependency approach and the world-system analysis, it is a standing feature of capitalism throughout its history (Shannon, p.13). It is again about how they define the nature of capitalism.

Furthermore, the dependency approach and world-system analysis conceive underdevelopment as the product of capitalist development in the core that became possible with the transfer of the surplus from the periphery to the core. On the contrary, for Marx, underdevelopment is the result of lack of capitalist development and he argues that "The country that is more developed industrially only shows, to the less developed, the image of its own future". Moreover, he



remarks in the German case, which can be generalized for the development of capitalist relations in the areas of subsequent followers:

“... In all other spheres, and just like the rest of Continental Western Europe, we suffer not only from the development of capitalist production, but also from the incompleteness of that development. Alongside the modern evils, we are oppressed by a whole series of inherited evils, arising from the passive survival of archaic and outmoded modes of production, with their accompanying train of anachronistic social and political relations. We suffer not only from the living, but from the dead. *Le mort saisit le vif!* [‘The dead man clutches onto the living!’]” (Marx, 1982, p.91).

“There it will take a form more brutal or more humane, according to the degree of development of the working class itself. Apart from any higher motives, then, the most basic interests of the present ruling classes dictate to them that they clear out of the way all the legally removable obstacles to the development of the working class. .... One nation can and should learn from others. Even when a society has begun to track down the natural laws of its movement- and it is the ultimate aim of this work to reveal the economic law of motion of modern society- it can neither leap over the natural phases of its development nor remove them by decree. But it can shorten and lessen the birth-pangs” (Marx, 1982, p.92).

Following Marx, in the Marxist theories of imperialism, for example of Bukharin, Lenin and Luxemburg, the exploitation of the periphery creates misery but also develops capitalist production and the proletariat. It is a part of the transformative process enforced by the expansion of capitalism all over the world. In other words, the dependency approach and the world-system analysis associate capitalism with exchange relations leading to tracing the origins of capitalism to unequal trade relations, and see a relatively stagnant situation. On the contrary, Marx and the Marxist theories of imperialism define capitalism by the relations of production and consider the relationship between the old capitalist countries and the non-capitalist areas in a dynamic process of the expansion of capitalist relations of production all over the world that brings misery for the masses but also develops production, creates the proletariat carrying the seeds of the future society.

### **2.2.2. Historical and Structural Features of the world-system**

After elaborating the insights derived from different sources, we can pass to the elaboration of the analysis developed by Wallerstein. Concerning the analysis of Wallerstein, the first thing to say is his emphasis on the importance of handling social reality in its totality, with reference to his predecessors Marx and Braudel. He identifies minisystems and world-systems as the only totalities that have ever existed. He defines the minisystems as closed totalities that are composed of a complete division of labor and cultural unity. Hunter gatherer or small agricultural societies which no longer exist are introduced as minisystems. Nevertheless, it is only the world-system that subsists today.

#### **2.2.2.1. World-System: World-Empires and World-Economies**

In the world-system, there is again a single division of labor but a different one from the minisystems, it embodies cultural diversity. There are two kinds of world-systems, which are world-empires and world-economies. The existence of one common political system, that is to say political centralization, discriminates a world-empire from a world-economy that can incorporate the diversity of political system within itself. In other words, a world empire is a political unit, while world-system is an economic unit without a political centralization (Wallerstein, 1997, p.5).

China, Egypt and Rome are the examples of a world-empire in the pre-modern period, but, for example, the British Empire in the nineteenth century is not considered a world empire, it is seen as a nation state operating, with its colonies, in a world-economy. Regarding world-economy, it is considered to be a “world” system because it is more spacious than any political unit and to be a “world-economy” because parts are engaged with each other substantially via economic relations (Wallerstein, 1997, pp.5-6; 1974, p.15).

According to Wallerstein, world-economies of the pre-modern era were not stable systems that gave way to the world-empires. However, the modern world-

economy that came into existence with the advancement of the market trade and the establishment of its dominance in the sixteenth century has superiority over world-empires thanks to “the techniques of modern capitalism and the technology of modern science”. In world-empires, the transfer of economic sources from the center to the periphery was guaranteed by the force (tribute and taxation) that was exercised by a centralized political authority via its bureaucrats. Nevertheless, setting bureaucracy to work was very costly and absorbed most of the profit. As for capitalism, it is not a necessity for the layer of bureaucrats as the mediator of appropriation and transfer of surplus, exploitation is maintained “by means of a world market mechanism with the “artificial” (that is, nonmarket) assist of state machineries, none of which controlled the world market in its entirety” (1974, p.38). That is to say, the political systems of the world-empires absorbing most of the profit was dissolved. Political power/the state has appeared as the guarantor of monopoly rights, “the means of assuring certain terms of trade in other economic transactions” not absolutely but basically (1974, p.16). Concordantly, market operation creates its own dynamics not freely but more directly. These dynamics lead to developments in production and make it more productive and profitable. In his own words, “It is the social achievement of the modern world, if you will, to have invented the technology that makes it possible to increase the flow of the surplus from the lower strata to the upper strata, from the periphery to the center, from the majority to the minority, by eliminating the “waste” of too cumbersome a political superstructure” (Wallerstein, 1974, pp.15-16).

#### **2.2.2.2. Interpretation of the Historical Evolution of the European World-Economy**

Wallerstein interested in the historical evolution of the capitalist world-economy, according to who the increase in the circulation of the commodities and human beings enlarged the world-economy that has been constructed in this enlargement process on the bases of a qualitative and hierarchical division of labor. To be more

precise, according to Wallerstein, the European<sup>1</sup> world-economy emerged in the sixteenth century as a form of the capitalist mode of the production. It was surrounded by other world-systems that were “[t]he Ottoman and Russian world-empires, the Indian Ocean proto-world-economy” (Wallerstein, 1997, p.26). They were the external arenas then became part of the capitalist world-economy in time.

With regard to the historical evolution of the European world-economy, Wallerstein analyses it by dividing into stages. He asserts that the European world economy emerged between 1450 and 1640, consolidated between 1650 and 1730, expanded from 1790, and became global about 1815. However, it is important to note that for him these stages are abstractions and in reality they do not correspond to discrete entities. Reversing this, what exists in reality and has become the object of analysis is the process of the development of capitalist world economy in its undividable totality (Wallerstein, 1997, p.3).

Fleshing out the interpretation of the historical process by Wallerstein, the European world-economy emerged between 1540 and 1640, on the bases of the capitalist mode of production. It is the emergence of a world-system that has a unified division of labor with dispersed political authorities in a diverse cultural atmosphere as a result of growing market trade. It is important to note that for Wallerstein, capitalism and world-system are not separate phenomena but the ways different characteristics of one and the same phenomenon are indicated (1997, p.25). This first stage is marked by the expansion of the division of labor that culminated in the emanation of the core, periphery, and semi periphery positions concretely corresponding to certain states at the end of this stage. By 1640, these positions were taken up by North-west Europe; Spain and the

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<sup>1</sup> “There are no clear and easy lines to draw, but I think it most fruitful to think of the sixteenth century European world-economy as being constructed out of the linkage of two formerly more separate systems, the Christian Mediterranean system centering on the Northern Italian cities and the Flanders-Hanseatic trade network of north and northwest Europe, and the attachment to this new complex on the one hand of East Elbia, Poland, and some other areas of eastern Europe, and on the other hand of the Atlantic islands and parts of the New World” (Wallerstein 1974, p.68).

Northern Italy city-states; northeastern Europe and Iberian America, respectively. The European world-system can be conceived as an established one recognized by the other world-systems that it arose among (1997, p.26).

In the second stage, comprising the period between 1650 and 1730, there was a system-wide recession that gave way to the curtailment and fall in the relative surplus. The relations between states became much more competitive and severe. Mercantilism was the means of struggle. This bottleneck permitted the subsistence of only one core state. It was England that surpassed Holland then took up the challenge of France. In between the second and third phase, after 1760, England accelerated the speed of the industrialization process and the last endeavor of France to catch up with England was unsuccessful (1997, pp.26-27).

The third stage is identified by the shift in the relative significance of agricultural and industrial capitalism. In the industrialized countries, agriculture was substantially dissolved. Industrial products started to dominate the scale of production. This shift of significance from agricultural to industrial capitalism had its repercussions. Firstly, the need for raw materials in industrial production fostered the European world-economy to geographical expansion that started in 1790s and ended up with the capitalist world-system becoming global around 1815. In the process of the geographical expansion of the capitalist world economy, other world-systems, the Ottoman and Russian world-empires, the Indian Ocean proto-world-economy, and various minisystems were vanquished by and subsumed in the capitalist world-economy. For example, Russia was incorporated into the world economy as a semi-periphery, and Latin America as a periphery. Once external areas, Asia and Africa, became the periphery, Japan as an exception raised its position and was incorporated as a semi-periphery (1997, pp.27-28). In this process of incorporation of quite large areas into the capitalist world system, it became possible for some semi-peripheral areas to upgrade their status. Mercantilism appeared as the most convenient tool to achieve their goal of upward mobilization accompanied by an endeavor to industrialize. Germany and the United States can be given as examples of this case. In addition, the expansion

of the capitalist world economy resulted in the transformation of the internal structure of some areas, for example, in Africa slavery was eliminated in this process (1997, p.28).

Secondly, the shift from agricultural capitalism to industrial capitalism altered the internal structure of the core states. Productive forces were, to a large extent, withdrawn from agricultural activity and directed towards industrial production. For this case, Wallerstein gives the example of England, which had been the leading exporter, both in agricultural and industrial goods between 1700 and 1740 and turned into the 'workshop of the world' between 1815 and 1873. In the latter period, its exports to the periphery were basically specialized in manufactured goods while the imports in return were mainly agricultural products. Industrializing countries, such as Germany, France, Belgium, the US, also imported English manufactured goods in large quantities. However, as a result of the heightened competition between the industrializing countries, English export policy changed. Rather than exporting manufactured goods, it started to export machinery for production and provide infrastructure - such as railroads.

Thirdly, industrial production created the urban proletariat and the conditions that gave birth to class organizations such as trade unions and political parties. This became a threat to the sustainability of the system. Concurrently, an economic crisis occurred in the latter third of the nineteenth century due to the excess supply of agricultural products. According to Wallerstein, two threats to the stability and smooth operation of the system were deployed as elements neutralizing each other's subversive effect. The purchasing power of the workers was increased by increases in wages, which made it possible for workers to consume more. The absorption of the excess of goods by workers averted the problem of overproduction. At the same time, it procured the well-being of working class and alleviated the anger of the workers directed towards their living and working conditions.

For Wallerstein, the third stage was ended by the outbreak of the First World War and the fourth stage started with the Russian Revolution. The fourth stage is

identified with “revolutionary turmoil” and “the consolidation of the industrial capitalist world-economy” (1997, p.30). Some of the revolutionary uprisings that occurred in this period ended with the establishment of states that abolished the private ownership of the means of production. For Wallerstein, what this actually corresponds to is “an internal reallocation of consumption” (1997, p.34). Regarding another distinctive characteristic of this stage, the consolidation of the world-economy, for him, does not guarantee smooth operation or survival due to the inevitable contradictions (1997, pp.34-35).

### **2.2.2.3. Structural Features of the Capitalist World Economy**

After drawing the basic lines of the argument on the evolution of the capitalist world-system, it seems important to concentrate on the structural features crystallized in this evolution. According to Wallerstein, the expansion of the market through unequal trade relations gave birth to the capitalist economy in the sixteenth century. In this context, the conceptualization of unequal trade relations that transfer the surplus from periphery to core has a key role in the world-system analysis.

For Wallerstein, “the capitalist economy was built on a worldwide division of labor in which various zones of this economy certain states started to undertake specific economic roles, developed different class structures, used consequently different modes of labor control, and profited unequally from the workings of the system”. This is one of the constituent elements of the capitalist world-economy and the other is identified as such: “political action occurred primarily within the framework of states which, as a consequence of their different roles in the world economy were structured differently, the core states being the most centralized” (1974, p.162).

The European world-economy was divided into specific and differing zones that specialized in different agricultural products. The endeavors of local capitalist classes, directed towards pursuing their own interests, laid the foundation of the origins of this regional specialization. The normal operation of the market

sometimes did not bring about the maximization of profit for the local capitalist classes that are composed of cash crop land owners and merchants. This being the case, these local classes intervened in the operation of the market with extra-market instruments to guarantee their short-run profit. These interventions turned the local capitalist classes into political entities that have the power and ability to manipulate the operation of the market that is to say, nation states<sup>2</sup>.

In the formation of nation states, there are differences that determine the strength of these states. In the core countries, the interests of the local groups were concerted and consequently they could meet and endanger a strong state mechanism<sup>3</sup>. Nonetheless, in peripheral countries, the interests of local groups were in contradiction and directed to different points, they thereof generated weak state mechanisms (1997, p.18). Expressing what Wallerstein signifies by the contradiction of the interests of the local groups in peripheral countries perspicuously, the interests of the capitalist landowners were in conflict with the local commercial bourgeoisies' in peripheral regions. They favored an open economy to benefit from world-market via which they could access industrial products from core countries at lower costs and the substitution of the local commercial bourgeoisie by outside merchants to eliminate the political threat posed by the local merchants. Concisely, the existence of this coalition is one of the factors that determine the strength of state machineries. The other is the oppressive nature of the relationship that core countries enforced on peripheral countries. Wallerstein puts it as the strength of the state machineries in core states being "a function of the weakness of other state machineries". That is to say, peripheral countries were subjected to the thrust of outside forces materialized as

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<sup>2</sup> Therefore, according to Wallerstein states do not emerge only for the emancipation of the market forces from non-market interventions or restrictions but also for the production and promulgation of the new ones whenever required (1997, pp.17-18).

<sup>3</sup> "The state machineries of the core states were strengthened to meet the needs of capitalist landowners and their merchant allies. But that does not mean that these state machineries were manipulable puppets. Obviously any organization, once created, has a certain autonomy from those who pressed it into existence for two reasons...The formula of the state as 'executive committee of the ruling class' is only valid, therefore, if one bears in mind that executive committees are never mere reflections of the wills of the constituents..." (Wallerstein, 1997, p.20).



“war, subversion and diplomacy” (1997, p.21). After all, it is important to keep in mind that, for Wallerstein, the strength of state machineries at a certain moment in the world-system has been bound up with the structural role of the state in the capitalist world-economy. Besides, accepting the importance of the allocation of roles in the first place, and setting aside this fact, the differences in the world system have been institutionalized and ossified – impossible to surpass immediately or in a short time- by the dynamics of the world-market (1997, p.21).

Referring to Arghiri, Wallerstein asserts that the establishment of state machineries with different strengths also introduced the functioning of ‘unequal exchange’ that was compelled upon the weak states of the periphery by the strong states of core (1997, p.18). Accordingly, for him the appropriation of surplus does not occur only at the workplace level -from the laborer by the owner- but also at the global scale -from the world economy in its totality by core states (1997, pp.18-19). This is in fact an explanation of how the division of labor in the world-economy emerged.

In the capitalist world-economy, specialization in production divides the zones of core, periphery, semi-periphery, and external regions on the bases of division of labor. This specialization corresponds to the specific state structure, mode of labor control and class structure in each zone. The difference in the strength of state machineries brings about the operation of the unequal exchange relations that transfer the surplus from periphery to core and is accumulated in the core countries. That is to say, the process of formation of the division of labor also corresponds to the specialization process.

Regarding the actual developments in this process, firstly, North West Europe appeared as the core region that diversified most in the agricultural production and specialized also in the industries of textiles, shipbuilding and metal ware. The production was at high skill level, the mode of labor control was tenancy and wage labor. The diversification in specialization and high skill level production by utilizing the tenancy and wage labor were the results of its relatively better situation in the European world-economy in the sixteenth century. These

characteristics led this region to become the core. Secondly, the Eastern and Western hemispheres appeared as peripheral areas that specialized in the production and export of grain, bullion, wood, cotton and sugar. The mode of labor control was slavery and coerced cash-crop labor. Thirdly, Mediterranean Europe appeared as semi-peripheral area that specialized in high cost industrial products such silk, credit and spices transactions. The exports of the semi-peripheral areas were restricted. The mode of labor control in agriculture was share cropping. By 1640, these three regions had consolidated their own structural positions of core, periphery and semiperiphery in the European world-economy (1997, p.18).

The core countries are identified with skilled work and in these countries free labor is the form of labor control. While, in the peripheral countries, the form of labor control is coerced labor, and production is based on the unskilled work. Acknowledging that the promise of capitalism is “labor as a commodity, for Wallerstein, the combination of the free labor and coerced labor as forms of labor control is not a contradiction but rather “the essence of capitalism” since wage labor is only one form of the recruitment and recompense of labor in the labor market that includes the forms of “slavery, coerced cash-crop production, sharecropping, and tenancy” (1997, p.17). In addition, he defines capitalism not at the scale of each specific and differing zone but in its worldwide totality (1974, p.127). Therefore, all capitalist “forms” do not have to be “free”, the defining criteria for capitalist existence in the peripheral countries appears to be the existence of a capitalist motivation that is characterized by three items: assigning most of the surplus to the market rather than just a part of it, production for a world market rather than the local market, the motivation of maximization of profit and reinvestment rather than just spending it (1974, p.126).

In this picture of stratification, the semi-periphery is conceptualized as a middle stratum between core states and peripheral states by Wallerstein. For him, it is not just an intellectual necessity for a third category in between two edge points at the level of abstraction. In a sense, it is not only an inductive category but also a

deductive one. The capitalist world-economy was in need of a third category for its smooth functioning. In fact, all world-systems both world-empires and world-economy have been structured as stratified in three layers. When this stratification was demolished, the world-systems vanished. In the matter of the capitalist world system specifically, it does not have a unified political system and the economic roles have been concentrated “vertically rather than horizontally throughout the system”. This has raised the need for “three *kinds* of states, with pressures for cultural homogenization within each of them”: apart from core and peripheral states, there exist semi-peripheral ones (1997, p.23). Although it appears to be a need stemmed from economic functioning of the system, the political reasons were much more acute. In the case of the absence of a third category, inequality between strata would crystallize and this would pose the threat of a strong unified opposition politically, while the existence of semi-periphery that is both exploited and exploiter economically moderates the contradictions, divides the opposition, and creates a suitable environment for the smooth operation of the capitalist world-system.

In dividing the world into regions with respect to their roles in the European world-economy, there remained some areas outside this division of labor in the emergence and consolidation of the European world-system. These regions are identified as external arenas by Wallerstein and concretely speaking they corresponded to the Indian subcontinent, the Ottoman Empire, the Russian Empire, and West Africa during the historical period between 1500 and 1750. Analyzing the historical evolution in retrospect, the category of external arenas, nevertheless, is considered as a transitory one disappearing after the completion of the expansion of the capitalist world-economy to the entire world. To put it clearly, the European world-system started to expand towards the new zones in relation with the strain that had appeared in its actual mechanism. This strain had been created by economic expansion and monetary inflation occurring roughly between 1733 and 1817. It would be released with the incorporation of the external arenas in the second half of the eighteenth and first half of the nineteenth century. The expansion process ended with the capitalist world economy

becoming a world-system literally, by the end of the nineteenth and beginning of the twentieth century. That is to say, it incorporated the whole world and there were no regions that remained outside the capitalist world-economy. Accordingly, the material existence of the category of external arenas ceased (2011, p.129).

The incorporation process leans on a transformation occurring “in period of medium duration”, it does not come into existence in a stroke. In addition, it is composed of three sequential moments that are identified as “being in the external arena, being incorporated, and being peripheralized”. The incorporation process of these four zones- the Indian subcontinent, the Ottoman Empire, the Russian Empire, and West Africa, all happened at about the same time and developed basically in a similar manner. Although all four zones shared the basic pattern in this process, each had their own specificity. Nonetheless, as maintained by Wallerstein, it does not mean that any of these regions launched the incorporation process themselves. On the contrary, they were subjected to this process stemming from the needs of the world-economy (2011, pp.129-130).

### **2.3. Critique of the World-System Analysis**

After laying out the general framework of the world-system analysis, it becomes necessary to advance to criticisms of it, which have been voiced on both empirical and theoretical levels by various writers. The most significant one, due to its comprehensive character, appears to be Brenner’s criticism. Thereby, most of this section will be founded on his criticisms but not limited to them alone. It will be enriched with different perspectives from various writers.

For Brenner (1977, p.30), the peculiar characteristic of the capitalist relations of production is systemic economic development that became possible particularly with the appropriation of the increasing relative surplus value as opposed to the former economic systems based on the appropriation of absolute surplus value<sup>4</sup>. In

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<sup>4</sup> Increase in the relative surplus value corresponds to the increase in labor productivity that necessitates an advance in the forces of production. Then it becomes possible to appropriate more surplus value with the same amount of labor power. On the contrary, increase in the absolute

other words, the operation of capitalism generates economic development that is huge when compared to the pre-capitalist modes; this development takes place more or less regularly, owing to the mechanism of creating innovation in the forces of production. That is to say, the innovations raise labor productivity which in turn brings about economic development. The mechanism of creation of qualitative change in the forces of production necessitated a specific base, a specific form of relations of production for its emergence and operation. It was capitalist relations of production that provided the bases for the emergence and more or less regular functioning of this mechanism since it had already established and extended the wage labor relation that introduced the division of work time to necessary labor and surplus labor. On the bases of the capitalist relations of production functioning through the appropriation of absolute surplus value, it spontaneously raised and developed the capitalist relations of production whose operation was directed towards the appropriation of relative surplus value. It can be expressed as the replacement of the formal subsumption of labor under capital by a real subsumption for which it provided the bases (1977, pp.30-31).

Narrating from Brenner's perspective the development of capitalism in Wallerstein's analysis, the development of commerce triggered the growth of the world-market that created new pressures and opportunities. That is to say, it changed what had been necessary for the generation of profit (Brenner, 1977, p.27). Under the new conditions determined by the rule of the market, individual producers of each region started to act in line with the market mechanisms of 'profit maximization' and 'competition on the market' (1977, p.39). The individual producers, who were also the exploiters of the previous era, retained their position as the ruling class. Besides, given the conditions of each region that can be identified as natural resources and population, the individual exploiters made decisions upon the proper method of labor control yielding the most efficient production that would generate maximization of profit and competitive

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surplus value necessitates rise in the actual labor power or decline of the price of the labor power-wages, and so of the living standards of the labors.

power in the world-market separately. In line with these decisions, there emerged the application of different modes of labor control in each region: “slavery, “feudalism,” and “wage labor, self-employment” (1977, p.79; Wallerstein, 1974, p.87). The emergence of different modes of labor control is identified by Wallerstein as regional specialization that led to the efficient organization of production and development of productive forces increasing the production in each singular unit of production and in each region. This in turn gave way to the further division of labour (1977, pp.39, 57). It seems to be rather circular and mutually reinforcing process.

Regarding the relationship between the exploiters and the exploited laborers, it was the result of transformation of class relations determined by the choices of the ruling class exploiters separately in each region. The class relations that emerged after this transformation characterized the nature of the state (Brenner, 1977, pp. 39, 63, 64, 79). In other words, as the initiator of capitalist development, trade endangered the world division of labor that was accompanied by the international structure composed of respectively or unequally powerful nation states (1977, p.30).

However, for Brenner, the identified way of development and the determinative elements in the analysis of Wallerstein could not bring about a system that manifests itself in systemic and “spontaneous” economic development by increasing the relative surplus value through “revolutioniz[ing] out and out the technical processes of labour and composition of society” (1977, p.31).

### **2.3.1. On the Nature and Origins of Capitalist Economic Development**

There are criticism raised against Wallerstein’s arguments on the nature and origins of capitalist economic development that are stemming from both methodological and empirical concerns. In Brenner’s account, capitalist relations of production are differentiated from the former modes of production with a qualitative break in relations of production. Accordingly, he argues that the analysis of Wallerstein falls short of giving an account of the essential feature of

capitalism, since in his analysis, the capitalist world system is conceived as a “trade based division of labor” (1977, p.38) being endangered by quantitative change in the sphere of circulation rather than a qualitative break in “social-productive or class relations”. For Wallerstein, the expansion of trade and the inclusion of different regions into commercial relationship, which is identified by Brenner as quantitative change, led to the specialization in a particular production that was the most convenient for the natural and demographic characteristics of the region, so that it would be most productive and profitable. This process is conceptualized as “regional specialization” that resulted in the “world division of labour” of Wallerstein, besides this is what Brenner mentioned as “trade based division of labour”. In this regard, the expansion of trade, after market mechanisms were freed from the pressure of the cumbrous structure of world-empire, is perceived by Wallerstein as the initiator of the developments that would lead to the emergence of capitalism.

In line with Brenner, Brewer (1990, p.165) argues, against the arguments of Frank, with what also seem to be valid as criticisms of Wallerstein, that there is a difference between merchant capital and modern monopoly capital. They lean on absolutely different modes of production but in the analyses of both Frank and Wallerstein, merchant capital is identified with capitalism. The difference between them is annihilated (1990, p.165). According to Brewer, who makes distinctions between different economic systems in relation to the relations of production they are governed by, merchant capital is defined with merchants’ activities of collecting and redistributing products that is to say commercial activities. In merchants’ activities, the profit was gained through the transmission of products in the sphere of circulation. They were not actors of production and did not seek profit that would be gained from production process. Thus organizing production was not their initial concern. Thereby, according to Brewer, mercantile capital may be dominant in pre-capitalist or small-scale capitalist production, while modern monopoly capital appears in large scale capitalist production. As opposed to merchant capital, modern monopoly capital originates in the process of capitalist formation of production. Seeking profit from production leads modern

monopoly capital to direct control over production, introduction of fully capitalist relations and development of productive forces (1990, p.166). For Brewer, the transformation of relations of production is a reference point in understanding the emergence of capitalism. Therefore, it is not possible to place mercantile capital and modern monopoly capital under the heading capitalism. In other words, while production was carried out in a pre-capitalist manner, the intensification of commercial relations, production of commodities for market sale, and accumulation of merchant capital could not account for the emergence of capitalism (Brewer, 1990, p.165-166). The significance of these factors was determined by the class relations they arose on. In capitalist productive social relations, they have huge impact. However “by themselves, by ‘their self-development’”, they could not create capitalist social-productive relations whose emergence was marked by a change in the way collective production was organized including the way fixed capital was applied. Neither could they create capitalist economic development that was characterized by an increase in labour productivity via the development of forces of production (Brenner, 1977, p.83).

According to Wallerstein (1997, p.120), the essential feature of capitalism is production for market sale through which the realization of maximum profit is aimed. The market is identified as a world market from the beginning and mechanisms of the market as masters of the production process –If the goal of production is maximum profit in the market, then market mechanisms that enable this profit will be the main reference point for each and every decision concerning production. In addition, the fight for the maximization of profit creates competition among the actors in the market place that in turn triggers the propensity to the maximization of profit for survival in the market place. Abiding by the mechanisms of ‘profit maximization’ and ‘competition on the market’ created a pattern of economic activity that was inclined towards an increase in production as long as it is profitable, searching for new techniques in production for reduction in cost and increase in productivity and profit. This pattern of economic activity prompted expanded self-perpetuation that is peculiar to the capitalist world-economy (1997, pp. 15, 120). In a nutshell, for Wallerstein the



world market mechanism is reckoned as the determinative factor in the emergence and the productive operation of the world-capitalist system.

The pivotal role attributed to trade by Wallerstein is criticized for the ignorance of changes in production relations, but these critics do not neglect that trade has a role in the process. According to Brenner, trade on its own could not endanger the emergence of capitalism but could incite a two sided dynamic whose theorization can be traced back to Marx. He puts it forward as follows: According to Marx, the expansion of trade and the growth of the world-market promoted the production directed towards exchange with the aim of increasing the wealth of the owners of enterprises. On the other hand, Marx also argues that the growth of production for exchange on its own did not have the capacity either to incite or to give an account of the transformation of the mode of production (Brenner, 1977, p.71). In that sense, Brenner argues that it is not possible to give an account of capitalist transformation with reference to only trade.

Attributing central role to trade is not peculiar to Wallerstein, but can be traced back to Adam Smith, David Ricardo, or Max Weber. According to Brenner, Wallerstein's conceptualization has essential similarities with the understanding of Adam Smith. In both of their understandings, as a result of the expansion of the world-market and participation to the extended commercial links, each region started to specialize in a certain production most appropriate for the conditions of the region. This brought about diversification of different productive activities in different regions of the world but each was carried out in the most productive and efficient way because in each region the decisions on what to produce and how to produce were taken in a most effective way owing to the rule of the market. That is to say, for both of them capitalism is identified as trade-based division of labour (Brenner, 1977, pp.38, 39, 58). According to Brenner, the difference of the analysis of Wallerstein is the extension of the analysis of Smithian development of trade based division of labour with the subsumption of the transformation of the class relations into the analysis as an outcome of development. That is why Brenner identifies the analysis of Wallerstein, as "neo-Smithian Marxism". On

the other hand, for Brenner, application of different mode of labor control in each region in Wallerstein's theory highly resembles the law of comparative advantage put forward by Ricardo (1977, p.58).

Similar criticism was raised by Wolf (1982) against Wallerstein's identification of capitalism with a system of production for the market oriented towards making profit. According to Wolf, in these sorts of analyses, the distinction between the concept of the capitalist mode of production and the concept of the capitalist world-market is ignored. Consequently, the European thrust towards non-capitalist regions in the sixteenth to eighteenth centuries was identified with capitalism. Besides, the whole world since that time has been considered to be capitalist. (1982, p.297)

For Wolf, these assumptions are parallel to the assumptions of Weber on the nature of capitalism. For Weber, economic activity in capitalism "rests on the expectation of profit by the utilization of opportunities for exchange, that is on (formally) peaceful chances of profit... action which is, in the last analysis, oriented to profits from exchange," or oriented to "pursuit of profit, and forever renewed profit, by means of continuous, rational, capitalistic enterprise" (Weber 1958, p.17 cited in Wolf 1982, p.297). Wolf argues that Weber's understanding can be traced back to the conceptualization of "search of profit" by Ibn Khaldun and the "human prosperity to track and barter" by Adam Smith. He saw a problem of analytical confusion in distinguishing the seeking of wealth and its accumulation from a particular organization of social productive activity. His opposition refers to the criticism raised by Marx against Weber. Briefly stating, neither the accumulation of wealth nor the propensity or greed of human beings can account for capitalist relations of production. It is neither propensity nor greed of human beings. Capitalism is not a universal phenomenon; it emerged in particular time and space as an outcome of certain historical developments (Wolf, 1982, p.298). Referring to Marx, it is argued by Wolf that wealth became capital when laborers became deprived of the means of subsistence and means of production, capitalists started to withhold the control of the means of production,

purchase labour power for employment in production oriented towards increasing surpluses constantly. In order to secure constantly increasing surpluses, first and by all means capitalists must keep hold of the means of production, then raise labour productivity via developing productive forces to increase surpluses (1982, p.78). In other words, to the extent that wealth remained outside the organization of the production process, only dealt with the transmission of products from production units to the markets and pursued profit from this activity, it was not capital. When the wealth starts to control the organization of production in the identified way, then it becomes capital. “There is no such thing as mercantile or merchant capitalism, therefore. There is only mercantile wealth. Capitalism, to be capitalism, must be capitalism in production” (Wolf, 1982, p.79).

This understanding corresponds to Brenner and Brewer’s understandings since Brenner, Brewer and Wolf refer to the increase in the relative surplus as a phenomenon that appeared first in capitalism and so actually identifies capitalism. Hence, the criticism of Wallerstein by them focused on the matter that amassing wealth by itself is not capitalism that can be defined on the level of production relations.

Indicating his agreement with Brenner, Reyhan (2008) asserts that theoretical foundation of Wallerstein’s analysis is derived from the model developed by Adam Smith in ‘the Wealth of Nations’. Besides, he argues that since the theorization of Wallerstein based on simply geography and commercial relations, country or nation is reckoned as homogeneous totality whose members share same interests in opposition to emphasis of the Marxist understanding that these units are composed of classes with contradictory interests. In this regard as well, the way Wallerstein handles the issue is in accord with the patterns in the analysis of Adam Smith rather than that of Marx. Thereby, it seems appropriate to put forward that the analysis of Wallerstein adheres to the theoretical approach of Adam Smith (2008, p.66).

According to Brenner, adhering a determinative and central role to the expansion of trade and operative functioning of market mechanisms has its implications and

outcomes. First of all, the expansion of the world-market via the intensification of commercial relations is a big quantitative change in the sphere of circulation. In other words, it was not a change in the nature of things. Thereby, when elucidated with such a phenomenon, the emergence of capitalism turns out to be a “smooth unilineal process” (1977, p.39) that could be operationalized whenever the necessary techno-economic conditions were met. In parallel, the market mechanisms of surplus maximization and competition on the market are posited as the latent forces waiting for the impetus that would be given by the expansion of the world-market. With the expansion of the world-market, the establishment of the rule of the market was actualized which meant the materialization of the market mechanisms as actual forces. In other words, they are perceived as transhistorical forces that were behind the emergence of capitalism in Wallerstein’s analysis. This notion can be traced back to the analysis of Smith (Brenner, 1977, pp.39-40).

For Brenner, the transition to capitalism was hallmarked with a qualitative break in relations of production stemming from class conflict, which is the driver of history. Thereby, most of the criticism of Brenner revolves around the methodology of Wallerstein. Regarding class conflict and the role it plays in history, they remained out of the sight in the analysis. In his words, “[t]he rise of the world division of labour, based on the commercial expansion of Europe, both gives us the origins of capitalism apart from any transition through class conflict, and the form of its economic development apart from any class structure of capital accumulation” (1977, p.82).

### **2.3.2. World-Division of Labour**

Returning to the analysis of the Wallerstein, it is argued that with the expansion of trade, the position of the region in the world-market signaled to the most proper activity for the region. In line with the comparative advantages and disadvantages of the region, in each individual production unit, exploiters chose the most appropriate economic activity. Accordingly, the amount of capital and skill were

utilized in accordance with the task chosen in productive lines with the logic of efficiency.

According to Brenner, in Wallerstein's analysis, in the course of the development of world division of labour, the task conditioned the level of the productive forces and production relations (1977, pp.39, 61). Whereas, for Brenner it is other way round: the class structure of the region brings about production relations that are characterized with a definite level of development of the productive force and so of labour productivity. A regions place in the world economy is settled on according to the level of this development determined by the relations of production (1977, p.62).

### **2.3.3. Modes of Labour Control**

It is argued that with the establishment of the rule of the world-market, conditions for profitable economic activity changed and became oriented towards 'maximization of surplus' and 'competition in the market'. Under these new conditions dictated by the world-market, the ruling classes started to decide on the most appropriate method of labour control for specialized production in distinct regions (Brenner, 1977, p.79). Brewer (1990, p.178) argues that, in this analysis, it is perceived that "'modes of labour control' (wage labour, slavery, etc.) are the secondary result of the functioning of the world-system defined by the existence of market links. The situation in the core is such that free wage labour tends to be chosen (by the ruling class, with state support) while in the periphery more coercive systems are used" (1990, p.178).

It is argued that in Wallerstein's analysis, the choices of the ruling class, under the rule of the market with the criteria of efficiency and profitability, transformed class relations. In addition, the adoption of proper methods of labour control in each separate productive unit meant the efficient organization of production and created an impetus for the development of the productive forces (Brenner, 1977, p.39). The development of productive forces accelerated the production that in turn deepened the world division of labour (1977, p.57).

It is the regional specialization and world division of labour by the distribution of modes of labour control that deepened in this process. However, it is important to note that this process was initiated by the ruling class decisions under the incentives and sanctions of the world-market. Brenner argues that “such a ruling class, *whatever its relations to the exploited* before the rise of the market, were already *capitalists in potential*. The previous mode of exploiter-exploited relations becomes irrelevant. .... the rise of trade determines the emergence of capitalists and capitalism; ‘transition’ becomes the *result* not the source of capitalism” (1977, p.79). This would mean “that the rise of distinctively capitalist class relations of production are no longer seen as the basis for capitalist development, but as its result” (1977, p.39).

Wallerstein asserts that before capitalism, there were individual exploiters that were in different kinds of exploitative relations with the exploited. They had the potential to choose the appropriate method of exploitation for specialized production under the imperatives of the enlarged world-market. This potential was realized with the incorporation of their commercial relations to the world-market. According to Brenner, the conceptualization of such a potential capitalist exploiter that can choose and apply ‘the most productive technique of exploitation’ can be traced back to Smith’s conceptualization of atomistic egos that can decide on ‘the most productive technique of production’ (1977, p.82). This is one of the reasons why Brenner identifies Wallerstein’s analysis as ‘neo-Smithian Marxism’.

#### **2.4. Development of Underdevelopment**

The origins and development of capitalism were identified and criticized above, this process had another facet that is underdevelopment that was theorized as the ‘development of underdevelopment’ by Frank in dependency theory and inherited by the world-system analysis of Wallerstein. According to world-system analysis, the development in core countries became possible with the transfer of surplus from the periphery, which was dragged into underdevelopment as a result of this process. One and the same process created development in core,

underdevelopment in periphery. Besides, the transfer of surplus from periphery to core is identified as ‘primitive accumulation’.

According to Brenner (1977, p.61), Wallerstein accounts for the transfer of surplus in economic and political manners. Firstly, regarding economic explanation, Wallerstein argues that the world-economy was divided into regions with reference to a hierarchy of occupation. This is the economic bases of surplus transmission. Secondly, regarding political explanation, the class structures of the regions determined the strength of the states. After the emergence of states that varied in strength, there emerged an unequal relationship between states as a consequence of which strong states compelled weak states to an unequal economic relationship between strong states and weak ones that corresponds to core and periphery respectively (Ibid.). For Wallerstein, primitive accumulation through which the surplus was transferred from periphery to core created both capitalist development and underdevelopment. That is to say, the wealth accumulated via primitive accumulation grew into the capital and triggered capitalist development in core states, while the lack of the capital as a consequence of the wrench of the wealth away from the periphery resulted in underdevelopment (Ibid.).

## **2.5. Critique of the Development of Underdevelopment**

The notion of the ‘development of underdevelopment’ has been subjected to serious criticisms both on theoretical and empirical levels. Starting with the notion of primitive accumulation, Brenner raises criticisms against the way Wallerstein utilizes the concept with reference to Marx. He argues that the original amassing of wealth, the ‘*original formation of capital*’ does not constitute the ‘*objective conditions of production*’. In themselves, the accumulated money or commodities are not capital themselves (Marx’s emphasis in Grundrisse, pp. 508-9 cited in Brenner, 1977, p.67). “They need to be transformed into capital... So-called primitive accumulation, therefore, is nothing else than the historical process of divorcing the producer from the means of production” (Marx, Capital Volume I, pp.874-5 cited in Ibid.). In addition, he argues that it is not clear why there was a

need for a transfer of wealth from external resources and the accumulation of it for capitalist development or why the accumulated wealth was directed towards capitalist development, the development of the productive forces through innovations to increase labour productivity and maintain the continuing process of capital accumulation (Brenner, 1977, p.67). He asserts that at many times in history, vast amount of wealth accumulated in the hands of private individuals but it did not end up with the emergence of capitalist relations of production. It was specific relations of production that forced the use of wealth for economic development (1977, pp. 66-67). Whereas, in Wallerstein's world-system, the internal dynamic of the class structure that enforced the utilization of wealth for economic development is overlooked, while the external factors like commercial relations are overemphasized.

This facet of the process has its effects on the comprehension of the nature of the capitalist development. In Wallerstein's analysis, underdevelopment and development rising as a result of one and the same process of transfer of surplus from periphery to core – primitive accumulation- means that the development and underdevelopment conditioned each other. Brenner argues that emergence of capitalism is not conceived as a separate phenomena arising from specific changes in the class relations of a specific society in Wallerstein's analysis. Likewise, the development of the forces of production could not be considered an inherent tendency of capitalist relations of production towards capital accumulation, since in Wallerstein's world-system, this development presupposed the accumulation of wealth in the core. That is to say, the dynamics of capitalist development were placed in external conditions rather than internal ones. Hence, capitalism is degraded to a system based on the extraction of absolute surplus value. On the contrary, for Brenner, the capitalist dynamic of development originated in specific class conflicts and so in the internal dynamics. In conformity, the emergence of capitalist development and underdevelopment are not perceived to be directly related to each other. In his words: "Each is the product of a specific evolution of class relations, *in part* historically determined '*outside*' capitalism, in relationship with non-capitalist modes" (emphasis original, 1977, p.61).



Brewer argues that due to the different modes of production established in different parts of the world, each region had its own dynamics. Therefore, first the functioning the modes of productions in different regions should be analyzed which does not mean that they evolve in an isolated manner. Afterwards, it would be better to pass to the analysis of the interaction of these regions. In addition, regarding the mutually conditioning relationship between development and underdevelopment depicted by Wallerstein, Brewer argues that if capitalist development brings about increasing productivity, then it does not necessitate transfer of surplus from periphery to core, that is to say, capitalist development can occur with its own dynamics. Hence, development does not necessarily create underdevelopment. However, it is not to deny that there is transfer of surplus (Brewer, 1990, p.182).

On the empirical level, Patrick O'Brien (1982) criticizes the analysis of Wallerstein under a catch-all term of "the new history of economic development" that refers to the writings of Immanuel Wallerstein, Gunder Frank and Samir Amin. He argues that these analyses lack historical verification for their claims that the wealth amassed through intercontinental trade in the mercantile era was cardinal in the economic growth of Europe later on. A historical analysis of the mercantile era reveals that at the beginning of this era, international trade was based on the exchanges between European states and restricted mainly to the European continent. Although intercontinental trade with Asia, the Middle East, and Africa was increased in silks, spices, jewels, gold, and silver; they only composed an insignificant part of total exports and imports. International trade for the Europeans distinctively revolved around trade among the borders of European states. They bought from and sold to each other more than other continents.

Regarding the trade with the Americas, it started early in the sixteenth century and rose after 1492 rapidly to the extent that it constituted most of the intercontinental trade by late eighteenth century. However, the amount of intercontinental trade did not form a significant part of the total European trade until the second half of the seventeenth century. The rise in the intercontinental trade occurred after 1650.

Even though the pattern of international trade that was mostly restricted to the continent of Europe of mercantile era was broken at the second half of the seventeenth century and intercontinental trade was expanded in the eighteenth century, still in the 18<sup>th</sup> cc. aggregate external trade of European states (flow of commodities from national borders) composed only a small portion of the total economic activities<sup>5</sup> (O'Brien, 1982, pp.3-4).

In opposition to Wallerstein's claim of the transfer of wealth from periphery to core, O'Brien (1982) argues that in the mercantile era of supposed wealth transfer, the commercial activity of Europeans took place mainly between each other and so in the continent of Europe. This pattern was broken after 1650. However, although there was an upswing by the late eighteenth century, external trade was still a small portion of the economies of European states. In the light of historical analysis, he argues that commerce between Western Europe and the periphery did not play a decisive role in the economic growth of Western Europe after 1750.

In a similar fashion, Wolf argues that including the late nineteenth and early twentieth century, the core states mostly directed capital exports to the capitalist countries rather than to the periphery. In addition, the investments mainly concentrated on the "already existing centers of accumulation rather than to open up frontier regions of reinvestment" (O'Brien, 1982, p.301). That is to say, capital flows and capital investment occurred predominantly among the core states.

Along with the development, underdevelopment is considered to have originated in the process of the transfer of surplus from periphery to core. The regions were subjected to unequal terms of trade on behalf of the core. As a result of the acceleration of trade relations with the core, these regions were incorporated into

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<sup>5</sup> "Around 1780-90 when something like 4 per cent of Europe's gross national output was exported across national frontiers, perhaps less than 1 per cent would have been sold to Africa, Asia, Latin America, the Caribbean, and the southern plantations of the young United States. A higher but still tiny percentage of total consumption by Europeans took the form of imports from these same parts of the world" (O'Brien, 1982, p.4).

the capitalist world-economy as periphery. That is to say, commercial relations had a key role in the transition to capitalism in peripheral regions in Wallerstein's analysis. In other words, the transition is defined without a change in the mode of relations but its organization under the logic of capitalism.

According to Brenner, in Wallerstein's analysis, anchored in the longstanding mode of production, the demands of the market were met through the growth of absolute surplus extraction in periphery. In other words, increasing production was sustained through an increase in the amount of the operationalized labour power and/or decrease in the cost of labour power but not increase in the productivity of labour through the development of productive forces that presupposes the transformation of the mode of production (Brenner, 1977, p.71). Then deducing from Wallerstein's supposition on the relations of production in the periphery of the capitalist world-economy, it becomes avowable again that in Wallerstein's world-system, capitalism appears as one of the modes of production based on the extraction of absolute surplus.

Regarding the role of trade, it was discussed in terms of the origins of capitalist development beforehand. In Wallerstein's world-system, unequal commercial relations between core and periphery loom large in explaining the development of underdevelopment as well. Nevertheless, this explanation has been subjected to criticism. It is put forward by Wallerstein that through uneven commercial relations, the surplus was transferred from periphery to core, which dragged the periphery into underdevelopment. Nevertheless, commercial relations on their own could not easily infiltrate peasant economies, or submit them to the capitalist relations of production as stated by Luxemburg. She argues that it would be very hard and also taking a long time to undermine the peasant proprietorship, leaning on trade on its own (Luxemburg, 2003, pp.349-398).

In line with Luxemburg, Brenner argues that since the peasant producers had the forces of production and means of subsistence at their disposal, peasants did not necessitate entering into commercial relations for their reproduction. Thereby, they were not subjected to the rule of market, that is to say the peasant production

was not organized under the logic of competition or maximization of profit. For that matter, competition could not unsettle the existing relations of the peasant economy. As long as the survival and reproduction of the peasants were guaranteed, the replacement of the peasant economy with an efficient production through competition was not possible. In addition, capital investment could not find the necessary labour power and means of production because they remained utilized by the peasant economy. Therefore, in opposition to Wallerstein, it is argued by Brenner (1977, pp.73, 74) that the establishment of commercial relationships with peasant economies and their replacement by markets dependent on production were much severe processes generally that could not be achieved only through economic means.

Referring to Bergesen and Pieterse<sup>6</sup>, Karaömerlioğlu (2001) also argues that most of the world-system theoreticians ignored that bare coercion of military power in fact had a more crucial and central role than free trade in the formation of world-economy. The incorporation of the various regions into the world economy took place mostly by means of the enforcement of military power followed by political power rather than unequal trade (2001, p.93).

## **2.6. Conclusion**

The thesis of the development of underdevelopment is raised as an opposition to the modernization theory that considers the underdevelopment of periphery as the repercussion of the deficiencies in these societies that prevent them from following the modernization path that is supposed to be valid for each and every society. In contradiction to the modernization theory, it is argued that the development in core emerged at the expense of the underdevelopment in periphery through the transfer of surplus from periphery to core. Hereby, the development and underdevelopment are defined as the mutually conditioning

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<sup>6</sup> See Bergesen, Albert (1990). "Turning world system theory on its head", *Theory, Culture and Society*, Vol. 7, No. 2, pp. 67-81; and Pieterse, Jan Nedeveen (1988). "a critique of world system theory", *International Sociology*, Vol. III, No. 3, pp. 251 -266.

parts of the same process and the transfer of surplus from periphery to core through trade as the generative element of both development in core and underdevelopment in periphery.

The thesis of development of underdevelopment draws criticism at the historical and theoretical levels. In world-system analysis, it is assumed that increasing commercial relations that transferred the surplus from periphery to core brought about capitalism. Generative force of social change is identified as commercial relations. This analysis is criticized at the theoretical level for not considering the class relations and conflicts through which the social changes occur but putting an emphasis on commercial relations that are portrayed as free from and above the social relations. In that way, the source of change is identified outside the social relations of core. In world-system analysis, the emergence of capitalism necessitated accumulation of capital generated by an external element that is conceptualized as primitive accumulation with reference to Marx. It is argued that primitive accumulation is essentially characterized by the emergence of free labour power that signals to the changes in relations of production and only with its emergence, wealth turns to capital. In that way, capitalism is identified as a change in the nature of things and a “qualitative break” in production relations that can happen within the dynamics of social relations, that is to say, it does not necessarily create underdevelopment.

The thesis of development of underdevelopment is criticized in terms historical evidence as well. As mentioned above, this thesis is based on the claim that wealth amassed through intercontinental trade in the mercantile era was fundamental in the economic growth of core regions. However, a historical analysis of the mercantile era in Europe reveals that at the beginning of this era, international trade was based on the exchanges between European states and restricted mainly to the European continent. Even after the rise of intercontinental trade, it did not compose significant part of countries economic activities.

In terms of the developments in periphery, Wallerstein argues that pre-capitalist areas are incorporated to the capitalist world-system through increasing

commercial relations with core. The peripheralization includes the organization of the production and trade in accordance with the needs of the world-market. It does not mean organization of production on the bases of free labour power, but in most cases the entrenched mode of production continues to prevail. Incorporation to the capitalist world-system for a peripheral region does not require change in its relations of production. This understanding is criticized for the exclusion of relations of production and so class relations and conflicts in the definition of capitalism. In addition, it is asserted that the distinguishing feature of the capitalist relations of production is the appropriation of the relative surplus labour. On the contrary, in Wallerstein's analysis, capitalism is degraded to the appropriation of the absolute surplus value through which the amount of production is increased in the periphery.

Within Wallerstein's world-system, nature and origins of capitalist development are identified with the development of commercial relations and emergence of the world-market. This conceptualization has been criticized for a focus on quantitative increase in the commercial relations rather than a qualitative break in the relations of production. Since social changes occur in and through existing class relations, this critique is apparently important and valid.

Wallerstein argues that increase in commercial relations leads to the rule of market that is operationalized through the mechanisms of 'profit maximization' and 'competition'. However, these mechanisms are not transhistorical technical factors waiting for proper conditions to be activated, but rather the expressions/forms of the class relations and conflicts. Thereby, understanding the transformation process necessitates analyzing these relations and conflicts that appear in the form of these mechanisms.

However, within the line of critique pointing to the determining role of the relations of production in social transformation, as in Brenner's analysis, the argument can be carried too far by identifying capitalism with the absorption of relative surplus value while excluding the phases and conditions that capitalist expropriation is based on the absolute surplus absorption. Nevertheless, The

notion of absolute surplus absorption seems important in understanding the transformation of the incorporated regions, in which the introduction of the wage-labour relation within the existing or emerging forms<sup>7</sup> of production does not necessarily bring about relative surplus absorption immediately. The capitalist development occurs in and through the existing relations of production even if it demolishes them at the end of the process. Therefore, the development of capitalism has characteristics of its own in each region. However, it does not mean that there are different capitalisms but that capitalism differentiated in the regions due to the interaction with the long-standing relations of production. In that respect, in the peripheralized regions, the exploitation can be based on the appropriation of absolute surplus value through increasing the working hours or degrading wages within the existing or emergent forms of production in the process of transition to capitalism.

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<sup>7</sup> The idea of old forms entailing new content in transition to capitalism developed by Banaji (1977) has been inspiring but not utilized in the same manner as he does so that nor all conclusions he arrived are shared. His analysis has its own restrictions, elaboration of which exceeds the limits of this study.

## CHAPTER 3

### WORLD-SYSTEM INSPIRED HISTORIOGRAPHY OF TRANSITION TO CAPITALISM IN THE OTTOMAN EMPIRE

#### 3.1. Introduction

The world-system analysis offers explanations about the emergence of the capitalism and its expansion to pre-capitalist areas. The leading figure of the world-system analysis, Wallerstein has works on the peripheralized regions in general and on the peripheralization of the Ottoman Empire specifically. However, it is not restricted to Wallerstein himself to examine the transition to capitalism in the Ottoman Empire within the framework of the world-system analysis. The world-system analysis, especially Wallerstein version has a considerable impact on the Ottoman historiography. The literature on transition to capitalism is substantially composed of works that are based on the world-system analysis. Hence, it is important to understand and examine the world-system inspired historiography on transition to capitalism in the Ottoman Empire; accordingly, this chapter is spared for this purpose.

For the elaboration of the world-system inspired Ottoman historiography, the works by Wallerstein himself, and Decdeli, Kasaba, İslamoğlu-İnan, Keyder and by Pamuk will be handled due to their significance and emphases on different points. Firstly, the articles of Wallerstein himself and in collaboration with Decdeli and Kasaba will analyzed as constitutive texts. They are important in their introduction of a new approach to the literature on the transformation in the Ottoman Empire, which was dominated by modernization theory. In this article, the transformation of the Ottoman Empire is addressed as incorporation into the world-system and its subsequent peripheralization. This line of argument is



developed further in the analysis of İslamoğlu-Inan and Keyder that will be elaborated secondly. The characteristic of their analysis is defining the Asiatic mode of production as the dominant mode of production in the Ottoman Empire and attributing a pivotal role to trade in holding together different parts of the Empire, such as different modes of production and dominant form of production, rural and urban areas. Lastly, the analysis of Pamuk will be handled that is marked by the emphasis on the specificity of the Ottoman peripheralization that is explained in terms of the political factors of the strength of the Ottoman state structures and bureaucracy, and rivalry condition among imperialist powers. Within this course, these works will be elaborated in terms of their understandings of the internal life and dynamics before transformation, their depiction of the incorporation process, actors of the process, the relation between internal and external factors, the conceptualization of commercial relations and production relations.

### **3.2. Constitutive Texts of the World-System Influenced Analysis**

Capitalist world-economy emerged in the sixteenth century in Europe and got through the phases of expansion and contraction during its world-wide geographical expansion. It met and got into contact with the surrounding world-systems, i.e. world-economies and world-empires and absorbed them in time. In the sixteenth century, the Russian Empire, the Ottoman Empire, Indian Ocean world-economy and the coastal zones of Africa were external arenas for the capitalist world-system but they had trade relations with the capitalist world-system that were called “rich trades”. Each of these external areas had its own division of labour and complex economic-social lives. The capitalist world-economy passed through “long expansionist phase” from 1450 to 1650 and “a long (overlapping) period of relative contraction and stagnation” from 1600 to 1750. In this latter phase, the capitalist world-economy expanded with the inclusion of North America and the Caribbean. In the period from 1750 to 1873, capitalist world-economy incorporated former external arenas: the Russian Empire, the Ottoman Empire, India, West Africa and possibly the other areas

mainly in the status of periphery, apart from the Russian Empire which was included as a semi-peripheral zone (Wallerstein, 1979, pp.391-392).

According to Wallerstein, the Ottoman Empire was a world-empire with its own division of labour and economic life in the sixteenth century. There were both trade relations and warfare between two world-systems -the European capitalist world-economy and the Ottoman Empire as a world-empire. But at a certain point in time, it was incorporated in the capitalist world-economy and became one of the states in the European world-system. That is to say, it ceased to be a world-system/world-empire with its own functioning. It started to play a particular role as the periphery in the capitalist world-economy. The requirements of capital accumulation imposed its rule through the mediation of the supply demand curves of the world-market and capital labor relations. The production in the Empire was adjusted to its role in the capitalist world-economy. In addition, in this process, the relations between the parts of the Ottoman Empire and the parts of European states passed through a qualitative and quantitative change (1979, p.391).

Based on these generalizations, Wallerstein raises questions for deepening the understanding about the peripheralization process of the Ottoman Empire. He makes clear that there is uncertainty in dating the peripheralization of the Ottoman Empire either from the late eighteenth-nineteenth century or from the early seventeenth century. Besides, he sets forth that the periodization should be based primarily on economic conditions of the Empire and only secondarily the continuity of political and ideological characteristics can be taken into consideration (1979, p.392).

He formulates the questions for research on peripheralization of the Ottoman Empire as such and what he suggests is to look at the actual production processes and trade patterns specifically for the answers of these questions:

“(1) If the Ottoman Empire can be demonstrated not to be a peripheral zone of the European world-economy in the sixteenth century, why was it not incorporated into the emerging division of labor from the outset, like Poland

or Sicily? This is not an implausible query, given the long previous economic links with Venice at least.

(2) When does the Ottoman Empire become incorporated into the world-economy? This question involves three sub-questions:

(a) What were the processes, both within the Ottoman Empire and within the European world-economy, that account for this incorporation?

(b) Is the “incorporation” a single event, or can different regions of the Empire - Rumelia, Anatolia, Syria, Egypt, etc. - be said to be incorporated at different moments in time?

(c) What were the political consequences of incorporation?

(3) Whenever the Ottoman Empire was thus incorporated, why was it not incorporated as a semiperipheral region rather than as a peripheral region” similar to Russia and Japan” (Ibid., pp.392-393).

After putting forward the questions for research in 1979, in 1987 Wallerstein, Decdeli and Kasaba wrote an article identifying the process of the incorporation of the Ottoman Empire into the capitalist world-economy in detail.

In the sixteenth century, the Ottoman Empire was a world-empire in its expansion period. It was stroke by the outcomes of the influx of the Spanish silver, population expansion and the European price inflation that triggered the underlying pressure on prices and brought about price inflation in the Empire. The revenue of the state started to be contracted relative to its expanses. As a result, traditional redistributive mechanisms of the state could not function properly. To surmount economic difficulties, two strategies were developed: firstly, the right to collect the traditional agricultural tax (*öşr*) started to be included in the system of tax-farming (*iltizam*), secondly the capitulary rights began to be given to the foreign merchants. These two policies paved the way for fortification of the centrifugal forces (Wallerstein, Decdeli, Kasaba, 1987, p.90).

With a shift from timar system to the tax-farming of the agricultural tax (*öşr*) collection, the relations of production in agriculture got through a slow transformation. The tax-farmers extended the size of lands under their control

through the ouster of peasant lands by use of force; through the introduction of usury relations, the indebtedness of peasants, and resulting dispossession; or through the appropriation of the lands abandoned by peasants that had remained under pressure. Tax-farmers had large agricultural estates (*çiftlik*) under their control, especially in Rumelia. In fact, in this period different characteristics appeared in different regions. For example, in Western Anatolia, petty commodity production rose whereas in Egypt large cotton estates appeared. As the general tendency of the period, the economic and political control of *ayans* (tax-farmers) increased, while in an inverse proportionality the control of the central state over production and trade was diminished. According to Wallerstein, Decdeli and Kasaba, the consolidation of the local powers corresponds to the 'feudalization'. They argue that in the case of the Ottoman Empire, the feudalization process turned out to be mediation for the incorporation of the Ottoman Empire into the world-economy and its 'peripheralization' (1987, p.90-91).

In tax-farming, surplus was appropriated by the tax-farmer (*ayan*) from the enserfed peasants in generally large agricultural estates. The agricultural production under tax-farming especially in *çiftliks* was oriented towards the demands of the European markets. It brought about change in the crop pattern, mostly export goods - cotton and maize - started to be produced. Foreign merchants acquired these products through the mediation of non-Muslim Ottoman subjects (1987, p.91).

By the mid-eighteenth century, European states put pressure on the Ottoman state for further commercial concessions. As a result, the character of the capitulatory rights was changed. Former capitulations had the character of granted privileges stemming from the free largesse of the state. However, the capitulations became the matter of bilateral treaties and the Porte concluded these treaties with the European states, which eliminated the power of the Ottoman state to denounce the capitulations unilaterally. That is to say, the Ottoman state became bounded by the bilateral treaties on the issue of capitulatory rights. In addition, the treaty of Küçük

Kaynarca signed in 1774 was the prelude for the end of Ottoman monopoly in Black Sea trade (1987, p.92).

The non-Muslim subjects were the intermediaries of the European merchants and they were granted with privilege of tax-exemptions as a result of the pressures exercised by the European states. Muslim merchants started to pay more taxes in both overland and maritime trade, hence turned out to be disadvantageous compared to the non-Muslims. As a result of easing up on European trade, the volume of European trade increased especially in the Balkan zone that consequently incorporated rapidly in the world-economy. In the integration process, merchants played an important role not only as an agent of commercial activity but also as an agent of a chain of indebtedment. The landlords were indebted to the merchants, and forced to accept below-market prices for their goods. In return, landlords indebted peasants and placed them in debt bondage. That is to say, imposed by merchants to the landlords and by landlords to the enserfed peasants, the chain of debt relations was an important factor in the functioning of the system (1987, p.92).

In the middle of the eighteenth century, for the first time in the history of the Empire, imports exceeded exports. Following the increase in the import of European goods, consumption patterns were disrupted, and the handicrafts system suffered from competition. That is to say, the influx of European goods was detrimental to the local manufacture. Besides, the deficit in the balance of payments led the Ottoman state in the long run to a position of debtor nation (1987, p.92).

According to Wallerstein, Decdeli and Kasaba, the policies of tax-farming and concessions given to the foreign merchants led to the weakening of state control on production and trade respectively. As a result, the Ottoman Empire became increasingly open to the currents of the European world-economy, the weakening control of the state and its openness to the influx of influence provided a fertile basis for different centrifugal forces to flourish. Eventually, there emerged the 'revolts' of individual *ayans* and the separatist movements in the Balkans and the

Middle East. The increasing links between these regions and the world-economy, on the one hand, gave way to the articulation of the local economic activities in line with the imperatives of the capitalist world-economy, on the other hand to the stimulation of the centrifugal forces (1987, p.92).

The Ottoman state apparatus got increasingly involved in the world division of labour from the end of the rule of Mahmud II (1808-1839). These practices necessitated compatible tools like institutions and regulations for their functioning. Extensive administrative, military and fiscal reforms were started under the reign of Mahmud II and culminated in the promulgation of Gülhane Rescript under the reign of Abdülmecid I (1839-61) in 1839. It was considered to be “a legitimization of the now peripheral status of the Ottoman Empire in the world-economy, by providing a legal framework in which the state could attempt simply to secure its portion of the surplus in a system on which it had now itself become dependent”. Concerning the position of the Ottoman state apparatus in relation to the classes, it is argued that “the state apparatus retained its ‘dislocated’ character, in that there was no mechanisms of representation that would have translated the interests of the new economically dominant classes onto the political level” (1987, p.93-94).

In the second half of the nineteenth century, European capital was transferred to the Ottoman Empire in the form of loan and investment. Regarding foreign investments, they were concentrated on infrastructural investments, like railroad construction, aiming at advancing commercial relations. Besides, the railroad construction was launched with ‘state-to-state contracts’ which was an important point in understanding the role of the state and the relationship between them. Regarding the debtor-creditor relationship, the Ottoman state borrowed from abroad first time in 1856. In due course, the Ottoman state became unable to pay its debts and even worse in the interests of the debt. The Ottoman state was forced to surrender certain imperial revenues to its creditors. For this specific task, the Public Debt Administration (PDA) was founded. The amount of revenue under the charge of PDA was extended as the amount of unpaid debts and interests

increased. It is regarded as “the institutionalization of the role of the European finance capital within the Ottoman Empire” (1987, p.94).

In brief, Wallerstein, Decdeli and Kasaba argue that the encounter of the Ottoman Empire with the capitalist world in the sixteenth century was followed by process of incorporation which ended up with the peripheralization of the Ottoman Empire at the end of the nineteenth century. In the incorporation process, economic, political, social and ideological systems of the Ottoman Empire got through transformation along with the lines in compliance with the capitalist world-system and this transformation was imposed by the world-system itself for the full-fledged integration of the Ottoman Empire to meet the requirements of its peripheral role that had been designated for.

### **3.3. From Asiatic Mode of Production to the World-System: The Contribution of Keyder and İslamoğlu-İnan**

One of the important works that analyze the transformation of the Ottoman Empire from the world-system perspective is the article of Keyder in cooperation with Huri-Cihan İslamoğlu-İnan, which was published first in English in the *Review* (Fernand Braudel Center) in 1977, republished in 1987. As the world-system analysis developed as a criticism of modernization theory, concordantly in the field of the history of the Ottoman Empire, Keyder and İslamoğlu-İnan start their work with a critique of the modernist understanding dominant in the historiography of the Ottoman Empire. In this article, they question the ‘paradigm’<sup>8</sup> of the time, which they identify as “a hybrid of institutionalist functionalism and crude modernization perspective” (1987, p.47). In addition,

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<sup>8</sup> For the critique of the paradigm of the time, they choose three works that are H. İnalcık, “The Ottoman Empire: the ‘golden age’ and the beginnings of decline”; Gibb and Bowen, “Islamic society and the West: the ‘golden age’ and the beginnings of decline”; B. Lewis, “The emergence of modern Turkey: the age of reform and ‘Westernization’”. They started with the elaboration of the underlying assumptions in the present paradigm then shifted to its criticisms.

they suggest that new paradigm<sup>9</sup> emerging in social sciences for to be used in analyzing the Ottoman history in term of transition from a world-empire (dominated by the Asiatic mode of production) to a peripheral state within the division of labour in the capitalist world-economy.

With their new approach, they carry the promise of overcoming the identified deficiencies of the corpus of the present paradigm. One of the basic problems of Ottoman historiography is identified as isolated concentration of the works in the segregated time spans of sixteenth and nineteenth centuries. They aim to transcend this fragmentation of the Ottoman history by approaching it as a whole via the comprehension of the period starting with the sixteenth century as a process of peripheralization. In that way, the segmented parts of sixteenth and nineteenth century would be put back in the flow of the history, in the process of peripheralization. In this way, the Ottoman history would be elaborated as a totality in continuity (1987, p.47).

The history of the Ottoman Empire is considered as a totality and this totality is identified as a “theoretical construct of ‘social formation’” (1987, p.47). According to İslamoğlu-İnan and Keyder the social formation of the Ottoman Empire was marked with a dominant Asiatic mode of production that also includes different forms of petty commodity production, merchant capital and later in time the feudalized parts in its dominant being. This articulation was realized under the dominant status of the Asiatic mode of production that was imposed by the ruling class crystallized in the state. That is to say, these different economic practices were articulated under the Asiatic mode of production through the political control of state over the economy (1987, p.47).

Regarding the Asiatic mode of production, it was characterized by independent peasant production. However, independent peasant production did not form

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<sup>9</sup> “The ancestry of the new paradigm is diverse: L. Althusser and E. Balibar for the morphology of mode of production, A. G Frank for the concepts of core and periphery, I. Wallerstein for the definition of world-empire and world-economy as proper units of study” (1987, p.42).



autonomous units; it was integrated to a larger unit. This integration was sustained through the transfer of the independent peasants' surplus in the form of taxes to the state via its officials. The ideological and juridical apparatus of the state concretized in the body of the state officials provided the basis for the operation of the surplus transfer (1987, p.47). The integrity of agricultural production was sustained through the appropriation of agricultural surplus in the form of taxes by the state. The Asiatic mode of production as a type of division of labour was politically determined. The direct involvement of state as exploitative party in agricultural production brought about it under direct state control.

Keyder and İslamoğlu-İnan argue that urban craft production was under state control as well. The state regulated input - output prices and the scale of production. In this way, capital accumulation was precluded. State intervened in the circulation process and extracted part of the surplus by levying taxes on the manufactured goods and exploiting its position of being the main vendee of the artisanal products (1987, p.48-49).

In addition to agriculture and urban craft production, the state exercised strict control over trade. This control had "systemic functions" in the reproduction of Ottoman social formation since the relation between the Asiatic mode of production in rural areas and the petty commodity production in the urban guilds sustained through internal trade. "Thus merchant capital supplied the concrete form of articulation which was ultimately effected at the political level by the state" (1987, p.50). However, the control of the state over trade was challenged and weakened in the late sixteenth century and it would lead to the dissolution of the system (1987, p.50).

State control over external trade had also "systemic functions". State exercised this control by selling concessions that gave merchants right to deal with external trade in essential commodities. This mechanism of control in external trade brought in the revenue necessary for the state. In addition to the sale of commercial concessions, tax-farming and usury operations were the channels that the merchant capital was transformed to money capital. Merchants composed

considerable amount of the tax-farmers that supplied important amount of money. In addition, merchants were bankers and so the main source that the state got credit from (1987, p.50).

External trade in the Ottoman Empire was not composed solely of raw materials but also luxury items and the control of the international trade routes had been an important policy for the state from the fourteenth century onwards. The involvement of English, French and Dutch in Levant trade in the beginning of the sixteenth century is considered to be an important development in the process of the incorporation of the Ottoman Empire into the world-capitalist system. The Ottoman Empire exported silk, spices and staples like cotton and wool for the European capitalist production. In the 1580's, trading privileges were given to the English merchants. In the last quarter of the seventeenth century the Levant trade was dominated by English merchants. France succeeded England in the supremacy over the Levant trade and sustained the supremacy until the end of the eighteenth century.

The developments in the sixteenth century in Europe affected the Ottoman Empire. Apart from the English, French and Dutch involvement in the Levant trade at the beginning of the sixteenth century, price inflation hit the European market. It generated European demand for the Ottoman goods that became much cheaper in comparison to the prices in Europe. The European demand created incentives for the Ottoman merchants that overrode the state control over the internal and external trade and headed towards the contraband trade that would be articulated to the external trade in time. The state's loss of control over the internal trade resulted in the dissolution of the system, while the gradual articulation to the external trade opened up a new period of incorporation (1987, p.50-51).

With the increase in the volume of external trade, the European manufactures poured into the Ottoman market, creating competition. This created challenge for the guild production. This was the result of the import side of the increasing external trade. In terms of the exports, the merchant capital was directed to the

contraband trade and exported agricultural goods. This meant that merchant capital infiltrated in the agricultural production and oriented it towards commodity production. As a result, volume of trade and commodity production increased to the extent that it changed the structure of trade and the Ottoman social formation. These developments were not the ones that sprang from genuine development of internal dynamics but rather incited by the outside world, i.e. the capitalist world economy. They were the manifestations of the change in the structure of the trade that would lead to change in the structural position of the Ottoman Empire in the capitalist world-economy. In due course, the Ottoman Empire integrated to the capitalist world-economy as the importer of manufactured goods and the supplier of raw materials that is to say as a periphery (1987, p.52).

### **3.3.1. Contradictions within the Social Formation**

İslamoğlu-İnan and Keyder underline external factors as the source of change in the Ottoman Empire. However, this emphasis is restricted to the relationship between external and internal factors. External factors were determinant to the extent that they could stir the latent contradictions within the social formation. They argue that the quality and weight of the role that the merchant capital had had within the system determined the impetus of the social change that was stirred by the external forces through the merchant capital (1987, p.53).

There had been contradictions within the system but these contradictions had not been capable of initiating social change. In analyzing these contradictions, they move on the ground of the understanding that the Asiatic mode of production had been dominant in the Ottoman Empire. Therefore, they classify contradictions in two categories as ones contained in the Asiatic mode of production and others stems from its integration in the social formation (1987, p.53).

According to İslamoğlu-İnan and Keyder, in the Asiatic mode of production, there was not a direct confrontation or conflict between the producers and appropriators of surplus in the production process. Peasants conducted the production process as free peasants. After the production, they met the tax-collector. They argue that

class conflict not being experienced in the production process distinguished the Asiatic mode of production from the slave, feudal and capitalist modes of production and consequently they claim that the principal dynamic in the Asiatic mode of production was in intra-class conflict not inter-class conflict. In their collaborative work, they use the term class “to refer to those groups with a claim on the output through a determinate position in the social structure” (1987, p.53).

The groups that had a claim on the output were only state officials. There were many factions in the ruling class. Considering them in terms of their functions within the system, there were ones who dealt with collecting revenue: *timar*-holders, market inspectors and tax farmers. There was another group who carry out ideological, legal and administrative functions of the state: *ulema*, judges and bureaucrats of Istanbul (1987, p.53). The specific conditions of each period could create variations of alignments and confrontations within the surplus-receiving class. The conflict appeared between the *ulema* and the bureaucracy and between the military and the palace were the examples of varying stratification inside the class.

With the institutionalization of tax collection, the conflict inside surplus-receiving class over the revenue became “more permanent and structural” (1987, p.53). The central authority sustained hold of the localities through its local representatives that were charged with tasks of tax-collection and the ideological political legitimization. In this relation, there was material basis of an intra-class conflict between the local representatives and the central authority. In time, these local representatives started to hold growing authority to the detriment of the central authority in the eighteenth century. Some of the local representatives, i.e. the *ayans*, gained a relative independence from the central authority. Not all the *ayans* could gain that much from the intra-class conflict. Smaller *ayans* tried to get more from the surplus collected as taxes and some achieved to have tributary arrangements to increase their share from the revenue. Ideological and political legitimization of the surplus appropriation in the localities was one of the functions of the *ayans*, apart from the tax-collection. Even though central

authority gave some concessions in sharing the revenue within the functioning of tax-collection, in the matter of the ideological and political legitimization, the institutions remained dependent on the central authority. State officials, namely *kadis* and municipal administrators were designated by the central authority. That is to say, this development of the *ayans* resulted in increase in their share from the surplus without disrupting the principles of the functioning of the system. İslamoğlu-İnan and Keyder argue that:

“This development of smaller ayans is perhaps closer to what has been termed ‘feudalization’. Here, there is a parcellization at the economic level without a break-off from the larger political-ideological nexus of the state... this ‘feudalization’, or rather the localization of power, did not indicate a transition to feudalism. The local potentates remained politically subordinate to the central authority, and the division of labour inside the Empire was not significantly disrupted, unless ‘feudalization’ coincided with commercialization” (1987, p.54).

İslamoğlu-İnan and Keyder assert that as a result of these developments, the revenue collected by the central authority declined relatively. The state needed these economic resources for the legitimization of the system, for the effective functioning of its political-ideological functions and so institutions whose incompetence brought to fore structures competing with the central authority. In addition, they argue that the state suffered from endemic revenue crises starting from the late sixteenth century, stemming from the growing military expenses, the population increase in Anatolia and inflation (1987, p.54).

Regarding internal contradictions, they put forward two categories: ones that were in the Asiatic mode of production and the others that were related with its articulation to the social formation. After dealing with the contradictions in the Asiatic mode of production that is the “parcellization” of the economic dominion and control of the state, we can shift to the contradictions arising from its articulation in the social formation.

According to Keyder and İslamoğlu-İnan, apart from the dominant Asiatic mode of production, there were different forms of production, namely petty commodity production, merchant capital and the feudalized areas. In fact, the Asiatic mode of

production and petty commodity production were dominant in rural and urban areas respectively. The articulation of different forms was sustained through the merchant capital which provided the form of establishing connection. Due to the pivotal role of the merchant capital in the establishment of the connection and articulation, the state had a tight control over the merchant capital.

The contradictory logic of the state and merchant capital, restrictive, regulative, and controlling rationality of the state versus expansionist and formative mechanisms of the merchant capital, came to the fore with the integration of the merchant capital that had been functioning in the Empire into ‘the circuits of valorization of capital’ in the capitalist world-economy. With the impetus derived from this integration, the merchant capital entered in the new areas that had been beforehand alien to the commodity production. The penetration of the merchant capital in the new areas created orientation towards the commodity production and expanded it. This was a part of the peripheralization process that also effected some developments in the forces of production. These were basically about the ones that would be faced with the competition of the manufactured goods. In that respect, İslamoğlu-İnan and Keyder give the examples of the absences of the pro-industrialization and the destruction of the crafts production. On the other hand, the forms of petty commodity production and cash-crop production were compatible with the functioning of the merchant capital and advanced in articulation with it (1987, p.55).

In this part, the latent internal contradictions of the Ottoman social formation have been revealed from the perspective of İslamoğlu-İnan and Keyder, since they argue that through the mobilization of these internal contradictions, external factors could have a transformative power over the Ottoman social formation. That is to say, internal contradictions had not been capable of creating change on their own and it was external factors that could prompt mobilization. On the other hand, external factors became meaningful part of the analysis to the extent that they could mobilize the internal contradictions. In their analysis, there appeared to be two main contradictions - they argue that the consequences of other possible

contradictions can be evaluated within the outcomes of the identified contradictions:

- i. “*Tendencies towards the parcellization of economic and political control*” (stemming from the contradictions in the Asiatic mode of production).
- ii. “*Tendencies toward the expansion of the realm of the market and consequently the weakening of political control over the economy*” (stemming from the contradictions in the articulation of other forms with the Asiatic mode of production) (1987, p.55).

After elaborating the latent internal contradictions formulated as such, we can shift to the external factors generating the conditions that invigorated them. According to İslamoğlu-İnan and Keyder, the external factors were price inflation, population growth and the shift in trade routes. These factors appeared more or less in the same period, at the end of the sixteenth century (1987, p.55-56).

The Ottoman Empire faced population growth at the end of the sixteenth century. At first glance, it resulted in the change of the proportionality of the non-producers to producers and urban to rural population in the way that the former had relative increase. Part of the uprooted population immigrated to urban areas. They were absorbed by the state with their employment in the army, palace and other administrative institutions. Part of the uprooted population joined the religious schools (*medrese*). Some segments were gathered around the provincial administrators as irregular soldiers (*levend*). None of the centers of attraction were in fact had the capacity to sustain inflated surroundings so all of them got drawn into the revenue crisis. They tried to cope with increasing expanses through increasing their share from the revenue. The central government levied extraordinary taxes (*avarız*) and started the sale of tax-farms. The *medrese* administrations tried to increase the taxes to the detriment of the peasants or some apprentice *ulema* started to grasp the food of the peasants. The provincial administrators defaulted their tax liabilities of supplying mounted soldiers to the central authority. They gained power with the recruitment of rural unemployed as irregular soldiers (*levend*) under their own command and with that force they started to engage in banditry. It resulted in the peasant flights, upheavals and

decline in agricultural production. As a way round, it reinforced the struggle over the revenue within the ruling class, especially between the central government and provincial administrators. It was concretization of the case that was identified as the mobilization of the inherent contradictions of social formation with the influence of the external factors, the result of which was the parcellization of economic and political control. Therewith, the central authority lost control over the sources of revenue that was appropriated by the provincial administrators and medrese administrations at the hands of who peasants suffered. These developments gave way to Celali uprisings which are considered by İslamoğlu-İnan and Keyder to be preliminary for the feudalization of Anatolia (1987, p.56-57).

Population growth led to the rise of the population in the urban areas. In addition, there was an increase in the level of the urbanization that cannot be accounted by the population growth per se. The population growth resulted in the increase in the amount of the goods produced and marketed. İslamoğlu-İnan and Keyder assert that the population growth in towns was accompanied with the increase in commodity production in agriculture. The conjunction of these two led to the expansion of the local markets and trade. Then, with the expansion of the market relations and weakening state control in the provinces, merchant capital completely escaped from the state control. This was the second tendency that was strengthened with the influence of the external factors, the expansion of the market realm. In this analysis, regarding the agricultural production, it is argued that the rural areas faced destruction due to the *Celali* uprisings, peasant flights and returning to nomadic life but on the other hand there was an increasing commodity production that promoted the subjugation to the market economy of agricultural production (1987, p.57).

The second external factor identified by İslamoğlu-İnan and Keyder is price inflation. It was a world-wide phenomenon but it was transmitted to the Ottoman Empire via merchant capital and also population growth contributed to the rise in the prices. At first instance, inflation in Europe played a role in changing the



social balance with the incentives it created for the merchant capital that had been functioning in the Ottoman Empire. Merchant capital was directed to the contraband trade in an increasing manner. The state lost control over the merchant capital and mercantile activity. As a result of the merchant capital's integration in the European market, the Spanish real flowed in the Ottoman Empire and its wide spread usage - without a need to exchange - as a currency in the Ottoman market shows that the state had lost control over the currency. Besides, the prices of goods got out of the control of the state as well; they began to be determined in the world-market. In addition, the state did not have monopoly on issuing the currency anymore which means it lost an important tool of debasement that was used in the conditions of revenue shortage to create resource. All these developments signaled the loss of the state's command over the economy, at the same time promoted the increasing activity of the merchant capital (1987, p.57)

In addition to the loss of control over the economy, increasing prices led to the rise in the expenditures but decline in the revenue in real terms since the main revenue of the state taxes were not adjusted to the price inflation. The state had been in revenue crisis starting from the late sixteenth century. The rise of the state expenditures did not stem from only the price inflation that was in nominal terms but also there were real increase. As a result of the changing technologies of war, there appeared a need for "standing army" so the increasing number of janissaries was recruited which means increasing expenditure. In timar system, tax liability had been fulfilled by supplying "use-specific cavalry". However, the state did not need use-specific cavalry but cash to meet the increasing expenditures. As a way round, starting in the seventeenth century, tax-farming was implemented in agricultural tax (*öşr*) (1987, p.57-58).

Tax-farming was "the practice of farming out the specified revenue to the highest bidder" that was imperial domains, vakıf estates and former timar lands were all started to be farmed out. In 1695, life-time tax-farming (*malikane* system) was introduced. In addition, tax-farmers established usury relation with the peasantry. It resulted in the increasing exploitation of the peasantry and binding them to the

land with debt. The development of tax-farming in agricultural production and the usury relations challenged the status of the peasantry and the small land ownership in the countryside that had been basis of the system. İslamoğlu-İnan and Keyder explain these developments with reference to Marx. They argue that money capital like merchant capital can articulate with the pre-capitalist modes of production and undermines the social formation and cohesion, the system based on. In the case of the Ottoman Empire, money capital destroyed the social bases through enabling and facilitating the rise of ayans and commercialization. The outcomes of the tax-farming in agriculture were rise of ayans, rise of çiftliks, change in the status of the peasantry and the commercialization of production. They were the “necessary components” for the peripheral incorporation to the world-system. That is, the Ottoman Empire is considered to be in an “irreversible momentum” in the process of integration to the capitalist world. At the beginning of the nineteenth century, the central bureaucracy initiated centralization and in time, the power of ayans was undermined. However, this wave of centralization did not affect the commercialization trend (1987, pp.59-60).

As to the peripheralization process of the Ottoman Empire, İslamoğlu-İnan and Keyder argue that it corresponded to the expansion of the commodity production and inclusion to the circuits of the valorization of the industrial capital. It became part of the world-division of labour in the status of periphery. The commencement of the process can be traced back to the sixteenth century. The Ottoman Empire was not integrated as a whole in one move. Different regions showed different characteristics and different timing. In addition, the organization of labour varied by region, i.e. sharecropping, family labour and wage labour in capitalist farms (1987, pp. 60-61).

Foreign trade was organized by the foreign trading companies and native merchants of minority groups in the port cities. The merchants of minority groups functioned as the intermediaries between the foreign merchant capital and the direct producer. In line with its peripheral role, the Ottoman Empire imported industrial goods and exported raw materials. In addition, the introduction of the

steam freighters in the Eastern Mediterranean, the trade treaty of 1838, and the railroad construction were the factors that facilitated and accelerated the foreign trade. The commercial relations shaped by the peripheral status of the Empire resulted in the inflow of the European manufactures that damaged the rural manufacture organized around the guilds (1987, p.61).

Regarding the political developments, accompanying this process in the nineteenth century, there was a parallel transformation in the state structures. This transformation was incited by foreign merchant capital, corresponding to the economic needs of the bureaucracy. In ideological terms, it was the reflection of ruling class adopting Western modern ideas. The state mechanism of the Asiatic mode of production was transformed to a colonial state that is identified as the form of the state in the periphery, serving to needs of the merchant capital. Thereby, the Ottoman system appeared as a social formation marked by the dominance of the capitalist mode of production at the economic and political levels (1987, p.61).

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To sum up, İslamoğlu-İnan and Keyder consider the history of the Ottoman Empire starting from the sixteenth to the nineteenth century as the ‘integration’ process of the Empire into the capitalist world-economy, which resulted in its ‘peripheralization’. They argue that internal dynamics on their own were incapable of launching a transformation. It was external factors that created the dynamism for change. On the other hand, the power of the external factors was restricted to their capacity of inciting the latent internal conditions within the Ottoman Empire. The integration process proceeded through the activation of the latent internal contradictions by external forces.

According to the authors, in the Ottoman social formation, trade had a systemic function of providing the form through which different modes articulated to the Asian mode of production, the form through which the rural and urban areas got into contact. The loss of state control over the trade had destructive effects on the

social formation. In the integration process, the entrance of the foreign merchant capital had a pivotal role. It articulated with pre-capitalist forms and destroyed the social formation through mediating the rise of ayans and fostering the expansion of commodity production. The authors identify peripheralization with the components of increasing commodity production and entering into the circuits of valorization of capital originated in core countries. These are elements directly linked with merchant capital and commercial relations. Thus, in terms of both internal dynamics and external factors, the merchant capital played a key role in the integration process.

#### **3.4. The Role of Political Factors and the Specificity of Ottoman Incorporation: Pamuk's Analysis**

The analysis of Şevket Pamuk (1990; 1994) can be evaluated within the framework of the world-system analysis. In many ways, the analysis of Pamuk is parallel to the analysis of İslamoğlu-İnan and Keyder that has been elaborated. In Pamuk's analysis, the transformation in relation to the capitalist world-economy starts in the nineteenth century. It seems meaningful to start with how he describes the situation at the beginning of the nineteenth century before the transformation started.

According to Pamuk, at the beginning of the nineteenth century, Ottoman economy was self-sustaining. Agricultural and non-agricultural production were based on pre-capitalist relations of production. Besides, at the beginning of the nineteenth century, the Ottoman economy was in "stagnation" in terms of production level, capital accumulation, and technological change and the central was still powerful even though it had been degraded starting from the sixteenth century (1990, p.195; 1994, pp.11-12). Pamuk argues that production was based on the tributary mode of production<sup>10</sup>, whereas it is identified as the Asiatic mode

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<sup>10</sup> Pamuk argues that the Asiatic mode of production in the way Marx has defined the term gives important insights. It signals to the common characteristics of the production and property relations of pre-capitalist non-European societies. This common ground was conceptualized as the Asiatic mode of production. However, the term also carries some specific characteristics that are

of production by İslamoğlu-Inan and Keyder. However, the emphasis of all seems the same: exclusive state ownership over the land, appropriation of the surplus in the form of the tax as the main characteristics, and the existence of a strong state before the capitalist transformation.

Pamuk states that it is important to consider the differentiation of the Balkan regions from other parts of the Empire, especially from the Anatolian region. The trade with Europe started first in the Balkans, whereas the European trade in Anatolia was considerably limited in the eighteenth century such that at the beginning of the nineteenth century, İzmir was the only export port that Anatolia had for the European trade. In the sixteenth century, the power of the central state over the provincial forces had reached its peak. The following two centuries witnessed a decline in this power. It has been argued that after the dissolution of timar system at the end of the sixteenth century, in the Balkans local powers oriented themselves towards commodity production for European markets by obtaining vast lands and deepening the expropriation of dependent peasantry. For Pamuk, there is not enough data for verification of this argument but at least he is sure that this argument is developed specifically for the Balkan region and it is not possible to extend the realm of this argument, especially for the Anatolian region. In Anatolia, along with the declining power of the central state, the local elements set out to obtain a larger part of the surplus. However, that did not correspond to a change in the existing relations of production since powerful local elements did not seize political power and impose new relations of production but rather appropriated the surplus within the framework of the existing relations of production. The significant methods in the appropriation of the surplus were following: first, increasing their share from the tax collected in the name of the

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not compatible with the common production and property relations but seen rarely in some societies like self-sufficiency of the rural community or the necessity of state launching big infrastructural investment for state ownership over the land. Hence, Pamuk argues that it would be appropriate to qualify the mode of production limited to the characteristics of state ownership over the land, tax-rent (*vergi-kira*), developed villages, and a structure that was appropriate for the commodity production and the concept identified as such is called as tributary mode of production (1990, p.21).

central state within the framework of *iltizam* as a system of tax collection; second, even though the central state did not allow private ownership over the land substantially until the nineteenth century, based on the effective control over the land, getting rent from direct producers; third, practicing usury. Through these practices of expropriation of the surplus, small-land ownership in the agricultural production was sustained in the Anatolia (1994, pp.12-13; 1990, p.195).

Pamuk argues that the nineteenth century was distinctive in its effect. Starting from 1820's the Ottoman Empire got through serious transformations that would be the bases for the twentieth century Turkish Republic. At the beginning of the century, the Ottoman Empire encountered the power of the West in economic, military and political terms. Internally, the central government had difficulty with the rising centrifugal powers in the Empire as seen in the uprisings of ayans and independence movements in the Balkans. In order to establish its authority, and confront internal external pressures, the central government launched reforms and centralist endeavors which brought about rapid transformation in the institutions and social-economic structures. The power of ayans was crippled and military and political efficiency of the central state increased (1990, p.195).

In this period of reforms, the European states provided military, political and financial help but also demanded in return the opening of the Ottoman economy to the world-economy, to the international trade and foreign capital. Hence, the reform attempts went hand in hand with the concessions given to the European states, especially to England, the most powerful state of the period. This led to the increasing power of the European capital within the Empire (1990, p.163, 195).

According to Pamuk, the reforms had a contradictory character. They were launched for enhancing the power of the central states but resulted in degradation of state control over the economy. As a result the Ottoman economy became open to the world-economy and the Ottoman treasury went under the control of European capital. In this process, the milestones were treaty of commerce dated 1838, foreign borrowing started in 1854, and the concessions given to foreign capital for railway construction starting from 1850's (1990, pp.163-164, 195).

The milestones of the transformation of the Ottoman economy, like other peripheral countries, overlap with the changes in the form of the flow of the European capital to the peripheral regions. The capitalist world-economy got through an expansionist phase in the nineteenth century. This expansion followed the path of flourishing commercial relations with the peripheral region at the beginning of the century, later on in the nineteenth century capital export gained importance. Capital was exported in form of debts given to the peripheral states and infrastructural investments for the development of trade in the peripheral regions, whereas until the World War I, capital invested in direct production activities like agriculture and industry remained considerably limited (Pamuk, 1990, pp.153-154). The treaty of commerce signed in 1838 was the reflection of the changes in the commercial relations, and the expansion of capitalist economy through the promotion of trade. First Ottoman borrowing in 1854 corresponds to the European capital export in the form of credit. The concessions given to the European states starting from the 1850's corresponds to the European capital export in the form of infrastructural investments.

For Pamuk, the peripheral countries that integrated in the world-capitalism in that century had a historical common ground but they also had their specificities since the transformation of these social formations were the result of genuine interaction of the impositions of the world-capitalism and internal dynamics of each different society. In this light, Pamuk offers a categorization to account for the differences in the forms of peripheral integration in the nineteenth century. The three basic categories were formal colonies, informal empire and the category of rivalry (1988, pp.129-130).

In formal colonies, the colonizing power directly involved in the integration of the colony to the world-capitalist system and it was equipped with the power to use force in this process. The social organization of the colonies were reshaped and put into a form that would serve best the interests of the colonial power. Internal elements were not a party of this process but rather subordinated to the rule of colonial power. In the category of informal empire, the country in the periphery

held its formal political independence but virtually subsumed to the sphere of influence of an imperialist power. Commercial relations and foreign investment were substantially dominated by the central state. Even though the central state did not intervene directly, the course of proceeding was in line with the interests of the imperialist power. The coalition holding the political power in the peripheral state was composed of big land owners oriented towards exporting agricultural products and merchant capital. They opted for more specialization in agricultural production and more export of these products. The interests of ruling alliance in the periphery were in accord with the dominant interests of central state. The integration of the Latin American countries are considered to be under this category (1988, pp.129-130).

The third category refers to the peripheral integration to the world-capitalism that occurred in the environment of rivalry between the major imperialist powers. The world faced increasing levels of inter-imperialist rivalry from the 1880's to the World War I. Capitalist world-economy penetrated in China, Persia and the Ottoman Empire in this period. These countries had relatively strong state structures. During the nineteenth century, the central bureaucracy was not absorbed by the export oriented landlords and merchants neither by the imperialist powers whose interests oriented towards more rapid and direct integration to the world-economy. Imperialist powers' inability to impose their rule stemmed also from the rivalry among the powers. Therefore, in such cases, the process of integration did not occur through the alliance between the classes in favor of more rapid and direct integration but rather between the central bureaucracies and competing imperialist powers (1988, p.131).

Peripheral countries faced military, political and fiscal problems and the imperial powers offered help in return for the commercial privileges and concessions for investments. Integration advanced through the path of privileges and concessions given to the imperialist powers whose infiltration followed the historical route of trade relations, capital transfer in form of credits to the peripheral states and later on infrastructural investments. However, under these conditions, the integration



process developed in a slower manner compared to formal and informal empires. Since the process was conducted through deals with the central bureaucracy that could show resistance as well, and since the central bureaucracy benefited from the competition among the imperialist powers by playing powers against each other. Nevertheless, in the long run, the countries ended up with incorporation to the capitalism as divided into regions under the influence of different imperialist powers (1988, p.132).

In the specific case of the Ottoman Empire, the central government had been challenged by the rising power of the provincial forces – ayans – from the end of the sixteenth century. However, the relative power of the state began to increase during the reign of Mahmud II (1808-1839). Starting in the 1830's, followed by the administrative, political and institutional reforms of Tanzimat period, power of the ayans was undermined and growing centralization was consolidated as a long term tendency. In fact, the process of the establishment of the centralization took place in interaction with the imperialist powers on the basis of receiving help for the centralization attempts in return for the privileges and concessions given to the imperialist powers (1988, p.132). The result of the interconnected process was increasing centralization but also loss of control over the economy. That is to say, strengthening of the central government and the infiltration of the imperialist powers went hand in hand. It was a contradictory process not only for the central bureaucracy but also for the imperialist powers.

In short, in the Ottoman case, the same route of opening to the world-economy through the role of central government on the one hand giving concessions, on the other showing resistance with playing competing imperialist powers against each other proceeded. In the long run, the Ottoman Empire was integrated to the world-economy as a country divided to spheres of influence of different imperialist powers. However, the rivalry between the imperialist powers and limited but substantial military power of the Empire prevented the actual partition of the Empire among imperialist powers (1988, p.132).

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About the integration of the Ottoman Empire, Pamuk stresses that, the integration of the Ottoman Empire did not proceed in a linear manner; it followed a fluctuating course depending upon the phases of the world-economy and specific conditions of the Empire<sup>11</sup> (1994, p. 152).

According to Pamuk, at the beginning of the twentieth century, the Ottoman Empire was substantially integrated to the world-economy as a peripheral state, and to a large extent it was fulfilling its peripheral role. It was specialized in agricultural production and became the importer of the industrial products of the core states. These were the characteristics of being a peripheral state that was the result of the impositions of the capitalist world-economy, external factors.

China, Russia and the Ottoman Empire were differentiated from the other peripheral states since they were integrated under the conditions of heightened imperialist rivalry and they had relatively strong state structures. Pamuk analyses the integration of Ottoman Empire in comparison with the integration of the medium-sized peripheral countries in the nineteenth century, based on foreign trade and investment indices. He argues that with regard to the analysis results on both the *degree* of integration into the world-economy just before the First World War and the *rate* of integration during the half century until the First World War, the Ottoman economy was below the average of the medium-sized countries – above for the ones in Asia and below for the ones in Latin America – in the periphery. He argues that the situation of the Ottoman Empire can be explained with reference to set of variables like size of country, its regional location, the resource endowments or agronomical conditions in a country but what he underlines is the variable of “political framework” that corresponds to the interaction between the external political forces and internal ones. The interaction between external and internal political factors had a considerable effect on the specific formation of the Ottoman Empire (1988, pp. 142-147).

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<sup>11</sup> Pamuk offers a periodization for the incorporation process of the Ottoman Empire, for detailed information see Pamuk, 1994, p. 152-159.

Thus, for Pamuk, the characteristics that distinguish the specific formation of the Ottoman Empire from other peripheral countries were identified as such:

- a. The relative strength of the central state and bureaucracy against other social classes.
- b. Never losing the political independence completely; i.e. not being formally colonized.
- c. The imperialist rivalry over the Empire; none of the European states ever being able to become unrivaled by overwhelming others.
- d. The importance of small and medium sized peasantry in agricultural structures (1994, p.160).

Accordingly, Pamuk argues that the characteristics of the legacy of the Ottoman Empire can be divided to two groups. One is composed of the structures depending on agriculture and being open to the foreign trade and foreign capital. This group of characteristics was shared by the most of the peripheral states at the beginning of the twentieth century. On the other hand, the second group is composed of strong state structure, keeping political independence and agricultural structures dominated by small and medium-sized peasant production. This group of the characteristics differentiates the Ottoman Empire from the most of the peripheral countries of the period and constituted the specificity of the Ottoman Empire (1990, p.198). This categorization underlines the importance of the political factors. The relative strength of the state structures and the central bureaucracy in the environment of rivalry among imperialist powers brought about the specific characteristics of the Ottoman integration process.

### **3.5. Conclusion**

This chapter dealt with the world-system inspired historiography on the transformation of the Ottoman Empire through representation of selected work in terms of their understandings of the internal life and dynamics before transformation, their depiction of the incorporation process, actors of the process,

the relation between internal and external factors, the conceptualization of commercial relations and production relations.

In these analyses, it is suggested that the transformation of the Ottoman Empire started in the late sixteenth century. This change was stimulated by increasing power of the provincial forces that challenged the political power. This process is defined as 'feudalization' with some reservations. It is argued that even though the provincial powers entered in rivalry with the political power, they were not capable of its overthrow or change the terms of the existing system. Therefore, they continued to act within the framework of the prevailing system until the acceleration of Ottoman commercial activity in the world-market that led to the transformation of the Ottoman Empire. In this approach, the generative power is attributed to market mechanisms that were operationalized with the rise of trade. Even though in the analysis of Pamuk, the power of the market mechanisms is restricted by the political factors of strength of the Ottoman bureaucracy and the rivalry condition among the imperialist powers; in the final analyses, the transformation of the Ottoman Empire was stimulated by the market mechanisms, actuated with the rise in trade.

In these analyses of Ottoman transformation, the generative power belongs to the external factors and their impositions stimulate change. It is acknowledged that the Ottoman government was not a passive receiver of the external imposition but created opposition and resistance that inhibit the smooth functioning of the capitalist world-system. However, it remains still as a process stimulated by external forces.

In these analyses, the possible resistance is portrayed to be emerging basically from the concern of the state guaranteeing its survival in this process. Parallel to this, class analysis is restricted to the intra-class conflicts of the ruling class, excluding the class relations and conflict between the surplus expropriator and direct producer. Ignorance of the class relations and conflicts between the surplus expropriator and direct producer, through which this transformation process occurred leads to the portrayal of the transformation process as a technical

adaptation to the requirements of the world-market, sophisticated by the inclusion of the political factors of the relative power of the state, conflict in the ruling class and imperialist rivalry.

The analyses of the Ottoman transformation influenced by Wallerstein emerged as a criticism of the portrayal of the underdeveloped countries as stagnant, lacking dynamism and reason to create change. Nevertheless, in their account, peripheral societies are deprived of power to create change as well. In addition, the class relations and conflicts are not taken into account as part of the analyses. That is to say, the Ottomanist studies influenced by Wallerstein, themselves fell into the trap of ignoring internal dynamics of peripheral societies.

## **CHAPTER 4**

### **CRITIQUE OF THE WORLD-SYSTEM INSPIRED HISTORIOGRAPHY OF TRANSITION TO CAPITALISM IN THE OTTOMAN EMPIRE**

#### **4.1. Introduction**

The world-system analysis has been criticized for its assumption on theoretical and historical basis. Among these theoretical and historical criticisms, the portrayal of incorporation process has a special importance for this study since we are dealing with the transformation of the Ottoman Empire which is understood as the incorporation process in the world-system analysis. In this regard, this part will start with the critique of the incorporation process portrayed in the world-system analysis in general and will be followed by the critique of the world-system inspired historiography on transition to capitalism in the Ottoman Empire. After the elaboration of these critiques, the chapter will proceed with the criticism of the anticipated transformation procedure for the Ottoman Empire as an upcoming peripheral region. In other words, the compatibility of the peripheralization model to the Ottoman transformation will be analyzed in the realms of state, agriculture, trade and industry.

#### **4.2. Critique of the Portrayal of Incorporation Process in the World-System Analysis**

##### **4.2.1 External Factors**

It will be appropriate to start with the criticism of the general theory in order to sustain a basis for further historical criticisms. According to Karaömerlioğlu (2001, p.92), one of the important points raised against the world-system analysis is its overemphasis on external factors. In the world-system theory, the historical

developments in the peripheral countries are explained in terms of the systemic imperatives and they are considered to be reflections or repercussions of the developments in the center. In a similar vein, İslamoğlu-İnan (1983, p.21) puts forward that even though, in opposition to the modernization school, the world-system approach argues for an emphasis on the “historicity” of the regions before encountering the world-economy and thereby tries to entail the internal dynamics of these regions in the analysis. In the world-system approach, the incorporation of the periphery is portrayed in a pattern in which the periphery passively accommodates to the new conditions imposed by the center. That is to say, the transformation of the periphery is analyzed within structure that is determined by the requirements of periphery status in the world-system (İslamoğlu-İnan, 1983, p.25).

Both writers reveal the shortcomings of this kind of reasoning. Karaömerlioğlu (2001, p.92) argues that the characteristic aspects of the developments of different peripheral structures are excluded in the world-system theory. Moreover, with reference to Carol A. Smith<sup>12</sup>, İslamoğlu-İnan (1983, p.25) argues that local-regional histories and class-relations in pre-capitalist societies cannot be grasped in the world-system approach. Thereby, varying ways of development in the peripheral regions cannot be elucidated from world-system approach. However, referring to Anderson<sup>13</sup>, she argues that to comprehend the unique ways of development in different regions of the world, there is a need to take into consideration the extra economic factors like state, kinship, religion and law. She marks that the studies on the socio-economic transformation in the pre-capitalist societies<sup>14</sup> suggest that extra-economic relations determine the class relations and

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<sup>12</sup> See Smith C.A. (1981). “Regional Analysis in World-System Perspective: A Critique of Three Structural Themes of Uneven Development” conference paper, Conference organized by The Society for Economic Anthropology, Indiana University, Indiana. 24-29 April 1981.

<sup>13</sup> Anderson, P. (1974). *Lineages of the Absolutist State*. Londra. pp. 402-405, in İslamoğlu-İnan (1983, p.25).

<sup>14</sup> Brenner, R. (1976). “Agrarian Class Structure and Economic Development in Pre-Industrial Europe”, *Past and Present* (70), pp. 30-75, in İslamoğlu-İnan (1983, p.25).

provide opportunities to absorb surplus in pre-capitalist societies. Accordingly, it is argued that superstructures in the pre-capitalist societies are the dominant form of relationships that respond flexibly to economic incentives and they determine the quality and quantity of the impact that economic factors including expansion of world trade have on production systems, social production relations and structures of class and power (Ibid., p.25).

İslamoğlu-İnan (1983, p.26) argues that the incorporation process has a bilateral character that stems from the interaction of historically formed structures of a particular region and the impositions of the world-economy. The unique structures of the region have an effective role in the creation of a particular form of incorporation process and thereupon a particular form of peripheralization. These structures do not react always in compliance with the requirements of the world market. These unique structures has the power to generate and do generate resistance to the ongoing transformations imposed by the requirements of world-market. That is to say, the incorporation process entails the contradictions that prevent the smooth functioning of the world-market. It is therefore a much more complicated process than how it is portrayed in the world-system perspective (Ibid, p.37). On this basis, the idea of linear progression of incorporation process is rejected and the concept of incorporation suggested to be considered within a complicated whole of world economic development, local class relations and power structures (Ibid., p.26).

#### **4.2.2. Ignoring Concrete Human Beings and the Resistance of the Periphery**

Karaömerlioğlu (2001, p.92) argues that since the center is conceived to be the determinant force in the world-system, periphery is almost deprived of power to transform itself or resist the center. This is closely associated with the absence of concrete human beings in historical narrative and correlatively the ignorance of the roles of the subjects and factors like culture in making of history within world-system theory- which is included in the group of Neo-Marxist theories that suffer from the aforesaid frailty, by Karaömerlioğlu (Ibid., p.97). He points to another related problem in the world-system analysis, which is the primary role of free



trade in expansion of capitalism. According to him, military power was much more important and central than free trade in the emergence of world-economy (Ibid., p.93). In addition, he posits that in this line of reasoning, the systemic power concentrated in the center determines everything to the extent that it becomes impossible even to think about resistance against the system (2001, p.92). It is ignored that people, states, communities etc. in the peripheral regions resisted being passive puppets of the world-economy. That is to say, the structure of the world-system analysis precludes taking into account the resistance in the peripheral countries. In his words “it is forgotten that as a historical subject, human beings preceded the free market and they are much more important than the free market”. Thus, there is a need for more flexible and less determinist theory (2001, p.93).

### **4.3. Critique of the World-System Inspired Ottoman Historiography**

As the world-system analysis entails a model of peripheralization, the Ottoman transformation process provides a chance to test the historical accuracy of this model. In addition, there are works on the transformation of the Ottoman Empire which directly represent the world-system analysis or are influenced to a large extent by the analysis since it has a big impact on the Ottoman historiography. In this part we will examine both the analyses of this transformation that are directly representing or influenced by the world-system analysis and the compatibility of the peripheralization model with the historical example of Ottoman transformation.

Abou-El-Haj (2000) has produced works on early modern period of the Ottoman Empire. In some of his works, he criticizes the literature inspired by the world-system analysis. Regarding the analysis of the economic problems in the sixteenth and seventeenth century Ottoman Empire, he critically reviews the works of İslamoğlu and Keyder, Faroqhi and İslamoğlu<sup>15</sup>. He argues that these analyses

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<sup>15</sup> Mentioned works are as follows: İslamoğlu, H. and Keyder, Ç. (1977). “Agenda for Ottoman history”. *Review*, I (1), pp. 31-55; İslamoğlu and Faroqhi (1979). “Crop Patterns and Agricultural Production Trends in Sixteenth-Century Anatolia”. *Review*, II (3), pp. 401- 436. In addition, Abou-

consider the new organization of the land regime in the empire as a result of the interference of world market to the Ottoman local resources and market network. They insinuate a problematic mechanic approach entailing an overemphasis on the conditions of the world-market (2000, p.36-37).

According to Abou-El-Haj (2000, p.37), an over-emphasis on the conditions of the world-market prioritizes the external reasons of the change and trivializes the local roots of the internal change in the Ottoman society that occurred for most of the sixteenth century. In addition, he criticizes the twentieth century historians in general and İslamoğlu and Keyder in particular, for being reluctant to acknowledge that the social and economic transformation of the seventeenth century generated a change in the social structure. According to him, İslamoğlu and Keyder insist on the continuity and prevalence of the same social structures in different forms after all those changes (Ibid., p.47). Besides, he argues that Carter Findley's work *Bureaucratic Reform in the Ottoman Empire* and Reşat Kasaba's work *The Ottoman Empire and the World-Economy: The Nineteenth Century* represent other examples of the failure to take into account the relationship between Ottoman social change and transformation of land tenure (Ibid., p.48). From that point he argues that the Ottoman historians are used to regard society as static. New studies have refuted their way of thinking and prove the contrary, the dynamism. Nevertheless, he states that the Ottoman historians are having conceptual trouble in reorienting their views (2000, p.47-48).

According to Abou-El-Haj (2000, p.37), even though the idea of the need for taking into account the internal and external factors in an equal manner has been remarked in the reconstruction of the Ottoman history for the mentioned period, the internal factors has not been given due importance. He suggests that the works of Cuno, Fattah and Khoury<sup>16</sup> indicate the way of thinking with their emphasis on

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El-Haj (2000, p.36) remarks that İslamoğlu-İnan indicated that she was looking over her ideas on the mentioned topics in their last interview.

<sup>16</sup> He lists the works as follows: for Egypt, see Cuno, K. (1985). *Landholding, Society and Economy in Rural Egypt, 1740-1850*. University of California. (Phd dissertation); for South Iraq, see Fattah, H. M. (1986). *The development of the Regional Market in Iraq and the Gulf, 1800-*

the internal forces within the social processes In the works of Cuno and Fattah on the developments in Egypt and Southern Mesopotamia, Eastern Arabia, and South-West of Iran, respectively, it is revealed that emergence of regional markets in these regions were developments well predating the intervention of the world-market (2000, p.37).

Abou-El-Haj (2000, p.35-36) suggests that in the analysis of social and economic turbulence in the seventeenth century, the question should be why it occurred specifically at that time. He argues that these were part of a pattern; the Ottoman and European societies faced comparable economic and political changes and the turbulence was a manifestation of a comprehensive transformation. He considers the internal changes of the Empire in the seventeenth century to be emanated as a result of a complex process embodying internal circumstances and external factors that had been included in the latter part of the century but had not been as influential as the internal ones (Ibid., p.37).

For Karaömerlioğlu (2001), in the world-system theory there is stress on one sided determination and the Ottoman historiography has also been under the effect of such an approach. For example, such works have analyzed the Tanzimat reforms as a result of the impositions of European powers. However, there were internal dynamics leading to the emergence of the reform process, so they should be taken into account along with the external factors (2001, p.96). It will not be wrong to argue that this example provides us with clues for a view that considers the Ottoman society not as a static entity but rather one that has internal dynamics. For a meaningful analysis, they should be taken into account as one of the generative forces.

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1900. University of California. (Phd dissertation); for Mosul, see Khoury, D. R. (1990). *The Political Economy of the Province of Mosul:1700-1850*. Georgetown University. (Phd dissertation) (Abou-El-Haj, 2000, p.37).

İnan-İslamoğlu (1983, p.21) argues that recent works on the history of the Ottoman Empire<sup>17</sup> corroborates the criticism directed to the world-system approach for being one-sided and “economist”. Research on the internal dynamics of the Ottoman society reveals that different regions of the Empire did not follow the same patterns of transformation in the incorporation process, which took place in the Empire neither everywhere not at once. On the contrary, different regions of the Empire underwent incorporation process at different times and eventually, there emerged different patterns of transformation in different regions (1983, p.26).

The patterns of incorporation varied and were not always compatible with the patterns of incorporation predicted in the world-system approach or the logic of the maximization of profits in the world-economy. On the other hand, when the transformation did comply with the anticipations of world-system and the exigencies of world-economy, the reason was not unmediated reception of the impositions of the external forces. In such situations as well, the responses were mediated through unique structures, which had been formed in the historicity of the region (1983, p.26). İslamoğlu-İnan (1983, p. 37) puts forward that unique structures of region that has been under the impact of the world-economy have an important role in the formation of the incorporation process and thereby characterize the process as well. In the case of the Ottoman Empire, she argues that extra-economic structures, notably the state structure characterize the unique ways of incorporation and peripheralization.

#### **4.4. Critique of Peripheralization Model**

In the world-system analyses developed by Wallerstein, it is suggested that incorporation into the world-capitalist system in the status of periphery brings about subsequent reorganization of peripheral society in accordance with the

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<sup>17</sup> İslamoğlu-İnan (1983, p. 26) lists the works as follows: for new formulations within the context of regional analysis, see. Kahn J. (1980). *Minangkabau Social Formations*. Cambridge; Verdery K. (1981). *The Social History of a Transylvanian Village*. (mimeo); and for a theoretical approach: Wolf E. (1980). *Convergence and Differentiation in World Capitalism*.(mimeo).

requirements of the world-market, and so of the peripheral status in world division of labour. This reorganization occurs within the realms of agriculture, trade and industry. In addition, peripheralization model identifies peripheral regions with weak state mechanism. In this part, the Ottoman transformation will be sketched in terms of the realms defined in the peripheralization model on the basis of the existing literature on the period.

#### **4.4.1. The State**

In the world-system approach, it is assumed that the strength of the state and role of it in economic division of labour are proportional. In that way, center is defined by the existence of strong state structures, whereas peripheral regions are characterized by the existence of weak states. İslamoğlu-İnan (1983, pp.31-37) asserts that the analyses of the Ottoman state from the world-system approach are restricted to the analyses of state organs like bureaucracy and army that were functional in the operation of the world-system. In the world-system perspective all developments are considered to originate from the smooth functioning of the world-market, so the analyses of the Ottoman state remained within these borders. The unique structures of regions that have been under the influence of the world-market, nonetheless, generate contradictions that prevent this smooth functioning. Along with these contradictions, these unique structures produce different forms of resistance against the requirements of the world-market as well.

In the Ottoman incorporation process, different forms of resistance concentrated in the state structure that was undergoing a transformation pushed by the endeavor to survive (1983, p.37). İslamoğlu-İnan argues that the Ottoman state lost its sources of legitimacy within the incorporation process. Referring to Quataert<sup>18</sup>, she argues that the conditions of right to rule and the role it was assigned in the states-system contradicted and in relation to this contradiction, the state was bifurcated and entailed a dichotomous character (1983, p.31).

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<sup>18</sup> Quatert, D. (1983). The Impact of European Capital on Two Groups of Ottoman Workers, 1808-1909. in H. İslamoğlu-İnan (Ed.) *The Ottoman Empire and the World-Economy*, p.31.

Karaömerlioğlu (2001, p.93) underlines that it is especially important to feature the peripheral resistance in analyzing the transformation of the Ottoman Empire. Referring to Eldem<sup>19</sup>, he argues that military, diplomatic and economic resistance to the European expansionism determined the specific way of the incorporation of the Empire to the world-system. In addition, referring to Pamuk, he argues that the Ottoman Empire played active role in many spheres like the subsistence of the cities and attempts to keep trade under control. However, the world-system theory had difficulty in explaining the active role of the state. Karaömerlioğlu (2001, p.93) seems to rely on Pamuk's argument<sup>20</sup> that the Ottoman Empire had a state tradition that was not colonized. He emphasizes keeping formal independence in spite of being bound with economic dependence.

#### **4.4.2. Division of Labor in the World-system**

Wallerstein argues that the peripheral regions were incorporated into the hierarchical structure of the world-system through uneven trade between the center and the periphery and the economic activities of peripheral regions became to be organized around the logic of production and circulation in the center. The hierarchical structure poses the division of labour in which peripheral region increasingly specializes in the production of particular labour intensive commodities –raw materials or semi-processed goods- and export them to the center, from which it imported factory made goods in turn.

Commercial relations between the Ottoman and Europe increased significantly after 1820's in the Ottoman Empire (Pamuk, 1990, p.169; Owen, 2009, pp.84-87). Owen (2009, p.93) examines the expansion manufactured imports composed of “plain or white” goods or “printed and dyed” goods, which expanded to such extent that in 1842, it was possible to deliver each inhabitant, man woman and child, in the region of four yards. In addition, Pamuk (1990, pp.169-170) suggests

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<sup>19</sup> Eldem, 1999:187

<sup>20</sup> Pamuk, 1987:133 the Ottoman empire and the European Capitalism, cited in Karaömerlioğlu, (2001, p.93).

that Ottoman exports were composed of mostly agricultural goods, while large part of imports were manufactured goods. In line with Pamuk, Owen (2009, p.86, 92) argues that opening up of Middle East to European trade gave stimulus to the production of certain cash crops. Nevertheless, it is not possible to identify the magnitude and the extent of the increase.

According to Karaömerlioğlu (2001, p.94), at first glance, the Ottoman case seems to be compatible with the general description provided by Wallerstein. Foreign commercial relations accelerated in the nineteenth century, which can be observed in increasing export of the cotton produced in Çukurova region and exports of mining sector. The Ottoman Empire and similar regions alike became the raw material supplier and the market for European goods. In his account, these developments seem to be highly linked with industrial revolution.

#### **4.4.3. Agriculture**

##### **4.4.3.1. Monoculture Agriculture**

According to world-system theory one of the outcomes of the expansion of the European capitalism into the peripheral states is the emergence of the monoculture agriculture specialized in particular agricultural products. Pamuk (1990, p.169) asserts that agricultural goods constituted big part of the exports at the beginning of the twentieth century and the characteristic of the Ottoman export was the variety in export goods, none of the export goods could exceed the twelve percent of the total exports. That is to say, the Ottoman agriculture was not specialized in the production of limited numbers of particular agricultural goods. It is argued that the monoculture agriculture did not develop in the Ottoman Empire although there was a huge amount of cotton demand raised by the English during the American Civil War (Kurmuş, 1983, p.27).

#### 4.4.3.2. Commercialization and Çiftlik

Another assumption of the world-system is the rise of the commercial relations with Europe and incorporation to the world-system lead to the commercialization of agriculture. That is to say, production started to be oriented towards sale in world-market. This commercial environment considered to be a fertile basis for the emergence of *çiftlik* system in peripheral agriculture as well.

For the Balkan regions of the Ottoman Empire, there is a considerable literature on *çiftlik* debate. However, it is hard to argue for prevalence of one type of land regime over the whole Empire. Pamuk (1987, pp.107, 178, 203) argues that in the Ottoman case, small land ownership was the dominant form in the core of the Empire - Northern Greece, Thrace and Anatolia. He supposes that this can be the result of the concern of the state to prevent dispossession of the peasants and emergence of intermediary layers. This concern seems to be linked with the appropriation of the surplus by the state through taxes since peasantry was the tax base of the state, the state neither wanted to lose its tax base nor share the surplus with intermediary layer (1987, pp.201-202).

State policy of land regime varied in regions in the Ottoman Empire. The examples of different regions of the Western Anatolia and Çukurova in relation to the establishment of large farms can be derived from the inputs of Pamuk (1987). After the construction of railway in this region by British capital and allowance to the foreign landownership by the Ottoman Land Code in 1866, the British purchased considerable amount of the agricultural lands in İzmir region. Large capitalist farms were established but there appeared a problem of securing labor force working in these farms. In former colonization practices, states levied taxes or by other measures forced the peasants out of their farms. However, according to Pamuk, the Ottoman state preserving formal independence and entailing room for maneuver, resisted the British attempts of establishing big capitalist farms in the western Anatolia since the region was characterized by the small land ownership which constituted the tax base of the state. On the contrary, in Çukurova, which was not a densely settled, the locally powerful groups were able



to hold the large land ownership in the late nineteenth century. The landowners and state acted in collaboration in extension of their fiscal bases and promoted seasonal labour migration to the region. In addition, to provide workforce, the nomadic Turkmens were tried to be settled in agricultural lowlands and high-quality seeds were imported to increase productivity. That is to say, the state actively played a role in the emergence and development of export-oriented farms in Çukurova region. After the arrival of Anatolian Railway to the region and its purchase by German capital, the region came under the influence of the latter (Pamuk, 1987, pp.198-200).

#### **4.4.4. Comprador Bourgeoisie and Non-Muslim Merchants**

In the dependency theory, it is suggested that the infiltration of European capital occurs in collaboration with a segment of peripheral society called the “comprador bourgeoisie”. The comprador bourgeoisie is in the service of foreign capital and facilitates the penetration and expansion of foreign capital in the periphery. Members of comprador bourgeoisie benefit from this process which is reckoned as crippling the local potential of the country so there is a clash of interests between the identical interests of natives of peripheral country and the foreign capital collaborated with comprador bourgeoisie. The traces of this way of thinking can be found in the world-system analysis as well.

In the case of Ottoman Empire, it is assumed that foreign capital penetrated the Ottoman Empire in cooperation with non-Muslim intermediaries who were the subjects of Empire. Kasaba (1988, p.222) questions the existence of a comprador-bourgeoisie and analyses the mid-nineteenth century Western Anatolia in that respect. He argues that the relation between foreign merchant and local intermediaries was marked by “the absence of long-term cooperation” (Ibid.). In the first half of the nineteenth century, local intermediaries were not engaged in interregional trade since they found it risky due to the monetary anarchy. They benefited from it through arbitraging between different kinds money. They channeled their wealth to banking activities, speculation, usury and tax-farming but not to trade (1988, pp.217-219). Their interest was laid on the perpetuation of

the anarchic conditions of the status quo. In this regard, the interests of intermediaries and the Ottoman government were parallel. When the British merchants wanted to invest, their interests conflicted with the vested interest of intermediaries, since the British merchants needed the annihilation of monetary anarchy and the establishment of a sound monetary system, which would eliminate the sources of intermediaries' wealth and power. Thereby, the British merchants confronted with a strong opposition raised by local intermediaries accompanied by government officials as well. Accordingly, in many petitions filed by British merchants, they complained about local bankers, government officials, and non-Muslim communal leaders for their collaboration against their commercial activities in many villages (1988, p.221). That is to say, according to Kasaba (1988, p.226), in the period between 1840's and 1870's foreign capital and local intermediaries were in a severe competition, in his words "If anything, the preceding historical sketch suggests that western Anatolian intermediaries can be credited more with *preventing* the implantation of foreign capital in western Anatolia than serving as a handmaiden for it".

According to Karaömerlioğlu (2001, p.95), in the Ottoman case, the argument of comprador bourgeoisie should not be exaggerated. In the nineteenth century, the non-Muslim bourgeoisie benefited most from the commercialization of agriculture and increasing commercial relations with Europe. In fact, as the Ottoman subjects, non-Muslim bourgeoisie represented the "national bourgeoisie" of the Ottoman Empire in most cases. The nationalistic view point of the Republican era obscures this fact.

#### **4.4.5. Manufacture**

##### **4.4.5.1. Collapse of the Local Manufacture**

In world-system theory, it is argued that the expansion of the European capital in peripheral regions would lead to the collapse of local industries and manufactures in these regions. In the case of the Ottoman Empire, the conventional view suggests that Ottoman manufacture was collapsed under the influence of

European industrialization that was conveyed through expanding trade in the nineteenth century. This view is compatible with the pattern suggested by Wallerstein. However, further investigation on the nineteenth century Ottoman manufacture shows that the situation was much more complex.

Owen (2009, p.93) provides a detailed analysis of Ottoman economy in his work on Middle Eastern economy in the nineteenth and early twentieth century. He puts forward that there was a vast expansion of trade starting from 1820's. Accordingly, it seems presumable that the influx of cheap European fabrics accommodated with too low tariffs to protect domestic production led to many job losses. Other producers that remained in the production process faced the scarcity of local raw materials of cotton and silk, stemming from either fall in local production or excess demand stimulated by the foreign buyers. On these bases the European writers declared the destruction of Middle Eastern textile sector (2009, p.93). On the other hand, he argues that "for all the weight of travellers' tales and official reports the evidence is too impressionistic and too contradictory to allow any proper estimate of the extent of the damage" (Ibid.). Referring to Chevalier<sup>21</sup>, he argues that the Europeans believed in the decline of the Middle Eastern textile production and this belief shaped, in fact distorted, their view which was oriented towards verification of it. Therefore, their approaches were biased and openly distorted, so were their analyses and reports. There are works asserting the contrary as well. For example, Chevalier reveals that the textile production in Syria confronted the challenge of the cheap products of European industry and was able to find ways to survive. Owen (2009, p.93) shares the analysis of survival of textile production for many parts of the Middle East and the Ottoman Empire, and tries to explain how it was so. He argues that there are some factors that can explain how these industries could protect themselves from the threat posed by imports. First of all, when the amount of the imported European goods increased, it is suggested there was a population growth and a, consequent

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<sup>21</sup> Chevalier, D. (1962). "Un exemple de resistance technique de l'artisanat Syrien aux XIXe et XXe Siecles: Les tissus Ikates d'Alep et de Damas", *Syria*, XXXIX, pp.3-4, in Owen (2009, p.93).

extension of demand in the Middle Eastern market. Secondly, the local tastes played an important role in the survival of the local manufacture since the European manufactures could not copy the local patterns and local styles in factories. This sustained the demand for locally produced goods and protected the market against the challenge of factory-made textiles. Thirdly, the Middle Eastern weavers, when confronted with a threat, could “reorganize the production in a few central locations, thus taking advantage of a number of small economies of scale”. Owen gives the example of silk cloth production in Mount Lebanon. This production started to centralize in towns like Dair al-Qamar. They also were capable of adopting technical advancements, which increased the productivity and reduced the costs. In Dair-al-Qamar again, the weavers started to use technically superior, European import Jacquard looms (2009, p.93). Thirdly, they benefited from cheaper and better quality semi-processed import goods as input in production. British thread and white cloth started to be used extensively in weaving and dyeing respectively. This increased the imports of these goods, as well. In line with Quataert (1988, p.172), who argues that imports did not bring job losses but instead created new jobs, he argues that these developments suggest a considerable number of jobs (Owen, 2009, pp.94-95).

As to the effect of European competition on Middle Eastern manufacture, Owen (2009, p.95) argues that firstly, increasing import of twists and yarns must have led to the destruction of the local spinning activity. Referring to Urquhart<sup>22</sup>, he argues that in Turkey, local yarns were replaced by foreign yarns that were better in quality. The spinners most of whom were women and children were forced out of the business. Secondly, based on volume of imported British thread, he puts forward that thanks to the reorganization of local weaving activity even if in a limited manner, the weavers could hold a share to some extent from the growing market. Thirdly, regarding the most disadvantageous position, the village craftsmen, who were not inhabited in internal districts -in which the cost of

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<sup>22</sup> Urquhart, D. (1833). *Turkey and Its Resources*. London: Saunders and Otley, in Owen (2009, p.95).

transportation restricted flow of imports and protected the craftsmen, like in the central Anatolia- and the ones that were forced out of spinning business and could not shift to another type of employment like weaving (2009, p.95).

As one of the historians working on Ottoman manufacture, Quataert (1988, p.172) acknowledges that in that period, the European industrialization and mechanization had vast and corrosive influence on Ottoman manufacture and its workforce via the rising imports of goods produced with these techniques and many Ottoman manufacturing jobs were lost (1988, p.172). The destructive effect was mostly centered on the guild production dominated by man labour. Indeed the output produced under the guild organization declined in most of the regions (Quataert, 1993, p.256).

On the other hand, Quataert (1993, p.256) asserts that gross Ottoman industrial output probably did not decline between 1800 and 1900. At the beginning of the twentieth century, particular Ottoman manufactures hold larger domestic market and exports market compared to the earlier periods. That is to say, while there was a sharp fall in the output of guild production, it was not a general tendency of Ottoman manufacture in total. Specifically female manufacturing carried out at home did not only continue but also expanded largely in some regions and especially textile handicrafts sectors. Besides, in textile sector, factory production whose workforce composed of mostly girls and women, increased after 1880 (1993, p.256).

Moreover, as touched upon above, Quataert (1988, p.172) argues that imports did not only cost the loss of jobs but they led to the emergence of new ones. As an example, he mentions the addition to the Ottoman workforce by the acceleration of imported yarn. Thereby, the history of nineteenth century Ottoman manufacture and handicrafts were so complex and multi-dimensional to be characterized as a simple decline. Ottoman manufacture responded to the challenge of accelerating imports by changing, shifting employment and sometimes adapting successfully to the new conditions (Ibid.). In some sectors, by restructuring themselves they recovered their markets and gained former levels of production. In some sectors,

the semi-processed materials were imported, worked on, turned to the finished products and exported back to the international market. In some other sectors the output was increased and this created tens of thousands of new jobs (1988, p.173).

According to Quataert (1988, p.173), there are some points that had a crucial importance in the fate of Ottoman manufacture but missed by conventional view. The accounts of conventional view are based on the decline of guild production in big port cities like İstanbul, Salonica, and Aleppo. This decline is generalized for the whole Ottoman industry. However, an important element missed in such analyses is rural manufacturing. There were flourishing industries in the rural areas, and cities and towns that were not visited by the European observers as much as were the port cities. The examples of flourishing urban industries mentioned by Quataert (1988, p.173) were the carpet production in Uşak, Kula, and Gördes and raw silk production in Bursa. In fact, in both cases, the production was maintained in the rural areas as well as the centers of Bursa and Uşak, Kula, and Gördes and in due time, the production in small towns and the countryside surpassed the productions in the centers.

Apart from rural manufacturing, there were new areas of handicraft production emerging, which are also missing in the conventional account. Lace making was an example of a new business (Quataert, 1988, p.173). Merchants exported yarns and procured them to the women lace-makers working in their own houses. Lace-makers were women and paid for piece work. Merchants collected the finished products and exported them to the European markets. In this case, imported yarn created approximately 7600 full-time job equivalents in the latter part of the nineteenth century (1988, p.174).

In some sectors, industry was restructured to adopt itself to the new conditions, regained its market, caught the old production levels and sometimes exceeded it. The examples were *kalemkar* and shoe making. In the case of *kalemkar* production, around 1850, the local goods were mostly replaced by European imports. The industry was restructured. Armenian entrepreneurs delivered the imported thin fabric to the women workers working at their own houses and

collected the finished product. At the end of the century, the European imports of finished product were almost halted (1988, p.174). The shoe-making industry was restructured, too. The production was freed from guild organization and the products were adjusted to the changes in the shoe fashion. The merchants placed orders to workshops ran by a master. These workshops were generally small and single-roomed and five to ten male and female workers worked in them. The workforce was also freed from the guilds and got fragmented. The wages were very low and based on piece work. At the end of the century, the import of shoes nearly ceased with the exception of few highest quality and latest fashion products. In both cases, the industries survived and even flourished. However, the cost of this victory was the misery of workers. That is to say, low wages were the primary element in the survival of the industries (1988, p.175).

To recapitulate, in the cases of lace and kalemkar production, home industry was the dominant form; in the cases of shoe and kalemkar production, the restructuring of industries involved a shift from guild labour to non-guild labour; in the cases of silk and carpet production, rural manufacturing dominated. These differences constituted the varied response of Ottoman manufacture to the challenge posed by the European imports:

“Rather than a saga of steady decline, the history of nineteenth century Ottoman manufacturing is one of ongoing change. Ottoman entrepreneurs and crafts workers made choices, and these in turn triggered changes in the patterns of economic life. Their experiences varied from locale to locale and from craft to craft, but always they involved changes in the workplace, shifts in the nature of employment, and adaptation to the challenge imposed by European industrialization” (1988, p.175).

Similarly, İnalçık (1987, p.375) argues that the decline of manufacture covered quite a long period and ‘old’ structures resisted new market conditions. He points that until the second half of the nineteenth century, cotton imports with the exception of cotton yarn could not invade the Ottoman rural interior. The response of local manufacturers to the challenge posed by imports was keeping the quality of the products, while setting low prices. The matter is to what extent much lower labor costs in the Ottoman society could counterpoise the challenge of English

industry that worked with labour saving machinery (Ibid.). In the weaving industry, it worked until second half of the nineteenth century but for spinning industry effect was felt at the outset in Macedonia and Thessaly. Internal regions remained unaffected for a while. In cities and towns of Anatolia during the 1820s locally produced yarns were still used. However, in 1840's English cotton yarns were increasingly used for cloth production in the cities of Diyarbakır, Aleppo, Damascus, İzmir, Bursa and İstanbul (İnalçık, 1987, p.378). Quataert (1988, pp.260-261) puts forward that due to poverty, Ottoman women maintained spinning for domestic use and sale.

İnalçık (1987, pp.260-261) argues that in spinning industry, import of cheap and high-quality yarns led to decrease in local prices and wages. The decrease in the wages can be explained with the existence of high unemployment. Another explanation is in Urquhart's<sup>23</sup> words 'people must go on working merely for bread, and reducing their price in a struggle for hopeless competition' (1987, p.378). Cheap labor force was mainly composed of women and children in spinning industry. Notwithstanding low wages, they were forced out of the business by the competition of imported yarn (1987, p.379). Quataert (1988) puts forward that female labor in textile industry was concentrated in spinning activity. Rising import of European-manufactured factory-spun cotton yarn changed the social and economic conditions of the spinners composed of mostly women. The effect changed according to the orientation of activity, whether for domestic use or market sale. Women engaged in spinning as commercial activity faced sharply declining wages in competition with cheap import yarn in the short term, and in the long run, they lost their jobs. It is estimated that between 1820 and 1870, the amount of imported yarn corresponded to 160.000 women workforce on the basis

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<sup>23</sup> Urquhart, D. (1833). *Turkey and Its resources, its municipal organization and free trade: the prospects of English commerce in the East*. London: Saunders and Otley, p.148, in İnalçık (1987, p.378).



of full-time job equivalents (Quataert, 1988, pp.259-260). Regarding spinning activity for family consumption, the effect depended upon well-being of the household. For the ones that could purchase cotton yarn, women were freed from spinning activity, but for many of Ottoman households, poverty kept them maintaining spinning for family needs and sometimes for sale as indicated above. They could undersell the imported yarn (1988, p.260-261).

In the case of weaving industry, low wages of the Ottoman workers in comparison with English workers made it difficult for English industry to compete with the local products. In 1830s, the amount of imported English clothes very low. In addition, low costs of local industry were accompanied by diligence on the quality of products. In this way, local products could preserve its market in the first half of the nineteenth century (İnalçık, 1987, p.379). However, in the 1850s British cotton-cloths exports increased drastically. The influx of cotton exports of internal market happened in the 1850s (1987, p.383).

Under the light of these analyses, the transformation of the Ottoman Empire in the nineteenth century can be put forward. Ottoman manufacture faced challenges posed by the European industrialization and the challenges were confronted by the local industry in varying ways. Within these, women and households had an important role in the reorganization of manufacturing production. In Quataert's (1993, p. 255) words, "women and their households mediated the process of growing Ottoman participation in the world economy". He adds that the changes in the household organization appeared as adaptations to changing economic conditions and market opportunities both in domestic and international realms and he argues that the changes in the nineteenth century Ottoman households economies appeared within the context of and in relation regional and world economies (1993, p.255). In this regard, understanding the role of women and household becomes important in understanding the nineteenth century Ottoman manufacture. It seems that reorganization of Ottoman household economies provided cheap labour force composed of mostly women and children made it possible for Ottoman manufacture to survive.

Regarding the nature of the household in the Ottoman Empire, it is important to note that rural households composed eighty percent of population. Men often left the house to work in rural areas or urban centers so the migratory labour force was so widespread in the Ottoman Empire that the absence of man in the household was the normal condition of existence. In average Ottoman rural (and urban) household, manufacturing was part of everyday life for family needs and sometimes for sale. However, this manufacturing activity has been ignored in the literature of Ottoman agriculture and Ottoman industry. Crop growing and animal husbandry or urban male guilds have been at the center of focus in the studies of related realms, respectively. However, rural households were not engaged only in agricultural production. Changing in composition circumstantially, according to region, season and opportunity, they involved in different set of economic activities like crop growing, mining, manufacturing, and fishing (Quataert, 1993, pp.256-257). In addition, Quataert points out that change in the nineteenth century Ottoman household did not simply correspond to the transformation from subsistence production to market production. Because manufacturing for market appeared before 1800 in many Ottoman household as in the example of manufacturing red yarn in the eighteenth century in the town of Ambelike in Thessaly<sup>24</sup>. There were also households of subsistence economies, but small in number and fading away (1993, pp.255-256). Moreover, there was an active web of putting-out systems in the Ottoman Empire. There was a circulation of raw materials and semi-processed goods among the European, Anatolian and Arab provinces of Empire (1993, p.255).

#### **4.4.5.2. Female Workers**

It is argued that while there was a sharp fall in guild production, production by women was not only maintained but also expanded in some regions and in especially textile industry. Women had taken part in the textile industry in three

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<sup>24</sup> “Every arm, even those of children, is employed in the factories; whilst the men dye the cotton, the women prepare and spin it.” Urquhart, D. (1833). *Turkey and Its Resources*. London: Saunders and Otley, pp.47-51, cited in Quataert (1993, p.255).

ways before the influx of European factory-made goods. First, they had produced yarn and cloth at home for the use of family members. Second, part of the production at home had been also directed towards sale in the market so they had carried out textile production at home for market sale. Third, they had worked outside the home setting in the textile workshops (1993, p.259). In addition, in textile industry, the spinning activity had been dominated by women and weaving activity had been dominated by men working under the guild organization in urban centers (1993, p.265).

When the European competition imposed itself in the form of cheap and high-quality factory made textiles, it resulted in sharp fall in the prices of local products and eventually wages in textile industry. In the long run, weaving activity could resist to some extent but spinning nearly faded away. The accelerating import of yarn freed many women from spinning activity. The effect of imported cloth was the dramatic decrease in the wages of male-guild labour, but the production under guild organization continued and was supplemented with production carried out by women outside the guilds (1993, p.265). Eventually, both men and women were engaged in weaving activity that was oriented towards subsistence needs and market sale (1993, pp.265-266).

Under the new conditions of European competition, some industries adapted successfully, there were also some that even expanded and some that newly emerged – such as production of lace, raw silk, cotton and silk cloth. Among them three growing export industries were silk-reeling, lace-making and carpet-making. Common thread to all these was the dominance of poorly paid female labour (1993, p.265). There is an emphasis on low wages because under the threat posed by the influx of imports, the survival of Ottoman manufacture depended on the low wages and the bearers of this were mostly women and children since they were paid poorly. This production was maintained mostly at home and in the workshops within the framework of putting out system. Therefore, women and household played an “integral role” in the Ottoman manufacture, especially in textile industry (1993, p.266).

As part of the general tendencies in the nineteenth century Ottoman manufacture, according to Quataert (1993), the production were started to be organized out of the guilds. The dissolution of guild organization was accompanied by a rise in rural production carried out mostly in home-settings and small workshops. Putting-out system sustained framework for most of the times. Factory production started in textile industry in the second half of the nineteenth century as well.

Based on the analysis of the developments in rural industry, İslamoğlu-İnan argues that the Ottoman industrialization at its outset retired into its shell, since the rural production was disconnected from the big markets that were far from its production area and saturated by the European export products. In that sense, İslamoğlu-İnan (1983, p.30) considers that the Ottoman rural society in the second half of the nineteenth century was similar to the conditions described in the premise of the “unity of manufacture and agriculture” within the Asiatic mode of production approach. The survival of the handicraft and industry challenges conventional understanding of the decline of Ottoman manufacture in the nineteenth century. The collapse thesis seems to be applicable only to the guild production in urban areas but not to rural production or some sectors of urban handicrafts.

#### **4.5. Conclusion**

In this chapter, the incorporation process and resultant peripheralization as portrayed by Wallerstein’s world-system analysis are examined and criticized at the theoretical levels. Followingly, the critique of the world-system inspired historiography on the Ottoman Empire is put forward. Lastly, the compatibility of the peripheralization model to the Ottoman historical development is analyzed.

As a result of the analyses, it can be plausibly argued that the world-system analysis developed by Wallerstein suffers from methodological fallacies that are carried to the analyses of transition to capitalism in the Ottoman Empire by Wallerstein himself and the historians that are influenced by the world-system analysis, that can be identified as unilinear external determination of market

mechanisms in the process of social transformation, depiction of generative mechanisms of the world-market outside and free from class relations that create them, the ignorance of internal dynamics of class relations and conflicts that transition to capitalism occurred through.

Crippled with the fallacies mentioned above, Wallerstein version of world-system entails a peripheralization model that is supposed to cover the reorganization of underdeveloped countries in accordance with the requirements of the world-market, so of the peripheral status in the world-division of labour. This reorganization entails the realms of trade, agriculture and industry, with already existing weak character of peripheral states. In this chapter, the Ottoman transformation process is analyzed in terms of the peripheralization model on the bases of the existing works on this period. As a result, in all realms, there are challenging findings in historical studies. However, the most striking ones are on the realm of the Ottoman manufacture and within the borders of the chapter the issue is handled with reference to the works of Quataert.

In Wallerstein's analysis, as a result of the reorganization of the peripheral regions in accordance with the world-division of labour, these regions turn out to be the importers of industrial products and producers of raw materials. In this process, peripheral manufacture cannot survive the challenge posed by the influx of the cheap and high-quality goods imports. However, Quataert reveals that it was not the case for the Ottoman Empire. It is true that in most of the urban centers, guild production ceased. Nevertheless, the fate of the Ottoman manufacture is not equitable with the guild production. Broadly putting, faced by challenge, in most of the sectors, production is reorganized basically on the bases of substantially cheap labour power freed from guild organization. Other tendencies were concentration of the manufacture in the rural areas and mostly in the web of putting-out system. This process was mediated by the Ottoman households providing cheap labour power composed mostly of women and children. It is important to note that rural manufacture or putting-out system did not newly

emerge. They were already existent forms of Ottoman manufacture, but enhanced and transformed in this process.

It is important to point that the survival of the Ottoman manufacture was based on the cheap labour power on the one hand and operationalizing and transforming some of the existent forms of production on the other. Regarding the development of the means of production, when such an opportunity emerged, it was seized and in some industries, in silk spinning, the production was carried out with advanced technology. However, it is not possible to define the Ottoman manufacture with technical advancement. The production was carried out with the old techniques, which means the dominance of the appropriation of the absolute surplus, through low wages and/or long working hours. However, as mentioned in the second chapter, according to Brenner, the characteristic of capitalist relations of production is appropriation of relative surplus value that is based on increasing the productivity of labour power through technological advancement. Nevertheless, this argument cannot provide access to the historical case of the Ottoman manufacture since it is based on absolute surplus appropriation.

It seems that transition to capitalism, once it has emerged somewhere else necessitates a different perspective than put forward by Brenner since in these transition processes, the internal and external dynamics are in a mutual relationship. Transition to capitalism occurs in and through the old forms by transforming and even destroying them. It can be evaluated as differentiation of capitalism in different regions since it flourishes from the interaction of internal and external dynamics. It does not mean different capitalisms but unity of it in differentiation. Thinking that it is a process of old forms gaining new content<sup>25</sup>, can be helpful in the comprehension of the process.

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<sup>25</sup> The idea of old forms entailing new content in transition to capitalism developed by Banaji (1977) has been inspiring but not utilized in the same manner as he does so that nor all conclusions he arrived are shared. His analysis has its own restrictions, elaboration of which exceeds the limits of this study.

## **CHAPTER 5**

### **CONCLUSION**

The Ottoman Empire underwent a transformation starting from the late sixteenth century and the repercussions became blatantly obvious in the nineteenth century. This process has been analyzed from different viewpoints in Ottoman Historiography. The world-system analysis, especially Immanuel Wallerstein's version, provides a framework which has had a big impact on the analyses of the Ottoman transformation process. In this regard, it is important to understand and evaluate the model developed by Wallerstein for the peripheralization process and the works on the Ottoman transformation influenced by Wallerstein's analyses.

Within Wallerstein's world-system, capitalism is defined by the development of commercial relations and the consequent emergence of world-market in the sixteenth century. Capitalism is equated with the world-market that expands via commercial relations. The capitalist world-system operates on the bases of world-division of labour organized in terms of regional specialization. Production relations prevailing in a region do not necessarily become wage-labour relation in the world-system. Different prevailing forms of labour control regime are entailed in different regions. Wallerstein has been criticized for his conceptualization of capitalism on the basis of quantitative increase in the commercial relations rather than a qualitative change in production relations since in his account the acceleration of commercial relations with core countries leads to the incorporation to the capitalist world-economy as periphery, which eventually suffices for the development of capitalism.

The needs of capitalist world-system push for expansion, which results in the incorporation of external arenas, whose status in the world division of labour is determined according to regional specialization. This process is launched by the requirements of the capitalist world-system. External arenas do not have a determinative effect at the initiation of the process; they passively adapt to the impositions of the capitalist world-system. That is to say, the incorporation process is marked by one-sided determination of the capitalist world-system. The capitalist world-system enters in a phase of expansion and absorbs pre-capitalist areas through the establishment of commercial links. Internal social relations of these areas are reorganized in concordance with the requirements of world-system and mechanisms of the world-market. In other words, the capitalist world-system generates transformation in these regions as an external force.

The process portrayed seems similar to a conquest of a mere geographical space rather than interaction of capitalist and pre-capitalist relations of production. This one-sided comprehension of the capitalist invasion of non-capitalist regions is problematised in this thesis as the neglect of internal dynamics and overemphasis on external factors since capitalist transformation of a specific region is elucidated in terms of passive adaptation to the impositions of world-market mechanisms that hold monopoly of generative power.

First of all, market mechanisms of ‘profit maximization’ and ‘competition’ are themselves expressions/forms of particular class relations, just as the process of social transformation occur through class relations and conflicts. These mechanisms are not things in themselves, or existing transhistorical technical factors. Thereby, understanding the transformation process necessitates analyzing the relations and conflicts that appear in the form of these mechanisms. Besides, it does not seem valid to explicate capitalist transformation as emanating from the exogenous factor of market mechanism automatically shaping social relations in pre-capitalist societies in accordance with the necessities of the capitalist world-system. Basically, because these regions are not empty shells to be fulfilled, they entail particular class relations and possess dynamism to create change and



resistance. Social transformations occur in and through existing social relations even when they are abolished as a result of the process. Therefore, it is important to take into account the endogenous and exogenous factors in interaction as the expressions of class relations in the process of capitalist transformation.

Perceiving of the impositions of the world-market as an exogenous source of change characterizes the world-system analysis developed by Wallerstein and is influential in the Ottoman historiography as well. In the thesis, among the works on the Ottoman transformation process influenced by the incorporation pattern developed by world-system, works by Wallerstein himself, and Decdeli, Kasaba, İslamoğlu-İnan, Keyder and by Pamuk are selected and analyzed in terms of their understandings of the internal life and dynamics before transformation, their depiction of the incorporation process, actors of the process, the relation between internal and external factors, the conceptualization of commercial relations and production relations.

In these analyses, it is accepted that the Ottoman society underwent a change starting from the late sixteenth century. With some reservations, it is called as 'feudalization'. This change had emanated from the centrifugal forces in the ruling class. These forces could rival political power but they were not able to demolish it. Accordingly, they operated within the framework of prevailing system. From such a perspective, internal dynamics / forces are conceived as lacking power to generate radical change. The establishment of links with the world-market created opportunities and brought about transformation. That is, the generative force belongs only in the mechanisms of the capitalist world-market. Pamuk posits some limitations on the transformative capacity of market mechanisms and capital accumulation which is portrayed as functioning in the interests of core countries. Core countries of capitalist world-system had to negotiate with the Ottoman state in each step they had taken. In other words, the imperatives of the world-system did not function directly but through the process of negotiations and eventually the compulsions given. The subsequent formation of society is characterized more or less in the lines of role of the periphery in the

world division of labour, that is, as market for industrial goods and supplier of raw material and agricultural goods. This indicates the retreat of local manufacture, and orientation of agricultural production to the cash-crop production for the world-market.

It is apparent that in these works the transformation of the Ottoman Empire is accounted as a process imposed by external factors. Even though the margin for the resistance of the Ottoman government is granted, it remains still as a process of external imposition. In addition, within this process, possible resistance is basically to be found in the Ottoman state, which was oriented towards guaranteeing its survival. Class conflicts are conceived to be occurring only within the ruling class, the realm of so-called 'high politics', whereas the daily existence of producing mass is ignored and could not find a place in the analyses. Isolated from the class relations and conflicts between the surplus expropriator and direct producer, the transformation process is rendered a technical one. Although the Ottomanist studies influenced by Wallerstein's world-system analysis appeared as a criticism of the works inspired by the modernization theory on the grounds of understanding of Ottoman history in its relationship with the capitalist-system, they themselves fell into the trap of ignoring of internal dynamics of peripheral societies.

Incorporation into the world-system as a periphery brings about a pattern of subsequent reorganization of the peripheral society in Wallerstein's analysis. It is assumed that the organization of trade, agriculture and industry are predisposed to the requirements of periphery status in world division of labour. In the thesis, the validity of peripheralization model is questioned taking Ottoman transformation as a case. The assumptions of the world-system analysis on organizations of the state, agriculture and manufacture are reviewed depending on the existing literature of Ottoman history, and among them the emphasis is placed on Ottoman manufacture due to its striking character. It is argued that most of the developments in the Ottoman Empire did not match the predictions of the peripheralization model.

In Wallerstein's analysis, due to the functioning of the capitalist world-system, peripheral regions have weak states. This assumption on the peripheral state has been challenged from different viewpoints within the existing literature. Different works underline its being not a mere follower of the impositions of the world-system and holding an active role in the life of the Empire. For example, in Pamuk's account, the strong state, its continuous political independence and its determinative role on the agricultural land regime gave the incorporation process its character. For İslamoğlu-İnan, the identification of weak states with periphery did not correspond absolutely to the Ottoman state since it bore contradictions and created resistance that hindered the smooth functioning of the capitalist world-system. This gave it a contradictory and bifurcated character that oscillated between the conditions of right to rule and the role it was assigned in the capitalist world-system; that is, it did not turn to a weak state submitted to the exigencies of the capitalist world-system. The Ottoman state is not analyzed in this thesis in depth but it can be said that studying the Ottoman state would be a fruitful enterprise to challenge the understanding that the systemic functioning freed from class relations absolutely determines the role of periphery and consequently the nature of the peripheral state.

In the world-system analysis, the functioning of capitalism and therefore of capital accumulation rests on a world-wide division of labour. Within the division of labour, the core and the periphery specialize in industrial production and raw material production, respectively. Raw materials are produced in periphery, transferred to the core and are utilized for survival needs and as inputs in industrial production, and in turn the industrial products are transferred to periphery for sale. This relationship is sustained through unequal trade between the periphery and the core that resulted in flow of the surplus from the periphery to the core and eventually the concentration of capital accumulation in the latter. This mechanism leads to structural changes in peripheral regions in the fields of agriculture and manufacture. While agriculture is oriented towards cash-crop production for the world-market, manufacture retreats. Since the Ottoman Empire is supposed to be incorporated into the world-system as periphery, the

compatibility of the transformations in Ottoman agriculture and manufacture is examined in this study to challenge those assumptions and predictions

In accordance with world division of labour, agricultural production of periphery is assumed to be specialized in particular set of goods, which is called as monoculture, on the bases of the choice made for the most appropriate product for the region among the goods demanded in the world-market. In this transformation, the market mechanisms of competition and profit maximization are underlying factors that determine the most appropriate agricultural goods to be produced. Besides, under the rule of market, and according to criteria of efficiency and profitability, the mode of labour control is also determined. In the periphery, slavery and coerced cash-crop production would appear as dominant modes of monocultural production carried out in big estates.

The validity of these assumptions is questionable in the case of the Ottoman agricultural production. First of all, it is not possible to generalize a single pattern of land regime for all Ottoman lands since the studies on Ottoman agricultural production in different regions suggest variety in land tenure. There is a literature on the emergence of big agricultural estates (*çiftlik*s) in the Balkans but it does not seem to characterize the whole Empire. On the other hand, there are works discussing the survival of the small land ownership under the protection of the Ottoman state for the maintenance its tax base, and others pointing to the dispossession of the peasants of their lands under the debt bondage. That is to say, the land regime in the Ottoman Empire has been a contentious topic and the terms have not been settled down. However, on the basis of the existing literature it can be argued that the agricultural production as a whole was not characterized by monoculture or the establishment of *çiftlik*s directly serving the requirements of the capitalist world-system. In the case of Ottoman agriculture at least, the mechanic and unilinear determination seems not to hold up to concrete historical analysis, and in this case for the production.

It is important to note that the Ottoman state did not have a clear-cut policy on land tenure or foreign capital inclusion in the Ottoman economy. Depending on

inputs provided by Pamuk in his work on Ottoman agricultural production, the decisions of Ottoman state seems to be rather contextual and contradictory. While in the case of the Western Anatolia, the Ottoman state resisted the establishment of big capitalist farms by the British capital, it assisted in Çukurova region later came under the influence of German capital.

In the world-system analysis, it is assumed that the acceleration of the commercial relations brings about an influx of cheap and high quality industrial goods to peripheral regions, resulting in the collapse of manufacture in the latter. This is not peculiar to the world-system analysis; it is generally accepted notion, stemming from unilinear deterministic way of understanding social reality.

Similarly, Ottoman manufacture is considered to have collapsed with the influx of cheap and high-quality imports. However, more recent research shows that Ottoman manufacture followed a complex course rather than a clear cut decline. While commercial relations with Europe did intensify in the nineteenth century, cheap and high-quality imports had a corrosive effect on Ottoman manufacture, especially on urban production under guild organizations. As a result, there was a sharp decline in the output of guild production and the conventional argument about the collapse of Ottoman manufacture is based on it. However, it is only one facet of the process. As Quataert shows, faced with the challenge posed by the imports, the Ottoman manufacture restructured itself in the organization of work, workplace, and employment regime. Restructuring made recovery possible in some sectors. In some others, the output increased, creating new jobs. For example, silk reeling, carpet making and lace making were growing industries in that period. Eventually, the Ottoman manufacture did grow compared but its growth was much lower than the industrialized countries.

The survival of Ottoman manufacture can be understood via an analysis that stresses the internal dynamics in their interaction with the external factors. In this regard, restructuring of manufacture seems to be a key development. In the conventional view, Ottoman manufacture is identified with production by male labour, in urban areas and organized by guilds. In this process, guild production

mostly retreated, and then in most of the industries production went through radical transformation. It became free from guild organization and came to be carried out in the workshops composed of five to ten workers, getting wages by piece work. The wages were very low, work was insecure and labour force was unorganized. Thus, the exploitation of labour power was intensified through deteriorating the level of wages, living and working standards. The survival of the Ottoman manufacture was sustained through the intensification of exploitation.

One of the crucial developments in the restructuring process was the shift of Ottoman manufacture from urban to rural areas. In rural (and urban) areas, economic organization of households was transformed in line with the changes in regional and world economy. This transformation mediated the restructuring of Ottoman manufacture. In fact, manufacture had been always part of household economies both for subsistence requirements and market sale but during the 19<sup>th</sup> century it became profound and systemic. Production was carried out in the households or in small workshops within the framework of putting-out system. Women and children composed cheap labour force paid on piece work. The wages were extremely low to the level that generally not enough for subsistence on its own. Wages of mother and father together hardly sufficed for family survival especially in urban centers; this brought about the widespread use of child labour in the Ottoman Empire.

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Although the world system analyses overcomes the restrictions of modernization theory, which emphasizes the structures and processes the Ottoman Empire lacked compared to the West, it is also crippled with its own restrictions. Considering change as a product of external dynamics, and ignoring internal relations and potentials, it commits the same mistake of regarding the ‘periphery’ (or ‘traditional societies’) as stagnant and shorn of any life, dynamics and therefore, history. In this perspective, the peripheral societies such as the Ottoman society do not have the potential to be the actor of change. This perception lacks an interest in or entails ignoring internal dynamics and precisely for this reason, the world

system analysis fall short in understanding the process of change in the Ottoman Empire and the dynamics behind it.

This thesis stresses the importance of studying the uneven but mutual relations between internal and external factors. There is, therefore a need to develop an account of the transition of the Ottoman Empire to capitalism with the help of an approach that analyzes internal dynamics in interaction with the external factors and keeping in mind that these external factors themselves become comprehensible when they are situated back in the social relations that constitute them.

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**APPENDIX**  
**TEZ FOTOKOPİ İZİN FORMU**



**TEZ FOTOKOPİ İZİN FORMU**

**ENSTİTÜ**

Fen Bilimleri Enstitüsü	<input type="checkbox"/>
Sosyal Bilimler Enstitüsü	<input checked="" type="checkbox"/>
Uygulamalı Matematik Enstitüsü	<input type="checkbox"/>
Enformatik Enstitüsü	<input type="checkbox"/>
Deniz Bilimleri Enstitüsü	<input type="checkbox"/>

**YAZARIN**

Soyadı : ERKURT

Adı : BEYHAN

Bölümü : SİYASET BİLİMİ VE KAMU YÖNETİMİ

**TEZİN ADI:** A CRITIQUE OF WORLD-SYSTEM INSPIRED HISTORIOGRAPHY OF TRANSITION TO CAPITALISM IN THE OTTOMAN EMPIRE

**TEZİN TÜRÜ** : Yüksek Lisans  Doktora

1. Tezimin tamamı dünya çapında erişime açılsın ve kaynak gösterilmek şartıyla tezimin bir kısmı veya tamamının fotokopisi alınsın.
2. Tezimin tamamı yalnızca Orta Doğu Teknik Üniversitesi kullanıcılarının erişimine açılsın. (Bu seçenekle tezinizin fotokopisi ya da elektronik kopyası Kütüphane aracılığı ile ODTÜ dışına dağıtılmayacaktır.)
3. Tezim bir (1) yıl süreyle erişime kapalı olsun. (Bu seçenekle tezinizin fotokopisi ya da elektronik kopyası Kütüphane aracılığı ile ODTÜ dışına dağıtılmayacaktır.)

Yazarın imzası .....

Tarih .....