

THE EVOLUTION AND PROFESSIONALIZATION OF ECONOMIC THOUGHT
FROM THE LATE OTTOMAN EMPIRE TO THE TURKISH REPUBLIC:
THE CASE OF İBRAHİM FAZİL PELİN

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BURAK ASLANMİRZA

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Prof. Dr. Tülin GENÇÖZ
Director

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

Prof. Dr. Ömer TURAN
Head of Department

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

Asst. Prof. Dr. Şefika Akile ZORLU DURUKAN
Supervisor

Examining Committee Members

Prof. Dr. Murat BASKICI (ANKARA UNV., ECON) _____

Asst. Prof. Dr. Şefika Akile ZORLU DURUKAN (METU, HIST) _____

Assoc. Prof. Dr. Kayhan ORBAY (METU, HIST) _____

I hereby declare that all information in this document has been obtained and presented in accordance with academic rules and ethical conduct. I also declare that, as required by these rules and conduct, I have fully cited and referenced all material and results that are not original to this work.

Name, Last Name : Burak ASLANMİRZA

Signature :

ABSTRACT

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Aslanmirza, Burak

M.A., Department of History

Supervisor: Asst. Prof. Şefika Akile Zorlu Durukan

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The Anglo-Ottoman Trade Convention of 1838 – usually regarded as a milestone in the Ottoman Empire’s integration process to capitalism and the liberal world – also presents a landmark for the germination of Ottoman intellectuals’ interest in European economic thought and the acceleration of intellectual discussions on the subject thanks to the rise of private press. However, the transformation of economic thought from being the object of intellectual interest to being a separate discipline, accordingly its professionalization, required nearly one more century.

The aim of this study is to shed light on the evolution of economics into a scientific branch, from the late Ottoman period into the Republican era, by means of introducing the thoughts of a significant thinker, namely Dist. Prof. İbrahim Fazıl Pelin. Although historical studies on the early twentieth century often refer to his name, a systematic and detailed analysis of Pelin’s social and economic thought does not yet exist in available literature. This research fundamentally focuses on compensating for this gap and determining the place of Pelin within this process of

evolution since he represents a significant component in the generation enabling that transition. Although existing literature acknowledged Pelin predominantly a disciple of classical economic thought, he developed his own ideas and displayed an eclectic attitude. He followed a rather moderate path that can be situated between the individual, which was the center of liberal thought, and the main foci of the German Historical School, state and society. He criticized liberal economics and the emphasis on the individual, and rigid etatism at the same time. Pelin developed a socio-economic model based on social interest, which envisaged a balance between the state and the individual.

Key words: 19th and 20th centuries Intellectual History, History of Economic Thought, İbrahim Fazıl Pelin, Liberalism, Late Ottoman History

ÖZ

İBRAHİM FAZIL PELİN NEZDİNDE GEÇ OSMANLI İMPARATORLUĞU'NDAN TÜRKİYE CUMHURİYETİ'NE İKTİSADİ DÜŞÜNCENİN EVRİMİ VE PROFESYONELLEŞMESİ

Aslanmirza, Burak

Yüksek Lisans, Tarih Bölümü

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Osmanlı İmparatorluğu'nun kapitalizme ve liberal dünyaya uyumlanması bakımından bir dönüm noktası olarak değerlendirilen 1838 Baltalimanı Antlaşması ayrıca Osmanlı entelektüellerinin Avrupa iktisadi düşüncesine karşı ilgi duymaya başlaması ve özel basının gelişimi sayesinde bu alandaki entelektüel tartışmaların ivme kazanması açısından da bir milat teşkil etmektedir. Yine de iktisat biliminin entelektüel bir ilgi alanı olmaktan çıkıp ayrı bir bilimsel disiplin haline dönüşüp profesyonelleşmesi için yaklaşık yüz yıl kadar beklemek gerekti.

Bu çalışmanın amacı, döneminin önemli düşünürlerinden biri olan Ord. Prof. İbrahim Fazıl Pelin'in düşüncelerini takdim ve analiz ederek Osmanlı İmparatorluğu'ndan Cumhuriyet'e iktisadın bilimsel evrimine mercek tutmaktır. Erken 20. yy.'a ait tarih araştırmalarında kendisinden söz ediliyor olmasına rağmen, mevcut literatürde henüz Pelin'in sosyal ve iktisadi düşüncesine dair sistemli ve kapsamlı bir inceleme altına alınmamıştır. Bu çalışma, temel olarak, alandaki bu eksikliği gidermeye ve bu olgunlaşmanın gerçekleştiği kuşağın önemli bir parçası olan Pelin'in sosyal ve iktisadi görüşlerini analiz ederek onun düşüncelerinin bu

çerçeveindeki yerini saptamaya odaklanmıştır. İbrahim Fazıl Pelin kendi düşüncelerini ortaya koyarken şimdiye değin literatürde ağırlıklı olarak kendisinden klasik iktisadın bir takipçisi olarak söz edilmiş olmasına rağmen, eklettik bir tutum takınıyor ve liberal düşüncenin odağı olan birey ile Alman Tarih Okulunun odağı olan toplum ve devlet arasında mutedil bir yol izliyordu. Serbest iktisadı ve iktisadi anlamda bireye oluşturulan vurguyu eleştirdiği gibi, sıkı bir devletçilik anlayışını da eleştirmekten geri durmuyor, iktisat modelinde birey ve devlet arasında toplumsal faydayı baz alan bir denge öngörüyordu.

Anahtar kelimler: 19. ve 20. yy. Düşünce Tarihi, İktisadi Düşünce Tarihi, Ord. Prof. İbrahim Fazıl Pelin, Liberalizm, Geç Osmanlı Tarihi

To My Beloved Wife

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CHAPTER 1

INTRODUCTION

Although economics is its own science, economic thought has a philosophical base that extends beyond the specific area with which it is concerned. The school of economic thought delineates patterns of economic thought but is not merely confined to the domain of “economics”. In addition to their economic aspect, these ideas also consist of political and social perspectives. They therefore create a broad context indicating an integrity among them. To be more specific, economic thought inquires on subjects such as life, society, the individual, or the state. Consequently, patterns of economic thought entail a unity of social and political thoughts.

Concurrently, it is pivotal to understand that economics as a philosophical discussion field was more a social science than a natural science during the 19th century. Economic activities could be interpreted and explained through an examination of both collective and individual human activities. By delving into an inspection of economic ideas, one can identify the social sphere in which these ideas were born.¹ It is therefore not a coincidence that at the end of the 19th century, economics undertook the name *économie politique*.² Not only the socio-cultural and political environment to which it belongs shapes economic thought. In fact, each economic idea demonstrates the mentality of the period to which it belongs, by either standing up to or defining the existent structure, or by adding a missing structure, claiming a supplementary argument, and completing it.³ Modern economics under the name of *économie politique* reflected the recent developments in Europe, and

¹ I. Bernard Cohen, “Analogy, Homology, and Metaphor in the Interactions between the Natural Sciences and the Social Sciences, Especially Economics”, *History of Political Economy*, vol. 25, ed. Neil de Marchi, 1993, 7-44; Denis Patrick O'Brien, *The Classical Economists*, London: Oxford University Press, 1975, pp. 21-29.

² For details on *Economie Politique* see, Orhan Kurmuş, *Bir Bilim Olarak İktisat Tarihinin Doğuşu*, İstanbul: Yordam Kitap, 2009, pp. 81-88.

³ Joseph A. Schumpeter, *History of Economic Analysis*, ed. Elizabeth Boody Schumpeter, New York: Oxford University Press, 1963, pp. 4-25, 51-73.

manifested them by identifying with the liberal thoughts also emerging in the Ottoman Empire. Liberalism was regarded as a “modern” doctrine because it represented the genesis of new socio-political formations in a New Age atmosphere. In such an atmosphere, the turn of events were similar to those of the Enlightenment in Europe, during which rational reasoning and the laws of nature replaced previous theocentric approaches. This method was converted into social, political and economic terms as liberal economic thought produced a coherent unity within its own period by adopting the impact of the natural order on humanity.⁴ Adam Smith, the founder of modern economics, claimed that there was a “natural freedom system” within a civilized society’s way of life. This meant that order and harmony would occur naturally while individuals worked for their own favors, without any external interventions. However, since the emerging order was society itself, individual interests were not at conflict with societal prosperity. On the contrary, individual interests worked for the benefit of society. Hence, Smith believed that individual interests should not be intervened with.⁵

In the Ottoman Empire, the idea of “liberty” among intellectuals of the Tanzimat Era was best defined by liberal thoughts, and political opposition to the Ottoman Empire gained momentum with the efforts of the liberal line.⁶ This liberal opposition, which continued through the general political attitude of the Committee of Union and Progress era until the second Constitutional Period, gained enough power to create impact on the structure of the Empire. However, as of the year 1913, the executive cadre of the Committee of Union and Progress lost its confidence in liberal thought and submitted the argument of “national economy.” Unionists believed that the implementation of a more liberal atmosphere would end separatist ethnic movements; however, both national and international social and political incidents invalidated this belief. Hence, there arose a process of disintegration between the Committee of Union and Progress and the non-muslim minorities in the Ottoman

⁴ Mustafa Erdoğan, “Liberalizm ve Türkiye’deki Serüveni”, *Modern Türkiye’de Siyasi Düşünce*, vol. 7, İstanbul: İletişim Yayınları, 2012, 23-40, pp. 23.

⁵ idem., pp. 24-25; Robert L. Heilbroner, *İktisat Düşünürleri: Büyük İktisat Düşünürlerinin Yaşamları ve Fikirleri*, trans. Ali Tartaroğlu, Ankara: Dost Kitabevi Yayınları 2013, pp. 40-53.

⁶ Ahmet İnel, “Türkiye’de Liberalizm Kavramının Soyçizgisi”, *Modern Türkiye’de Siyasi Düşünce*, vol. 7, İstanbul: İletişim Yayınları, 2012, 41-74, pp. 41-43.

Empire, as well as increased tension between minorities and the state. This eventually led, on the one hand, to the idea of generating a national bourgeoisie, and on the other hand, to the rise of protectionist thoughts against the hegemony of liberal thought in the Ottoman Empire.⁷ Thus, in the Second Constitutional Period, the idea of creating a national bourgeoisie was dependent to the socio-political events and developments that marked the period.

The idea of adopting “modern” European economic thought emerged in the Ottoman Empire at the end of the 18th century and was part of the intention to emulate European reform projects by comprehending their superior and developed positions. As early as the reign of Selim III, the Ottoman Empire tended to recant the idea of restoration and favor the ease of the current system. Eventually, however, leaders of the state started their attempts to understand how European states improved their structures. This marks the Ottoman Empire’s first attempt to comprehend modern economic thought. The Anglo-Ottoman Commercial Treaty, signed in 1838, became a trigger point for the beginning of the intellectual change underlying the Early Republican Era. It allowed liberal ideas to become part of the Ottoman intellectual discourse. By the Tanzimat period, intellectual discussions were set on a liberal sphere.⁸ In the Tanzimat era, the emergence of the first private entrepreneurships in Ottoman media paved the way for the liberalization of ideas and the formation of intellectual opposition movements. This played an important role in changing the mental outlook of the Ottoman elites and laid the grounds for the mental

⁷ For a detailed analysis of the formation and background of the policy of national bourgeoisie, which came up as one of the main determinant policies of the Committee of Union and Progress Era, please see: Erik Jan Zürcher, *The Young Turk Legacy and Nation Building: From the Ottoman Empire to Atatürk’s Turkey*, New York: I. B. Tauris, 2010, pp. 110-123, 213-235; Fatma Müge Göçek, *Burjuvazi’nin Yükselişi ve İmparatorluğun Çöküşü*, Ankara: Ayraç Yayınevi, 1999, p. 104; Kemal H. Karpat, *The Politicization of Islam: Reconstructing Identity, State, Faith, and Community in the Late Ottoman State*, Oxford: Oxford University Press, 2001; Zafer Toprak, *Türkiye’de Milli İktisat (1908-1918)*, İstanbul: Doğan Kitap, 2017, pp. 35-44; idem., “National Economy and Ethnic Relations in Modern Turkey”, *State Formation and Ethnic Relations in the Middle East*, ed. Usuki Akira, Osaka: The Japan Center for Area Studies, 2001, 187-196; idem., *Türkiye’de Ekonomi ve Toplum (1908-1950) İttihat-Terakki ve Devletçilik*, İstanbul: Tarih Vakfı Yurt Yayınları, 1995; idem., “Nationalism and Economics in the Young Turk Era”, *Industrialisation, Communication et Rapports Sociaux*, ed. Jacques Thobie & Salgur Kançal, Paris: Varia Turcica XX, 1994, 259- 266.

⁸ Zafer Toprak, “Modernization and Commercialization in the Tanzimat Period:1838-1875”, *New Perspectives on Turkey*, vol. 7, 1992, pp. 57-70.

transformation behind the modernization process of the Ottoman Empire, which took place throughout the 19th and 20th centuries of the Ottoman Empire and the Early Republican Era.⁹

However, it took almost a hundred years for Turkish professionals to discuss economics as an independent discipline. When Istanbul University in Turkey established the Department of Economics, economics became institutionalized and the complete professionalization of the field in 1936 finalized the transformation process of economic thought. Until the establishment of the Faculty of Economics, among Turkish intellectuals of the time economics was merely considered a conversation piece as opposed to a specific field of scientific discussion. Subsequently, although there emerged a group of professionals within the economic field, their number was extremely limited, and their abilities were inherently impacted by both the limited amount of economic discussion within the field, and the absence of academic rivals with whom they could debate.

Until Sakızlı Ohannes, no one among Ottoman intellectuals regarded economics as a separate or professional field of interest. Economics at the time was considered to be only one of the numerous issues discussed by the elite. Not only was Sakızlı Ohannes the first genuinely liberal thinker during Ottoman modernization, he also was the first one to limit his field of interest to economics alone. He chose not to deal with economics as only one of his intellectual concerns, and instead transformed it into a professional occupation. After him, Cavit Bey became the leader of the second generation to handle economics as a specific, professional and scientific discussion field. Although Cavit Bey was also a liberal thinker, he did not follow the belief system of the generation raised by Sakızlı Ohannes. Instead, the correlation between his works and classical economic thought seem to indicate that his thoughts are a continuation of Ohannes Paşa's economic thought. Moreover, in both generations, economics did not evolve into a scientific field that allowed new generations in Turkey to generate their own modes of thought within the discipline. People interested in economics at the time were mostly political thinkers, and their economic approach seemed to have a "pragmatic" origin within their spheres. To some extent, this situation did not allow

⁹ Carter Vaughn Findley, "The Tanzimat", *Turkey in the Modern World*, vol. 4, ed. Reşat Kasaba, Cambridge: Cambridge University Press, 2008, 11-37, p. 31.

a generation of new economic thoughts entwined with Turkish traditional view. The fundamental and foremost reason for this pragmatic approach was that Ottoman intellectuals perceived economics as a complementary tool for their social and political thoughts. Liberal economic thought supplemented the libertarian thoughts of the opposition, such as *Tanzimat* thinkers and later, Unionists. The New Ottomans and the Young Turks had an attitude against the pressure and intervention of the state on the individual. They believed that economic liberalism empowered the basis of the parliamentary structure, democratic institutions, and freedoms that they embraced.¹⁰ As a result, these groups became moderate defenders of economic liberalism. A second reason behind this pragmatic approach to economics was their concern with the unfortunate course of events taking place in modern economic thought within the Empire, and their interest in finding a solution for it. Ottoman intellectuals did not handle economics in its own evolutionary scale with its scientific identity, but instead looked for practical solutions turning economics into a tool of pragmatic perception. Thus, economic thought in Ottoman intellectual spheres followed a different path than that of the existential formation of the West.¹¹

As opposed to the liberal thought that became an opposition tool for the Ottoman intellectuals who were, on behalf of parliamentary and constitutional order, Ahmet Mithat Efendi, a significant intellectual of the period, was making reference to the difference in structure of Ottoman Empire compared to Europe and he claimed that liberalism was not a convenient model for the Ottoman Empire. Finding the German Historical School's claim much more sensible, he defended a state-centred, interventionist model that he believed to be more mercantilist. In fact, what Ahmet Mithat Efendi was trying to achieve was state intervention to change the mental tradition. In addition, for the state, the remedy to the dissolution of the Empire and its internal and external problems was to make the central power and the state structure more autocratic. In this regard, the character of the interventionist approach defended by Ahmet Mithat Efendi had a remarkable meaning for the state. Its primary concern was creating an organic approach focused on social unity and social benefit. Therefore,

¹⁰ Ahmet İnsel, *ibid.*, pp. 46-47.

¹¹ Nilgün Toker, *Türkiye'de Liberalizm ve Birey, Modern Türkiye'de Siyasi Düşünce*, vol. 7, İstanbul: İletişim Yayınları, 2012, 103-138, pp. 103-115.

most importantly it placed the benefit of society as a whole before individual freedom. In the 19th century, the state's attempt at creating a certain collective identity, an "Ottoman-ness" throughout the Empire, corresponded to this thought. In fact, the purpose of this policy can be regarded as the creation of a collectivity that spread across the whole Empire.

Moreover, the German Historical School's state-centric point of view gained value against the doctrines of the Classical School during the last quarter of 19th century. The Classical School used deductive methodology and underlined the universal validity of the economic laws, generating economic thought over abstract theories. The German Historical School led by influential economists such as Litz, Wagner and Schmoller, on the other hand, adopted the inductive method and objected to the universality of economic laws. For them, economic laws correlated to the lifestyle of a society within a specific region, as well as its economic structure and economic development. Hence, societal dynamics inherent to this specific region had to be detected by consulting its history in order to reveal economic dynamics. The German Historical School believed that universal laws accepted by the Classical School, such as free trade and individual interest, did not yield the same result everywhere.¹² John Stuart Mill, one of the most significant representatives of the Classical School, believed in the importance of the inverse deductive (inductive) method, therefore agreeing with his opponents at the German Historical School. Yet, he believed the inductive method to be an auxiliary of the deductive method in order to reach generalizations.¹³ Members of the German Historical School also believed in testing economic data. Renowned classical thinkers like Mill, directly or indirectly objected to testing even though it was still a topic of debate among The Classical School.¹⁴ Thus, the Classical School's mode of thought, as opposed to that of the German Historical School, adopted a more theoretic and abstract economic approach. Moreover, newly emerging discussions against the claims of the Classical School, and

¹² Kurmuş, *ibid.*, pp. 120-123, 149-163.

¹³ John Stuart Mill, *A System of Logic, Ratiocinative and Inductive (vol. 1 of 2): Being a Connected View of the Principles of Evidence, and the Methods of Scientific Investigation*, London: John Parker, 2008 (1851), *iBooks*. Web. 2 January 2018, pp. 1016, 1068, 1098-1102.

¹⁴ *idem.*, pp. 964-1016.

the schools's failure to elaborate on recent economic developments with its own precepts harmed its reliability. After Mill commented on a variety of economic topics in his works, no new classical economists went beyond him and classical economics experienced a hiatus. Subsequently, some economists asserted that Mill had stated everything about classical economics and that the Classical School's discussions had come to an end.¹⁵ This view helped generate rumors that classical thought had ended, which therefore enabled the German Historical School to increase its influence. The establishment of new historical schools in England and America changed the political reflection on economic discussions. Starting with the final quarter of 19th century, the West started to lean towards more state-centered, interventional policies. At that point, liberalism started to evolve into a different structure with Mill's involvement in the principles of the Classical School weakening. The state's place in classical liberal thought gained importance through this approach. In fact, Mill accepted that certain social responsibilities of the state would decrease the impact of the socio-economic inequalities to the individual. This new approach, which extended the state's range of motion, would later be called social liberalism or welfare liberalism.¹⁶

In the Ottoman Empire the protectionist view, which gained importance especially through the efforts of Ahmet Mithat Efendi who was known as *Hace-yi Evvel* amongst intellectuals of the period, later embraced a well-structured form in the next generation with the help of Akyiğitzade Musa Efendi. Among supporters of the German Historical School's protectionist view, Musa Efendi was the intellectual closest to professionalism in economics, and the one most successful in adapting it to the Ottoman Empire.¹⁷ Hence, during the second generation, professional economics witnessed the formation of a second economic: the classical liberal thoughts of Cavit Bey combined with the protectionist thoughts of Musa Efendi.

¹⁵ Kurmuş, *ibid.*, pp. 85-88.

¹⁶ Güven Bakırezer, "Türkiye'de Sosyal Liberalizm (1908-1945)", *Modern Türkiye'de Siyasi Düşünce*, vol. 7, İstanbul: İletişim Yayınları, 2012, 139-163, p. 139.

¹⁷ Gökçen Coşkun Albayrak, Hamdi Genç, Saim Çağrı Kocakaplan, "Musa Akyiğitzade'nin Hayatına ve İktisadi Düşüncesine Kısa Bir Bakış", *Osmanlı'da Modern İktisadın İzinde 2: İlm-i Servet veyahud İlm-i İktisat*, (ed.) Gökçen Coşkun Albayrak, Hamdi Genç, Saim Çağrı Kocakaplan, İstanbul: Dergah Yayınları, 2016, 15-49, pp. 15, 29-33.

With the redeclaration of the constitution, a more liberal atmosphere arose in the Ottoman Empire during the first five years of the constitutional regime. However, as opposed to the “despotism” of Abdulhamit II, the idea of combining all components of the Ottoman Empire through a libertarian approach was terminated upon the disappointment of Unionists. There were several reasons for this, such as the annexion of Crete by Greece, the independence of Bulgaria, annexion of Bosnia-Herzegovina by Austria-Hungary, the Balkan Wars and the loss of Adrianople, and internal separatist ethnic movements. Consequently, as of 1913, the main issue of state policies became building a national identity and a national bourgeoisie. The idea of creating a new Muslim-Turk identity would not be possible if a liberal structure gained popularity among the executive cadre of the Committee of Union and Progress. Therefore, the rising autocracy in the executive cadre of the Committee of Union and Progress quickly dissolved the liberal atmosphere.¹⁸ In this environment even Cavit Bey, who was the Minister of Finance and one of the most noteworthy followers of the Classical School doctrine at the time, appeared to be powerless.¹⁹

Following this sequence of events, the evolution of economic thought into a separate scientific field and its emergence as a professional economic discussion area would have to wait until the third generation. In the 19th century, economic thought in the second generation represented by Cavit Bey generated respect in political environments. Nevertheless, this respect was not enough to get economics recognized as a separate scientific discipline yet. It would not be recognized until the intellectual and political environment brought about in the 1930s, and until the Faculty of Economics that would raise new Turkish economists was finally established in 1936. This date coincided with the third-generation economists who handled economics as a professional endeavor. With the third generation, professional and intellectual interests formed around the political pragmatism of economics started to decompose. Consequently,

¹⁸ Toprak, *Türkiye’de Milli İktisat*, pp. 36-37.

¹⁹ The dialogue between Cavit Bey and Enver Paşa was important in conveying the influence of the rising autocracy in economic thought: “One day, the money issue was discussed in our community. Enver Paşa immediately came up with the solution. He looked at the Minister of Finance and said: ‘Give me some cash [paper money].’ Cavit wanted to state the drawbacks of credit. He stopped and said: ‘Well, I impressed my seal on a carton at the Tripolitania War and it was used as money.’ Cavit could not respond.” Hüseyin Cahit Yalçın, *Tanıdıklarım*, İstanbul: Yapı Kredi Yayınları, 2001, p. 25.

economics could finally have a scientific ground on which professional economists discussed economic methods and composed scientific literature.

Given this background, the aim of this study is to shed light on the socio-economic thought of Dist. Prof. İbrahim Fazıl Pelin who is mentioned in literature as a distinguished economist of his period, but whose economic thoughts did not extend beyond assumption. In order to provide a comprehensive analysis, it is salient to understand the heritage of the period's economic thought, and to discuss how the context of Pelin's thoughts were configured. A comprehensive study on İbrahim Fazıl Pelin would be an important step in analyzing the journey of the professionalization and scientification of economics in Turkey. İbrahim Fazıl Pelin was one of the economists who witnessed the inauguration of the Faculty of Economics in Istanbul University, which was the first faculty of economics in Turkey, and which therefore can be accepted as the milestone in the professionalization process of economics.

İbrahim Fazıl Pelin made one of the largest contributions to the scientification of modern economics in Turkey with the magnitude of articles and books that he wrote between 1914-1944. Until him, economic discussions in local literature were shaped by political presuppositions of the period's thinkers, and economic works consisted of one-sided narrations of their their writers' economical approaches.

Additionally, İbrahim Fazıl Pelin's works can be regarded as the first samples of monography in the history of economic thought in Turkey. The abundance of his sources and the economic thinkers to which he referred, made these arguments plausible. While his book *İlm-i İktisat Dersleri* revealed a more general perspective on the history of economic thought, his other work *İktisat* (published in 1927 and 1923, in two volumes), was the most extensive work on the schools of thought and their representatives in Turkey until that time.²⁰

²⁰ İbrahim Fazıl Pelin included both prominent and nonprominent economic thinkers in his narration of the history of economic thought. Some of these thinkers were: Smith, Malthus, Ricardo, Stuart Mill, Jean Baptiste Say, Bastiat, Frederich Roscher, Le Play, Michel Chevalier, Richard Cobden, Saint Simon, Auguste Comte, Augustin Thierry, Barthélemy Prosper Enfantin, Saint-Amand Bazard, François Marie Charles Fourier, Charles Blanc, Robert Owen, Jevons, Marshall, Walras, Pantaleoni, Pareto, Colbert, Malynes, Béthune, Montchrétien, Josiah Child, Cantillon, François Quesnay, Mirabeau, Cabet, Pierre-Joseph Proudhon, Karl Marx, Lasalle, Johann Karl Rodbertus, Friedrich List, Wagner, Schmoller, Schaffle, Cauwès, Kinsley, Léon Bourgeois, Léon Say, Friedrich Freiherr von Wieser, Jean Gustave Courcelle-Seneuil, Edmond Demolins, Auguste Souchon, Mirabeau, Eduard Bernstein, Charles Gide, Perreau, Henri Truchy, Böhm von Bawerk, Carl Menger, Jean Bodin, Victor Bourguin, Werner Sombart, Friedrich Engels, Adolphe Landry, Henri Fayol, Martin Saint Léon, André

In his books, Pelin opened the nature of economic thought up for multi-directional discussion. He examined the methods and fundamental philosophies of previous economic thoughts, filtered them using an analytical approach, and revealed his own eclectic perspective on the matter. In this manner, he propounded the most extensive narration of economic thought to that date. His eclectic approach stemmed from the social and political economic conditions in Turkey. He began his books by elaborating on the evolution, discussion, representation, and sources of economic thought; afterwards he analyzed the conditions in Turkey by fluently demonstrating what, why and how these thoughts were made accessible. By doing so, he blended the Historical School's methodology with his own ideas nourished by welfare liberalism. His examples revealed that he rigidly followed both national and international developments. For instance in *Bütçe* (1914-15), he probed the constitutional system through an economic point of view, and later criticized it politically. In *İktisat* (1933, vol. 2), he stated his anxiety about the fact that an extreme statist approach put forth an unrealistic scene that did not fit within the economic conditions of the world. His eclectic approach made him a moderate liberal and a moderate statist, as he refused to adhere to both total liberalism and total statism. He believed that the state should pay regard to and be the moderate defender of social benefit. Meanwhile, the social and economic benefit of individual freedom should be clearly understood, and the state should pursue a balance between the two.

In his works, İbrahim Fazıl Pelin revealed his authority on the thoughts of economic schools and their criticisms of each other. He put his eclectic method to practice in a consistent way. He was not an individualist or a market-oriented economist, yet his emphasis on the liberty of the individual placed his approach closer to that of social liberalism. In addition to his emphases on individual interest and liberal ground, the weight he put on the state and its social responsibilities, highlighting certain concepts such as corporatism, union rights, insurance, societal interest and social welfare, made his starting point social liberalism, also known as welfare

Liese, Irving Fisher, Albert Aftalion, Jean Lescure, Clément Juglar, Aristide Boucicaut, Roosevelt, Taft, Robert Liefman, Michel Augé-Laribé, Sauerbeck, Du Velay, Morawitz, Charles Rist, Michael Block, Biliotti, Reboud, Courelle-Senauil, Gaston Jèze, A. Heidborn, Karl Morawitz, John Maynard Keynes, Seligman, Trotabas, François Piètri, Neumark, Spencer, Durkheim, John Ramsey McCulloch, Montesquieu, David Hume, Ashley, Gaétan Pirou, etc.

liberalism. He argued that the thoughts of classical economists did not correspond to the social issues of the time and that the period's economic approach did not follow the same principles any more. Thus, it was true that İbrahim Fazıl Pelin's thought was rooted in a social liberal axis; however, his emphasis on state extended beyond welfare liberalism. For him, the issue was not choosing between liberalism and interventionism, but instead forming a realistic mode of thought and deciding on the extent of liberty and intervention according to the period's economic, social and institutional structure by understanding criticisms on both of them. This made him pursue an eclectic approach by accepting the state's intervention in economic and social life. Nevertheless, he approbated limitation on this intervention to a certain extent. Pelin defined the state as the agency of the market and proposed briefly to regulate fundamental economic issues with the help of the state by protecting the social benefit.²¹ When appropriate, he did not see any problem in direct state intervention in economics. These points allowed his approach to go beyond welfare liberalism, but also did not prove him a defender of the German Historical School's doctrine. In addition, certain fundamental principles that he suggested becoming part of the state's role bore resemblance to other basic claims made by Keynes, a contemporary economist of the time. Although Pelin's narration of the state's extent of responsibility and ability of intervention did not directly quote Keynes, it was the first example of an introduction to Keynesian economics in Turkish economic literature.²²

Sıddık Sami Onar described İbrahim Fazıl Pelin as a famous and significant economic thinker and the professor of finance.²³ Fehmi Yavuz, one of his students in *Mekteb-i Mülkiye* (the School of Civil Service) who wrote out some of Pelin's memories, stated that he was the only instructor in the entire School who had written

²¹ İbrahim Fazıl Pelin, *İktisat*, vol. 2, İstanbul: Arkadaş Matbaası, 1933, pp. 89, 122-125, 223.

²² In a chapter on "paper money" in his book, *İktisat* (1927), there were references to Keynes' book, "La Réforme Monétaire" (1924, first published in 1923). Moreover, although he did not extensively mention Keynes again, he may have been affected by Keynes in his eclectic approach. See; İbrahim Fazıl Pelin, *İktisat*, İstanbul: Akşam Matbaası, 1927, pp. 1-2.

²³ Sıddık Sami Onar, "İbrahim Fazıl Pelin", *İstanbul Üniversitesi Hukuk Fakültesi Mecmuası*, vol. 11, no. 1-2, 1945, 5-7.

a book.²⁴ Furthermore, in his book *Atatürk Dönemi Maliye Politikaları*, Güneri Akalın regarded İbrahim Fazıl Pelin as one of the period's rare economists who was able to follow Western literature regularly, alongside Cavit Bey and Fethi Bey. Moreover, he believed him to be one of the most significant financiers, alongside Cavit Bey, Hasan Saka, Hasan Tahsin Aynî ve Cezmi Erçin Emiroğlu.²⁵

While examining the idea of cooperation and an international customs union, İbrahim Fazıl Pelin was part of the Turkish Cooperative Association and was later appointed the representative of economics at the Balkan Conferences in Turkey.²⁶ Furthermore, in his period, the media followed his conferences and the press promoted his thoughts to the society.²⁷ During Rıza Şah Pehlevî's Turkey trip, he also visited Istanbul University as part of the travel programme arranged for him, undoubtedly to

²⁴ Fehmi Yavuz, "Siyasal Bilgiler Fakültesi (Mülkiye) Anılarım", *Ankara Üniversitesi SBF Dergisi*, vol. 37, no. 1, 1982, 17-28, p. 18.

²⁵ Güneri Akalın, *Atatürk Dönemi Maliye Politikaları*, Ankara: T.C. Maliye Bakanlığı Strateji Geliştirme Başkanlığı Yayınları, 2008, pp. 13, 17.

²⁶ T.C. Cumhurbaşkanlığı Arşivi, Ebiş Sıra No. 01017090, 196, F:1, Ek:228, p. 17; "Balkan Konferansı Yarın Resmen Açılıyor", *Cumhuriyet Gazetesi*, 19 October 1931: pp. 1, 5. Print.; Ali Fuat, "Bükreş Mektubu: Balkan Misakı Esasları", *Cumhuriyet Gazetesi*, 25 October 1932: p. 3. Print; No Author, "Ord. Prof. İbrahim Fazıl Pelin (1886-1944)", *Karınca Dergisi*, vol. 425, 1972, p.19.

²⁷ "İktisat Fakültesinde Dün Akşam Bir Toplantı Yapıldı", *Cumhuriyet Gazetesi*, 17 December 1937: p. 1. Print.; "İbrahim Fazıl Beyin Dünkü Konferansı", *Cumhuriyet Gazetesi*, 20 March 1934: p. 3. Print; "Artırma Haftası", *Cumhuriyet Gazetesi*, 16 December 1937: p. 2. Print.; "Ekonomi Haftasının İkinci Günü", *Cumhuriyet Gazetesi*, 14 December 1937: p. 1, 7. Print.; "Üniversite Konferansları", *Cumhuriyet Gazetesi*, 13 July 1937: p. 4. Print.; "Üniversitemizde Serbest Konferans", *Cumhuriyet Gazetesi*, 14 November 1935: p. 2. Print.; "İnkılapçı Gençlik Gazetesi", *Cumhuriyet Gazetesi*, 11 July 1941: p. 4. Print.; "Gençlik Gazetesi", *Cumhuriyet Gazetesi*, 5 July 1941: p. 4. Print.; "Avrupa Gazeteleri Boğazlar Meselesiyle Çok Meşgul - Üniversitede Mühim Bir Konferans", *Cumhuriyet Gazetesi*, 17 April 1936: p. 7. Print.; "Şehir ve Memleket Haberleri", *Cumhuriyet Gazetesi*, 9 July 1935: p. 2. Print.; "Haftalık Radyo Programı", *Cumhuriyet Gazetesi*, 11 March 1935: p. 5. Print.; "En Mühim Mesele Balkan Gümrük İttihadıdır", *Cumhuriyet Gazetesi*, 14 November 1933: p. 1. Print.; "Üniversitede Konferans", *Cumhuriyet Gazetesi*, 26 October 1933: p. 2. Print.; "İstanbul Üniversitesi Eminliğinden", *Cumhuriyet Gazetesi*, 24 October 1933: p. 7. Print.; "İktisadi Bahisler", *Cumhuriyet Gazetesi*, 3 May 1933: p. 4. Print.; "İstikraza Dair İki Konferans", *Cumhuriyet Gazetesi*, 28 April 1933: p. 2. Print.; "Darülfünunda İbrahim Fazıl Bey'in Konferansı", *Cumhuriyet Gazetesi*, 1 November 1932: p. 3. Print.; "Feyziye Lisesi - Yarım Asırlık Bir İrfan Müessesesi", *Cumhuriyet Gazetesi*, 20 September 1931: p. 4. Print.

show the new and modern Turkish structure and mentality. While he was at Istanbul University, Pehlevi also attended one of İbrahim Fazıl Pelin's classes.²⁸

Fritz Neumark, a German economist who visited Turkey around that time, wrote a memoir in which he did not examine Pelin's mental world, but did mention him: "He studied in France. He only knew the sources in French and he argued <stoneage liberal> thoughts as stated by extremist liberal Rüstow."²⁹ Another source is Şevket Süreyya Aydemir's criticism accusing Pelin of being a "colonist economist."³⁰ After Pelin's death, the only person who specifically studied İbrahim Fazıl Pelin was Fındıkoğlu. Since he had met Pelin in person, his work provided readers with valuable anecdotes on the professor. Fındıkoğlu also highlighted Pelin's competence; however, he did not classify Pelin's economic thoughts and instead left it to a further, more detailed study to be conducted in the future.³¹ Another source that mentioned İbrahim Fazıl Pelin was Akalın's book called *Atatürk Dönemi Maliye Politikaları*. Although Akalın drew attention to Pelin in this book, it seemed that he was not able to examine Pelin's thoughts in detail as he introduced Pelin's mode of thought as a continuation of Cavit Bey's thoughts.³²

In addition, Göçer and Çetin, who transcribed İbrahim Fazıl Pelin's book *İlm-i İktisat Dersleri* (1914), stated in the foreword of the book that Pelin's thoughts were similar to those of Cavit Bey –probably under the effect of former comments- and illustrated him as an important representative of classical thought in Turkey.³³ On the

²⁸ "Şehinşah Hazretlerinin Ziyaretleri", *Cumhuriyet Gazetesi*, 2 July 1934: p. 5. Print.

²⁹ Fritz Neumark, *Boğaziçine Sığınanlar*, İstanbul: İstanbul Üniversitesi İktisat Fakültesi Maliye Enstitüsü Yayınları, 1982, p. 58.

³⁰ Aydemir used the words "*Müstemleke iktisatçısı*" in Turkish; Şevket Süreyya Aydemir, "Don Kışotun Yeldeğirmenleri ile Muharebesine, Kürsü Politikacılığına ve Cavit Bey İktisatçılığına Dair", *Kadro*, vol. 17, 1933, 9-15, p. 15.

³¹ Ziyaeddin Fahri Fındıkoğlu, "Profesör İbrahim Fazıl Pelin Üzerindeki Fikri Tesirlere Dair", *İstanbul Üniversitesi Hukuk Fakültesi Mecmuası*, vol. 11, no. 1-2, 1945, 10-22, p. 13.

³² Akalın, *ibid.*, p. 17.

³³ Kenan Göçer & Cem Çetin, "Maliyeci İbrahim Fazıl Pelin'in Hayatı ve ve İlm-i İktisat Dersleri Kitabı Üzerine", *Osmanlı'nın Son İktisat Kitaplarından İlm-i İktisat Dersleri*, (ed.) Kenan Göçer & Cem Çetin, İstanbul: Okur Akademi, 2017, 9-20, pp. 9-10; *idem.*, "Maliyeci İbrahim Fazıl Pelin'in İlm-i İktisat Dersleri Kitabı", *2nd International Congress on Political*,

other hand, while evaluating the period as a whole, Bakırezer mentioned Pelin as a famous academic economist. He stated that the thought of İbrahim Fazıl seemed close to that of social liberalism; however, since Pelin was not individualistic and market-oriented, he appeared distant to social liberalism and did not embrace liberalism.³⁴

Halil Nadaroğlu was another person who highlighted İbrahim Fazıl Pelin's thoughts. He mentioned İbrahim Fazıl Pelin's effectiveness and his expertise in the period's literature by highlighting his value especially in the field of finance. Yet, he abstained from placing Pelin within a specific a category among the school of economic thought, and was skeptical about Neumark's opinion on İbrahim Fazıl Pelin.³⁵ Still, Nadaroğlu believed Pelin's work to be a "milestone" and put emphasis on his economical and financial expertise and the effect he had on subsequent generations.³⁶ Lastly, Eyüp Özveren analyzed the parts on trade in Pelin's second volume of *İktisat* (1933) in order to demonstrate his authority on the period's literature and his recognition of the German Historical School's ideas, expressing that Pelin also benefitted from the thoughts of the German Historical School in the composition of his own ideas. Özveren was also skeptical about Neumark's opinion on İbrahim Fazıl Pelin.³⁷ Essentially, Pelin has both contributed to, and been part of, economic literature to date. Nonetheless, since he has not been studied in detail, there have been different views on him and various conveyals of him. Pelin's intellectual world of thought was also effective in raising the next generation of economists. His influence can be observed, most easily, on Turhan Feyzioğlu who was one of his students. When Turhan Feyzioğlu's studies are examined, it is noticeable that he was immensely influenced by Pelin, and that he benefitted from his instructors' works and his insights

Economic and Social Studies, c. 2, (ed.) Temel Gürdal and others, Sakarya: Başköprü Publication, 2017, 41-49, p. 42.

³⁴ Güven Bakırezer, "Türkiye'de Sosyal Liberalizm (1908-1945)", *Modern Türkiye'de Siyasi Düşünce*, vol. 7, İstanbul: İletişim Yayınları, 2012, 139-163, pp. 151-153.

³⁵ Halil Nadaroğlu, "Türkiye'de Yükseköğretim Kurumlarında Bugüne Kadar İzlenen Maliye Eğitimi ve Politikası", *Türkiye I. Maliye Eğitimi Sempozyumu*, Eskişehir: T.C. Anadolu Üniversitesi Yayınları, 1985, pp. 54, 59.

³⁶ *idem.*, p. 54.

³⁷ Özveren, "A Hundred Years of German Connection", p. 163.

on foreign literature. It is clear that Feyzioğlu's thoughts are a continuation of Pelin's approach.³⁸

Moreover, although the contributions of German economists (who came to Turkey between 1933 and 1936) to the professionalization of economics as an independent field of scientific study in Turkey have been examined in literature, studies on the contributions of Turkish economists have remained nebulous. This causes a misperception in literature about Turkish academicians of the period, as if their thoughts were musty and unremarkable in comparison to those of German economists. To reveal the thoughts of Pelin would be helpful in abolishing this sense of rupture in the transformation of intellectual economic thought.

In this study, Pelin's books *Bütçe* (1913), *İktisat* (1927), *İktisat II* (1933), *Finans İlmî ve Finansal Kanunlar* (1937), as well as several of his articles were used as primary sources since they contain thoughts and claims that are systematically complementary to each other. Moreover, information on his life, official duties and biographic data were taken from *T.C. Başbakanlık Cumhuriyet Arşivi* and *T.C. Cumhurbaşkanlığı Arşivi* documents, and also from *Cumhuriyet* Newspaper.

In Chapter II, the professionalization and scientification of economic thought will be examined and the main socio-economic dynamics of the period's academic life that İbrahim Fazıl Bey was also involved in will be presented as well. Thereafter, in Chapter III, İbrahim Fazıl Pelin's thoughts will be analyzed, which will make it possible to draw connections between his thoughts and the period's panorama. Finally, it will be possible to understand the relationship between the İbrahim Fazıl Pelin's thoughts and the schools of economic thought.

³⁸ Fındıkoğlu, *ibid.*, p. 11; Turhan Feyzioğlu, "Milletlerarası Vergi Mükerrerliği ve Bunu Önlem Çareleri", *Ankara Üniversitesi Hukuk Fakültesi Dergisi*, vol. 3, no. 1, 1946, 179-198.

CHAPTER 2

Transformation of Economic Thought from the Ottoman Empire to the Turkish Republic

“An architect who does not know the land he builds on enough cannot construct a strong structure.”

*İbrahim Fazıl Pelin*³⁹

Whether there is social, political or cultural continuity between the late Ottoman Empire and the early Republican period is still a controversial topic.⁴⁰ However, in relation to the history of thought, which suggests that any thought can exist independently from the period’s intellectual accumulation and the impact of its preconceptions, one should search for traces of development and achievement in early Republican era economical thought within the intellectual centennial of the late Ottoman period.⁴¹ Hereby, it would be possible to analyze the main characteristics that economic thought gained during its professionalization in Turkey. This chapter

³⁹ İbrahim Fazıl Pelin, “Nüfus Siyaseti ve Nüfus Sayımı”, *Belediyeler Dergisi*, vol.4-5, 1935, p. 4

⁴⁰ Erik Jan Zürcher, *Turkey: A Modern History*, London: I.B. Tauris, 2004, pp.10-20, 85-203; Reşat Kasaba, *The Ottoman Empire and the World Economy: The Nineteenth Century*, New York: State University of New York Press, 1988, pp. 107-116; M. Şükrü Hanioglu, *Osmanlı’dan Cumhuriyet’e Zihniyet, Siyaset ve Tarih*, İstanbul: Bağlam, 2006; idem, *Atatürk : An Intellectual Biography*, Princeton: Princeton University Press, 2011, pp.48-67; Selim Deringil, “Legitimacy Structures in the Ottoman State: The Reign of Abdulhamid II (1876-1909)”, *International Journal of Middle East Studies*, vol. 23, no. 3, 1991, 345-359; Stanford Shaw & Ezel Kural Shaw, *History of the Ottoman Empire and Modern Turkey, Reform, Revolution, and Republic: The Rise of Modern Turkey, 1808-1975*, vol. 2, New York: Cambridge University Press, 1977.

⁴¹ Economics, as its structure requires, is not interested in nondual events and great men but instead in slow and irresistible dynamics that exist below these events and great men, such as mentality. Langford Lovell Price, *The Position and Prospects of the Study of Economic History*, London: The University of Oxford, 1908, pp. 5-10.

attempts to trace these mental clues by examining the underlying conditions that shaped economic thoughts.

2. 1. The Evolution of Economic Thought in the Ottoman Empire

From the very beginning of the Empire, Ottoman rulers had had an economic idea visible through certain economic goals in their policies.⁴² However, it is hard to find systematic and specific economic thoughts that could be compared to Western economics.⁴³

One could start looking for traces of economic thought in the Ottoman Empire by inspecting 17th century memorandums (*layiha*). Nevertheless, to acknowledge the problematic identifications and solution proposals of these memorandums as systematic economic evaluations is nearly impossible.⁴⁴ Instead of paying attention to the importance of economics, 17th century memorandums were written only to call attention to corruptions in the administrative system by taking the system during the Golden Age of the State as a model. This approach may have continued until the second half of 18th century.⁴⁵ As indicated the epistle of Koçi Bey, *Koçi Bey risalesi*, suggestions that 18th century memorandums made, such as reestablishing the ghaza

⁴² Even in the earlier periods of the Ottoman State, in a discussion between Osman Gazi and his brother Gündüz Alp about assaulting Christian villages for loot, Osman Gazi stated that these villages were in the commercial hinterland of Karacahisar, thus assaulting them would not be beneficial but harmful. Âşık Paşazâde, *Tevârih-i Âl-i Osmân*, ed. M.A. Yekta Saraç & Kemal Yavuz, İstanbul: Gökkuşbuğu 2007, p. 284.

⁴³ Ahmet Güner Sayar, *Osmanlı'dan 21. Yüzyıla Ekonomik, Kültürel ve Devlet Felsefesine Ait Değişimler*, İstanbul: Ötüken, 2001, pp. 138-144.

⁴⁴ Şerif Mardin, "Türkiye'de İktisadi Düşüncenin Gelişmesi (1838-1918)", *Siyasal ve Sosyal Bilimler: Makaleler 2*, ed. Mumtazer Türköne, & Tuncay Önder, İstanbul: İletişim Yayınları, 1997, p. 54.

⁴⁵ The main difference between the 19th century and the 18th century rulers was their mental approach to the problems of the State. The 18th century thought of returning to the old, golden days and restoring the old structure of the 16th century Ottoman Empire, left its place to more contemporary and convenient solutions and policies in the 19th century. Thus, the perception of modernization changed, and the political and cultural mentality of the ruling class transformed in favor of the idea of westernization. For further details, see: Şükrü Hanioglu, *A Brief History of the Late Ottoman Empire*, Princeton: Princeton University Press, 2008, pp. 203-212.

policy in the agency and restoring the *timar* system, cannot be regarded as a systematic economic evaluation.⁴⁶

The French Huguenots were the first to claim that the main solution to the the Ottoman Empire's troubles was hidden in economics. The Huguenots, originally French Protestants who came to the Ottoman Empire in the first half of the 18th century because of the pressure they experienced in France, suggested that the Ottoman Empire should adopt Western economic thought. Rochefort, the leader of the Huguenots, wrote in a report that Western states were obtaining cheap raw materials from Ottoman lands, manufacturing them, and then generating profit by selling these goods back to Ottoman markets at a higher price point. He stated that the Imperial fortune was flowing into foreign lands. He recommended that the Ottoman Empire industrialize and use their raw materials with the help of the technical knowledge that the Hugenots could provide.⁴⁷ Concurrently, another view concerning the adaptation of Ottoman economic structure to Western economic thought came from Bonneval, who was also known as Humbaracı Ahmet Paşa. He argued that modernization in the economy was the first condition for military reform. He suggested controlling the mines in Bosnia and constructing two canals between the *Sakarya* River and the *Marmara* Sea, and between the Mediterranean Sea and the Red Sea. However, his ideas were not accepted.⁴⁸

The first memorandums explaining the decline of economical power in the Sublime State and advising Western style reforms were seen in the era of Selim III (1761-1808). The memorandums of Süleyman Penah Efendi, Tatarcık Abdullah Ağa and Defterdar Mehmet Şerif Efendi were remarkable ones because of their emphases on financial issues, systematic and extensive reform proposals in the financial and

⁴⁶ Ahmet Güner Sayar, *Osmanlı İktisat Düşüncesinin Çağdaşlaşması: Klasik Dönem'den II. Abdülhamit'e*, İstanbul: Ötüken Neşriyat, 2000, p. 11.

⁴⁷ Niyazi Berkes, *Türkiye'de Çağdaşlaşma*, İstanbul: Yapı Kredi Kültür ve Sanat Yayınları, 2003, pp. 46-49.

⁴⁸ idem., pp. 64-65.

economic administration.⁴⁹ Although ultimately these ideas were not put in practice, they were significant in introducing a new type of logic different from that of old-style methods, which would eventually bring modern economic thought to the Ottoman Empire.⁵⁰

Tatarcık Abdullah Ağa's memorandum can be evaluated as the most distinctive and prominent one among all. He suggested abandoning debasement policy and enforcing budget-saving policies.⁵¹ This memorandum proposed, just as others had, an anti-mercantilist policy under Smithian and Ricardian effects, but did so more effectively than previous attempts.⁵² The most remarkable characteristic of this memorandum was that Tatarcık Abdullah Ağa stated that economic laws were like natural laws and that they were "superior even to the political powers of the sultans."⁵³ Although the four volumes of the *Wealth of Nations* of Adam Smith had quickly gained exposure after being translated into many European languages, the first Turkish translation of the book did not get published until 1922.⁵⁴ However, Smithian and Ricardian effects discerned in Ottoman memorandums indicate that the Ottoman intellectual sphere had been influenced by these thoughts around almost the same time

⁴⁹ Hanioglu, *A Brief History of the Late Ottoman Empire*, p.42; Yavuz Cezar, *Osmanlı Maliyesinde Bunalım ve Değişim Dönemi: XVIII. yy.'dan Tanzimat'a Mali Tarih*, İstanbul: Alan Yayıncılık, 1986, pp. 142-148

⁵⁰ Sayar, *Osmanlı İktisat Düşüncesinin Çağdaşlaşması*, p. 176

⁵¹ Mehmet İpşirli, "Abdullah Efendi Tatarcık", *İslam Ansiklopedisi*, vol. 1, 1988, pp.99-100; Enver Ziya Karal, *Selim III'ün Hatt-ı Hümayunları (Nizâm-ı Cedîd) 1789-1807*, Ankara: Türk Tarih Kurumu, 1946, pp. 40, 112, 120; Abdullah Ağa pleaded that the way to save the Empire from collapse and crisis should be to experience a complete westernization. He embraced and suggested the idea of forming the economic and political structure of the state accordingly. Islamist thinkers in the late Ottoman Empire who differentiated from the thought of Pan-Islamism in Hamidian era, considered Abdullah Ağa as a stand point for their own thoughts. See: Mithat Cemal Kuntay, *Mehmet Akif*, Ankara: İş Bankası Yayınları, 1986, p. 107.

⁵² For the summary of the memoranda of Tatarcık Abdullah Ağa see, Cezar, pp.142-148. Moreover, it some of them were published in *Tarih-i Osmani Encümeni Mecmuası (TOEM)*, see: *TOEM*, 7/41, pp.257-284; *TOEM*, 7/42, pp.321-346; *TOEM*, 8/43, pp. 15-34.

⁵³ Sayar, *Osmanlı İktisat Düşüncesinin Çağdaşlaşması*, p. 178.

⁵⁴ In addition, a more comprehensive translation of the *Wealth of Nations* was made in 1948; however, its unabridged and whole version occurred in 2006, 230 years after the original publication date. See: Neşe Erim & Bengü Doğançün Yasa, "Wealth of Nations'ı Türkçe'den Okumak", *Kocaeli Üniversitesi Sosyal Bilimler Enstitüsü Dergisi*, vol. 19, 2010, 19-38.

that Europeans had been through French literature.⁵⁵ Furthermore, Defterdar Şerif Efendi's memorandum can also be regarded as complimentary to Tatarcık Abdullah Ağa's memorandum.⁵⁶ The most distinguished part of this was his suggestion to prepare an annual state budget, his analysis of necessary elements in the reorganization of *mukataa* and waqf incomes, and the operation of mines.⁵⁷ As clearly recognized, these memorandums did not refer to theoretical economics, and instead paid attention only to the importance of benefiting from the successes of European economic thought. Therefore, Western economic thought gained ground in the mental representations of Ottoman intellectuals.⁵⁸

There were some permanent ambassadorships established in foreign countries during the period of Selim III. During this period, Ottoman ambassadors were charged with keeping observation reports about economic and political institutions in European states.⁵⁹ The most important report, in terms of economics, was that of Ebubekir Ratip Efendi who had been sent to Vienna in 1791, due to its detailed observations on Viennese economic conditions. These conditions included the country's tax system, national treasury and financial policies, mining, commerce, agriculture, post, roads, bank bills, lottery. Ebubekir Ratip Efendi suggested keeping the national treasury solvent and composing national wealth.⁶⁰ Halet Efendi, who was sent to France, also suggested establishing industries to produce materials that French trade depended on,

⁵⁵ Deniz T. Kılınçoğlu, *Economics and Capitalism in the Ottoman Empire*, New York: Routledge, 2015, p. 22.

⁵⁶ TOEM, 7/38, pp. 74-88.

⁵⁷ Sayar, *Osmanlı İktisat Düşüncesinin Çağdaşlaşması*, p. 179.

⁵⁸ Cezar, *ibid.*, pp. 142, 146.

⁵⁹ Sayar, *Osmanlı İktisat Düşüncesinin Çağdaşlaşması*, p. 172.

⁶⁰ For detailed information see: Bernard Lewis, *Modern Türkiye'nin Doğuşu*, Ankara: Türk Tarih Kurumu Basımevi, 2004, p. 54; Cahit Bilim, "Ebubekir Ratip Efendi'nin Nemçe Sefaretnamesi", *Bellekten*, c. 54, Ankara: Türk Tarih Kurumu Basımevi, 1990, p. 209; Karal, *ibid.*, p. 31.

such as paper, flint glass and baize.⁶¹ Through these examples, it seems that the economic suggestions made by memorandums were only partly taken seriously. Although the economic actions were not enough, other attempts like abolishing the confiscation, *müsadere usulü*, might have been the first step in impelling the Empire to commence the Tanzimat reforms.⁶²

The subsequent period of Mahmud II was certainly a milestone in comprehending the Ottoman Empire's economical problems in detail. With the establishment of *Ceride-i Havadis* (Semi-official newspaper) in 1831, the early years of Mahmut II, Selim III's previous steps towards a more liberal approach started to produce intellectual results.⁶³ First Russia with the Treaty of Adrianapole (1829), and later England with the Anglo-Saxon Treaty, pushed the Ottoman Empire into the open market policy in the direction of a "laissez-faire" attitude, and prodded the Ottoman intellectual world to meet the idea of free economy.⁶⁴

During this period's memorandums, Vienna ambassador Sadık Rıfat Paşa offered a new perspective on the reformation of Ottoman elites, in his work titled "*Avrupa'nın Ahvaline Dair Risale*".⁶⁵ He expressed that the power of the modern world depended on economic dynamism rather than military expedition and war booties. Since the Ottoman Empire was an agricultural state, he proposed that the state should support agricultural activities and industrialization attempts parallel to its

⁶¹ Enver Ziya Karal, *Osmanlı Tarihi*, vol. 6., Ankara: Türk Tarih Kurumu Basımevi, 1983, p.252; idem, *Halet Efendi'nin Paris Büyük Elçiliği, 1802-1806*, İstanbul: Maarif Basımevi, 1940.

⁶² Şerif Mardin, *Türkiye'de İktisadi Düşüncenin Gelişmesi*, (1838-1914), Ankara: Siyasal Bilgiler Fakültesi, 1962, p. 8.

⁶³ Sayar, *Osmanlı İktisat Düşüncesinin Çağdaşlaşması*, p.188.

⁶⁴ Sayar, *Osmanlı İktisat Düşüncesinin Çağdaşlaşması*, p. 189; Zafer Toprak, "Modernization and Commercialization in the Tanzimat Period: 1838-1875", *New Perspectives on Turkey*, vol.7, 1992, p. 60; see also Şevket Pamuk & Jeffrey G. Williamson, "Ottoman De-Industrialization 1800-1913: Assessing the Magnitude, Impact and Response", *Economic History Review*, vol. 63, 2010, 159-184.

⁶⁵ Sadık Rıfat Paşa, *Muhtehabat-ı Asar*, İstanbul: Ali Bey Matbaası, no date; Sayar, *Osmanlı İktisat Düşüncesinin Çağdaşlaşması*, pp. 210-215; Ahmet Güner Sayar, "The Intellectual Career of an Ottoman Statesman: Sadık Rıfat Pasha (1806-1858) and His Economic Ideas", *Revue d'Histoire Magrebine*, vol. XVII, 1990, 125-129.

agricultural capacity, while guaranteeing economic freedom and security for commercial entrepreneurs in order to compete with Europe.⁶⁶ Although it is presumed that the ideas of Sadık Rıfat Paşa bore similarity to the thoughts of physiocrats or liberals in a sense, he cannot be evaluated as a member of the classical school. However, he also was not completely a mercantilist.⁶⁷ Nevertheless, his thoughts were coherent and revealed his pragmatist approach in adapting the Ottoman Empire to the modern world. With this considered, it appears that he was one of the pioneer thinkers behind *Gülhane Hatt-ı Humayunu (the Imperial Edict of Gülhane)*, the constitutional monarchy and the Tanzimat reforms to which he contributed with ideas he gained from his time in Austria. This also helped his economic thoughts to be better understood.⁶⁸ Moreover, economic liberal thoughts seem to have been popular among other intellectuals of the period as well. Liberal thoughts penetrating the intellectual sphere was not limited to Sadık Rıfat Paşa's intellectual circle.

Journalism, which became more widespread in the 19th century Ottoman Empire, undertook a major role in spreading modern economic thoughts. The first intellectual attempt at this might be seen as *Le Spectateur Oriental*,⁶⁹ published in İzmir. The economic articles in this newspaper advocated the economic liberalism of the Ottoman Empire. Moreover, economic articles by Alexander Blacque, also known as “*Blacque Bey*,” became a channel for transmitting liberal economic ideas to Ottoman lands.⁷⁰ In 1831, when Sultan Mahmut realized that it was mostly foreign traders who read the newspaper, he charged Blacque Bey with writing the French version of *Takvim-i Vekayi* under the name of *Le Moniteur Ottoman*. The only difference between these two newspapers was that the French version also included some unofficial articles, which later helped form a significant intellectual sphere

⁶⁶ Kılınçoğlu, *ibid.*, p.23; Mardin, *Türkiye’de İktisadi Düşüncenin Gelişmesi*, pp. 65-67.

⁶⁷ *idem.*; Diren Çakmak, *Osmanlı İktisat Düşüncesinin Evrimi, Societas ve Universitesi Gerilimi*, İstanbul: Libra Kitap, 2011, p. 109.

⁶⁸ For biographical information of Sadık Rıfat Paşa see: Ali Akyıldız, “Sâdik Rıfat Paşa”, *İslam Ansiklopedisi*, vol. 35, 2008, pp. 400-401.

⁶⁹ His next name was *Le Smyrneen*.

⁷⁰ Sayar, *Osmanlı İktisat Düşüncesinin Çağdaşlaşması*, pp. 189-190.

promoting a liberal economic view in the Ottoman Empire.⁷¹ The English diplomat David Urquhart was also an advocate of establishing liberal market policies in the Ottoman Empire. His book called *Turkey and Its Resources* might serve as a spirit for revealing the 1838 Anglo-Ottoman Commercial Convention.⁷² He believed that the best economic development model for the Ottoman Empire was to improve as a country in order to export raw materials and import industrial products, which was a model that fit into the Ricardian theory of the comparative advantage.⁷³

Another foreigner who dealt with publishing was William Churchill. His semi-formal newspaper published in the early 1840s, called *Ceride-i Havadis*,⁷⁴ was also crucial in encouraging the Ottoman Empire to accept more liberal policies. Alongside the light of the international capitalist division of labor, this newspaper helped start a discussion, although superficial, among Ottoman intellectuals about agriculture versus industry, or more roughly, about liberalism versus protectionism.⁷⁵ Until his death in 1846, Churchill published many articles about the Empire's specialization in

⁷¹ idem.; Coşkun Çakır, "Türkiye'de İktisat Tarihi Çalışmalarının Tarihi Üzerine Bir Deneme", *Türkiye Araştırmaları Literatür Dergisi*, vol. 1, no. 1, 2003, p. 16.

⁷² Çakmak, *ibid.*, p.107; Reşat Kasaba, "Treaties and Friendship: British Imperialism, the Ottoman Empire, and China in the Nineteenth Century", *Journal of World History*, vol. 4, no. 2, 1993, 215-241.

⁷³ This model, indeed, was the model of the United Kingdom in which she tried to adopt all of her peripheral countries in order to compensate for her need of raw material. Kılınçoğlu, p. 24.

⁷⁴ The newspaper was regarded as semi-formal for getting support from the state. Economics articles were written by Münif Paşa besides of Churchill. The publication of this newspaper ended in 1864. See. Çakmak, pp. 109-110; Moreover, for the detailed knowledge about Münif Paşa, see; Ali Budak, *Batılılaşma Sürecinde Çok Yönlü Bir Osmanlı Aydını: Münif Paşa*, İstanbul: Bilge Kültür Sanat, 2012.

⁷⁵ On the liberal side, agriculture was not accepted as an alternative for the industry. Liberal thinkers accepted the policy of agricultural development as a triggering factor for Ottoman economic development. Towards the theory of comparative advantage, they fictionalized the Ottoman Empire as a model supplying the agricultural products that other states needed and providing the manufactured goods that in reality it needed to import. In this perspective, they believed that the supporters of protectionism would harm the Ottoman economy in the long run with their demand of immediate industrialization through state intervention. See. Sayar, *ibid.*, pp. 273-393.

agricultural production and adaptation to open market policies.⁷⁶ In addition to Churchill, other writers such as Ahmet Vefik Paşa (who tried to create something similar to *Economie Politique*) and some Armenian writers were also given roles in the newspaper.⁷⁷

Studies by foreign intellectuals played an important role in introducing Ottoman intellectuals to new types of economic thought; however, their credibility seemed questionable. Urquhart's economic thoughts were not as widely accepted among Ottoman intellectuals as Blacque Bey's, since Ottomans were doubtful about whether Urquhart had the Ottoman Empire's best interest in mind over the United Kingdom. Indeed, it can be argued that Urquhart worked to aid the United Kingdom in Ottoman lands. Serving this purpose, he tried to draw England's attention to Ottoman lands and also to convince Ottomans to adopt the open market policy. Furthermore, reports by these writers also show that European states became in favor of agricultural development in the Ottoman economic model.⁷⁸ This was perhaps a reasonable choice for European states, considering their source and market needs.

Ahmet Vefik Paşa depicted Urquhart to Nassau William Senior, a representative of classical economic thought and a professor of political economy at Oxford University, as the Turks' most dangerous friend.⁷⁹ Nevertheless, it should be mentioned that Urquhart was a leading character in both signing the Anglo-Ottoman

⁷⁶ Tarık Özçelik, *Modern İktisadın Osmanlı'ya Girişi ve Ceride-i Havadis 1840–1856*, PhD diss., Marmara Üniversitesi Sosyal Bilimler Enstitüsü, İstanbul, 2003.

⁷⁷ The Armenian community was regarded as the community most knowledgeable on Western economic thought in the Ottoman Empire thanks to the Western type of education they followed. Niyazi Berkes, *100 Soruda Türkiye İktisat Tarihi*, vol. 2, İstanbul: Gerçek Yayınevi, 1975, p. 331.

⁷⁸ Kenan Demir, "Ottoman Economic Thought from Ancient to Modern Times", *The Journal of Academic Social Science Studies*, vol. 42, 2016, 205-223.

⁷⁹ Sayar, *Osmanlı İktisat Düşüncesinin Çağdaşlaşması*, p. 195; Nassau William Senior's book on his travels in the Ottoman Empire (1850) is significant for Ottoman intellectual life: Nassau William Senior, *Bir Klasik İktisatçı Gözüyle Osmanlı - Nassau William Senior'un Türkiye Seyahati Günlüğü*, trans. Hüseyin Al, İstanbul: Birleşik Kitabevi, 2011 (original date 1859). His book is depended on his journal kept in Turkey and Greece between the Autumn of 1857 and the beginning of 1858.

Treaty and putting it into action. Furthermore, he was one of the principal thinkers who helped bring Smithian economic liberalism to the Ottoman Empire.⁸⁰

The Anglo-Ottoman Convention of 1838 was a turning point in the Ottoman Empire's conversion into liberal economics.⁸¹ This convention can be regarded as an economic precursor of the 1839 Tanzimat Edict.⁸² However, this treaty cannot be regarded solely as a product of Mahmut II's will. This treaty implied that the Issue of Egypt, *Mısır Meselesi*, could not be solved without any help. In his book, Ahmet Güner Sayar quoted the English military officer Sir Adoluphus Slade's comment on this treaty: "*The centre (Mahmut II) – accepted this trade treaty upon the conviction that this treaty would bring the end of Mehmet Ali.*"⁸³

The emergence of a strong bureaucratic class and the circulation of private newspapers during the period of Mahmud II created two ways in which modern economic approaches could penetrate the Ottoman intellectual sphere.⁸⁴ Especially in the Tanzimat period, translations by the Translation Bureau, *Tercüme Bürosu*, and the rise of publishing activities in the Empire, brought out a slightly more profound economic thought. However, a more Westernized economic understanding did not

⁸⁰ Sayar, *Osmanlı İktisat Düşüncesinin Çağdaşlaşması*, pp. 196-198.

⁸¹ Generally, in Ottoman historiography, the 1838 Anglo – Ottoman Treaty was seen and interpreted as the Ottoman Empire becoming an open bazaar, its economy adhering to Europe and, as a result, it taking the shape of a semi-colony. However, Zafer Toprak approached it positively reminding that its effect was pioneering in terms of the Ottoman modernization movement. With this treaty, the Ottoman Empire evolved into a liberal capitalist framework and irregularities of the market mechanism in the Empire before *Tanzimat* were embedded in a more proper frame. Because of the condition created by the treaty, the Ottoman Empire accelerated into the need for modernization in many fields. See. Zafer Toprak, *Modernization and Commercialization*, 57-70.

⁸² Sayar, *Osmanlı İktisat Düşüncesinin Çağdaşlaşması*, pp. 203-210.

⁸³ Yusuf Kemal Tengirşenk, "Tanzimat Devrinde Osmanlı Devleti'nin Harici Ticaret Siyaseti", *Tanzimat*, İstanbul, 1940, p. 22 cited in Sayar, A. G., *Osmanlı İktisat Düşüncesinin Çağdaşlaşması*, p. 203.

⁸⁴ See for detailed knowledge about the re-formation of bureaucracy class, Carter V. Findley, *Bureaucratic Reform in the Ottoman Empire: The Sublime Porte, 1789-1922*, Princeton: Princeton University Press, 1980; For the impact of newspapers, see; Belkıs Ulusoy Nalcioğlu, *Osmanlı'da Muhalif Basının Doğuşu, 1828-1878*, İstanbul: Yeditepe Yayınevi, 2013.

truly exist among Ottoman elites until the Tanzimat period.⁸⁵ Still, the inclination towards a more modern mode of economic thought seemed to yield results in the Ottoman Empire even before the Tanzimat Era. The first book written on economics in the Empire was *Tedbir-i Ümran-ı Mülki* (Administration of Public Prosperity), in 1833.⁸⁶ This book appears to have been written to introduce available economical developments to Ottoman rulers and elites. This book displayed economics as a new scientific discipline to Ottoman elites.⁸⁷

Tanzimat was, without doubt, a milestone in the discussion of modern economics in the Empire. Nevertheless, it put forth a divergence in the state. Mustafa Reşit Paşa and Sadık Rıfat Paşa held different opinions on how the Empire's traditional structure should be turned into a modern economic structure. While Sadık Rıfat Paşa embraced mercantile-like ideas as a result of his study of the Austrian model, Mustafa Reşit Paşa embraced a more Urquhart-like thought after using the English model to get acquainted to the idea of economic liberalism.⁸⁸

This divergence, however, came to an end in the next generation with the adoption of liberalism. Âli and Fuat Pashas highlighted the understanding of economic liberalism that Urquhart and Churchill had brought in, and this approach continued until the 1880s without any serious repercussions.⁸⁹ Thus, accepting economics as a science in the Tanzimat Era allowed important steps to be taken. This can also be associated with the establishment of *Bab-ı Âli Tercüme Odası*⁹⁰ (1821), which played

⁸⁵ Çakmak, *ibid.*, p. 250.

⁸⁶ The date addressed to the manuscript (86 pages) was found by İlber Ortaylı who searched other sources in the book and the names of institutions for finding the date. For further information: İlber Ortaylı, *Osmanlılarda İlk Telif İktisat Elyazması, Yapıt*, vol.46, no.1, 1983, 37-44.

⁸⁷ *idem.*

⁸⁸ Sayar, *Osmanlı İktisat Düşüncesinin Çağdaşlaşması*, p.244; Zafer Toprak, *Modernization and Commercialization*, 57-70.

⁸⁹ *idem.*

⁹⁰ The purpose of the establishment of the Chamber of Translation was filling the gap of Divan-ı Rum formed by Fenerli Rums being excluded after the 1821 Greek Rebellions. It grew particularly after the 1930s with Mısır Meselesi and the Hunkar Iskelesi Treaty and it became an institution where Âli, Fuad ve Safvet Pashas, Ahmet Vefik Efendi and Namık Kemal

an important role in educating the Ottoman bureaucracy, and aided the formation of *Mekteb-i Mülkiye* (1859).⁹¹

When we look at the beginning of economics education in Ottoman educational institutions, we can see that their aim was not to train economists but to meet the needs of emerging statesmen with fundamental financial and economic knowledge. However, it was remarkable that before the School of Civil Service, *Mekteb-i Mülkiye*, the education of economics began in the Medical School, *Mekteb-i Tıbbiye*, by Serendi Arşizen.⁹² Furthermore, *Encümen-i Daniş* (served 1851-1862) might also have had an impact on Ottoman intellectuals paying attention to economics. *Encümen-i Daniş* aimed to increase the number of Turkish copyrighted books and the number of books translated to Turkish. This introduced the manners in which European states developed to Ottoman intellectuals and later, helped construct the *Darülfünun* idea.⁹³

Translations of the period also reveal how curiosity and interest in economics commenced and flourished in the Ottoman Empire. *Tasarrufat-ı Mülkiye* (exact date unknown) explained by Z. F. Fındıkoğlu and translated by Aleko Suço (Sucu) who was an officer at the Translation Bureau, *Tercüme Bürosu*, can be accepted as the first translation in terms of economics.⁹⁴ This translation was made from the French translation, *Cours d'économie Politique* by Serendi Arşizen, of the original Italian document by economist-legist Pelegrino Rossi. Another example of an early translation is that of *Catéchisme d'économie politique* written by Jean Baptiste Say in 1821, and translated as *İlm-i Tedbir-i Menzil* (1852) by Abro Sahak Efendi.⁹⁵ This

educated themselves to assume critical positions in the Empire. Cahit Bilim, "Tercüme Odası", *Osmanlı Tarihi Araştırma ve Uygulama Merkezi Dergisi OTAM* vol. 1, no. 1 (2015): 29-43.

⁹¹ Mülkiye Mektebi can be translated as The School Civil Service.

⁹² Sayar, *Osmanlı İktisat Düşüncesinin Çağdaşlaşması*, p. 289.

⁹³ For Encümen-i Daniş, see: Fatih Arslan, "Encümen-i Daniş ve Osmanlı Aydınlanması", *Mustafa Kemal Üniversitesi Sosyal Bilimler Enstitüsü Dergisi*, vol. 6, no. 11, 2009.

⁹⁴ Z. Fahri Fındıkoğlu, "İktisadi Tefekkür Tarihimizden Bir Parça", *Ordinaryus Profesör İbrahim Fazıl Pelin'in Hattasına Armağan*, İstanbul: İstanbul Üniversitesi İktisat Fakültesi, 1948, pp. 221-230.

⁹⁵ Say's book was successful in the Europe; however, it was Say's book and not the works of Smith or Ricardo in the first translations which was successful, since his book seemed to be clearer and based on more practical elements. Moreover, it was not a specific class in the Ottoman Empire that Say's work appeared more legible than Ricardo's to. It was similar in

book, however, was not translated directly; some of its contents were changed and adapted to the Ottoman Empire.⁹⁶ Suço's decision to adapt the book instead of translating it in its entirety is a good example of how Ottoman intellectuals had a practical approach on developing an economical model for the Ottoman State.⁹⁷

This axis of economical approach carries noticeably similar characteristics to the social, cultural and political interests of 19th century intellectuals. Indeed, their real interest was to look for a solution to prevent the decline of the Empire. By studying Western modernization as a model to save the Empire, Ottoman intellectuals discussed how the Ottoman Empire would be modernized. These discussions helped create several different models. After the Tanzimat Era, the increase in press activities uncloaked diversified movements of thought. The main concern of these movements was to alter the fate of the state, and they extended and varied until the final days of the Ottoman Empire and even penetrated into the fundamental dynamics of the early Republican era in a sense.⁹⁸ Considering the fact that economics was handled by intellectuals who belonged to these movements of thought, it is easy to comprehend why these discussions leaned towards certain more practical considerations.

continental Europe, and even in America. Say's book was regarded as more practical and clearer than the others' were. Sahak Abro Efendi used this assessment in the preface of the translation book for Say: "Monsieur Say was a rare talent in the sense that he used fewer words but meant a lot." Sahak Abro, "Mukaddime", *İlm-i Tedbir-i Menzil*, İstanbul, 1268, p. 4 cited in Sayar, *Osmanlı İktisat Düşüncesinin Çağdaşlaşması*, pp. 271-272.

⁹⁶ As a result of the 1921 Greek Revolt, Greek people were expelled from active positions in the state and vacant positions were filled with Armenian people. Their Western style and strong education led them to come to the forefront. Abro Sahak Efendi was working in the Chamber of Translation. He preferred to use narrations rather than the format of dialogue in the original version and modified examples to the Ottoman society, in other words *Ottomonized* them and excluded some chapters of the book. Ali Budak, "Ermenileri'in XIX. Yüzyılda Yeni Bir Hayatın ve Edebiyatın Oluşum Sürecine Katkıları", *Journal of Academic Studies*, vol.8, no. 30, 2006, 137-156; İlber Ortaylı, "Greeks in the Ottoman Administration during the Tanzimat Period", *Ottoman Greeks in the Age of Nationalism: Politics, Economy, and Society in the Nineteenth Century*, 1999, 161-169; Z. Fahri Fındıkoğlu, "Bizde Avrupavari İktisatçılığın Başlangıcı", *İş*, vol.1, 1934-1937, pp. 45-47.

⁹⁷ Kılınçoğlu, *ibid.*, pp. 26-27.

⁹⁸ Erik Jan Zürcher, *The Young Turk Legacy*, pp. 59-72; M. Şükrü Hanioglu, *Preparing for A Revolution: The Young Turks, 1902-1908*, Oxford: Oxford University Press, 2001, pp. 290-293.

In the 1860s, certain publications about economics rose to surface. For instance, Münif Paşa's articles in *Ceride-i Havadis*, Şinasi's articles in *Tercüman-ı Ahval*, and Nurettin Bey's articles in *Terakki Gazetesi* helped make articles exclusively on economics more prevalent.⁹⁹ Ali Suavi's defense of economic thought (in *Muhbir Gazetesi*), which he formed over Gazali's traditional narration, can be provided as an example of how intellectuals with different world views and thought structures attempted to ground and adapt economics to the traditions of the period.¹⁰⁰ From this period on, economic discussions would be more diverse.

Until the end of the 1870s, protectionist tendencies continued to surface despite the increasing dominance of liberal thoughts on both economic literature and economic education. Mehmet Şerif Efendi's article written in 1861, discussing industrialization as a model of economic development against agricultural policies, can be provided as an example of the increasing variety of thoughts. In his articles, and his book *İlm-i Enval-i Milliye* published in 1963, Mehmet Şerif Efendi was against agriculturalization policy enforcements as an alternative to industrialization. Instead, he defended that the economic system of the state should be based on industrialization. Then he pointed out that technology, science, and agriculture would still be able to develop themselves without any specific state policy because the industry would continue needing technological and agricultural products in order to function.¹⁰¹

Furthermore, although Ahmet Cevdet Paşa was not particularly interested in economics, his articles indicate that he was knowledgeable on the topic. He provided opinions on debasement, labor, taxation, the velocity of monetary circulation, and other similar issues. These arguments convey the liberal tendencies of Ahmet Cevdet

⁹⁹ Çakmak, *ibid.*, p.110; İ. Şinasi might have studied economic issues during his finance education in France and his work, just works of the period's other writers did, criticized the present economic mentality. For detailed information, see: Mardin, "Türkiye'de İktisadi Düşüncenin Gelişmesi", pp.73-76, 93; Ziyad EbuZZiya, *Şinasi*, ed. Hüseyin Çelik, İletişim Yayınları, İstanbul, 2007.

¹⁰⁰ Sayar, *Osmanlı İktisat Düşüncesinin Çağdaşlaşması*, pp.246-247; for origin of the argument, see Hilmi Ziya Ülken, "Tanzimattan Sonra Fikir Hareketleri", *Tanzimat I*, İstanbul: Maarif Matbaası, 1940, pp. 758-760.

¹⁰¹ Serdar Sağlam, "Ziya Gökalp'te Solidarizm ve Milli İktisat", *Hacettepe Üniversitesi Türkiyat Araştırmaları Dergisi (HÜTAD)*, no. 1, 2004, p.69; Z. Fahri Fındıkoğlu, *Türkiye'de İktisat Tarihi Tedrisatı Tarihçesi ve İktisat Fakültesi Teşkilatı*, İstanbul: İstanbul Üniversitesi İktisat Fakültesi Yayını, 1946, p. 42.

Paşa's economic thoughts. He put the ideas of a free market and the rejection of state intervention into an Islamic frame by referencing early Islamic literature under the effect of his career in Ottoman law.¹⁰² This type of interpretation can be perceived as a step or a quest for the formation of Ottoman modernity, which was a model that intertwined the traditional Ottoman structure and the Western understanding of modernity.¹⁰³

1869 was regarded as a turning point by Kılınçoğlu, since two important books that highly influenced Ottoman intellectual life were translated into Turkish. Kılınçoğlu states that the translations of Benjamin Franklin's *The Way to Wealth* (1757) and Otto Hübner's *Der kleine Volkswirth* (1852) changed the target audience of such literature from Ottoman intellectuals to ordinary people. These books had very clear language and aimed to teach the principles of economics to the people.¹⁰⁴ In this regard, Nuri Bey's *Mebahis-i İlm-i Servet* (1881), Mahmut Esat's *İlm-i Servet* (1884) and Ahmet İhsan's *İlm-i Servet* (1885) can be accepted as other examples of works written in this new manner as well.¹⁰⁵ However, it should be reminded that the real reason for language simplification and the effort to teach economics to ordinary people

¹⁰² Coşkun Çakır, *Tanzimat Dönemi Osmanlı Maliyesi*, İstanbul: Küre yayınları, 2001, p.19; Sabri F. Ülgener, "Ahmed Cevdet Paşa'nın Devlet ve İktisat'a Dair Düşünceleri", *İş*, no. 76, 1947; for more detail see, Mehmet Öz, *Kanun-ı Kadimin Peşinde Osmanlı'da Çözülme ve Gelenekçi Yorumcuları*, İstanbul: Dergâh Yayınları, 2015; Sabri F. Ülgener, "İktisadi Çözülmenin Ahlak ve Zihniyet Dünyası", *Toplu Eserler 2*, ed. Ahmet Güner Sayar, İstanbul: Derin Yayınları, 2006.

¹⁰³ For modernity types, see: Nilüfer Göle, "Batı Dışı Modernlik: Kavram Üzerine", *Toplum ve Bilim Dergisi*, vol. 80, 1999, pp. 128-142; also see for the philosophy of Ahmet Cevdet Pasha, Kemal Sözen, *Ahmet Cevdet Paşa'nın Felsefi Düşüncesi*, İstanbul: Marmara Üniversitesi İlahiyat Fakültesi Vakfı Yayınları, 1998.

¹⁰⁴ The common feature of these translations was the effort of using simple and coherent Turkish by finding applicable synonyms to economic terms for everyone to understand. Kılınçoğlu defined it as a turning point for the development of the Ottoman perception of economics: Kılınçoğlu, pp.30-32; For the detailed knowledge about the effort of language simplification in translations see: Ahmet Güner Sayar, *Osmanlı İktisat Düşüncesinin Çağdaşlaşması*, pp. 322-325.

¹⁰⁵ Kılınçoğlu, *ibid.*, pp. 53-55.

was the Young Ottoman movement's mental outlook, which aspired to enlighten the people.¹⁰⁶

By the late 1860s, representatives of the Young Ottoman movement became severely opposed to the Ottoman Porte in many ways. Their criticism was based mainly on economics, and they attacked Tanzimat rulers for their incapability of improving the backwards conditions of the state and developing them into a modern socio-economic structure. They also demanded radical reforms.¹⁰⁷ They also criticized the "entrepreneurial inadequacy of Muslims", their "economic laziness", and the backwardness of economic conditions as a result of "unindustrialization".¹⁰⁸ On the other hand, however, it should also be stated that members of the Young Ottomans presented neither collective nor individual systematic economic doctrines either.¹⁰⁹ Indeed, economics was regarded as an instrument to reach political targets rather than as a purely scientific pursuit.¹¹⁰

Briefly, in the 1830s, fragments of Western economic thought flowing into the Ottoman Empire were not adequate materials in composing a consistent Ottoman economic policy. By the *Tanzimat*, although Ottoman dignitaries had been depending on Western economic thought to overcome the deteriorating economic situation, their understanding and implementation of basic economic factors such as the development of private entrepreneurship and of price mechanisms had remained weak. Nevertheless, this inclination led to the adoption of liberal economic thought. Later, after the 1860s, intellectuals begun criticizing the type and shape of the manner in

¹⁰⁶ For simplification of language by the Young Ottomans see: Şerif Mardin, "Some Notes on an Early Phase in the Modernization of Communications in Turkey", *Comparative Studies in Society and History*, vol. 3, no. 3, 1961, 250-271, pp. 268-270.

¹⁰⁷ Kemal H. Karpat, "The Transformation of the Ottoman State, 1789-1908." *International Journal of Middle East Studies*, vol.3, no.3 (1972): 243-281, pp. 267-281; Şerif Mardin, *The Genesis of Young Ottoman Thought: A Study in the Modernization of Turkish Political Ideas*, Syracuse University Press, 2000, pp. 10-80.

¹⁰⁸ Sayar, *Osmanlı İktisat Düşüncesinin Çağdaşlaşması*, pp. 325-354.

¹⁰⁹ Niyazi Berkes says it is difficult to decide on whether Namık Kemal's economic approach was close to the school of economic thought. He said that "*the main characteristic of the New Ottomans was that they were not economic doctrinaires.*" See Sayar, *Osmanlı İktisat Düşüncesinin Çağdaşlaşması*, p.354; also, Kılınçoğlu, p. 32.

¹¹⁰ Sayar, *Osmanlı İktisat Düşüncesinin Çağdaşlaşması*, pp. 326-327.

which liberal economic thought had been adapted to the Ottoman Empire. Although this criticism appeared politically and socially pragmatic, these critical movements alongside the economics education in state institutions paved the way for economics to be accepted as a scientific field with its own principles and laws.¹¹¹ By the end of the 1870s, the accumulation of economic knowledge led to the composition of new economical literature as well.

In this perspective, the 1880s were the most fruitful and productive years of Ottoman economic thought. Between 1879-1890, major works by Ahmet İhsan, Nuri Bey, Sakızlı Ohannes, Portakal Mikael, and Ahmet Mithat Efendi were published. During this process, protectionism challenged the monopolism of liberal thought just as it had in other parts of the modern world. *Mebadi-i İlm-i Servet-i Milel* (Principles of the Science of the Wealth of Nations, 1880) by Sakızlı Ohannes, was the cornerstone of Ottoman liberal economic thought. On the other hand, books by Ahmet Midhat Efendi such as *Sevda-yı Sa'y ü Amel* (The Passion for Effort and Labor, 1879), *Teşrik-i Mesa'i, Taksim-i Mesa'i* (Cooperation, Division of Labor, 1879), *Ekonomi Politik* (Political Economy, 1879), and *Hallü'l-'Ukad* (Untying the Knots, 1890), were the first works to defend Ottoman protectionism.¹¹²

Comparing protectionist thoughts with liberal ones was common at the time. The Great Depression between 1873 and 1896 had reduced confidence in liberal policies in and beyond continental Europe. Consequently, economic protectionism emerged as an alternative to economic liberalism.¹¹³ At the same time, in latecomer capitalist countries (the United States, Japan, Germany), economic protectionism gained a strong ground against the economic and political hegemony dictated by core capitalist countries. As modernization movements continued, in the 1880s countries that did not have consistent economic policies (such as the Ottoman Empire, Egypt

¹¹¹ Sayar, *Osmanlı'dan 21. Yüzyıla*, p. 182.

¹¹² Kılınçoğlu, *ibid.*, pp. 43, 49-50.

¹¹³ Şevket Pamuk, "The Ottoman Empire in the 'Great Depression' of 1873-1896", *The Journal of Economic History* vol. 44, no.1, 1984, 107-118; For more detailed information about the depression of 1873-1896, see: Peter Alexis Gourevitch, "International Trade, Domestic Coalitions, and Liberty: Comparative Responses to the Crisis of 1873-1896", *The Journal of Interdisciplinary History*, vol. 8, 1977, pp. 281-313; S. B. Saul, *The Myth of Great Depression, 1873-1896*, Liverpool: Liverpool University Press, 1860.

and Iran), faced financial collapses due to the amount of loans they had spent on temporary and ineffective economic enforcements.¹¹⁴ Moreover, external debts expanded due to a variety of reasons, such as the inadequacy of knowledge on Porte economics and finance, the rise of governmental expenditures in order to compensate for the increasing number of bureaucratic salaries, budget expenditures for industrialization efforts and social reform projects of the *Tanzimat Era*, military expenses spent on modernizing the central army, the great wars of the 19th century, and increasing luxury consumption due to the extravagant lifestyles of Ottoman elites and the Ottoman Palace.¹¹⁵

When it comes to internal politics, the tension between Abdülhamid II and intellectual groups continued to rise until the end of the first decade of the 20th century. Therefore, choosing to ignore the demand for constitutional monarchy, Abdülhamid II instead implemented oppressive and autocratic policies in order to strengthen the central authority. Meanwhile, most Ottoman intellectuals had to pursue their opposition efforts abroad. However, in this environment of conflict, there was still interaction between Abdülhamid II and the intellectuals. Abdülhamid II followed an extensive modernization policy, and his policies were based, most importantly, on education and economics.¹¹⁶

The economics courses that Ottoman educational institutions started to offer were part of Abdülhamid II's modernization policies. In 1870, the “*İlm-i Tedbir-i Menzil*” lecture was offered as the equivalent of “Home Economics” in *Kız Sanayi Mektebi*,¹¹⁷ and in 1874, an economics course was added to the Law School's schedule. Additionally, *Mekteb-i Fünun-ı Maliye* and *Dersaadet Hamidiye Ticaret Mektebi*

¹¹⁴ Kılınçoğlu, *ibid.*, p. 43; Zafer Toprak, *Modernization and Commercialization*, 57-70.

¹¹⁵ Şerif Mardin, “Tabakalaşmanın Tarihsel Belirleyicileri: Türkiye’de Toplumsal Sınıf ve Sınıf Bilinci”, *Yazko Felsefe Yazıları 5*, ed. Selahattin Hilav, trans. Nuran Yavuz, İstanbul: Yazko, 1983 pp. 5-33.

¹¹⁶ Kılınçoğlu, *ibid.*, p.44; Sayar, *Osmanlı İktisat Düşüncesinin Çağdaşlaşması*, p. 377; Zürcher, *The Young Turk Legacy*, pp. 59-72.

¹¹⁷ The original name used was “Homo Economics”. Fındıkoğlu believes it to be a kind of course on “domestic economy.” However, since originally this concept had a different meaning in economics, I prefer to use the term “home economics” directly. Ziyaeddin Fahri Fındıkoğlu, *Türkiye’de İktisat Tedrisatı Tarihi*, p. 39.

sarted to offer economics courses.¹¹⁸ Furthermore, all of these institutions offered free trade courses open to the public.¹¹⁹ These educational institutions played a significant role in changing the “traditional” Ottoman economic mentality repeatedly attacked by Tanzimat Era intellectuals. Therefore, it is not true to assume that the tension between Abdülhamid II and the Young Ottomans did not permit an interaction.

One of the outstanding professors of *Mülkiye Mektebi*, Sakızlı Ohannes Paşa, wrote books and articles that helped create a proper Ottoman economic literature. This allowed him to become a cornerstone of Ottoman liberal thought. In his book *Mebadi-i İlm-i Servet-i Milel* (Principles of the Science of the Wealth of Nations, 1880), he embraced a Smithian view on economics and defined labor and saving as the two main aspects of wealth and economic modernization.¹²⁰ Sakızlı Ohannes Paşa also stated that the states’ protectionist actions interrupted their economic developments. He believed that protectionist policies made societies lazier. Unless political and legal institutions could guarantee entrepreneurial economic freedom of action, there would be no capital formation and inflow, and the needed capital would not exist. He opposed the main idea of protectionism, which suggested that free trade offered nothing but economic and political dependence for backward countries and asserted that liberal policies provided the opportunity to be part of a greater civilization that relied on the interdependence of countries based on the international division of labor and cooperation. This also meant that export and import were equally beneficial to any country. Consequently, Sakızlı Ohannes Paşa was completely against commercial limitations such as tariffs.¹²¹ Similarly, he mentioned the necessity of a state guarantee on private property rights.¹²² He believed that each barrier against economic freedom was also a barrier against modernization and economic development.¹²³ Furthermore,

¹¹⁸ T.C. Başbakanlık Devlet Arşivleri İ. DH, 796/64573_2; T.C. Başbakanlık Devlet Arşivleri A. DVN.MKL, 25/5_1.

¹¹⁹ Fındıkoğlu, *Türkiye’de İktisat Tedrisatı Tarihçesi*, pp. 31-41.

¹²⁰ Kılınçoğlu, *ibid.*, p. 46.

¹²¹ Sayar, *Osmanlı İktisat Düşüncesinin Çağdaşlaşması*, pp. 360-372.

¹²² Çakmak, *ibid.*, p. 145.

¹²³ Kılınçoğlu, *ibid.*, pp. 45-46.

instead of translating books into Turkish, he preferred writing original copyrighted material on the need for a book specifically for Ottoman people.¹²⁴ Since he defended unconditional economic liberalism in his works, he may be referred to as an “Ottoman Adam Smith” just as J. B. Say was referred to as the “French Adam Smith.”¹²⁵

As opposed to Sakızlı Ohannes Paşa, who defended liberal capitalism, Ahmet Mithat Efendi seemed to strongly support protectionism. Ahmet Mithat produced a great number of works on many different topics in order to enlighten people. For this reason, the epithet *Hace-yi Evvel*, which meant “the First Instructor,” was very suitable for him. His interest in economic issues seems to have been revealed in the 1870s in order to seek an economic tendency in which his political arguments would fit best. Before determining his economic approach, he had already generated an idea of national industry and left behind the “laissez-faire” approach. To quote his own words:

“The weapons should be ours, for us to trust them. In the Golden Ages (of the Ottoman Empire) we made scimitars and yatagans to stab them into the enemies’ eyes and brains and we wrote “innâ fetahna” or “ve cedde hu” on these weapons.”¹²⁶

Ahmet Güner Sayar defines Ahmet Mithat Efendi’s search for an economic stance as follows:

¹²⁴ Kılınçoğlu, *ibid.*, p.46. Additionally, Sakızlı Ohannes Paşa built his narration over this as well. Ohannes objected to the coast-trade right of the states, railway projects conducted by the Sublime Porte, and the state establishing companies to destroy the competitive environment. He added that when a judicial problem existed, people could demand justice against private companies, who might remain passive towards civil servants. Furthermore, he criticized the taxes taken from harbors and the prerogatives of “yed-i vahit” and “gedik”. He supported that investments should be directed by private companies for the issue of transportation. Additionally, he defined value as value identified by “exchange” and criticized the state for the possibility of intervention in “price,” indicating the need to leave the fields like coining, postal authority and education to the communities, and even to the companies. See, Çakmak, *ibid.*, pp. 139-158.

¹²⁵ Fındıkoğlu, *Türkiye’de İktisat Tedrisatı Tarihçesi*, p.44; Çakmak, *ibid.*, p. 158.

¹²⁶ “Silah kendimizin silahı olsun ki güvenelim. Ziya-yı şemse mukabil geldiği zaman her hatt-ı şua’ı düşmanın gözüne, beynine saplanan palaları, yatağanları biz yapar ve üzerine dahi (İnna fetahna) veyahut (ve cedde hu) yazar idik.” Ahmet Mithat Efendi, *Menfa*, ed. İsmail Cüneyt Kut, İstanbul: Tarih ve Toplum Yayınları, 1988 (original date 1293), p. 67.

“In Tanzimat’s dualism, while trying to exclude the “laissez-faire” policy, he was aware of the fact that a product of the Ottoman system, ehl-i hırfet (artisans and craftsmen), was pining away.”¹²⁷

In his book *Ekonomi Politik*, Ahmet Mithat Efendi constantly stressed the importance of working and producing and used this model as an alternative to reduce focus on civil service work.¹²⁸ As he pointed out in the introduction of his book, it was not possible for a person employed in civil service to become rich. For him, *Sevda-yı Sa’y ü Amel* (the love of labor and working) was as important as *Sevda-yı Vatan* (the love of state) and *Sevda-yı Hürriyet* (the love of freedom). He mentioned that the deficiency of love of work and duty was rooted in the immaturity in people’s decency. He claimed that since Europe had more educated people, it had more love of work than the Ottoman Empire.¹²⁹

While defining Ahmet Mithat Efendi’s approach, one can observe that he adopted the same pragmatic “saving the Empire from collapse” perspective that Tanzimat intellectuals had embraced.¹³⁰ However, this pragmatic approach led him to adopt economic protectionism. He did adhere to liberal thought in some areas such as monopolism, private property, and private enterprise; however, he thought that liberalism could not be fully enforced in less developed countries. Less developed economies could never advance economically through liberal policies, which could only be beneficial to the developed countries. According to Ahmet Mithat Efendi, as long as the Ottoman Empire did not have a powerful local industry that could compete with developed European industries, competing with Europe in liberal conditions

¹²⁷ Sayar, *Osmanlı İktisat Düşüncesinin Çağdaşlaşması*, p. 378.

¹²⁸ Sayar, *Osmanlı İktisat Düşüncesinin Çağdaşlaşması*, p. 379.

¹²⁹ “*Şu halde sevda-yı sa’y u amelin bizce tanınmış bir inbisata gelmiş olmaması henüz terbiye ve terakkیات-ı milliyemizin öyle mertebe-i kemale takarrub edememesinden ve bu kaziyenin Avrupaca taayyun etmesi ise oralar ahalisinin bizden ziyade terbiye görmüş olmasından neşet eder.*” Ahmet Mithat Efendi, *Sevdâ-yı Sa’y ü Amel*, ed. Hilmi Uçan, İstanbul: Kitap Dünyası, 2016 (original date 1878/1296), p. 9.

¹³⁰ Orhan Okay, Teşebbüse Sarfedilmiş Bir Hayatın Hikâyesi, *Kitap-lık*, vol. 54, 2002, p. 136.

would bring destruction upon local manufacturing. Even the most developed countries could adopt protectionist policies when necessary.¹³¹

Ahmet Mithat Efendi appreciated Colbert and used Colbert's approach as a model for his own economic thought. Therefore, in a way, he was inspired by mercantilist thoughts.¹³² However, it is unknown how the German Historical School's (the school of protectionist thought) thoughts affected his protectionist ideas because there is no reference to their thoughts in his works.¹³³ Although it is possible that he may have imagined these thoughts spreading from Germany to Europe during his travels abroad, he only referenced mercantilists in his works. Nevertheless, it would be useful for him to clarify some problematic points in his conceptual understanding about his temporal disagreements with mercantilist thinkers. For example, in his work Ahmet Mithat Efendi refuses to define the prerequisite of wealth as an accumulation of precious metals. In his opinion, all things that are conveniently acquired can construct fortune. These aspects of his mode of thought make it clear that he was not completely detached from liberal thought.¹³⁴ Nonetheless, he was completely opposed to capitalist liberalism and heavily criticized the dominance of liberalism in the Ottoman intellectual sphere, and especially in *Mekteb-i Mülkiye*. During the reign of Abdülhamit II, he embraced and supported the ideology of a closed society.¹³⁵

According to Ahmet Mithat Efendi, the laws of economics were not universal as classicalists claimed. Even though he tended to support normative economics in this manner, in his work "Economy Politique," he leaned towards a more positive perspective in order to identify the concrete economical problems of the Ottoman

¹³¹ Kılınçoğlu, *ibid.*, p. 50.

¹³² Sayar, *Osmanlı İktisat Düşüncesinin Çağdaşlaşması*, p. 388.

¹³³ Sayar, *ibid.*, pp. 390-392. Kılınçoğlu did not specifically refer to him; however, he states that he knows the school because this school of thought was popular in that all economy books mentioned it in their introductions. Thus, he should have encountered these thoughts while researching political economy. Kılınçoğlu, *ibid.*, p. 51.

¹³⁴ Sayar, *Osmanlı İktisat Düşüncesinin Çağdaşlaşması*, p. 383.

¹³⁵ *idem.*, p. 388.

Empire.¹³⁶ Ahmet Mithat Efendi did not appear as confused about his economic understanding as Namık Kemal did. On the contrary, Ahmet Mithat built up his thoughts on a steady line.¹³⁷ Ahmet Mithat Efendi's goal to teach people in different fields about economy also gave his economic thought a certain simplicity that many people could easily understand. It is possible to associate economic ideas born in the palace under Ahmet Mithat Efendi's influence during the Abdülhamid II period, with the removal of Ohannes from *Mülkiye Mektebi*. Moreover, it can be pointed out that Abdülhamit II's opposition embraced liberal economic and social thoughts.¹³⁸

After Ohannes Paşa, liberal economic thought peaked with Mehmet Cavit Bey. It is possible that he was inspired by Paul Leroy-Beaulieu¹³⁹ while he was creating the structure of his book *İlm-i İktisat*.¹⁴⁰ His economic view was close to the Manchester School of Economics' mode of thought.¹⁴¹ According to Mehmet Cavit Bey, natural selection theory was also valid in economics. He was even uninterested in imperialism. He believed that powerful states naturally dominated weaker ones.¹⁴² He described the criterion of economic power as the abundance of capital as well as the knowledge and

¹³⁶ idem., pp. 381, 290.

¹³⁷ idem., p. 391.

¹³⁸ Ahmet İhsan Tokgöz stated that in the youth of his generation regarded England as a fair and free state. He only indicated that Abdülhamid II's proximity to Germany against England was a sufficient reason among the period's intellectuals, to favor attachment to England and remain aloof to Germany. For this reason, he expressed that during his youth, when England waged a war to Boer, he was in favor of English declarations and manifests. He even added how they disagreed with Wilhelm II when he wished to communicate with Krüger (Boer chief) through telegram. He defined these types of delusions as a common feature towards Abdülhamit II among the period's intellectuals as part of their opposition. Ahmet İhsan Tokgöz, *Matbuat Hatıralarım*, ed. Alpay Kabacalı, İstanbul: İş Bankası Kültür Yayınları, 2012, p. 239.

¹³⁹ For the economic thoughts of French orthodox political economist Paul Leroy-Beaulieu, see: Sharif Gemie, Politics, Morality and the Bourgeoisie: The Work of Paul Leroy-Beaulieu (1843-1916), *Journal of Contemporary History*, vol. 27, no. 2, 1992.

¹⁴⁰ Kılınçoğlu goes further and claims that the book *İlm-i İktisat* was an Ottoman adaption of *Traité Théorique et Pratique D'économie Politique* by Leroy-Beaulieu. See: Kılınçoğlu, p. 68.

¹⁴¹ Mehmet Seyitdanlıoğlu, "Türkiye'de Liberal Düşüncenin Doğuşu ve Gelişimi", *Liberal Düşünce*, vol. 2, 1996, p. 110.

¹⁴² idem., pp. 50-55, 193.

material (means of production) required to operate this capital.¹⁴³ Furthermore, he rejected every kind of state intervention in economy and did not believe in the need for foreign trade balance.¹⁴⁴

According to Mehmet Cavit Bey, the laws of economics were constant and universal.¹⁴⁵ Moreover, he limited the state's role in economics except in two areas: "to meet the need for security" and "to make law and regulate taxes". He did not believe in the the role of state except in these two areas. He only put aside only two pages in his book to explain the role of the state.¹⁴⁶

His active role in politics as a member of the Committee of Union and Progress allowed his thoughts to further circulate by the 1908 Revolution.¹⁴⁷ He was first assigned to the *Mülkiye Mektebi* as an instructor. Then, he became the Minister of Finance in 1909. From 1909 to 1913, the Ottoman Empire's financial form was more liberal. Regardless, he could not prevent more protectionist national economy ideas from spreading in the Committee of Union and Progress. It can therefore be inferred that the length of his duty as the Minister of Finance might be due to Committee of Union and Progress's inability to find a more qualified thinker who had economical beliefs similar to those of the committee's main political figures.

These discussions between liberalism and protectionism continued. Contrary to Mehmet Cavit Bey, Akyiğitzade Musa Bey defended intervening in capitalism. He gave economy lectures at the Military School, *Harp Okulu*, and under the influence of the German Historical School of Economics, in his books *Azadegi Ticaret, Usul-i Himaye* (1898) and *İlm-i İktisat* (1900) he justified intervening in capitalism. By drawing attention to the difference between mercantilism and interventionism, he

¹⁴³ Mehmet Cavit Bey, *İktisat İlm-i*, ed. Orhan Çakmak, Ankara: Liberte, 2001 (original date 1913/1329), pp. 13-42.

¹⁴⁴ idem., pp. 199-200, 300-302.

¹⁴⁵ idem., p. 2.

¹⁴⁶ idem., pp. 313-314.

¹⁴⁷ I am aware of how controversial the word "revolution" is; however, I keep using it since it took part in literature as a description of the period's sequence of events. For discussions see: Şerif Mardin, Ideology and Religion in the Turkish Revolution, *International Journal of Middle East Studies*, vol. 2, 1971 pp. 197-211.

stated that people did not act only on material needs but also on emotions. Thus, he rejected the idea of universal economic laws defended by classicalists.¹⁴⁸ He criticized the defenders of free market competition and their requests for international divisions of labor, by saying that that would be the defeat of the weak against the strong.¹⁴⁹ Apart from these two standpoints, Hüseyin Hilmi Bey's (*İştirakçi Hilmi*) inclination towards socialist thought in spite of his own dilemma and his inadequate knowledge of socialism, can be regarded as a ramification of Ottoman economic influence. Hüseyin Hilmi Bey integrated socialist thought with religion and believed socialism to be an underlying form of thought in Islam.¹⁵⁰

By the Abdülhamit II period, economic discussions in educational and intellectual fields seemed to vary and separate into two fundamental sides. On the other hand, even though the *Darü'l-fünun* and certain other schools had been teaching economics for nearly a century, economics could not reach scientific maturity until the decline of the Empire. The reasons for this, as discussed in the next chapter, lie in the political, social and economic changes brought about the mental discourse during the 19th century modernization period, which paved the way into the Early Republican era.

¹⁴⁸ Akyiğitzade Musa Bey, "İktisat yahut İlm-i Servet: Azadegi Ticaret ve Usul-i Himaye", *Osmanlı'da Modern İktisadın İzinde 2, İlm-i Servet veyahud İlm-i İktisat*, Akyiğitzade Musa, ed. Gökçen Coşkun Albayrak, Hamdi Genç, Saim Çağrı Kocakaplan, İstanbul: Dergâh Yayınları, 2016 (original date: 1898/1314), 275-314, pp. 284-285; Hamdi Genç, "Giriş, Musa Akyiğitzade", *Osmanlı'da Modern İktisadın İzinde 2, İlm-i Servet veyahud İlm-i İktisat*, Akyiğitzade Musa, ed. Gökçen Coşkun Albayrak, Hamdi Genç, Saim Çağrı Kocakaplan, İstanbul: Dergâh Yayınları, 2016, 1-50, pp. 5-50.

¹⁴⁹ idem., pp. 289-291.

¹⁵⁰ Sina Akşin says that for Hüseyin Hilmi Bey's political thought, the word "*işçisever*" (fond of labor) is more convenient as opposed to socialism; Sina Akşin, *Jön Türkler ve İttihat ve Terakki*, Remzi Kitapevi, İstanbul, 1987, pp. 246-247.

2. 2. Transformation to the Turkish Republic

“No one was ever really ahead of his times.”

*Lucian Febvre*¹⁵¹

By World War I, rising autocratic powers found the answers to their economical questions in the German Historical School of Economics' mode of thought. In the 1920s, liberal thought gradually lost its popularity among economists. The leading powers of the Republican period evaluated the economical problems in the Ottoman Empire and came to conclusions similar to those of the CUP's leaders. The main answers appeared to be creating a national bourgeois class, and immediately industrializing the state. Moreover, in the Republican era, the number of professional economic discussions started to increase but most of the economists also had political tendencies and determined their perspectives accordingly, by standing close to either the party in power or the opposition.

Ahmet Hamdi Bařar, for instance, supported state protectionism at the İzmir Economic Congress in 1923. Until the end of the 1940s, in accordance with state protectionism, he defended the idea of creating a national bourgeois. He also accepted important positions such as the directorship of the İstanbul Port Company. He criticized liberal thoughts in his works, which mainly focused on Ahmet Ağaođlu, a famous liberal thinker of the period.¹⁵² On the other hand, in the Second Economic Congress (1948) which was organized by the İstanbul Merchants Association and led by Bařar, he declared his economic approach as classicist and announced that the state should withdraw from the market. This time, he specified the ultimate target of the Turkish economy as liberalization and proposed unequivocally that the state should

¹⁵¹ Lucien Febvre, *Unbelief in the Sixteenth Century The Religion of Rabelais*, trans. Beatrice Gottlieb, Massachusetts: Harvard University Press, 1982, p. XXVIII.

¹⁵² Didem Gürses, “Ahmet Hamdi Bařar”, *Modern Türkiye’de Siyasi Düşünce*, vol. 7, İstanbul: İletişim Yayınları, 2012, 332-338, pp. 332-334; Hasan Tanrıkut, “İktisadi Devletçilik - Ahmet Hamdi Bařar”, *Sosyoloji Dergisi*, vol. 2, no. 1, 1941, pp. 328-345.

evolve to a gendarme-state.¹⁵³ He criticized the Republican People's Party's statist enforcements and claimed that if the Democratic Party should win the elections, the state's role in the market and in the economy would decrease and would not be able to compete with the private sector anymore.¹⁵⁴

Ali Fuat Başgil's attitude was similar to Başar's. Until the end of the 1940s, Başgil supported the protectionist approach in social, political, juridical and economic aspects. He was strictly against liberal thought and acutely criticized the liberals.¹⁵⁵ He constructed his economic thought with the state in the center and became one of the party professors and etatist ideologists in the 1930s. He contributed to the social law theory against the natural law theory.¹⁵⁶ He believed that liberal thought depended on an egoist structure, and that it did not deserve any social or moral respect.¹⁵⁷ However, in 1948, in his famous booklet *Cihan Sulhu ve İnsan Hakları*, he presented an altered perspective that defended liberal democracy: "Liberal governments provide individuals with lives and enterprises parallel to human rights, and give them the opportunity breathe freely."¹⁵⁸ After 1952, he changed the political party he belonged to and even after the 1960s, his name was discussed as a presidential candidate among the conservative circles.¹⁵⁹

In the early Republican period, there were liberal economists on the opposition side. Sırrı Bellioğlu was the most significant of these. He was elected deputy of the Liberal Republican Party led by Ali Fethi Okyar in 1931. This party had been established to form an opposition against the "moderate etatist" approach of the Republican People's Party, with Mustafa Kemal Atatürk's encouragement in 1930.

¹⁵³ Zafer Toprak, "Unutulan Kongre: 1948 Türkiye İktisat Kongresi", *İktisat Dergisi*, vol. 211-212, 1982, pp. 37-42.

¹⁵⁴ Didem Gürses, *ibid.*, p. 337.

¹⁵⁵ Aliyar Demirci, "Ali Fuat Başgil", *Modern Türkiye'de Siyasi Düşünce*, vol. 7, İstanbul: İletişim Yayınları, 2012, 282-299, pp. 282-289.

¹⁵⁶ Güven Bakırezer, *ibid.*, p. 143.

¹⁵⁷ *idem.*, p. 151

¹⁵⁸ Aliyar Demirci, *ibid.*, p. 288-292.

¹⁵⁹ Güven Bakırezer, *ibid.*, p. 143.

Although autarchic regimes started to gain strength while political and economic liberalism started to lose their impact around the world, Bellioğlu supported an open-trade policy.¹⁶⁰ He rejected state intervention and state enterprises, as well as agricultural cooperatives attacking the etatist economic ideas of Recep Peker, the Secretary General of the Republican People's Party. Peker was formerly a defender of the etatist approach and claimed that economic problems were caused by ill-advised practices of the etatist approach rather than etatist policies as an entirety.¹⁶¹ However, Bellioğlu believed that the natural laws of economics were universal and constant, and that the state's laws could not alter the effects of these natural laws. The state should only worry about adapting itself. Bellioğlu accused Peker and the government of abusing their powers. Bellioğlu was opposed to the monopolization and nationalization of entrepreneurships and asserted that foreign professionals wanted to adapt the state's economic structure to the world and to eliminate the barriers that private entrepreneurs faced.¹⁶²

Another important name was Ahmet Ağaoğlu. He was a liberal opponent of the Republican People's Party, and a representative of the Liberal Republican Party. In 1933, he was dismissed from his position in the *Darülfünun* Faculty of Law; however, he maintained stance against the Republican People's Party until his death in 1939.¹⁶³ He defended his ideas in newspapers, mostly in *Akın* which was published four months in 1933, and in certain other journals and newspapers such as *Cumhuriyet*, *Türk Yurdu*, and *Bilgi Mecmuası*. He was mainly against the tendency to form an autocratic governmental system. He defended a liberal, democratic system and believed that the state should be the protector of the liberal, social and political spheres.¹⁶⁴ When it comes to his economic thoughts, his liberal ideas kept evolving.

¹⁶⁰ Murat Yılmaz, Hüseyin Sırrı Bellioğlu, *Modern Türkiye'de Siyasi Düşünce*, vol. 7, İstanbul: İletişim Yayınları, 2012, 144-156, pp. 144-146.

¹⁶¹ idem., p. 149.

¹⁶² idem., pp. 148-152.

¹⁶³ Hakkı Uyar, "Ağaoğlu Ahmet'in Liberal Muhalif Gazetesi: Akın (1933)", *Modern Türkiye'de Siyasi Düşünce*, vol. 7, İstanbul: İletişim Yayınları, 2012, 224-231, p. 229.

¹⁶⁴ Simten Coşar, "Ahmet Ağaoğlu", *Modern Türkiye'de Siyasi Düşünce*, vol. 7, İstanbul: İletişim Yayınları, 2012, 236-242, pp. 236-238.

He did not attack etatist or protectionist thoughts directly; however, he claimed that the criticism of etatism was a result of the Republican People's Party's abuse of the concept. He accused the party of making fallacious economic decisions, misusing the country's resources, and causing corruptions by making state benefits available to certain political circles and damaging other entrepreneurs.¹⁶⁵ He was not against etatism; however, he rejected state interventionism in every aspect since it was dangerous in an environment in which individual freedom was not developed enough.¹⁶⁶ Even though Ağaoğlu was neither a protectionist nor an etatist, he also did not identify completely with liberalism because of his belief in a strong government and his corporatist ideas. He appeared to be an eclectic thinker who combined his liberalist, nationalist and democratic ideas.¹⁶⁷

The academic range of economics in the early Republican period extended to the 1930s. In the 1930s, Ömer Celal Sarç returned to Turkey from Germany after receiving an education on statistics and economics. He was later appointed to the *Darülfünun* as İbrahim Fazıl Pelin's assistant, and in 1936, he was appointed as the first dean of the "new" Faculty of Economics. Şükrü Baban was a part of this academic sphere as well. He contributed to the literature especially in the 1940s with his major works *İktisadi Doktrinler* (1943) and *Ekonomi Politikası Dersleri* (1946). Nevertheless, it is not possible to provide adequate information about their economic perspectives because although Sarç and Baban were two important academic figures who assumed crucial roles in the early Republican period, their economic beliefs still need to be enlightened with specific studies.¹⁶⁸

¹⁶⁵ Ahmet İnel, "Türkiye'de Liberalizm Kavramının Soyçizgisi", *Modern Türkiye'de Siyasi Düşünce*, vol. 7, İstanbul: İletişim Yayınları, 2012, 41-74, pp. 60-72.

¹⁶⁶ Sevda Mutlu, 1930'lar Türkiye'sinde Devletçilik Tartışmaları, *Cumhuriyet Üniversitesi İktisadi ve İdari Bilimler Dergisi*, vol. 8, no. 1, 2007, 31-52, pp. 38-39.

¹⁶⁷ Mustafa Erdoğan, *ibid.*, p. 34.

¹⁶⁸ Şükrü Baban had close relations with the Ankara government. He was in politics during the Second Constitutional Period, he wrote for *Tanin* and then wrote for *Tercüman-ı Hakikat*, later becoming the owner and editor of this newspaper for five years, and supported the Independence War and Mustafa Kemal Paşa. He assumed important official positions; for instance, in 1923, he became the Legal Counsel for Sugar and Oil Monopoly, and in 1926, he became the head of Mekteb-i Mülkiye and renewed the regulations of the School. Mustafa

The question of why it took such a long time for Turkey to adapt to modern economic thought has been a specific discussion topic among historians of economic thought. It seems there are three separate but complementary opinions on this topic. Firstly, Sabri Ülgener, Ahmet Güner Sayar, and Diren Çakmak answer this question within the sociological discourse of the polarity of chaos-cosmos. According to them, the evolution of economic thought in the Ottoman Empire could best be described as chaos. They stated that the conflict between tradition and modernity in the Ottoman Empire, id est, the clash of Ottoman economic mentality with Western economic thoughts, was the root of this chaos.¹⁶⁹ On the other hand, the conflict between tradition and modernity may not be a reason and may exist only to create a context in which a reason may be put forth.

Secondly, throughout a hundred years there were only a few thinkers who systematically clarified their economic thoughts and delved deeper into their economic analyses. This was associated with the confusion that almost all intellectuals experienced when faced with the new ideas they met during the modernization process.¹⁷⁰ Nevertheless, Kılınçoğlu preferred the term “pragmatist understanding” rather than “misunderstanding” or “confusion”.¹⁷¹ The limits of pragmatism change from one intellectual to another. However, it seems that the pragmatist approach peaked particularly in intellectual works written during the Tanzimat Era and specifically in works by Ahmet Mithat Efendi. This effort can be seen as an attempt to immediately enlighten people with Western thoughts and to save the Empire. It can also be said that economics was a victim of this general approach. The idea of adapting to modern economic thought was not the product of a social need or interest, or an intellectual phenomenon of philosophical discussion, but rather an outcome of forming

İnce, “A Biography of Hüseyin Şükrü Baban: Diplomat, Academic and Journalist”, *International Journal of Turcologia*, vol. 7, no. 14, 105-112.

¹⁶⁹ Sayar, *Osmanlı İktisat Düşüncesinin Çağdaşlaşması*, pp. 63-108, 397-401, Sabri F. Ülgener, *İktisadî İnhitat Tarihimizin Ahlâk ve Zihniyet Meseleleri*, İstanbul: İsmail Akgün Matbaası, 1951, Çakmak, *ibid.*, pp. 261-268.

¹⁷⁰ *idem.*, pp. 122, 268.

¹⁷¹ Kılınçoğlu, *ibid.*, pp. 1-8.

models out of Western thought. In fact, there was a need to find immediate practical solutions to problems in the Empire.¹⁷²

The 19th and early 20th centuries were the ages of trauma. Traumatic conditions included military failures, Greek revolt and independence, Serbian revolts and nationalistic movements in Balkan lands, unrest due to rising nationalistic flows, the new Bulgarian Principality,¹⁷³ wars with Russia, the War of 1828-1829, the Crimean War in 1853-1856 and the '93 War in 1877-1878 in which Russian soldiers marched to Istanbul fronts, a major loss of land, troubles due to dramatic demographic movements,¹⁷⁴ the rebellion of Kavalalı Mehmet Ali Pasha and marching of Mehmet Ali Pasha to İstanbul fronts,¹⁷⁵ and the Cretan Issue.¹⁷⁶ These led intellectuals to favor practicality and pragmatism, in order to find immediate solutions to these troubles.

In this atmosphere, the opposition to Abdülhamid II favored liberal ideas in their practical discourse and formed the intellectual basis of the idea of a Constitutional Regime.¹⁷⁷ However, the idea of using a constitutional monarchy to renovate the

¹⁷² Zafer Toprak, *Türkiye'de Milli İktisat*, pp. 93-95.

¹⁷³ Bilal Eryılmaz, *Osmanlı Devleti'nde Gayrimüslim Tebaanın Yönetimi*, İstanbul: Risale Basın, 1996, pp. 99-147; Charles Issawi, "The Transformation of the Economic Position of the Millets in the Nineteenth Century", *Christians and Jews in the Ottoman Empire*, ed. Benjamin Braude & Bernard Lewis, New York: Holmes & Meier Publishers, 1982, 261-286; Carter V. Findley, "The Acid Test of Ottomanism: The Acceptance of Non-Muslims in the Late Ottoman Bureaucracy", *Christians and Jews in the Ottoman Empire*, ed. Benjamin Braude & Bernard Lewis, New York: Holmes & Meier Publishers, 1982, pp.339-368; Kemal Karpat, "Millets and Nationality: The Roots of the Incongruity of Nation and State in the Post-Ottoman Era", *Christians and Jews in the Ottoman Empire*, ed. Benjamin Braude & Bernard Lewis, New York: Holmes & Meier Publishers, 1982, 141-170, pp.152-156; Richard Clogg, "The Greek Millet in the Ottoman Empire", *Christians and Jews in the Ottoman Empire*, ed. Benjamin Braude & Bernard Lewis, New York: Holmes & Meier Publishers, 1982, 185-208.

¹⁷⁴ Candan Badem, *The Ottoman Crimean War (1853-1856)*, Leiden: Brill NV, 2010, pp. 335-360, 394-412.

¹⁷⁵ Enver Ziya Karal, *Osmanlı Tarihi*, vol. V, Ankara: Türk Tarih Kurumu, 1983, pp. 130-142.

¹⁷⁶ Theodore George Tatsios, *The Megali Idea and the Greek-Turkish War of 1897: The Impact of the Cretan Problem on Greek Irredentism, 1866-1897*, New York: Columbia University Press, 1984.

¹⁷⁷ The state policies of the Hamidian Era were determined by some priorities like preventing the State from dissolution, determining and running the diplomatic policies from one hand more influentially and practically, realizing modernization in a controlled manner and avoiding the negative effects of the nationalistic movements on the Empire. On the other hand, the closure of the young parliament, the state policy of oppression, abolishment of the

Empire's organic unity did not produce the desired results. The occupation of Crete and Bosnia-Herzegovina, the declaration of Bulgarian independence, Armenian revolts, the 1909 Adana events, the Balkan Wars, and the fall of Edirne created disappointment. The Balkan Wars helped form the idea of building a national economy based on a national bourgeoisie and a nation-state. This ended the liberal approach, since people now thought that liberal individualism could not generate a practical manner to form an organic unity.¹⁷⁸ By this date, leaders of the CUP applied more autocratic enforcements¹⁷⁹ and gradually ended their cooperation with other ethnic communities.¹⁸⁰ World War I created another trauma, which strengthened the basis of

constitution in practice, bankruptcy of the Empire, clampdown on press activities like impositions of censorship and closure, the efforts of the Sublime Porte to turn the press into a means of propaganda, and the policy of deterring intellectuals with punishments like exile provoked a conflict between the center and intellectuals. Abdullah Acehan, Osmanlı Devleti'nin Sürgün Politikası ve Sürgün Yerleri, *Uluslararası Sosyal Araştırmalar Dergisi*, vol.1, no.5, 2008, pp. 12-29; Ahmet İhsan Tokgöz, *ibid.*, pp. 56, 135-137, 246-247; Alpay Kabacalı, *Başlangıçtan Günümüze Türkiye'de Basın Sansürü*, İstanbul: Gazeteciler Cemiyeti Yayınları, 1990; Cevdet Kudret, *Abdülhamid Döneminde Sansür*, İstanbul: Milliyet Yayınları, 1977; Emine Gümüşsoy, "Tanzimattan Sonra Halk Eğitimi İçin Kurulan İki Cemiyet: Cemiyet-i İlmiye-i Osmaniye ve Cemiyet-i Tedrisiye-i İslamiye", *Eskişehir Osmangazi Üniversitesi Sosyal Bilimler Dergisi*, vol. 8, no. 2, p. 180; Hıfzı Topuz, *Türk Basın Tarihi*, İstanbul: Remzi Kitabevi, 2003, pp. 59-63; Sina Akşin, *Jön Türkler ve İttihat ve Terakki*, İstanbul: İmge Yayınevi, 2001, p. 18; İbrahim Temo, "İttihat ve Terakki Cemiyetinin Teşekkülü ve Hıdmat-ı Vataniye ve İnkılab-ı Milliyeye Dair Hatıratım", *Biz İttihatçılar*, ed. Ö. Andaç Uğurlu, İstanbul: Örgün Yayınevi, 2009, pp. 94-95.

¹⁷⁸ Zafer Toprak, *Türkiye'de Milli İktisat*, pp. 39-42, 57, 95.

¹⁷⁹ Tevfik Fikret's poem of "Doksan Beşe Doğru" clarifies this autocratic approach: "Bir devr-i şeamet, yine çiğnendi yeminler, / Çiğnendi, ne yazık, milletin ümmid-i bülendi, / Kanun diye, topraklara sürtündü cebinler, / Kanun diye, kanun diye kanun tepelendi / Bihude figanlar yine, bihude eninler." Tevfik Fikret, "Doksan Beşe Doğru", *Servet-i Fünun Gazetesi*, 26 December 1326, no. 1079. Also see, Ahmet İhsan Tokgöz, *ibid.*, pp. 109-210, 218, 237, 255, 340-341, 385; Liman von Sanders, *Türkiye'de Beş Yıl*, (trans.) Eşref Bengi Özbilen, İstanbul: İş Bankası Kültür Yayınları, 2014, pp. 15, 52; Eric Jan Zürcher, *Turkey: A Modern History*, pp. 103-104; Lütfi Simavi, *Osmanlı Sarayı'nın Son Günleri*, (ed.) Şemsettin Kutlu, İstanbul: Hürriyet Yayınları, 1970, p. 107.

¹⁸⁰ For the dissolution of the cooperation with other ethnic groups, see: Çetiner, pp. 116-119; Arsen Avagan & Gaidz F. Minassian, *Ermeniler ve İttihat ve Terakki: İş Birliğinden Çatışmaya*, İstanbul: Aras Yayıncılık, 2005, pp. 20-37; M. Şükrü Hanioglu, *Bir Siyasal Örgüt Olarak Osmanlı İttihat ve Terakki Cemiyeti ve Jön Türklük (1889-1902)*, vol.1, İstanbul: İletişim Yayınları, 1985, pp. 191-195; Kazım Karabekir, *İttihat ve Terakki Cemiyeti 1896-1909*, İstanbul: Emre Yayınları, 1993, p.170; Stanford Shaw & Ezel Kural Shaw *History of the Ottoman Empire and Modern Turkey: Reform, Revolution, and Republic: The Rise of Modern Turkey 1808-1975*, Cambridge: Cambridge University Press, 1977, p. 268.

nationalistic ideas.¹⁸¹ Moreover, during World War I, war economy completely dominated the economic mode of thought in both Turkey and other parts of the world. The impact of this continued even after the war.¹⁸² These traumas provoked the professionalization and scientification process of Turkish economic thought, which experienced a different existential path from European economic thought.¹⁸³

An additional factor that prevented economics from developing professionally and scientifically can be found within the intellectual discourse of Ottoman and Turkish modernization. The intellectual discussions of the 19th and early 20th centuries did not depend on any systematic intellectual or scientific heritage. Especially in economic thought, nearly once in a decade, each generation recommenced its own

¹⁸¹ Arabian revolt and loss of many lands including holy ones created one of the strongest feelings of disappointment. Its traumatic effects can be seen in, Cemal Paşa, *Hatıralar*, ed. Alpay Kabacalı, İstanbul: Türkiye İş Bankası Kültür Yayınları, 2012, pp. 271-330; Falih Rıfkı Atay, *Zeytinadağı*, İstanbul: Varlık Yayınevi, 1964, pp. 47-48; Niyazi Berkes, *İslamcılık, Ulusçuluk ve Sosyalizm Arap Ülkelerinde Gördüklerim Üzerine Düşünceler*, İstanbul: Bilgi Yayınları, 1975, pp. 14-17.

¹⁸² Zafer Toprak, *Türkiye’de Milli İktisat*, p. 61.

¹⁸³ Nilgün Toker, *ibid.*, pp. 46-47. Moreover, the pragmatist approach noticed in the state ruler’s approach to economics. In his law proposal suggesting the establishment of an independent Faculty of Economics in İstanbul University, Prof. Neumark stated that in order to guarantee the economic development of the state and aid the state in reaching its economic aims, there was a need to train economists who would work in private and local sectors and also in the academy. Thus, it can be deduced that “the scientific focus of establishing a Faculty of Economics was improved under the shadow of the state’s pragmatist manner.” See: T.C. Başbakanlık Devlet Arşivleri Genel Müdürlüğü, 30-10-0-0_142-13-7. It should also be stated that *Mülkiye Mektebi* started to dissect students according to financial, administrative and political sections after the first two years of general education with the new regulation in 1913. It can be comprehended as a key step for professionalism in economics; however, this regulation might be a product of the policy of national bourgeoisie that resulted from the CUP’s disintegration with non-muslim minorities working in active financial positions in state. The closure of *Mülkiye Mektebi* in 1915 set it back, and occupational education in administrative and financial fields started to be offered again in only one year after two years of general education in 1924. However, the education of finance should not be seen as training for economists, it should rather be perceived as an effort to train the prospective state financiers in fundamental financial issues. Furthermore, it can be determined as an important step in creating a sense of need for training economists. See: Ali Çankaya, *Mülkiye Tarihi ve Mülkiyeliler*, vol I, Ankara: Örnek Matbaası, 1954, pp. 92-96, *idem.*, *Yeni Mülkiye Tarihi ve Mülkiyeliler (Mülkiye Şeref Kitabı)*, vol. I, Ankara: Mars Matbaası, 1968, pp. 465- 471; Doğan Çetinkaya, *Osmanlıyı Müslümanlaştırmak: Kitle Siyaseti, Toplumsal Sınıflar, Boykotlar ve Milli İktisat (1909-1914)*, trans. Özgür Bircan, İstanbul: İletişim Yayınları, 2015.

milieu. A traditional intellectual or scientific formation did not exist.¹⁸⁴ The reason behind this lay under the pragmatic approach, since economic thought was not yet a specific discussion area and was used only to complement social and political thought adapted from Western ideas. Until the 1930s, writers were not interested in forming a local economical literature and extending it and focused only on finding practical answers.¹⁸⁵ Creation of a local literature could only be systematized through the establishment of a faculty of economics. This faculty of economics would also make it possible to educate and train the next generation of economists in a systematic way, and establish a discussion between generations.¹⁸⁶

From the 1930s onwards, professional economists appeared to become more dominant in discussions. While unprofessional economists criticized each other, professional economists examined both unprofessionals and themselves.¹⁸⁷ The numbers of professional Turkish economists who had been educated in Europe increased, and started to form a local literature. This does not mean, however, that professional economists were against unprofessional interest in economy. On the contrary, in this period professional economists encouraged those working in different fields such as bureaucracy, politics, diplomacy, or the private sector to engage in

¹⁸⁴ Murat Yılmaz, “Sunuş”, *Modern Türkiye’de Siyasi Düşünce*, vol. 7, İstanbul: İletişim Yayınları, 2012, 13-22, p. 14.

¹⁸⁵ Eyüp Özveren, “İster İstemez Karşılaştırmalı ve Dışa Bağımlı İktisadi Düşünce Tarihimiz: Gözlemler ve Sorunlar”, *Türkiye’de İktisadi Düşünce*, (ed.) M. Erdem Özgür, Alper Duman, Alp Yücel Kaya, İstanbul: İletişim, 2017, pp. 13-48; Çakmak, *ibid.*, pp. 122.

¹⁸⁶ Until the 1920s, the economics course could be taught by unprofessionals except a few professional economists. For instance, Ahmet İhsan Tokgöz, who was not an economist but an entrepreneur, taught economics lessons at *Ticaret Mekteb-i Âlisi* between 1909-1917. Ziyad Ebüzziya, “Ahmet İhsan Tokgöz”, *TDV İslam Ansiklopedisi*, vol. 2, Ankara: TDV Yayınları, 1989, 94-95, p. 95.

¹⁸⁷ In Europe, economics seemed to experience an intellectual stagnation period in the 19th century; however, differently from Turkey, in Europe, this stagnation period happened after the professionalization of economics. The factors – such as the settling of discussions immediately after the scientification of economics, economists remaining uncertain for a while about economic problems that emerged especially in the second half of the 19th century, the occurrence of some faults in economic analysis - brought a decrease in interest in economics. This stagnation lasting half a century continued until the end of the monopoly of classical economic thought: Orhan Kurmuş, *ibid.*, pp. 73-89.

economics.¹⁸⁸ Still, the distinction between “interest” and “professionalization” started to become clearer in this period.

Nevertheless, since the 1930s’ economist generation also dealt with politics and had political interests, political pragmatism maintained its impact on the economic perspectives of 1930s’ economists in a different way. Liberal thought maintained its existence as a tool of political opposition, just as Ağaoğlu and Bellioğlu had used it, and protectionist thought in the form of statist economy became the main argument of those close to the government, just as Başgil and Başar had used it. It is possible to observe a sharp turn in liberalist approaches through the change of the general political atmosphere at the end of the 1940s. Under these conditions, foreign economists who had come to Turkey from Nazi Germany by 1933, such as Neumark, Röpke, Kessler, and Rüstow, attracted attention with their scientific methods. On the other hand, İbrahim Fazıl Pelin also drew attention in this respect since he did not deal with economics. However, it is possible to think that his eclectic economical approach to the relationship between the individual and the state may have been influenced by his period’s general environment. Even so, there is no record that links him with any kind of political interest. Nonetheless, the general interest that the media portrayed in his works and conferences, Reza Shah Pahlavi attending his class during his official visit to Turkey as part of the program prepared by the Turkish government, his role as the Turkish economics representative at the Balkan Conferences, letters of appreciation he received from Mustafa Kemal Atatürk for his work *İktisat* in 1933 (although he rebuked the enforcements of etatism in his this work), and his role as one of the founders of the Turkish Institution of Cooperatives make it plausible that he was valuable in the eyes of the state rulers due to his scientific stance parallel to the claim of a “new and modernized Turkey, enlightened by science.”¹⁸⁹

¹⁸⁸ After the foundation of the Faculty of Economics in İstanbul University, a variety of activities were organized by the Faculty to convey that the knowledge of economics was important for other occupations as well, and to encourage people to deal with economics. Introductory books and plain translations on economics published by the Faculty, as well as public conferences, can be regarded as good examples of these efforts. See the preface of the book; Charles Gide, *Ön Söz, İktisat İlminin İlk Bilgileri*, trans. Osman Horasanlı, İstanbul: Arkadaş Basımevi, 1937.

¹⁸⁹ “Şehinşah Hazretlerinin Ziyaretleri”, *Cumhuriyet Gazetesi*, 2 July 1934: p. 5. Print.; T.C. Cumhurbaşkanlığı Arşivi, Ebiş Sıra No. 01019005, F: 1, Ek: 153.

2. 3. Distinguished Professor İbrahim Fazıl Pelin

Pelin İbrahim Fazıl was one the scientists who continuously followed the developments in modern economics in the 20th century, alongside Cavit Bey and Fethi Bey.¹⁹⁰ He was born in 1886 [1302] in Salonica. His father was Mehmet Tefvik Bey.¹⁹¹ He completed his primary and secondary education at *Feyziye Mektebi* and *Salonica İdadi Mektebi*.¹⁹² He continued his education at *Mülkiye Mektebi*, and after graduating in 1909, received the Ministry of Finance (*Maliye Nezareti*) scholarship to study at *l'École Libre des Sciences Politiques*¹⁹³ in Paris, from which he graduated in 1912.¹⁹⁴ He took lessons from Charles Gidé, who was a famous French economist of the period. Gidé embraced an organic approach in his analogies, associating individuals in a society with cells and organs working in harmony for the good of a body, and defending the organic unity in society. Pelin also took lessons from Gaston Jezé, who was known for his juridical approach in economic thought and his analyses of the ways in which the codes of law in a certain country affected the scientific laws of economics.¹⁹⁵

¹⁹⁰ Akalın, *Atatürk Dönemi Maliye Politikaları*, pp. 15-17.

¹⁹¹ T.C. Başbakanlık Devlet Arşivleri, İstanbul Darüfünun Mekteb-i Mülkiye ve Hukuk Fakültesi 180-9-0-0_87-423-1, 3.

¹⁹² Feyziye Mektebi was established on 14 December 1885 in Salonica establishing a new manner of lecturing (*Usul-i Cedid*) with an opposing characteristic to Abdülhamit II. Mehmet Cavit Bey also was one of the school principals and a teacher of the school. In addition, İbrahim Fazıl Pelin began to learn French here, in primary school. For further information, see: Mert Sandalcı, *Feyz-i Sıbyân'dan Işık'a, Feyziye Mektepleri Tarihi*, İstanbul: Feyziye Mektepleri Vakfı, 2005; for İbrahim Fazıl Pelin, see: T.C. Başbakanlık Devlet Arşivleri, İstanbul Darüfünun Mekteb-i Mülkiye ve Hukuk Fakültesi 180-9-0-0_87-423-1, 3.

¹⁹³ L' École Libre des Sciences Politiques was the origin of one of today's most well-known universities, Sciences Po.

¹⁹⁴ T.C. Başbakanlık Devlet Arşivleri, İstanbul Darüfünun Mekteb-i Mülkiye ve Hukuk Fakültesi 180-9-0-0_87-423-1, 3; Moreover, Şükrü Saracoğlu, Şefik Başman, Hasan Saka, Şekip Tunç, Zeki Mesud Alsan were also the others sent to abroad for education in the same year with İbrahim Fazıl Pelin: Ali Çankaya, *Yeni Mülkiyeliler*, p. 345.

¹⁹⁵ Z. Fahri Fındıkoğlu, "Profesör İbrahim Fazıl Pelin Üzerindeki Fikri Tesirlere Dair", *İstanbul Üniversitesi Hukuk Fakültesi Mecmuası*, vol. 11, no. 1-2, 1945, 10-22.

When Pelin returned to his country, he started his academic career as Mustafa Nail Bey's research assistant¹⁹⁶ at *Mülkiye Mektebi*, on 16 February 1912 [1328]. Pelin stated that he was also influenced by Mustafa Nail Bey's success in establishing historical connections with current economic issues.¹⁹⁷ After that, until *Mülkiye Mektebi* moved to Ankara in 1936, he gave various lectures on topics such as finance, economics, loans, budgeting, and agricultural economics at *Mülkiye Mektebi* (*the School of Civil Service*), the *Darülfünun* Law Faculty, *Âli Ticaret Mektebi* (Sublime Commerce School) and Galatasaray High School. In this perspective, his academic scope was extensive, and it seems that he had means to receive extra income.¹⁹⁸ After his permanent position at *Mülkiye Mektebi* ended in 1925 [1340], he was appointed the professor of Economics, Agricultural Economics and Socio-Economics at the *Darülfünun* Law Faculty (*Darülfünun Hukuk Medresesi İktisat ve İktisat-ı Zira'î ve İctima'î müderrisliği*).¹⁹⁹ In 1936, when economics (*İktisat ve İctimaiyat Enstitüsü*) was separated from the Faculty of Law to become the Faculty of Economics, Pelin became one of the founders of this faculty and the founder of the Chair of Finance.²⁰⁰ When

¹⁹⁶ “*Muallim Muavinliği*” in Turkish.

¹⁹⁷ *ibid.*

¹⁹⁸ T.C. Başbakanlık Devlet Arşivleri, İstanbul Darülfünun Mekteb-i Mülkiye ve Hukuk Fakültesi 180-9-0-0_87-423-1, 2, 3.

¹⁹⁹ For the copy of his appointment by *Maarif Vekili*, *Baş Vekil* and *Reis-i Cumhur*, see: T.C. Başbakanlık Devlet Arşivleri, 30-11-1-0_5-13-8_İÜ.

²⁰⁰ Other founders: Şükrü Baban, Neumark, Röpke, Kessler, Rüstow, Ömer Celal Sarc. Suggested courses and their hours: In the first year of undergraduate programme, one hour in a week the History of Turkish Law (Türk Hukuku Tarihi), three hours the History of Common Law (Umumi Hukuk Tarihi) and “Introduction”, six hours Civil Law (Medeni Hukuk), four hours Constitutional Law (Esasiye Hukuku), three hours the Theory of Public Economics (Umumi İktisat Teorisi), two hours Business Management Economics (İşletme İktisadi İlmi), one hour the Structure of Turkish Economics (Türk İktisadının Bünyesi); for second year/first semester, five hours a week Civil Law (Medeni Hukuk), four hours Administrative Law (İdare Hukuku), three hours the Politics of Economics (İktisat Siyasası), two hours Business Management Economics (İşletme İktisadi İlmi), two hours Sociology (Sosyoloji), two hours Special Economics (Hususi / İktisat Dersleri); third year, two hours the Economic and Financial Issues of States' Public Law (Devletler Umumi Hukukunun Ekonomik ve Finansal Meseleleri), one hour Common Law (Medeni Hukuk), four hour Finance (Maliye), two hours Statistics, two hours Business Management Economics (İşletme İktisadi İlmi), two hours the History of Economics and Social History, four hours Special Economics (Hususi / İktisat Dersleri) and two hours the Politics of Economics (İktisat Siyasası); fourth year, in six weeks, six hours the Law of Commerce (Ticaret Hukuku), three hours Public Law (Amme Hukuku), two hours the History of Doctrines (Doktrin Tarihi), two hours Economic Geography (İktisadi

the Faculty of Economics was founded, economic thought that had started to spread during the first half of the 19th century finally gained a separate scientific identity, which increased the scientific productivity of economics in Turkey.²⁰¹ Furthermore, İbrahim Fazıl Pelin was among the founders of the Turkish Cooperation Institution established in 20 May 1931, and a representative at the Balkan Conferences.²⁰² He married Fatine Hanım in 1919, and had no children.²⁰³ He died on 24 December 1944, at the age of 58.²⁰⁴

İbrahim Fazıl Pelin's first books were *Maliye Notları* (1913 [1329]), *İlm-i İktisat Dersleri* (1914 [1330], four volumes) and *Bütçe* (1916 [1332]). In 1921 he published *Amelî Usûl-i Muhâsebe-i Zirâ'iyye ve Çiftlik Muhasebesi*, and during the Republican Era he conducted studies. In 1924 [1341], he published *Muhtasâr İktisad-ı Zirâ'î* and *İstikrazât-ı Âmme*; in 1926, *İktisadiyat = Serbest Mıntika*, and *İktisadiyat: Bankacılığımızda Tekamül ve Emlak ve Eytam Bankası*; in 1927, *İktisat = Serbest Mıntika II: Transiyet Ticaretinde İstanbul'un Vaziyeti, Mahalli İdareler Maliyesi, İlm-i Mali* and *Kevanin-i Maliye*, and *İktisat*; in 1928, *İlm-i Maliden İrad-ı Umumi Vergileri, İstikrazat*; in 1929, *İktisadi Zirai*; in 1931, *Rapport sur l'union monetaire Balkanique*; in 1933, the second volume of *İktisat*; in 1934, *Maliye İlmi*; in 1937, *Finans İlmi ve Finansal Kanunlar*; in 1939, a revised version of *Bütçe* under the name *Bütçe Notu, Erazi Terk ve İlhakında Devlet Borçları* and *Lozan'da Osmanlı*

Coğrafya), two hours Business Management Economics (İşletme İktisadi İlmi), one hour National Economy and Public Law and two hours hours Special Economics (Hususi / İktisat Dersleri). See: T.C. Başbakanlık Devlet Arşivleri, 30-10-0-0_142-12-7, pp. 5, 9-10.

²⁰¹ This was the first time in Turkey where, with the establishment of a separate Faculty of Economics, there was a chance to raise economists. Moreover, it can be assumed that German professors who had come and settled in Turkey also contributed to the change in the perception of economics in Turkey. T.C. Başbakanlık Devlet Arşivleri, 30-10-0-0_142-12-7, 1-16.

²⁰² No Author, "Ord. Prof. İbrahim Fazıl Pelin (1886-1944)", *Karınca Dergisi*, vol. 425, 1972, p. 19.

²⁰³ T.C. Başbakanlık Devlet Arşivleri, İstanbul Darülfünun Mekteb-i Mülkiye ve Hukuk Fakültesi 180-9-0-0_87-423-1, 2,3; Ömer Celal Sarc, "Fazıl Pelin'in Tabutu Başında", *Ordinaryüs Profesör İbrahim Fazıl Pelin'in Hatırasına Armağan*, İstanbul: İsmail Akgün Matbaası, 1948, pp. II, III.

²⁰⁴ Ali Fuat Başgil, "Fazıl Pelin'e Veda", *Ordinaryüs Profesör İbrahim Fazıl Pelin'in Hatırasına Armağan*, İstanbul: İsmail Akgün Matbaası, 1948, pp. IV, V.

Borçlarının Taksimi; in 1944, *Finans İlmî: Bütçe*. In 1933, he indicated his original works as *Bütçe* (1916) and *İktisat* [1927].²⁰⁵ *Finans İlmî* and *Finansal Kanunlar* (1937) can also be included this list. He was very productive during his lifespan, between the years of 1886-1944.

Pelin was not directly interested in politics and did not support the period's orthodox political approach in his economic thought. It is also significant that he defined his economic thought as realistic and eclectic in his book *İktisat* (1927).²⁰⁶ His knowledge of economics was more than an interest; economics was his occupational field with its own research techniques and methods. He defended that there should be a reconciliation between protectionist thought employed by the government, and liberal thought embraced by the opponents. He was interested in economics as a scientific discipline and believed that the problem behind scientific productivity in Turkish economics was the deficiency of economic data, and the lack of research on Turkish economic geography, history of economics, and monography.²⁰⁷ Hence, he felt historical research and data collections were particularly important. He demonstrated broad knowledge of Western economic literature. He paid attention to the economic conditions in his country and in the world since his economic method was based on sociological context and he believed that the universal laws of economics brought different results under different sociological determinants. His approach and detections become more distinctive under the influence of the next generation's interest areas. He could have had impact on determining the interest areas of Ömer Lütfi Barkan, who studied the history of economics, and Sabri Ülgener, who studied economic mentality. Moreover, Turhan Feyzioğlu was also a follower of Pelin's approach. After Pelin's death, Feyzioğlu continued to reference Pelin's works in his studies.²⁰⁸

²⁰⁵ T.C. Başbakanlık Devlet Arşivleri, İstanbul Darülfünun Mekteb-i Mülkiye ve Hukuk Fakültesi 180-9-0-0_87-423-1, 2, 3.

²⁰⁶ İbrahim Fazıl Pelin, *İktisat*, pp. 1-2.

²⁰⁷ idem.

²⁰⁸ For instance, it is possible to discern the main arguments of Jézé and Seligman, transmitted to the local literature by Pelin and also many references to Pelin's different books and articles

CHAPTER III

İbrahim Fazıl Pelin and Economics

3.1. İbrahim Fazıl Pelin's Definition of Economics

İbrahim Fazıl Pelin asserted that economics was a social science. He defined “social sciences” as sciences analyzing the connections and relations between people. He defined economics as a science that examined the relationships between people as they met their needs.²⁰⁹ According to Pelin, there could not be strict distinctions between different areas of social sciences. Law, morality, economics, religion and other similar social disciplines observed the society through different perspectives, and often benefitted from each other's results. He pointed out that the boundaries between law, morality and economics must have been particularly transitional.²¹⁰

Unlike Auguste Comte's creed, however, Pelin believed that all social disciplines could not collectively be accounted for under the name “sociology”.²¹¹ He only found it beneficial to draw attention to the interaction among these disciplines. For Pelin, it was impossible for a single person to become a professional in all fields. Therefore, one could only attain a systematic analysis of society if one conducted specific investigations on different disciplines. Overall, economics as social science was a discipline exploring the relationships among people as they met each other's

in Feyzioğlu's article, *Milletlerarası Vergi Mükerrerliği ve Bunu Önleme Çareleri*, Feyzioğlu, ibid.

²⁰⁹ “Münasebet-i beşeriye hayr u şer, yani has vazife, nokta-i nazarından tedkik edildiği zaman ilm-i ahlak, hak u ‘adl ve temin-i adalet nokta-i nazarından tedkik edildiği zaman ilm-i hukuk, lisan veya din nokta-i nazarlarından tedkik edilince ilm-i lisan veya ilm-i edyan gibi ilimler vücuda gelir. Bunlar gibi yine münasebet-i beşeriye tasviye-i ihtiyaç nokta-i nazarından tedkik edilecek olursa iktisat husule gelir.”; İbrahim Fazıl Pelin, *İktisat*, p. 7.

²¹⁰ idem., pp. 7-8.

²¹¹ idem.

3.2. The Scope of Economics

İbrahim Fazıl Pelin divided economics into two fundamental concepts: wealth and service. He believed that people did not act only due to material needs. In order to meet their material needs people needed wealth, and they demanded health, education, legal and cultural services.²¹² Economics did not examine these properties and services per se, but rather looked into people's moods and thoughts as they met these needs.²¹³ To study this relationship, Pelin chose to investigate the history of economics and analyze economic relations throughout history.

He commenced his account on the history of economics in prehistoric times, or in his own words, the "*pre-economic period.*" In this period, the need for wealth was met simply by gathering. This was the initial way to create wealth, and the first emergence of a *production of wealth [production de la richesse]*. Then, with population growth and the expansion of needs, economics advanced to another stage: the stage of production. At this stage people partially began to produce their own needs, and labor became an important factor in gaining wealth. In order to produce, people needed tools of production that they would later develop. This was the emergence of *the means of production*. As the means of production improved, there started to develop a formation of capital. Depending on the formation of capital, a *capitalist class* that monopolized the means of production was created. Subsequently, there was a need for establishing control over *the relations of production*. This was the relationship between the two agents of production, labor and capital. Thus, production eventually became more complicated.²¹⁴

Pelin stated that there was also *a division of labor and occupation* in ancient times, since people were not capable of meeting all of their needs on their own. During the exchange period, people procured their needs by trading their surplus-production, which eventually formed the division of labor. Geography was also a determining factor in the division of labor. Since not everyone could find everything naturally,

²¹² idem., p. 9.

²¹³ idem., p. 9.

²¹⁴ idem., p. 10.

people were forced to form a division of labor among themselves. Moreover, the division of labor shaped *the circulation of wealth* [*circulation of richesse*] depending on the cycle of wealth and services such as the mercantile class, banks, nominal instruments, commerce vehicles, and transportation vehicles. İbrahim Fazıl Bey inferred that the means of production had become much more complicated than the production of wealth.²¹⁵

İbrahim Fazıl Pelin discussed the *repartitions of wealth* (*repartition de la richesse*) as another component of the economic process. He underlined that production was a process that the laborer, the capitalist, the landowner and the entrepreneur all participated in. He divided these groups into two main units: worker (*erbab-ı mesai*) and capitalist. In different historical periods, these two classes had also formed other social classes. The increase in the number of classes changed the division of produced goods (*semere-yi istihsal*) and created new social and economical relations between classes. This change in the division of goods also led different concepts such as property, interest, price, and profit emerging in different periods. Throughout different periods, the state participated in this division in various ways and took its share from the distribution of wealth, in order to meet social and common needs. In this way, the term “parts of wealth” includes other ingredients of economic production such as wealth circulation, production of wealth, and division of labor as well.²¹⁶ İbrahim Fazıl Pelin expressed that these processes of production depended on the natural laws of economics.²¹⁷ This approach seemed to confirm that he leaned towards historical materialism.

Finally, he examined the *consumption of wealth* or the *compensation of needs* [*consommation de la richesse*]. In the first periods of humanity, people embraced the mentality of “*yevm-i cedid rizk-ı cedid*” (new day, new income). However, as societies improved and the social structure became more complicated, consumption also became more complex. There emerged a discussion on the incomes of unproductive

²¹⁵ This can be associated with “*relations of production*” again; idem., p. 10-11.

²¹⁶ “*Mode of production*”; idem., pp. 11-12.

²¹⁷ idem., p. 11-12.

classes, and societies formed institutions for prospective needs such as saving, reserve and insurance. Thus, the field of consumption also advanced.²¹⁸

İbrahim Fazıl Pelin presented the economical idea of interest in his narration of economic history. Consequently, he asserted that all the economic issues could be analyzed under these four headings: *production of wealth, circulation of wealth, repartitions of wealth* and *consumption of wealth*.²¹⁹ His approach can be seen as a factor that strengthened his attitude towards heterodox economic thoughts, and more specifically, towards historical materialism in the timeline of economic relations.

His definition of economics can be associated with both the classical school of economics, since he asserted that all economic processes had natural laws, and with the historical school of economic thought, because he described people's moods and thoughts as agents that shaped economic activities and believed that the state played a crucial role in economics.²²⁰ This approach was also the first sign that Pelin tended to lean towards heterodox economic thought. At that point, historical perspective can be compared with historical materialism. On the other hand, it is also important to note that İbrahim Fazıl Bey could not have been directly influenced by the narration of historical materialism but perhaps through French literature and French historicism.

Similarities between İbrahim Fazıl Pelin's thoughts and the concepts of historical materialism do not prove that Pelin was a pure materialist. He stated that in the political structure of his time, the poor and crowded masses of society were much closer to governmental powers.²²¹ However, his aim was not to portray a certainty but rather a possibility. He was not suggesting a socialist structure. It is salient that he related to some historical and socio-economic concepts of historical materialism, yet his economic, social and historical perspectives reflected his search for a common ground between orthodox schools of economic thought of his time. As examined in

²¹⁸ idem., p. 12.

²¹⁹ idem.

²²⁰ idem., pp. 11-12; İbrahim Fazıl Pelin, *İktisat*, vol. 2, İstanbul: Arkadaş Matbaası, 1933, p.202; idem, *Finans İlmî ve Finansal Kanunlar*, İstanbul: Bozkurt Basımevi, 1937, p.71.

²²¹ idem., *İktisat*, vol. 2, pp. 206.

the next chapter, according to Pelin, economic incidents and formations can be explained only by using both sociological analyses and natural laws.²²²

Pelin believed that in economics, some scientific laws had universal validity while some of them changed according to their region, customs, culture or geography. In addition, general laws could not explain everything. People's moods, thoughts and stances also had to be taken into account to answer how and why a certain thing happened. These were sociological laws. According to Pelin, this aspect could not be fully predicted because relations among people had complicated structures. In this perspective, Pelin was distanced from classical, protectionist and socialist thoughts and he stated that this was due to his "eclectic" approach. He was an economist who was aware of the scientific criticism on classical economic thought in his period. Moreover, the conditions of this period did not fully allow pure liberalist thoughts since protectionism had been gaining popularity throughout the world due to the lack of trust between states after World War I.

3.3. The Idea of "Law" in Economics

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The Relationship Between Economics and Natural and Social Sciences

3.3.1. Economics in the Sphere of Natural and Social Sciences

İbrahim Fazıl Pelin stated that economics and sociological sciences had general laws. These laws emerged among physiocrats and advanced among the supporters of liberal economic thought; however, liberalists carried them to an extreme point by stating that these general laws could explain everything and that they were the same everywhere. In the 19th century, the German Historical School of Economics stood against this idea completely and asserted that there were no laws in economics: Each nation had different economic codes and benefits that could only be discovered

²²² idem, *İktisat*, pp. 14-32.

through historical analysis. İbrahim Fazıl thought that these statements were another type of extremism.²²³

İbrahim Fazıl Pelin declared that normative and positive approaches to economics should not be integrated with other research areas but that they should be used in sequence. For instance, economic laws should not be handled in normative bases. He believed that laws and regulations enforced to provide peace and happiness in a society brought normative purpose. Yet, natural laws operated themselves by disregarding societal virtues or losses. He also noted that if general laws helped predict an unwanted situation, it would be possible to interfere in the situation and to spend effort on changing the forthcoming negative results in a positive manner.²²⁴

According to Pelin, natural laws could not be appraised as laws that governed life. They simply identified connections between certain incidents and explained cause and effect relationships. Natural laws did not produce outcomes independent from people's will. On the contrary, these natural laws arose out of people's decisions and actions. Hence, the laws of economics produced outcomes only when people acted in a certain manner based on cause and effect relationships. Essentially, social sciences helped create general frame identifying how people would act under some circumstances.

İbrahim Fazıl Pelin, however, conveyed that the same incident under different conditions, times and places bore different results. According to him, in order to understand the results of natural laws in a specific country, society, time or place, one had to consider these special conditions first. Therefore, he was opposed to the idea of any specific induction or deduction. According to him, these two methods had to be used together in an economic methodology. He stated that there could be exceptions to the laws and assumptions of social sciences since social sciences used the induction method. However, he thought this difference did not lead people to believe in the laws of social science separate from the laws of natural science. Furthermore, exceptions could be seen in natural sciences as much as they could be seen in economics. There

²²³ *idem.*, pp. 13-14.

²²⁴ *idem.*, p. 14.

could be a factor that interfered with the effects of a general law and changed its result.

On this matter, Pelin said:

“A plane flying is not an exception to the law of gravity; however, it may signify that the effect of the law of gravity is demolished by a stronger force. Moreover, in economics it is a general law that a decrease in prices creates a rise in demand. On the other hand, sometimes a decrease in the price of a product may also result in a decrease in demand. For example, if the diamond were abundant like glass, although there would have been a decrease in its prices, there would also have been a decrease in its demand. In this case, the law of supply and demand could be affected by a stronger force, the law of luxury.”²²⁵

According to İbrahim Fazıl, there was no difference between the validity of natural laws and the validity of sociological laws. He emphasized that when circumstances falsified the presumptions created by economic laws, instead of labeling economic laws erroneous, one should rather realize the difficulties in examining and identifying sociological incidents or the misleading interpretations of economists in sociological or economic terms.²²⁶ He added that some scientific laws were hard to interfere with while others were not. However, if people understood the nature of economics correctly, they could influence its natural laws and shape its nature according to their own needs, as in the example of making diamond from coal. In this regard, he argued that some aspects of economics could be explained with natural laws, but that these explanations would have to be based on sociological notions.

Pelin drew attention to the difference between natural sciences and economics by describing how economics existed in a sociological context, which could either be a complementary basis to natural laws, or a power that could alter the effects of these laws. He defined the basis of sociological laws as the emotional and intellectual

²²⁵ “Bir teyyarenin uçması cazibe kanununa bir istisna teşkil etmez. Belki cazibe kanunundan azam bir kuvvetin cazibe kanununun tesirini imha ettiğini ifade eder. Bunun gibi fiyatların tenzilin talebi tezyid etmesi bir kanun-ı umumidir. Fakat istisnaen bazı kere bir malın fiyatının tenzili halinde de talebin düşmesi vakı olabilir. Mesela elmas cam derecesinde mebzul olsa fiyatının tenziline rağmen talebi de düşebilir. Fakat bu takdirde arz ve talep kanunu kendisinden daha kuvvetli icra-yı tesir etmiş olan ziyet kanununa mağlup olmuş demektir.”; idem., p. 17.

²²⁶ idem., p. 16.

structures in which people lived.²²⁷ These sociological laws could exist in different forms at different times and places. Moreover, they were affected by many factors such as the environment that people lived in, morality, habits, and social norms. Thus, sociological laws depended on a much more complicated structure than natural laws. Since not all of the correlations between these sociological determinants could be examined, they could fail to bring the clear and precise results that natural laws did.²²⁸

According to Pelin, economics used sociological laws to examine the economic relations among people. In this case, one of the most important conditions that utilized economic activities was the political unity of the people. Otherwise, individuals and their separate interests would eventually destroy one another to be able to meet their own needs. In such a situation, incidents did not occur in any given order. This was why the “human” factor in economic analyses was not taken into consideration as a separate entity but rather as a political unity. In short, economic laws were also based on the emotional and intellectual interactions between people.²²⁹

Although Pelin used the term “law” to define both natural sciences and social sciences, he also indicated that it assumed different structures in both sciences. This may mean that he was not confused about the term itself. Regardless, his idea of law contains both certainty and possibility. His use of the term “law” can be associated with the positivist thought dominating the period.²³⁰ Yet, since he assigned a transparent meaning to the idea of “scientific law” while explaining its structure in social sciences, it is possible to assume he stood closer to normative economics. Perhaps the reason why Pelin chose to use the idea of law to draw a line between

²²⁷ The exact statement is “*insanların halet-i ruhiye ve fikriyeleri*”. This expression can be associated with the term of “*human motivation*” when the unity of his thoughts is considered. *idem.*, pp. 16-17.

²²⁸ *idem.*, p. 32.

²²⁹ *idem.*, p. 18.

²³⁰ In John Tosh’s work, his historical approach in his economic analyses appear parallel to the definition of the positivist methodology in historiography to a certain degree: “The historian’s first duty is to accumulate factual knowledge about past facts that are verified by applying critical method to primary sources. Those facts will in turn determine how the past should be explained or interpreted. (...) their [positivists’] sole concern is with the facts and the generalizations to which they logically lead.” John Tosh, *The Pursuit of History*, London: Pearson Education Limited, 2006, p. 176.

natural and social sciences instead of discussing the difference between the discipline and the science, was because a discussion of science or discipline did not yet exist in his period's literature. Therefore, it is also notable that such discussion can be seen in his work.

3.3.2. The Relationship of Economics with Ethics, and Interest

İbrahim Fazıl Pelin identified a link between ethics and economics through the concept of interest. He responded to criticism about the non-ethicality of economical thought and about ideas he defined through this relationship. According to Pelin, economic actions did not rely on a sense of individual interest independent from ethical conditions. The fundamental concepts of ethics could be classified as the determining factors of people's economical actions. Thus, economics and ethics were not contrary but complementary to each other. He stated that individual interest could not stand against the ethical principles of economics because economics was also grounded on ethical principles. It is true that there was an emphasis on the role of the individual interest principle on economics, but this was not contradictory to the sense of duty in ethics. This principle did not generate from the sense of duty or public interest.²³¹

Economics is also science investigating ways to increase wealth, but this does not mean that economics disregards the development of poverty. İbrahim Fazıl Pelin noted that fighting against poverty was one of the fundamental concerns of economics. However, he also believed that giving money to the less fortunate did not produce an economic solution against poverty, since it proposed no perpetual answer to the problem.²³²

He disagreed with liberal thinkers who supported the idea that the free trade policy favored other countries over their state's interests. Although İbrahim Fazıl Pelin believed that capitalist liberalist argument had some essential weaknesses, treason was

²³¹ *idem.*, p. 19.

²³² *idem.*

not one of these since liberal thinkers believed that the level of welfare would increase if interventionist policies left their place to free trade policies.²³³

Pelin thought that accusing economics with not being ethical was only possible if one agreed with the thoughts of Lycurgus of Sparta: Poverty was happiness and wealth prevented people from reaching the path of charity and goodness. İbrahim Fazıl emphasized that wealth did not mean everything in economics, and that it was only a means for reaching nobler ethical pursuits. In this regard, ethics penetrated into economic thought and fundamentally shaped it.

Since economics and ethics were different fields using similar concepts, however, they could also reach different conclusions. Furthermore, economics could produce non-ethical results. In any case, as a science, economics would have to propound the truth it reached. According to Pelin, revealing the truth did not necessarily mean having to utilize it. While reaching prospective decisions, it was also important to recognize what to sacrifice if economics adumbrated results that conflicted with ethics or other fields. Thus, these claims did not mean economics was unethical. The prerequisite for making ethical improvements was attaining the adequate amount of wealth with which people in a society could meet their needs. Only after they got rid of the pressure brought by financial difficulties, would states be able to pay the salaries of scientists, artists and philosophers who did not engage in production but increased the ethical levels of the society. Therefore, individual interest did not emerge vis-à-vis public interest and public morality. Essentially, there were no major conflicts between economics and ethics. On the contrary, they complemented each other.

When the link that Pelin constructed between ethics and economics is considered, his effort to justify economics just as he had done with ethics, can clearly be observed in his book published in 1927. This effort might be rooted in the difficulty with which society accepted economics. The society seemed to be prejudiced against economics in this period, which was why Pelin tried to validate economics in the eyes of people. In İbrahim Fazıl Pelin's thoughts, the previous generation's effort to

²³³ idem., p. 20.

validate economics by integrating into an Islamic perspective might have left its place to ethics, which carried a more universal meaning.²³⁴

The endeavor to define the relationship between economics and ethics could have originated from discussions lingering since the late period of the Ottoman Empire and the Early Republican Era. The interventionist school gaining power under Ahmet Mithat Efendi in the Abdülhamit II period, legitimized itself through the claim that classical economics was “unethical”. Interventionists claimed that the free trade policy sacrificed the interests of the Ottoman Empire for the sake of more developed states.²³⁵ This was not a weak argument at the time. Although Mehmet Cavit Bey, a strict follower of capitalist liberalism in economics, was active in the Committee of Union and Progress, many young Unionists tended to favor protectionist ideas due to their patriotism.²³⁶ In the light of these considerations, the prejudice towards economics in this period may have been rooted in people’s lifestyles and in intellectual critics of classical economics in the late Ottoman Era. Even though his own thoughts did not concur to the exact same perspective of classical economists, his defending them could have been an attempt to change the economic mentality of the intellectual sphere.

²³⁴ For the Islamic perspective, see: Ahmet Mithat, *Menfa*, pp. 64-66; One of the contemporaries of İbrahim Fazıl Pelin, Ahmet İhsan Tokgöz, mentioned the unethicalness as a part of the opposition against to the economics thought and he searched for the underlying factors of the opposition in the traditional lifestyle, in other words, Islamic lifestyle of the society. See: Tokgöz, pp. 28, 75, 302-303.

²³⁵ Ahmet Mithat Efendi, *Menfa*, p. 67.

²³⁶ Mehmet Cavit Bey’s active position in the Committee of Union and Progress can be explained with the fact that there was no other suitable candidate for this position in the CUP. Since the leading cadre of the CUP was inexperienced in state affairs in many state positions, one of their common policies was to give the positions that needed experience or technical knowledge to others who were more qualified, even if their political thoughts were not parallel to the thoughts of the leading group. Said Halim Paşa was a good example to this policy. Because there was no one who had sufficient experience to conduct the grand viziership, the CUP needed to be collaborate with him. Moreover, it seems that the lack of a more experienced thinker closer to the leading cadre of the CUP was an underlying factor in Mehmet Cavit taking his seat as the Minister of Finance although he was not satisfied with the dominance of the protectionist mentality in the CUP. Also see: Tevfik Çavdar, *Türkiye’de Liberalizm (1860-1990)*, İmge Kitabevi, Ankara, 1992, pp. 61-62.

3.3.3. The Relationship between the Economics and the Science of Law

According to İbrahim Fazıl Pelin, the science of law was completely connected to the science of economics because in order to accurately convey the behavioral frames of society, implemented laws would have to be based on a necessary knowledge of ethics, politics, sociology, and economics.²³⁷ Economics was connected to the science of law, since certain economic definitions were regulated by laws. Therefore, an economist also had to have a basic knowledge of law, follow legal regulations and examinations, and interpret them correctly.²³⁸

Pelin stated that civil law defined economical wealth with its definition of assets. For instance, economic concepts such as seisin, saving, leasing, and mortgage were shaped by civil law. Furthermore, many economic fields were specifically shaped by legislation laws such as commercial law and insurance law. In addition, public law was under the effect of economics. İbrahim Fazıl pointed that socio-political classes formed in the 19th and 20th centuries were especially shaped under the effect of economics, by economic interests. The party in power used its strength for its own benefits or its kinsmen's, and examined others' benefits only comparatively with his own. Thus, people who regulated the public forces must have had a good knowledge of economics.²³⁹

Fazıl Pelin expressed that even international laws were mainly based on the basic principles of economics. International friendship, hostility, peace and war relied on economic issues. International competition was conducted in economic fields in addition to the political field. All in all, for İbrahim Fazıl, economics was a source of the science of law. It was the responsibility of the science of law to examine economics correctly and to detect its deficiencies and fill its gaps. Economics had to have been considered and apprehended correctly in juridical regulations, since they formed the

²³⁷ İbrahim Fazıl Pelin, *İktisat*, p. 21.

²³⁸ With the foundation of the Faculty of Economics, the courses offered to undergraduates were approximately one-half law.; T.C. Başbakanlık Devlet Arşivleri, 30-10-0-0_142-12-7, pp. 5, 9-10; see the footnote 125 on page 36 in this study.

²³⁹ “*Kuvâ-yı ammenin tensîkiyle iştigâl eden kimseler, iktisadiyat mesailine, bütün mesail-i siyasiye ve ictimaiyeden ziyade hasr-ı nazar etmek mecburiyetindedirler.*”: İbrahim Fazıl Pelin, *İktisat*, p. 21.

economic structure in a country. Economics and the law formed an inseparable whole.²⁴⁰

Some of his features, such as giving a crucial role to law that helped form local economic laws and giving a supervisory role to ethics in the making of economics, enable us to see the first traces of an institutionalist approach on İbrahim Fazıl Pelin's thoughts. It should be reminded, however, that the period in which İbrahim Fazıl Pelin stated his opinions was rather early for the institutionalist approach but he can be regarded among the first economists who carried traces of this approach in Turkey. As the first traces of institutionalist thought appeared in the economic thoughts and sociological claims of Schmoller, who belonged to the German Historical School of economics, one can only assume that the institutionalist approach harboured in Pelin's intellectual thoughts.²⁴¹ His pursuit of a "middle ground" between classical and historical schools of economics might have allowed him to present an approach similar to the institutionalist understanding of law and ethics. These traces can be found in İbrahim Fazıl Pelin's economic method.

3.3.4. Scientific Method in Economics

According to İbrahim Fazıl Pelin, in order to theorize and set principles,

1. First, the incidents were examined,
2. Then, deductions made by reasoning and examinations of the incidents were evaluated together,
3. The result after the first two processes was tested on the situation.

In other words, he used the induction and deduction methods together and tested the results.²⁴² For İbrahim Fazıl Pelin, the method of induction could be applied

²⁴⁰ idem., p. 22.

²⁴¹ Bernard Chavance, *Institutional Economics*, New York: Routledge, 2009, p. 4.

²⁴² İbrahim Fazıl Pelin, *İktisat*, pp. 23, 35-36.

to economics in three ways: the direct examination of specific events, statistical analyses, and historical researches.

For Ibrahim Pelin, direct examination was a beneficial method in uncovering the real significance of an event and catching tiny details that made it easier to understand how the event happened. However, he stated that this method might lead to some problems. It was risky to extend the content from seen to unseen. In other words, the problem was the meaning. The “meaning” of an intermediary who transmitted the event, could be involved in the content of the event, and removed from the distinct borders that the experiencer had drawn for this specific event. This meant that the “experience” differed from one person to another. While natural laws subtracted from natural events contained a universal meaning, direct experiences could vary from people to people, locality to locality and social environment to social environment. Therefore, an “experience” of sociological events was far from the exact and definite result of an “experiment” in natural events. This method could only inform people about possibilities.²⁴³

The second method was statistics. According to Pelin, numeric data had a significant place in economics. This data revealed what was available and economics benefitted from the inferences of this data. These numeric data were also substantial for politics. In order to have decent policies, current situation had to be examined well.²⁴⁴ Without statistical datasets on products, animals, population and occupational groups in a country, realistic policies could not be enforced.²⁴⁵ Yet, İbrahim Fazıl Bey warned people about the abuse of statistical data. Random mistakes or abuses that happened while gathering statistical data, caused erroneous inductions. Firstly, statistical data contained assumptions. For example, when agricultural statistics were being gathered, regional directors or members of the commission who were recoding the data, entered information through the second-hand material they obtained. These numbers were sometimes randomly written, and never controlled. Therefore, statistical data had to be compared with previous years’ data continually in order to detect these

²⁴³ idem., p. 24.

²⁴⁴ idem., p. 25; idem., “Nüfus Siyaseti”, p. 4.

²⁴⁵ idem., p. 4; idem., *İktisat*, p. 26.

mistakes. İbrahim Fazıl believed that even this comparison might not be enough to reveal the incorrect data. Another method of control had to be the comparison of data presented by different interest groups. For example, the data on wages or occupational accidents shared by the labor union and the employer's union should be compared if possible: If they were comparable to each other, it would show a certain consistency; however, if they were clearly different from one another, it would mean that only average information had been gathered.²⁴⁶

Moreover, statistical data could contain some leakages, such as in taxes. It is possible to encounter certain abuses of people due to financial obligations they assumed they would be charged with during the gathering of numeric information. Furthermore, producing information by comparing the statistical data of different countries did not always provide a true analysis. For instance, numerical differences between the freight rates of two different countries could at first be explained with differences between the price schedules of these countries; however, the numerical difference in the amount of freight could also be rooted in a fiscal crisis in the country that had a lower freight rate. Thus, he stated that statistics alone was a weak method for economics.²⁴⁷

İbrahim Fazıl Pelin posited historical research as the third method. Pelin indicated that the German Historical School of Economics used only the historical research approach in economic methodology, and that its thinkers came to misleading conclusions due to the extreme role they assigned to historical studies. İbrahim Fazıl agreed with this method's contribution to the economic mode of thought by suggesting that different countries' economic structures should be analyzed separately, and that their economic codes should be explored. In other words, he placed importance on historical research without abusing it. On the other hand, he stated that some factors such as the inadequacy of historical remnants and the insufficiency of available records weakened this method.

According to Pelin, because of the deficiency in historical data, and the change in world conditions, some events and developments became meaningless in that day's

²⁴⁶ *idem.*, p. 27.

²⁴⁷ *idem.*

perspective. This situation led members of the German Historical School to make remarks as if economic laws did not exist, while İbrahim Fazıl Pelin defended that some historical data or events seemed “weird” since other factors that influenced their emergence were not entirely known. He mentioned that conditions had changed, and that the understanding of “benefit” in economics had altered. In this perspective, a practice or a concept that had appeared meaningful or useful in the past, did not necessarily have to fit today’s world.²⁴⁸

Therefore, he criticized members of the German Historical School because they abused historical data to legitimize interventionism. He argued that the basis built on historical reasoning was meaningless.²⁴⁹ Nevertheless, he stated that he was not entirely against interventionist ideas the historical method. On the contrary, he used this methodology to detect local codes. What he was against was the abuse of historical knowledge.²⁵⁰ At this point, he referred to certain German economists such as List, Rocher, Wagner and Schmoller. He expressed that Karl Marx and Hegel were members of this school but that they had been separated from historical materialism and converted to socialism.²⁵¹ In short, İbrahim Fazıl remarked that these three methods were useful for economics, but that they should nonetheless be used alongside the deduction method.

İbrahim Fazıl Pelin indicated that there were two deduction methods. The first method was “reasoning and examination,” called “*Economie politique pure*,” and the second one was “applied economics,” called “*Economie politique appliquée*.” He believed that if these methods were combined with the inductive method, they would help reveal the real cause of an event; otherwise, they could result in the abuse of economic knowledge. While establishing links between events through a deductive reasoning process, if the inductions were ignored, certain critical connections between

²⁴⁸ idem., p. 28.

²⁴⁹ idem., p. 29.

²⁵⁰ idem., pp. 28-29.

²⁵¹ idem., p. 29.

these events could be ignored, too. Hence, the real meaning could get lost in the narration.²⁵²

The reasons above prodded Pelin to state that deduction and induction methods should be combined with each other in order to constitute a well-formed economical method. Firstly, human motivation was a complicated structure and could not be formulated simply. For example, the law of “individual interest” had been deduced from the premise that “the economic actions of people are shaped due to their concerns about meeting their needs in the easiest and best possible way”. However, in practice, this law might not provide an explanation for all economic actions. Since human nature was complicated, other laws could influence this one and force it to morph into another form. While deciding on their actions, some people might prioritize other issues over their individual interests. For example, their families’ welfare and happiness might triumph over their individual interests in determining their actions. In this case, the effect of another principle would reshape the principle of individual interest.²⁵³ This meant, according to Pelin, that economical laws were a fundamental part of human life but that humanity would still manage to exist without them.

According to him, laws revealed through deductive reasoning could lose their effectiveness in “experience.” İbrahim Fazıl presented the Turkish Independence War as an example for this. During an emergency in a country, many people could overlook their self-interests for the sake of their country’s best interest. This meant that results predicted through the deduction method could change based on time, place, environment and society, due to variable components such as the sense of family or the sense of labor.

Therefore, the deduction method alone could not provide a strong base for economic analysis. Its results could be misleading if they were not questioned through induction or tested in experience.

²⁵² *idem.*, p. 30.

²⁵³ *idem.*, pp. 30-31.

3.3.5. A New Glance at the Idea of Law: İbrahim Fazıl Pelin's Theory of Law

İbrahim Fazıl Pelin stated that economics was not based on strict doctrines, and that laws constructed on fundamental economic issues could display themselves in different forms. He pointed out that economics depended on both natural and sociological laws. However, sociological laws depended on more complicated structures than natural laws, since they were based on the emotional and intellectual moods of people, "*insanların halet-i ruhiyye ve fikriyyesi*," which were shaped by many variable factors.

According to İbrahim Fazıl Pelin, many emotional, ethical, sociological and political reasons such as patriotism, the sense of responsibility, individual interest, family interest and the environment could form many underlying factors to human actions. Therefore, social laws, compared to natural laws, were connected to many different factors that were hard to detect. It was difficult to pinpoint the effects they these social laws had on each other during the emergence of an event. Thus, sociological laws could not make predictions as accurately as natural laws did. Then, Pelin applied the difference he observed between economics in a broader sense, as social and numerical or natural sciences.

For İbrahim Fazıl Pelin, economics was a social science that benefitted from natural sciences. Some economic issues could be explained by mathematical operations. This was beneficial in defining some economic principles like "value theory". However, human relations could not be explained by mathematical operations. This kind of an attempt only prevented economists from reaching the truth.²⁵⁴ Thereby, economics was not a part of natural sciences but rather of social sciences (sociological sciences).

As explained before, Pelin's analyses indicated that his idea of scientific "law" was transparent. He drove the reader's attention to different forms of natural and social sciences and expressed problems about their predictability, but used the idea of law in social sciences even if he thought it was hard to detect. This transparent structure seemed to enable Pelin to define economics as strongly connected to natural sciences, even though he argued that it was a social science.

²⁵⁴ idem., p. 23.

The “theory of law” proposed by İbrahim Fazıl Pelin was closely related to thoughts of the intellectual sphere during his period. Since the idea of science was closely related to the idea of law in his period, he might have developed this approach to help professionalize economics in Turkey. Economics had already been professionalized in Europe as a separate science under the name of political economics.²⁵⁵ However, this only occurred in Turkey by the 20th century, with an economist generation that included İbrahim Fazıl Pelin. However, I do not believe that the 20th century is the beginning of political economics in Turkey. The 20th century was the time in which unprofessional and professional pursuits in Turkish economics was separated from each other. Thus, it can be inferred that İbrahim Fazıl Bey defined the scientific statue and identity of economics in his theory of “law.” However, he also softened the positivist nature of his idea of law by injecting a strong sense of variability and unpredictability into it. By doing so, he objected to the universal validity of self-acting economic laws that liberal economists had put forward.

These ideas were enough to place Pelin’s thought outside of the classical school’s economic thought. For him, the inductive method was not complementary to the deductive method like Mill had thought. According to Mill, the deductive method was the basis of economic methodology; however, if this method failed to explain specific cases, the inductive method could be used. Mill argued that the inductive method was useful in detecting details while reaching economic generalizations.²⁵⁶ On the other hand, Pelin claimed that the initial point of economic methodology should be induction. The principles gained through the inductive method would later be compared to the results reached by the deductive method. Thus, the outcomes of natural laws in economics was defined in the specific structure of a region examined. On the third level, acquired data would have to be tested in order to understand whether the findings and inferences were related and valid, or not. İbrahim Fazıl Pelin did not entirely reject the general laws of economics; on the contrary, he endorsed the validity of these laws. Yet, he stated that social dynamics changing with respect to time and space, and institutions like jurisprudence and ethics strongly affecting the formation

²⁵⁵ Kurmuş, *ibid.*, pp. 81-83.

²⁵⁶ Mill, *A System of Logic*, pp. 1098-1102.

of these dynamics, led to an alteration in the outcome effects of these laws. Hence, according to him, the first method in economics would have to be the inductive method and the society would have to be exposed to in-depth analysis.

İbrahim Fazıl Pelin therefore also differed from Cavit Bey, who was a follower of the Mill and the zenith of liberal thought in early 20th century Turkey. Although Cavit Bey endorsed the deductive method as an economic approach, he also accepted the benefits of the inductive method but did not include it in his book. He argued that the inductive method could be used as an auxiliary historical method in situations where the deductive method was not enough to elucidate minute details.²⁵⁷ Moreover, he was entirely against the “testing” method.²⁵⁸ He limited the state’s role to providing national security, accepted the universal validity of universal laws, and adhered strictly to classical thought.²⁵⁹

3.3.6. İbrahim Fazıl Pelin and the Institutional Approach

Returning to the institutionalist approach, it is possible to correlate some of İbrahim Fazıl Pelin’s thoughts to those of the institutionalists, since institutionalists built the basis of their thoughts on some economic arguments by Schmoller from the German Historical School.²⁶⁰ The relationship that İbrahim Fazıl drew between economics, ethics, and law slightly resembled the institutionalist approach: He stated that some of the basic economic concepts were defined and presented through law, and that ethics created a control mechanism for the practices and principles of economic thought.

In Pelin’s view, a society’s social values and approaches to certain events and emotions changed according to the time, environment, and place. This change made the rigid aspects of deductive laws transparent, and directly influenced economics. Under this perspective, Pelin was not against the deductive method. He only expressed

²⁵⁷ Mehmet Cavit Bey, *ibid.*, pp. 3-9.

²⁵⁸ *idem.*, pp. 4, 9.

²⁵⁹ *idem.*, pp. 2, 313-314.

²⁶⁰ Chavance, *ibid.*, p. 4.

that the use of deductive method alone was not sufficient to explain economic activities. The reason he believed this was the relationship he drew between economics, ethics, and law. The ethical values of the societies differed from one another according to time and place; thus, the economic structure of every society took different shapes. Ethical values could control the results of the actions set forth by economic thought, and even if these results seemed unethical, the public forces could decide whether to enforce this action or not.²⁶¹ Still, the public forces had to have a good knowledge of economics to foresee applicable policies of economics.²⁶²

The law also put forward an economic base. This was the basic concepts of economics executed by the laws of a country, or in other words the limits, criteria and effects of various economic concepts such as exchange, wealth and insurance presented by the laws. Thus, the economic laws and structures changed from one country to another. To İbrahim Fazıl Pelin, those regulating the public forces, or in other words, those shaping the socio-political institutions such as law, should have a good knowledge of economics in order to enact laws without damaging the economic structure and to make these laws useful to society. Moreover, he declared that there should be a barrier placed on the efforts of the ruling classes to maximize their interests against the public's interests. In other words, the institutions of law defining economics, and political institutions shaping the institution of law, should have a good knowledge of economics in order to be able to create functioning public order.²⁶³

Bernard Chavance also searched for traces of the institutionalist approach in Schmoller's thoughts. Chavance defended that the customs and mores in Schmoller's thought were based on the official laws of the state, and the morality was based on personal conscience. These elements were crucial for explaining economic life. In addition, economics could not be understood with the purely technical, material and quantitative aspects of Schmoller's thought. This was why Chavance likened Schmoller's approach to institutionalists.²⁶⁴ In this manner, this approach seemed to

²⁶¹ İbrahim Fazıl Pelin, *İktisat*, pp. 18-21.

²⁶² idem., pp.21-22; idem., *Bütçe*, İstanbul: Hukuk Matbaası, 1332 [1913-1914], p.10.

²⁶³ idem., *İktisat*, p. 21.

²⁶⁴ Chavance, *ibid.*, pp. 6-7.

be similar to İbrahim Fazıl Pelin's, especially the thoughts he examined while explaining the relationship between economics, ethics and law alongside his own theory of law.

Moreover, the institutionalist approach in economics was opposed to the “postulates of individual calculative rationality” and the “insistence on mathematical formalization” of neo-classical economists.²⁶⁵ In his book, İbrahim Fazıl Pelin named the neo-classical economists among the members of the Lausanne School (Stanley Jevons, Alfred Marshall, Léon Walras, Vilfredo Pareto) and stated that their mathematical applications in economics could be useful for explaining some economic principles. Yet, he stressed that human relations could not be explained thoroughly by mathematical formulations. He added that this school's methods could lead someone to a “superficial” approach that was “far from the truth” when it came to define complicated human relations.²⁶⁶ At this point, the institutionalists approach of keeping economics separated from natural sciences can also be seen in İbrahim Fazıl Bey's economic mode of thought.

Moreover, contrary to the market-oriented economic approach, institutionalists defended that economics did not depend on a purely cognitive market that was interested in the rationing function of price mechanisms but rather on a real market mechanism in which the institutions and political power were functioning. Here, it is possible to see a similarity between the institutionalist approach and Pelin's economic methodology in which he paid attention to the determinant roles of the public forces and political powers. İbrahim Fazıl mentioned that governmental powers and other institutions composing the state could not be excluded from the economic frame.²⁶⁷

Members of the institutionalist approach supported that “a realistic economic theory must include a study of the social changes, social control, collective actions, technology, the process of industrialization, and the market as institutional complexes,

²⁶⁵ idem., pp. 75-76.

²⁶⁶ İbrahim Fazıl Pelin, *İktisat*, p. 34.

²⁶⁷ İbrahim Fazıl Pelin, *Bütçe*, p. 10.

not as abstract mechanisms” to challenge the idea of neo-classicalism.²⁶⁸ This approach appeared similar to the thought of İbrahim Fazıl Pelin. Pelin also did not make a specific argument about “institutions”. However, he used institutionalist concepts such as family, tradition, mores, morality, and law in a similar manner. Yet, in Pelin’s view, concepts like “social change,” “social control,” and “collective actions” did convey certain sociological laws, although these laws were hard to encounter and combine while explaining an event due to the complexity of human nature. These demonstrated the first traces of institutionalist approach in İbrahim Fazıl Pelin’s methodological approach. The last chapter will present how these factors contribute to his economic thought.

3.4. The State in the Thought of İbrahim Fazıl Pelin

3.4.1. The State and the Individual

To define the role of the state, İbrahim Fazıl Pelin dwelt on the modes of thought of the two dominant schools in his period: the individualism of the Classical School and the etatism of the Interventionist School. To him, the new understanding of economics lay in between these two schools of thought. He combined their thoughts and their criticisms of each other. While defining the role of the state, he suggested, *“It is a matter of shape and degree rather than a matter of principle.”*²⁶⁹

İbrahim Fazıl objected to the orthodoxy of these schools. In his view, the classical school’s belief that the role of state should only be limited to the responsibility of general security was not realistic. Nevertheless, he also criticized the interventionist effort to give every economic responsibility to the state. He determined the balance between “individual interest” and “social interest” as the middle ground between them. According to him, an interventionist state would be under the danger of damaging the individual interest due to its strict economic limitations and wrong

²⁶⁸ Marcho Markov & Warren Samuels, “On Economic Analysis, Institutional Theory and Ideology”, *Economic Alternatives*, no. 4, 2013, p. 6.

²⁶⁹ İbrahim Fazıl Pelin, *İktisat*, p. 319.

economic incentives. However, if individual interests rose above social interests, the state would have to intervene in the situation.

Additionally, according to Pelin, the benefit levels of liberal or protectionist policies could change in time. He provided examples from 19th century Europe to show that each European country's economy seemed to have successfully developed through the implementation of different policies at different times and under different conditions. According to him, the important matter was deciding on which policy to enforce at which time; however, the first condition was to protect the balance between the individual and social interests.

On the one hand, if economic etatism repressed free policies and dominated the individual interest, social interest would also be in danger because it was the individual interest that regulated economic actions and market forces. The competition among entrepreneurs for their own individual interests revealed the concepts of production, circulation, and the distribution of income. The removal of these incidents led the society to poverty.²⁷⁰

On the other hand, if economic individualism was praised against social interests, individual interests could dominate social interests and harm them. Aims of some social classes to maximize their acquaintances' and their own interests could harm to the socio-economic conditions of other social classes. To him, in this perspective, the state should be the force to protect the balance between the interests of social classes, and prevent the public interest.²⁷¹

Pelin claimed that in order to maintain the balance between social interests and individual interests, the state could not confine itself only to the public security issue. It had to be active in the fields of education, health, and public works, while protecting general benefits and determining an economy policy that was suitable to "national economics." For him, the state could not remain economically neutral.²⁷² He believed that the state could bring economic limitations, execute economic incentives, and even

²⁷⁰ idem., p. 319.

²⁷¹ To quote his own words; "*Devlet, sosyal yaşayışın en yüce şekli olup gayesi, cemiyet fertlerinin müşterek ihtiyaç ve menfaatlerini temin etmektir.*" idem., *Finans İلمي*, pp. 1-2.

²⁷² idem., *İktisat*, p. 320.

attempt to create entrepreneurship opportunities on the condition that it was moderate in its politics and that it prevented individual interests from being threatened.

İbrahim Fazıl Pelin stated that liberal competition conditions greatly benefited economic development, but this did not mean that they always brought results beneficial to the society. He suggested the benefits of competition in the following way:

“Competition is the strongest and the best regulator of production. It is the biggest action constructing reforms, reducing the prices of goods, leading entrepreneurs to be vigilant, and advancing the public welfare level.”²⁷³

On the other hand, he sorted the drawbacks of competition, as well:

“If competition ignores the social interest, this ignorance leads to a waste of power, producers abandoning the most fertile fields, and people attaching excessive importance on fields such as retail, trade, or civil service. It sometimes also provokes an increase in the cost of living, the emergence of economic crises, and abuses in the market like scarcity rent due to the redundancy of intermediaries.”²⁷⁴

In short, Pelin believed that free competition should not be abolished. However, the state should be responsible in determining legitimate ways to conduct free competition through limitations and incentives to avoid abuse. In other words, while the benefits of free competition should be considered, its possible damages should also be prevented.²⁷⁵

²⁷³ “[Rekabet] istihsalin en kuvvetli müşevviki en iyi bir nazıdır, ıslahatin vücuda gelmesine, fiat-ı eşyanın ucuzlamasına, müteşebbislerin açık göz ve uyanık olmasına, refah-ı umumi seviyesinin yükselmesine hadm en büyük bir ameldir.”; idem., p. 320.

²⁷⁴ “Rekabet faide-i ictimaiyeyi nazar-ı dikkate alamamak suretiyle cemiyet için bir dereceye kadar kuvvet israfatını mu’da olmak, müstahsillerin en mesmer sahaları terk ederek parekendecilik, ticaret veya memuriyet gibi faaliyetlere lüzumundan fazla tahaccümüne sebebiyet vermek, mütevasıtların çokluğundan dolayı bazen behaliliği tevlid etmek, buhranlara sebep olmak, hile ve hud’a gibi suiistimalatı mu’da bulunmak gibi mahzurları da daidir.”; idem., p. 320.

²⁷⁵ İbrahim Fazıl Pelin, *Finans İlmi*, pp. 71-72.

According to Pelin, individuals and societies had different perspectives on the production of wealth. Entrepreneurs thought of their profits and produced to sell. For the society, however, what was most important was the benefit of the production. The criteria that determined the richness of a society was not individual incomes, but rather the quality and the amount of the products that a nation had. Moreover, the state was more successful in deriving long-term benefits compared to the individual. Individual interest was present-minded and could change quickly. Pelin asserted that the state acted in order to awaken, continue and increase production forces, while there was no guarantee that individuals would act in accordance with long-term interests. In addition, the competition among individuals might not develop enough to shape market conditions, or it might get so strong that it results in a clash of interests, which would harm the country and its economic structure. Individual entrepreneurs could even cooperate with each other in order to increase their own interests in a manner potentially harmful to social interests. Pelin emphasized that in these situations, the state would have to intervene in production.²⁷⁶

One can conclude that İbrahim Fazıl Pelin believed the state was a social reconciliation mechanism. The state was responsible for providing and improving the social order. Hence, the state with its institutions was a regulatory power. Although İbrahim Fazıl restricted the ranges of state interventionism, his use of social or common interest resemble Rousseau's idea of a *general will*. For Rousseau, the general will was a representation of the legitimate laws born out of citizens' demands. Hence, freedom and authority did not stand against one another since laws were grounded on the "general wills" of the citizens. Therefore, every citizen obeyed these laws as members of the political community, and the state became the upmost power regulating societal harmony. Citizens trusted this system since it was composed out of their choices and demands.²⁷⁷ Pelin also placed the state above the society as a regulatory power. This power enacted laws and enforced them.²⁷⁸ Moreover, he

²⁷⁶ idem., *İktisat*, pp. 320-321; idem., *Finans İlmi*, pp. 71-72.

²⁷⁷ Jean Jacques Rousseau, "Of Social Contract", *Rousseau: Social Contract and Other Later Political Writings*, trans. Victor Gourevitch, Cambridge: Cambridge University Press, 2004, pp. 57-60, 121-125.

²⁷⁸ İbrahim Fazıl Pelin, *Finans İlmi*, p. 1.

assigned a “reconciliatory” character to the ideal state that represented social interests at an ultimate level. The state intervened in events on behalf of social interests when individual interests clashed. Moreover, it interfered in power struggles between classes such as the conflicts between employers and their workers and helped preserve the rights of classes that did not have enough power to defend themselves against others.²⁷⁹ At this point, economics became part of the reconciliatory role of the state.

In addition, Pelin thought that economic issues were only a single part of national matters. The state had to determine general interests and form a coherent unity in social, ethical, military, political, and economical manners. It needed much more capability than the capability of individuals.²⁸⁰ Therefore, the state searched for possible solutions to overcome the negative effects of poverty for the sake of social interests, just as Rousseau believed it should. Pelin agreed with Rousseau that helping the poor by giving them money was a faulty economic action since it was not a permanent solution to poverty.²⁸¹

Furthermore, İbrahim Fazıl compared the benefits of state enterprises with the benefits of private enterprises and said that private enterprises were more economically successful than the state, by pointing out their different characteristics.²⁸² The first-regulatory authorities of the state’s economic actions were generally professional economists; however, officers working under them were not as successful. These officers often made mistakes due to their lack of economical knowledge. On the other hand, since individuals were conducting their own businesses, they were more attentive and alert in entrepreneurship positions. Individuals looked for all market opportunities and tried to maximize their profits.²⁸³ As a result, state production could be more expensive. Moreover, state enforcements of certain economic limitations and

²⁷⁹ idem., p. 71.

²⁸⁰ idem., *İktisat*, p. 321.

²⁸¹ Jean Jacques Rousseau, “Political Economy”, *Rousseau- Social Contract and Other Later Political Writings*, (trans.) Victor Gourevitch, Cambridge: Cambridge University Press, 2004, pp. 19-20.

²⁸² İbrahim Fazıl Pelin, *İktisat.*, p. 321.

²⁸³ idem., p. 316.

incentives, and state attendance in the competition, could damage free competition and straiten some of the private entrepreneurs as well as make them accustomed to depending on state resources rather than their own facilities. At this point, İbrahim Fazıl started to disengage from Rousseau's approach to some extent, by emphasizing that the state was not competent in everything. On the other hand, however, individual interests were not capable of preserving social interests. In this perspective, despite the weaknesses and the negative effects of state intervention, the state "*should not hinder himself from enforcing limitations or incentives and taking responsibility of entrepreneurship when needed*" to ensure and advance social interests.²⁸⁴ At that point, Pelin made it clear that he found state intervention reasonable to a certain extent. He indicated that the state should carefully consider whether this intervention could damage the private enterprise. The state industry should depend on the legal industrial administrative procedures and the state enterprise should be subject to the same laws with the individual enterprises in terms of taxes, exemptions and administrative procedures.²⁸⁵

However, Pelin also politically criticized possible state abuse in economic actions. "*A despotic state becomes putty in the hands of individuals and rulers. This obstacle moderates in a parliamentary and democratic system but never disappears completely.*" Possible weaknesses in laws and state regulations could produce dangerous results. The ruling powers could politically abuse social interests by introducing their own private interests or presenting the interests of their political party as public. Pelin stated that these situations might discard the legitimacy of the state's actions and interventions even if they were necessary.²⁸⁶

Pelin believed that isolating the state from its economic duties and claiming that it was not able to succeed in any economic field was wrong. The state was neither an enemy to dismiss from economic fields, nor a person to trust unconditionally. According to Pelin, the state and the individual were complementary forces, not

²⁸⁴ *idem.*, p. 321.

²⁸⁵ *idem.*, pp. 321-322.

²⁸⁶ "*Müstebid devlet şahısların, hükümdarların elinde bâzîçe olur. Parlamenter ve hatta demokrat devlette mahzur azalmakla beraber bütün bütün ortadan kalkmaz*," *idem.*, p. 322.

opposing. They developed hand in hand. The second issue that separated Pelin from Rousseau was his beliefs about the emergence of the state. In Pelin's view, the state did not emerge due to social contract as Rousseau asserted, but emerged as a result of public needs.²⁸⁷

*“The state is a public person, a “personne publique” who emerged to provide for the society's needs and interests. This person meets the needs of others who are not able to compensate for their needs individually or collectively, by creating groups called “besoins publics.”*²⁸⁸

Essentially, it is possible to compare Pelin's thoughts about the state with Rousseau's. Although Pelin differentiated his idea of a state from his, it is possible that Rousseau may have been an inspiration source for Pelin.²⁸⁹

3.4.2. The Intervention Areas of the State

According to İbrahim Fazıl, the state had the right to intervene in the economy in order to protect the social interest from an abuse of free competition or monopolies, as well as prevent national production from failing, strengthen national production, protect weaker social classes, and advance their conditions. In this regard, the state drew the limits of free competition and tried to avoid its negative effects. To avoid the harmful sides of competition, the state inspected the production of goods and foods, prevented abuse in the market, constrained ineligible persons from being lawyers or doctors, and monitored monopolies like trust cartels.²⁹⁰ Furthermore, the state regulated the foreign trade with tariffs and international trade agreements, assigned rules to mining properties, protected occupations like apprenticeship and industry,

²⁸⁷ İbrahim Fazıl Pelin, *Finans İlmî*, p. 2.

²⁸⁸ “[Devlet] cemiyet azasının müşterek bir takım menfaat ve ihtiyaçlarını temin maksadı ile vücut bulmuş bir kamusal şahıs “Personne publique” [dır]. Bu şahsiyet, fertlerin ayrı ayrı veya ihtiyari birtakım topluluklar yapmak suretiyle başaramayacakları ihtiyaçlara cevap verecektir ki bunlara da kamusal ihtiyaçlar “besoins publics” ismi verilir.”; idem., p. 2.

²⁸⁹ For detailed information, see Jean Jacques Rousseau, “Of Social Contract”, pp. 39-81.

²⁹⁰ İbrahim Fazıl Pelin, *İktisat*, p. 223.

brought incentives such as scholarships and grants to education, established the chambers of industry and commerce, legislated incentive laws to the industry, encouraged and protected private entrepreneurship, and brought exemptions to tax when it was necessary. Moreover, the state determined the working hours and health conditions of factories and inspected them. In addition, the state also determined the age limit for kids working in factories and stated the compulsory insurance conditions for the workers. This way, the state protected the classes that did not have enough opportunities to protect themselves.²⁹¹

On the other hand, according to İbrahim Fazıl Bey, these interventions were not always legitimate. When the interventions were enforced at the wrong place, time and conditions, general interest could be abused. When the methods of protectionism were misapplied, the national treasury was pressured. At the same time, if these methods suggested favoritism, social interest could be sacrificed for individual interest or private entrepreneurs could get used to leaning on state facilities.²⁹² In order to avoid these damages, state interventions had to be performed carefully. Pelin limited the legitimacy of state intervention to the criterion of social benefit. Hence, he was against nationalizing the available private enterprises.²⁹³

In İbrahim Fazıl's law theory, public benefits could not be identified as universal truths. His idea of social benefit was relative, depending on time and place. Therefore, the benefits of both liberal and protectionist policies changed from one country to another since countries had both similar and distinctive characteristics. However, he stated that mint, post office, telegram and forest managements should be under state control according to almost all economists of the period. Moreover, except national monopolies and public works, he was against all etatisation policies.

Pelin also believed that the state should not directly assume entrepreneurship roles in real estate, agriculture, mining, owning factories, commerce, banking, and insurance business. However, in his opinion, the state could be indirect entrepreneurs with certain methods and only use some economic incentives and restrictions for the

²⁹¹ *idem.*

²⁹² *idem.*, p. 224.

²⁹³ *idem.*

sake of social interests.²⁹⁴ Otherwise, if the state took a direct role in the competition, its privileged position through exemptions and other judicial advantages would dissuade private entrepreneurs from being part of the market since they would not want to compete with the state. Because of unfair competition, private enterprise weakened compared to the state enterprise. In this case, free competition began to disappear.

İbrahim Fazıl added that the state should privatize or rent available lands without damaging the social benefit. Thus, the state created new enterprise areas in both the agricultural and real estate sectors as well as increasing its tax revenues.²⁹⁵ İbrahim Fazıl Pelin frequently underlined that individuals were better entrepreneurs than the state in both industry and agriculture. Thus, the state should abstain from directly engaging in competition, unless to establish model state enterprises. Therefore, the lands that the state kept in its treasury did not benefit its economic development. Since direct cultivation of the land was harmful, it would be better for the state to sell it or rent it. If the land could be rented, it should be rented long-term because short-term leasing caused the state's real estate to be neglected. An investor avoided long-term investments to be able to get maximum short-term profit from his property. On the other hand, in long-term leasing, in order to keep and increase his profit, a lessee abstained from damaging the property, and even made investments to further develop it. In addition, thanks to the leasing method, the state could continue benefiting from ground rent.²⁹⁶

Furthermore, in Pelin's view, privatization was better than the method of leasing. Through privatization, the state had a chance to create new investment areas. Since purchasers would make investments to properties to develop them, new investment and business areas appeared. Thus, the state also benefitted from privatizations by increasing its tax revenues. In addition, this approach could help avoid possible conflicts of interest between the state and the individuals as well.²⁹⁷

²⁹⁴ idem., pp. 325-326.

²⁹⁵ idem., p. 326.

²⁹⁶ idem., *Finsans İlmi*, pp. 56-57.

²⁹⁷ idem., pp. 55-59.

İbrahim Fazıl listed some precautions to help the state benefit from privatizations: The state should avoid privatization in times of economic crisis when real estate prices are low, the incomes from privatization should not be used for temporary expenditure needs in times of war and economic crisis, the auctioning method should be used, real estates to be sold should be parceled out first and then sold for reasonable prices, some amount of money should be received in advance and the rest of the debt amount should be mortgaged after the sale,²⁹⁸ the income from privatization should be regarded as capital and this capital should be used for new infrastructure services, even if there was no such need the capital should not be used to meet regular state expenditures.²⁹⁹

Furthermore, according to İbrahim Fazıl Bey, mines had a special place. Generally, in this period, the economic activities of countries were closely related to mining. However, Pelin asserted that the amount and the quality of mines were restricted by nature. Therefore, for the development of state economies it was essential to prevent these limited resources from improvidence. Thus, to İbrahim Fazıl Bey, state intervention in mining activities was inevitable.³⁰⁰

“Mines are the asset of nature, and accordingly, the asset of society. Yet, both the landowner and the one who discovered the mine can claim possession on it. However, isn't it nonsense to donate the mine to the landowner, who previously had never heard of its existence, with the excuse that he owns the land, and to make him rich although the mine should be owned by all people?”³⁰¹

²⁹⁸ He disassociated selling land to the farmers from the issue of deposit and retaining fee. He stated that there was no need to strictly depend on this method to sell lands to the farmers. Even, long-term sellings up to 50 years could be convenient to them. See: idem., p. 58.

²⁹⁹ idem., pp. 55-59; idem., *İktisat*, vol. 2, p. 221.

³⁰⁰ idem., *İktisat*, p. 327.

³⁰¹ *“Madenler tabiatın ve bu itibarla cemiyetin malıdır. Gerçi bunun üzerinde toprak sahibi de madeni bulan da hak iddia edebilir. Lakin, mevcudiyetinden haberi bile olmadığı bir madeni, yalnız toprağın yüzüne malik olduğu bahanesi ile toprak sahibine bağışlamak, onu sebepsiz yere zenginleştirmek, bütün cemiyete ait olması lazım gelen bir hakkı, manasız yere, fertlere hediye etmek demek değil midir?”* İbrahim Fazıl Pelin, *Finansal Kanunlar*, p. 62.

According to Pelin, one of the exceptions to etatisation was mining activities. Still, he was against a direct state enterprise in mines. He believed that the state should keep the property rights of its mines, but that it should either give the mines' operation rights to private entrepreneurs through concession methods, or to companies with which the state had a partnership in the capital. The roles of the state in mining operations should be encouraging private enterprises to invest on mining, and following an influential administration policy in mining operations.³⁰²

Nevertheless, in some economic activities, the state could directly become entrepreneurs for the public benefit. The idea behind this was the idea of low profit, such as in the need for electricity, gas and water treatments.³⁰³ State activities in some small businesses such as butchers or bakers were not harmful to the social interest, but undesirable for private enterprises.³⁰⁴

According to Pelin, the profit rate in freight activities had to be kept low as well. If the profit rate was low in transportation, entrepreneurs dealing with trade and industry would have a chance to run profitable businesses; thus, the state would attract more investors.³⁰⁵ Railway transportation was especially costly. Even after the construction of a railway, its high operation expenses prevented investors from gaining profit for a long amount of time. This situation urged private entrepreneurs to avoid this venture. With this in mind, either the state would have to construct the railways, or offer certain guarantees to private companies and compensate their financial losses. On the other hand, in İbrahim Fazıl Pelin's opinion, since both cases burdened the state economy, the most logical option would be for the state to undertake responsibility for these types of investments to improve its economic infrastructure without expecting to gain profit. Nonetheless, it was difficult to construct railways with the state budget. Because the state's tax revenues would be inadequate, the state would also need loans to complete the project. According to Pelin, the state did not refrain from taking loans to improve its economic infrastructure. Such loans would not put financial burdens on

³⁰² idem., *İktisat*, p. 327.

³⁰³ idem., p. 328.

³⁰⁴ idem., p. 328.

³⁰⁵ idem., *Finans İlmi*, pp. 81-82, 103-108.

the state in any way since the state would gain new revenues from new investments after the advance in its economic infrastructure.³⁰⁶ Additionally, it was not wrong for the state to establish model enterprises such as model state farms with modern technological methods, stud farms, silkworm rearing houses, and mulberry fields.³⁰⁷

After İbrahim Fazıl Pelin explained his ideal boundaries on state intervention, he stated, just as the members of the historical school had claimed before, that since every state had different economic structures and conditions, in some countries there might be a particular need for state entrepreneurship to help carry the state from a lower economic stage to a higher one. If a country could not form the necessary capital due to historical reasons, causing individual entrepreneurship to not gain enough courage and strength, the state could turn to methods of state enterprise. However, state enterprise should remain limited and harmless to the competition.³⁰⁸ Moreover, Pelin suggested some precautions for state investments:

1. To give autonomy to every business established through state enterprise.
2. To manage state businesses with boards of directors, and to compose these groups with people who had enough experience in industry and commerce.
3. To subject them to industrial and commercial accounting procedures by separating them from state accounting procedures, and to keep their budgets separated from the state budget.
4. To equate state and municipality enterprises with individual enterprises in terms of taxation.
5. To discuss their budgets at the parliament in order to avoid possible abuse by an audit system.³⁰⁹

Nonetheless, İbrahim Fazıl Pelin added that these steps had limited effect in protecting private entrepreneurs from damages in the competition area. He also

³⁰⁶ idem., pp. 81-82.

³⁰⁷ idem., *İktisat*, p. 325.

³⁰⁸ idem., *Finans İlmî*, pp. 71-72.

³⁰⁹ idem., *İktisat*, p.334.

indicated two more weaknesses of the state enterprise system. Primarily, even if the state enterprise had an autonomous formation, it would still be more advantageous than private entrepreneurs in the competition area due to peoples' tendency to consume state products as opposed to private products. This bias could bring harm to private entrepreneurs. Secondly, ethical conditions caused another weakness. It was possible for state enterprises to face the abuse of politicians, municipalities, governments and parties according to their moral sentiments. In fact, state enterprises could even be abused by politicians through unethical behaviors.³¹⁰ Fundamentally, to İbrahim Fazıl Pelin, the state had to be careful about the possibility of damaging the free competition environment with its actions.³¹¹

When it comes to his thoughts on international trade, it should be mentioned again that Pelin did not strictly depend on either the protectionist or the free market policies. For him, these policies could be beneficial under different conditions or they could even be combined for the sake of a country. To protect the interests of the state, it was economically legitimate to apply some limitations and enforcements like tariffs.³¹² Indeed, this approach was enough to convey the İbrahim Fazıl Pelin's pragmatism. He indicated that free and protectionist policies yielded different results in different countries. He depicted that free trade had brought benefits to the United Kingdom in the beginning of the 19th century whereas it had brought disadvantages to Germany. In France, free and protectionist policies were used consecutively. However, they did not bring significant changes to French economic conditions. For Pelin, the same methods could yield contradictory results or vice versa. Customs regimes and procedures were not the only rationale of economical rise or decline in a state. Countless conditions such as the quality and quantity of natural resources, people's intelligence and their economic capabilities, entrepreneurship, thrift, and the amount of capital were more effective than customs regimes and procedures. Therefore, the same regime could yield different results in different conditions.

³¹⁰ idem., pp.334-335.

³¹¹ idem., pp.335-337.

³¹² idem., *İktisat*, vol. 2, pp. 84-95.

*“[According to the time’s economic understanding] The issue is now beyond principle. Now the issue is to evaluate which conditions of international trade state intervention is needed in.”*³¹³

İbrahim Fazıl Bey presented three main criteria for state intervention in free trade;

1. Although they have sufficient infrastructure facilities and resources, developing local enterprises may be under threat of bankruptcy until they have gathered enough strength to compete with foreign market goods. In this case, since domestic capital will suffer and unemployment will rise, states must intervene in the economy to protect local industries.
2. Although infrastructures, resources and equipment are enough to improve national industries in some countries, other industries might not be established due to the fear of free competition with foreign markets. At such times, if entrepreneurs do not have enough courage, the local industry cannot develop. In such cases, states must protect their local industries.
3. Free policies in international trade should be based on the reciprocity principle. If a country opens its markets to another country one-sidedly, it would most likely result in economic loss for this country. When another country intervenes in a state’s export, this state should in turn intervene in free trade and reorganize its policies for its own benefit. In addition, in order to protect its own production areas, a state should be careful about the premium and damping that it could face from foreign entrepreneurs.³¹⁴

³¹³ *“Aynı bir usulün böyle birbirine zıt veya zıt, sistemlerin aynı neticeler vermesini garip görmemelidir: gümrük rejimi bir memleketin iktisaden yükselmesine veya düşmesine, sebep olan yegane amel değildir. Tabiatın cömert veya nekes olması, halktaki irfan, zeka, faaliyet, teşebbüs, tasarruf kabiliyeti, sermayenin çokluk veya azlığı gibi sayısız amiller memleketin beynelmilel ticaretteki mevkiine gümrük rejiminden çok ziyade tesir eder. (...) Bundan dolaydır ki, aynı bir rejim, şartlara göre, başka başka neticeler verebilir. (...) [Günümüzün iktisat anlayışına göre] Bir kelime ile mesele prensip meselesi olmaktan çıkmış, beynelmilel ticarete ne gibi hal ve şartlar dahilinde devlet müdahalesine lüzum görüleceği takdir meselesi haline girmiştir.”* idem., pp. 85-86.

³¹⁴ idem., p.93.

İbrahim Fazıl was aware of the criticisms on interventionism in international trade. Primarily, he stated that as a result of commercial limitations, prices of certain products could increase. Although it seemed that this could damage social interest, since national production was the real problem, these types of interventions actually served social interest. However, Pelin believed that the decision to interfere in the economy should nevertheless be dealt with carefully because it could encourage the society to carry the financial load for a while. Secondly, local entrepreneurs could use protectionist policies to alienate others in the competition area. Entrepreneurs could see protectionist policies as their absolute right and want to continue enjoying their privileges in the domestic market. Thirdly, the state would have to be careful about the possible effects of favoritism in its economic actions. Granting economic privileges through partisanship could lead to the emergence of enterprises that had no chance of surviving long-term, as well as burden the state financially. Lastly, the state should be aware of the influence of the reciprocity principle in international trade. In fact, each state tended to close own their trade doors if other trade doors had been closed to them. Therefore, one-sided decisions in international trade could have negative effects on state exports.³¹⁵ Furthermore, one-sided decisions frightened the investors as well because they caused an uncertainty about market conditions, causing investors to pull out of the market.³¹⁶

International trade treaties were crucial for İbrahim Fazıl Pelin due to these reasons. He pointed out that the most suitable way to decide on the form of international trade was to conduct trade treaties with other states. Therefore, a state did not have to follow the common “open door” policy. By avoiding to do so, it could abstain from the negative effects of protectionism. Thanks to trade agreements, the state could have the opportunity to protect some production areas in need, support prospective enterprises that had the necessary infrastructure to develop, and protect available enterprises from possible troubles. By drawing international trade policies in accordance with trade agreements, the state could have control over its international

³¹⁵ *idem.*, pp. 94-95.

³¹⁶ *idem.*, p. 127.

trade and determine its export and import rates.³¹⁷ İbrahim Fazıl Pelin thought that international trade treaties should be extended to many states. He believed that these treaties should be in multilateral form and defended the use of customs unions. It can be observed in Pelin's statements that the idea of establishing a customs union in Europe was being discussed at the time. In 1933 İbrahim Fazıl stated in his book that there was the possibility of a customs union in the future, but that it was still early to put plans into action.³¹⁸ Moreover, he participated in the Balkan Conferences as a member of the Turkish Committee and spent effort on conveying his idea of a Balkan Customs Union.³¹⁹

İbrahim Fazıl Pelin did not have a strict opinion on the issue of external debts. He only emphasized that taking on external debt was not a useful economic tactic in closing budget deficits or foreign trade deficits. To him, external debts could be reasonable only if they were used for investments or infrastructure works that would bring new investments.³²⁰ In this perspective, he criticized that the false use of external debts in the 19th century Ottoman Empire caused a tangled financial structure that led the Empire to financial failure. According to Pelin, the policy of satisfying financial deficits by borrowing money from external sources was useless.³²¹ He placed Turkey in the indebted states category, expressing that Turkey's economic condition was not suitable for undertaking any more external debts. Therefore, in his view, the protectionist method would be legitimate in Turkey for a while if it helped increase economic investments, therefore reducing the negative effect of external debts.³²²

³¹⁷ idem., p. 97.

³¹⁸ idem., pp. 97-98.

³¹⁹ Cumhurbaşkanlığı Arşivi, Ebis Sıra No. 01017090, 196, F:1, Ek:228, p. 17; "Balkan Konferansı Yarın Resmen Açılıyor", *Cumhuriyet Gazetesi*, 19 October 1931: 1, 5. Print.; Ali Fuat, "Bükreş Mektubu - Balkan Misakı Esasları", *Cumhuriyet Gazetesi*, 25 October 1932: 3. Print.

³²⁰ İbrahim Fazıl Pelin, *İktisat*, vol. 2, pp. 86-90.

³²¹ idem., p. 120; idem., "Ticaret ve Finans Münasebetleri Bakımından Türkiye", *Siyasal Bilgiler Mecmuası*, vol. 61, 1936, 19-26.

³²² İbrahim Fazıl defined the accepted pecuniary obligation in the Lausanne Treaty as a success and found the customs policy generated by the government between 1928-1933 successful as well. He remarked that which goods and products had to be imported to the country and which goods and products had to be protected were determined carefully and successfully through

This meant that according to Pelin, it was not the interventionist method but rather the unmeasured and wrong state intervention that should be criticized. This case was largely related to the inadequate economic knowledge of statesmen who conducted economic activities. For instance, in 1913, he drew attention to the inadequacy of the Constitutional period's statesmen. He criticized the government of the time for its arbitrary expenses and lack of perspective on budget savings.³²³

Pelin stated that the Constitutional regime was beneficial for the economy since it created a political control mechanism over governmental actions. However, he criticized this system as well. Firstly, since workers and small industrialists demanded a certain amount of economic intervention from the state for their own interests through their representatives in the parliament, the state incurred new and significant costs every year in order to meet these demands. İbrahim Fazıl indicated that these types of expenses and interventions did not serve the social interest but rather the interests of some smaller groups. He added that many protectionist policies were administered only for the sake of investment, with no chance of advancement for a long time because of the lack of infrastructure in the country. Thus, these interventions could be harmful to the Constitutional regime. Secondly, he attacked the government's unrealistic industry program focusing on some industrial investment fields it would not be able to succeed in. Furthermore, he condemned the deputies and the government for their favoritism, and for favoring their own individual interests and abusing the state's facilities and positions.³²⁴ Essentially, Pelin was not entirely against state intervention but against its nature. To him, the interventionist approach was wrong

tariffs. He saw Lausanne as a turning point since it had enabled a suitable political environment to shape the national trade policy. Pelin, *İktisat*, vol. 2, p. 89, 122-125; İbrahim Fazıl Pelin, "Ticaret ve Finans Münasebetlerimiz", pp. 23-26; İbrahim Fazıl Pelin, "Erazi Terk ve İlhakında Devlet Borçları ve Lozan'da Devlet Borçlarının Taksimi", *Prof. Cemil Bilsel'e Armağan*, Kenan Basımevi ve Klişe Fabrikası, 1939, 337-360. To İbrahim Fazıl Pelin, Lausanne was not the first attempt to diminish the negative effects of the "open door" policy. He indicated that in 1883, in the Hamidian Era, there were preparations to enforce some financial protection policies for the domestic production areas that had potential to develop. However, Sublime Porte's attempts yielded no result due to the demands of Western states: İbrahim Fazıl Pelin, "Ticaret ve Finans Münasebetlerimiz", p.21.

³²³ idem., *Bütçe*, pp. 11-12.

³²⁴ idem., pp. 11-14.

when it did not parallel the aim of protecting social interest from possible negative effects or possible extremism of free competition and individual interest.

In the Republican Era, Pelin criticized the content of etatist policies, which started to be put into effect by the İnönü government in the 1930s. Although he extolled the factories opened by the state, the nationalization policy in certain fields, and the state incentives, he also drew attention to the lack of prudence in the economic actions. For instance, Pelin believed that the current agricultural policy was insufficient. He implied that most Turkish villagers already had their own lands. The real problem was not giving villagers land but easing the burden that their financial and technical deprivation brought. Turkish farmers could only cultivate a third or a fourth of their land.³²⁵ What had to be done was to encourage farmers to use modern agricultural techniques, and to provide credit facilities to these farmers. He stressed that the *Ziraat Bankası* was not enough to provide credits alone.³²⁶ Therefore, İbrahim Fazıl Pelin highlighted the modern agricultural needs that could be provided by cooperatives.

“We depend too much on old agricultural techniques. Working capital, means of production and agricultural animals are very limited for farmers. Cooperations will help develop new agricultural techniques while credits will increase farmers’ means of production.”³²⁷

In this perspective, he found the agricultural policies of the state insufficient:

“To complete our grand agricultural reform that started with the abolishment of tithe, we need an extensive and comprehensive agricultural program affecting the whole country.”³²⁸

³²⁵ idem, *İktisat*, vol. 2, pp. 253-254, 261.

³²⁶ “Bu işe Ziraat Bankası’nın büyük bir kısım itibarıyla immopize olmuş sermayesi kifayet etmez. (...) Geniş bir kredi siyaseti takibine henüz imkan bulunamamıştır.” idem., pp.268-269.

³²⁷ “Eski ziraat usullerine çok bağlıyız ve çiftçinin işletme sermayesi, üretim araçları ve ziraat hayvanları çok sınırlıdır. Kooperatifleştirme memlekete yeni ziraat tekniğini geliştirmeye yardım edecek, kredi çiftçinin üretim araçlarını artıracaktır.” idem., p. 268.

³²⁸ “Aşarın kaldırılmasıyla başlayan büyük zirai inkılabımızı tamamlamak için memleketin her tarafına tedricen teşmil edecek geniş ve etraflı bir ziraat programına ihtiyacımız vardır.” idem., p. 269.

Furthermore, Pelin mentioned the government's tendency to observe extreme protectionist policies by 1931. Ord. Prof. Pelin stressed his concerns about that the law of 1931 arguing that it was an important signal indicating the state's attempt to increase its role in economic activities. To him, fundamental concerns were the limitations and prohibitions on international trade. He identified that Turkey's international trade agreements were short-term and that if these limitations and prohibitions continued, other states would limit their import to Turkey. This could lead to an increase in domestic market prices and a decrease in the country's export rate.³²⁹ Fundamentally, these types of interventions would not benefit the national interest. Furthermore, he alleged that the state policies that resulted from the negative effects of the Great Depression could be understood to some extent, but that these policies should not be maintained in the long term. According to Pelin, the real solution was to sign long-term trade agreements with other states in order to be able to stabilize market conditions.³³⁰ Hence, he indicated that long-term trade agreements would provide consistency in the rise of national welfare.³³¹

İbrahim Fazıl thought that the negative effects of the Great Depression (1929) throughout the world was related to the increasingly strict interventionist policies of the governments. Although state intervention was an inevitable reality in the economy and in economics, states' propensities for "extreme" protectionist policies triggered the crisis and made it worse.³³² He defended the idea that the attempts to establish a customs union in order to liberalize international trade with long-term international trade agreements that depended on the reciprocal interests of the states, would alleviate the effects of the Great Depression.³³³

³²⁹ For the part on "*contingement*" see, idem., pp.126-127; İbrahim Fazıl Pelin, "Ticaret ve Finans Münasebetlerimiz", p.25.

³³⁰ idem., *İktisat*, vol. 2, p.126.

³³¹ idem., p.127.

³³² İbrahim Fazıl Pelin, "Buhranın Sonuna Erdik mi?", *Her Ay Dergisi Siyaset ve İktisadiyat*, vol. 2, 1937, pp. 22-23.

³³³ idem., pp.15-23; idem, *İktisat*, vol. 2, pp. 97-98.

Overall, an analyzation of Pelin’s economic thought, his definition of the state as a market agent, his attribution of the state as a regulatory power, his opinions on loans, and his approach to international trade, indicate Pelin’s economic thought similar to that of one of his contemporaries, John Maynard Keynes. According to Pelin, the state was one of the market agents just as Keynes had claimed: The state could not be excluded from the market. In Pelin’s opinion, the landowner, entrepreneur and state were the three sectors of the market.³³⁴ To him, the state was a public person who acted as a guarantor of social interest in the market, and gained revenues for its services.³³⁵ In Keynes’s opinion, market agents included households, private sectors and governmental sectors as well. John Maynard Keynes thought that the state had a determinant role in economics as a regulative market force. However, the state should not damage the free market; on the contrary, it should aid its regularization and continuation.³³⁶ Both Pelin and Keynes were against the extreme enforcements of state protectionism. As previously mentioned, İbrahim Fazıl Pelin had stated that “*States created protectionism to prevent economic crises, not kindle them.*”³³⁷ Keynes desired a more liberal trade environment throughout the world, but he also did not defend free trade unconditionally. According to him, a country’s trade balance and level of employment had to be taken into consideration before deciding on its trade policy. He believed that states should achieve a balance between protectionist and liberal ideas, without damaging the benefits of free trade.³³⁸ The common purpose of these two economists’ thoughts was to protect the public benefit and to stimulate economic

³³⁴ idem., p. 202.

³³⁵ idem., pp. 201-202; idem, *Finans İlmî*, pp. 1-74.

³³⁶ John Maynard Keynes, “The Means to Prosperity (1933)”, *The Collected Writings of John Maynard Keynes*, eds. Elizabeth Johnson & Donald Moggridge, vol. 9, London: Royal Economic Society, 1978, pp. 335–366

³³⁷ “*Himayeyi devletler buhrana sebep olmak için değil, buhranlardan korunmak için icad etmişlerdir.*” İbrahim Fazıl Pelin, “Buhranın Sonuna Erdik mi?”, pp. 23.

³³⁸ Joseph R. Cammarosano, *John Maynard Keynes: Free Trader or Protectionist?*, Plymouth: Lexington Books, 2014, pp. 168-169.

growth by avoiding economic crises.³³⁹ Therefore, although these similarities were not enough to identify İbrahim Fazıl Pelin as a Keynesian economist, it was obvious that his eclectic approach in the history of economic thought had an introductory value for a novel economic approach in Turkey.

³³⁹ Augusto Graziani, “Keynes’ Finance Motive”, *Economies et Sociétés*, vol. 21, 1987, pp.23-42. For detail, see, John Maynard Keynes, *The end of laissez faire; The Economic Consequences of the Peace*, New York: Prometheus Books, 2004 (original date 1926).

CHAPTER IV

CONCLUSION

Modern economic thought started to show its presence in Ottoman intellectual life especially after the social and economic changes that the 1838 Anglo-Ottoman Treaty brought to the Empire. However, the economic discussions that begun with the adaptation of the Ottoman Empire to the liberal world did not reach scientific maturity until the Early Republican era. Even though a few intellectuals, such as Ohannes Paşa, Cavit Bey, and Akyiğitzade Musa Bey appeared in the late 19th and early 20th centuries, until the early Republican era, the main economic discussions remained social and political intellectual phenomena that were held complementary to the intellectuals' social and political interests. In the early Republican period, due to the positive impact of the increase in the number of economists educated in Europe, a scientific discussion area on economics was formed. Furthermore, in the 1930s, the maturity in economic discussions was reflected in other social and political discussions as well, and economic thought even started developing an opposition field to itself. Nevertheless, the social and political environment of the period had an immense effect on its economists' mode of thought.

The protectionist thought that gained widespread acceptance during the Great War maintained its strong impact on state policies until the end of the 1940s. In this regard, early Republican economists either embraced statist discourses due to their close relationships with the government or engaged in liberal thought as part of the opposition faction. İbrahim Fazıl Pelin came into prominence with his scientific attitude in the period's economic discussion. Pelin remained outside of politics and drew attention with his scientific identity in the eyes of the state in relation to new scientific minded modern identity the young Republican state wanted to set its focus on. Although there are only a few studies on early Republican economists, the question of why Pelin did not draw as much attention as the other economists of the period in these studies or why he was only analyzed under the influence of certain presuppositions could be answered with his distance to political relations.

The presuppositions about İbrahim Fazıl Pelin’s economic thought in literature was most probably a result of Fritz Neumark and Şevket Süreyya Aydemir’s assessments. Both described Pelin as a “classicist economist” without truly examining his works.³⁴⁰ Researchers such as Akalın, Göçer and Çetin, who reviewed Pelin’s thoughts with reference to Neumark and Aydemir’s works, repeated the same statement.³⁴¹ In this thesis, it is clarified that Pelin did not agree with the doctrines of the Classical School of Economic Thought. Furthermore, the portrayal of Pelin as a social liberalist is only true to a certain extent, since regardless of whether social liberalism was clearly defined, it is apparent that Pelin emphasized the role of the state in social economic life, which stood beyond any social liberal discourse about the state.³⁴²

Aydemir’s claim about Pelin most likely resulted from the statist nature of the period. Aydemir embraced the idea of etatism presented by İsmet İnönü, the Prime Minister, and even carried this approach a step forward to define his political and social thought parallel to the understanding of economic etatism alongside other members of the Kadro (Cadre) movement.³⁴³ The economic thought put forward by the Kardroists seems similar to the thoughts of the Dependency School, which in essence was a simplified version of the German Historical School.³⁴⁴ Furthermore, the Kardroists did not condemn only Pelin with being a classical economist, but almost all of the economists working at *Darülfünun*.³⁴⁵ Moreover, Özveren benefited from Pelin’s

³⁴⁰ Neumark, *ibid.*, p. 58; Aydemir, *ibid.*, p. 15.

³⁴¹ Akalın, *ibid.*, p. 17; Kenan Göçer & Cem Çetin, “Maliyeci İbrahim Fazıl Pelin’in Hayatı”, pp. 9-10; *idem.*, “Maliyeci İbrahim Fazıl Pelin’in İlm-i İktisat Dersleri Kitabı”, p. 42.

³⁴² Bakırezer used this ideological description for Pelin’s thought without presenting his reasons or framing the social liberal thought. Bakırezer, *ibid.*, pp. 151-153.

³⁴³ Mustafa Türkeş, “A Patriotic Leftist Development – Strategy Proposal in Turkey in the 1930s: The Case of the Kadro (Cadre) Movement”, *International Journal of Middle East Studies*, vol. 33, 2001, 91-114, pp. 95-101.

³⁴⁴ Eyüp Özveren, “The Intellectual Legacy of the Kadro Movement in Retrospect”, *METU Studies in Development*, vol. 23/4, 565-576, 1996, pp. 570-571; *idem.*, “Ottoman Economic Thought and Economic Policy in Transition: Rethinking the Nineteenth Century”, *Economic Thought and Policy in Less Developed Europe*, London: Routledge, 2001, 129-144, p. 139.

³⁴⁵ The reason Aydemir took İbrahim Fazıl Pelin as his target was most probably due to the fight Aydemir and other Kardroists started against the traditional Darülfünun mentality. As one

İktisat, vol 2. (1933) while determining his economic mode of thought. Because of the dedicated moderate interventionist role to state, and the references he used in his work, Özveren states that Neumark's description can be misleading.³⁴⁶

Fundamentally, comments on Dist. Prof. İbrahim Fazıl Pelin's economic beliefs to date seem weak or insufficient. Pelin was neither a classicist nor a protectionist. He was ultimately an eclectic economic thinker benefiting from the two schools' criticisms of one another. He distinguished himself from both the liberal school of thought and the protectionist approach with his ideas about the state's participation in economics and about the universal validity of economic laws. He did not entirely reject scientific laws in economics, but instead underlined that these laws could occur in various forms in different times and places. In short, economic activities could be explained through the interaction of natural and social laws. Furthermore, the nature of sociological laws was complicated: It had many determinants such as human motivation, culture, sociological structure and so on. Therefore, it was hard to determine the outcomes of the transfiguration of natural laws, and therefore impossible to find certain answers to economical questions. It was only possible to reach estimations, and approximate whether these estimations would produce the desired results or not depending on strong inspections of the social structure.³⁴⁷

Pelin therefore preferred using the methods of induction and deduction together in his economics methodology.³⁴⁸ First, the dynamics of social structure should be analyzed. Then, the findings should be compared to the natural laws getting from the deductive reasoning process and if there is, the transfiguration in natural laws should

of the oldest members of the Darülfünun, Pelin became an open target. Hence, the question should be seen as an image building issue rather than a scientific one. See Eyüp Özveren, "A Hundred Years of German Connection in Turkish Economic Thought", *The German Historical School and European Economic Thought*, (ed.) José Luís Cardoso, Michalis Psalidopoulos, New York: Routledge, 2015, 149-166, pp. 154-155, 163; Ragip Ege & Harald Hagemann, "The Modernisation of the Turkish University after 1933: The Contributions of Refugees from Nazism", *The European Journal of the History of Economic Thought*, 2012, vol. 19/6, 944-975, p. 951.

³⁴⁶ Özveren, *ibid.*, p. 163.

³⁴⁷ İbrahim Fazıl Pelin, *İktisat*, pp. 13-18.

³⁴⁸ *idem.*, pp. 23, 35-36.

be explained. Hereby, the specific structure was identified.³⁴⁹ Finally, the results were tested in practice. According to Pelin, economics was a social science strongly connected to other social sciences. The mathematical method also played a significant role as an explanatory force in some economic principles such as the theory of value; however, economics could not be reduced to mathematical formulations according to Pelin. Otherwise, it would be impossible to explain and understand the economic determinants in economic actions.³⁵⁰

Pelin's economic approach begun to shape during his education in France. During his time at *l'école Sciences des Politiques*, economical education was provided in law courses. Moreover, due to influences of the German Historical School of economics, sociology and history had already started to integrate into the economics education. These must have triggered Pelin to search for a middle ground between protectionism and classicalism in his ideas about trade, the role of state, and social harmony. In this manner, the attention he paid to the roles of law and ethics in the composition of social structures that shaped the local dynamics of economics makes possible to see the first seeds of an institutionalist approach in Pelin's economic approach.³⁵¹

Pelin's eclectic economic understanding also appears similar to the approach of John Maynard Keynes. Both thinkers centered their thoughts on a balance between the liberal and protectionist thoughts and aimed to protect public benefit and social interest by presenting an economic growth model to prevent economic crises.³⁵² The mediatory role among social classes that Pelin had dedicated to the state, was also close to Keynes's idea of a state. The similarity between their approaches might have been rooted in the influence of a "social welfare state" idea.³⁵³ To Pelin, the state was

³⁴⁹ Pelin pursued this method for the first time in his work, *Bütçe (The Budget)* (1916) and presented the issue of budget in Turkey by starting his narration with the historical method. İbrahim Fazıl Pelin, *Bütçe*, İstanbul: Hukuk Matbaası, 1332 [1916].

³⁵⁰ *idem.*, pp. 34-35.

³⁵¹ Pelin, *İktisat*, pp. 18-23.

³⁵² Cammarosano, *ibid.*, pp. 168-169; Graziani, *ibid.*, pp. 23-42.

³⁵³ İbrahim Fazıl Pelin., *Finans İlmi*, p.71; Cahide Bayraktar, "Keynes ve Refah Devleti", *Sosyal Bilimler Dergisi*, vol. 10, no. 2, 2012, p. 256.

a balance mechanism between socio-economic classes. He dedicated an intermediary role to the state. The state had to support the rights of weaker classes who could not protect themselves against others. In his opinion, the state should intervene in the assignment of work hours, the control of work conditions, the determination of salaries and enforce a social insurance law to guarantee the future of weaker classes such as the labor class.³⁵⁴ Furthermore, Pelin stated that penetration of the state into the socio-economic sphere was especially inevitable in parliamentary systems based on elections, such as democracies. According to Pelin, in these types of governmental systems, the majority of the society was comprised of the working class, who would become closer to the governmental power than it would in other types of governmental systems. Therefore, even if this social class was not directly part of the governmental power, the government could not remain indifferent to the demands of the workers. In this situation, state intervention would be indispensable. Furthermore, the state was responsible for a variety of public services such as education, security and infrastructure services.³⁵⁵ According to İbrahim Fazıl Pelin, the state guarded the public interest and could even temporarily engage in entrepreneurship for the sake of the society and national economic development.³⁵⁶ Essentially, in some respects, Pelin's state model was similar to the social welfare state model with its public and economic roles. Hence, he presented an economic thought introducing a new economic approach to the Turkish economic intellectual sphere. In addition, after his death, Pelin's eclectic social and economic thoughts maintained their influence on literature through works by two important thinkers: Nihat Sayar and Turhan Feyzioğlu. Pelin's work also contained extensive knowledge on Western economic literature. When the names he introduced alongside their thoughts and attributions to economics are considered, Pelin's books *İlm-i İktisat Dersleri* (1914) and *İktisat* (1927) can be accepted the first comprehensive Turkish monography samples on economic thought.

Furthermore, it is apparent from his articles in different journals that Pelin examined Turkish economic policies closely as well. Moreover, in 1934, he became

³⁵⁴ İbrahim Fazıl Pelin, *İktisat*, vol. 2, p. 206.

³⁵⁵ *idem.*

³⁵⁶ *idem.*, "Ticaret ve Finans Münasebetlerimiz", pp. 25-26; *idem.*, *İktisat*, p. 32.

one of the co-founders of the Turkish Cooperation Foundation and strove to spread the idea of cooperatives to provide capital support to private entrepreneurs and encourage farmers to use modern agricultural methods.³⁵⁷ In addition, Pelin's stance as Turkey's representative at the Balkan Conferences conveys that he supported the idea of establishing a customs union, or at least forming a common customs policy among the Balkan countries.³⁵⁸

Lastly, it is salient to notice that economic thought could not succeed in evolving to a specific area that could be appreciated alone yet. Unfortunately, economic thought could only be valued as long as it existed as a part of a political structure. Even today, intellectuals define their life perspectives within certain concepts such as liberalism, socialism and etatism, often ignoring or underestimating the place that economic thought holds. Even the most effective thinkers may contradict their own social and political perspectives when they start to mention their economic thought, diverging from their main ideological approaches in Turkey. Hence, these contradictions lead to the emergence of some new ideological discourses such as "social liberalism," which cannot assume de facto meanings since their meanings are radically exposed to unending deconstructions and differ from person to person. Since the concept of social liberalism can have a vastly comprehensive meaning that is hard to frame within a common ideological form, depending on the interpretation of the writer, both a liberal thinker who criticizes certain classical arguments and a moderate defender of historicism could come off as social liberal thinkers. Moreover, it is unclear whether this concept was used and recognized by the economic thinkers of the 19th and 20th centuries. Regardless, it is not necessary to find alternative concepts to determine their economic thoughts. Therefore, I find it suitable to define İbrahim Fazıl Pelin as an eclectic thinker who was a liberal but centered his thoughts on the benefit of the state and the society.

To conclude, in Turkey's political atmosphere, either modern economic

³⁵⁷ No Author, "Ord. Prof. İbrahim Fazıl Pelin (1886-1944)", *Karınca Dergisi*, vol. 425, 1972, p. 19.

³⁵⁸ Cumhurbaşkanlığı Arşivi, Ebiş Sıra No. 01017090, 196, F:1, Ek:228, p. 17; "Balkan Konferansı Yarın Resmen Açılıyor", *Cumhuriyet Gazetesi*, 19 October 1931: pp. 1, 5. Print.; Ali Fuat, "Bükreş Mektubu: Balkan Misakı Esasları", *Cumhuriyet Gazetesi*, 25 October 1932: p. 3. Print.

thought has not been courageous enough to form its own discourse and agenda, or no scientific environment that carries such a concern has been formed. Nevertheless, because the efforts on alter that circumstance and politicized economic discourses reflects the general approach of the period's intellectual life and analyses that will be developed concerning the history of economic thought are pivotal. Hence, available and prospective studies on economic thinkers such as İbrahim Fazıl Pelin are very important and beneficial to the history of Turkish thought and mentality.

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APPENDICES

A. TURKISH SUMMARY/TÜRKÇE ÖZET

İBRAHİM FAZIL PELİN NEZDİNDE GEÇ OSMANLI İMPARATORLUĞUNDAN TÜRKİYE CUMHURİYETİNE İKTİSADİ DÜŞÜNCENİN EVRİMİ VE PROFESYONELLEŞMESİ

İktisat her ne kadar, diğer bilimlerden bağımsız bir çalışma alanı olsa da, iktisadi düşünce, iktisadın kapladığı spesifik bir alandan daha fazlasını ifade eden felsefi bir zemini ifade eder. İktisadi düşünce biçimlerini tanımlarken kullanılan düşünce okulları, yalnız “iktisat” ile sınırlı bir alanı kapsamaz. Bu fikirler, siyasi ve sosyal alanlarla doğrudan ilintili ve iktisadi açıdan da bu alanlarla bir bütünlüğe işaret ederek geniş bir bağlam ortaya koyan fikirlerdir. Yani iktisadi düşünce, hayat, toplum, birey ve devlet gibi konular üzerine yapılan felsefi bir sorgulama biçimidir. Bu bakıma, iktisadi düşüncenin ifade ettiği düşünce biçimi, sosyal ve siyasi fikirler ile bir çeşit bütünlük ortaya koyar.

Felsefi bir tartışma alanı olarak iktisat bilimi 19. yy.’da doğa bilimlerinden ziyade beşerî bilimlere yakınlık gösteriyordu. İktisadi düşünce üzerine tartışmalarda ele alınan iktisadi olaylar ve gelişmeler ve iktisadın temel dinamikleri insanların bireysel ve toplumsal davranışlarıyla açıklanmaktaydı. İktisadi düşünceler üzerine yapılacak detaylı analizler, bu yüzden, bu fikirlerin içinden doğduğu toplumun anlaşılmasını kolaylaştıracak ve ait oldukları dönemin toplumsal düzlemini tanımlamayı olanaklı

kılacaktır. Netice itibariyle, her iktisadi düşünce sosyal kültürel ve siyasi koşullara bağlı bir şekilde ya var olan yapıya karşı çıkararak ya da var olan yapıyı ve onun eksikliklerini tamamlayacak bir sav ortaya koyarak kendi döneminin zihniyetinin bir ürünü olarak açığa çıkmakta ve esasen kendi döneminin zihniyetini ortaya koymaktadır.

Avrupa'daki gelişmelerin bir yansıması olarak, Osmanlı İmparatorluğu'nda da modern iktisat, *economie politique* namıyla liberal fikirler ile özdeşleşmiş bir formda kendini göstermişti. Liberalizmin “modern” bir doktrin olarak adlandırılmasının sebebi, onun Yeni Çağ'ın düşünce atmosferinde yeni sosyo-politik formasyonların oluşumunu ifade etmesinden kaynaklanıyordu. Böyle bir atmosferde, Avrupa'daki Aydınlanma Hareketi ile hakikatin bilgisinin Tanrı-merkezli bir yaklaşımdan ziyade akıl yoluyla elde edilebileceğine olan güven ve doğaya atfedilen genel yasalar, sosyal, siyasi ve iktisadi olarak bütünsel bir düşünceyi ifade ediyor ve liberal iktisadi düşünceler de, beşeriye tesir eden bu doğal düzeni tarif ederek dönemi ile bir bütüsellik oluşturuyordu. Adam Smith bu bakıma, medeni toplum hayatında “doğal özgürlük sistemi”nin işlediğini iddia ediyordu. Bireyler, kendi üzerlerindeki bütün dış müdahaleler kalktığında kendi iyiliklerine çalışırken bir düzen de kendiliğinden oluşuyordu. Oluşan düzen toplumun ta kendisi olduğundan, bireysel çıkarlar toplumun çıkarlarıyla çatışmaz aksine bireysel çıkarlar aynı zamanda toplumun da faydasına çalışırdı. Dolayısıyla, ona göre bireysel özgürlüklere müdahale edilmemesi gerekiyordu. Osmanlı'da ise Tanzimat Dönemi entelektüellerinin “hürriyet” fikri en iyi liberal düşüncelerle tanımlanıyor ve Osmanlı'daki muhalefet liberal bir çizgiden ivme kazanıyordu. II. Meşrutiyet'e değin İttihat ve Terakki Cemiyeti'nin genel düşünce yapısı vasıtasıyla devam eden bu liberal muhalefet, II. Meşrutiyet ile birlikte İmparatorluğun yapısına tesir edebilecek gücü tam bulmuşken, 1913 itibariyle İttihat ve Terakki Cemiyeti'nin yönetici kadroları liberal düşünceye dair olan güvenlerini yitirmiş bir halde “milli iktisat” tezini ileri sürüyorlardı. Bu durumun sebebi, İttihatçıların liberal atmosferin elde edilmesiyle milli kimlik arayışlarının büyük ölçüde biteceği düşüncesine olan inançlarının uluslararası ve İmparatorluk genelindeki sosyal ve siyasi gelişmeler sebebiyle sarsılmış olmasından ileri geliyordu. Osmanlı İmparatorluğundaki devlet ve gayrimüslim azınlıklar arasında artan gerilimler ile İttihat ve Terakki Cemiyeti ve azınlıklar arasında yaşanan çözülme süreci milli

burjuvazi inşası fikrinin şekillenmesine sebebiyet veriyor ve liberal iktisadi düşüncenin hegemonyasına karşı korumacı görüşlerin güç kazanmasına yol açıyordu. Yani İkinci Meşrutiyet döneminde ortaya çıkan milli burjuvazi yaratma fikri dönemin diğer olay ve gelişmelerinden bağımsız olarak ortaya çıkmamıştı.

Osmanlı İmparatorluğu'nda "modern" Avrupa iktisat düşüncesinin adaptasyonu fikri, devletin 18. yy.'ın sonuna doğru Avrupa'nın kendisine nazaran elde ettiği üstün pozisyonu ve gelişmişliğini anlamaya başlayarak ıslahat projeleri için Avrupa devletlerini kendine rol model almasının bir parçası olarak ortaya çıkmıştı. Osmanlı Devleti, III. Selim dönemi itibariyle, kendi yapısını eski işlerliğine kavuşturmak adına restore etmek fikrinden vazgeçme eğilimi göstermeye başlıyor, devlet adamları aracılığıyla Avrupa devletlerinin yapısını kuvvetli kılan etmenler araştırılmaya başlanıyordu. Bu Osmanlı Devleti'nin modern iktisadi fikirleri ilk anlama çabalarını ortaya koyuyordu. Özellikle Osmanlı İmparatorluğu'nun kapitalizme ve liberal dünyaya adaptasyonun önünü açan 1838 - Baltalimanı Antlaşması erken Cumhuriyet dönemine değin uzanan zihinsel dönüşüm açısından bir milat niteliği taşıyordu. Bu antlaşma liberal fikirlerin Osmanlı entelektüel söylemine nüfuz edebileceği bir kanal açmış ve çok geçmeden Tanzimat dönemi ile birlikte entelektüel tartışmalar liberal bir zemin üzerinde şekillenmeye başlamıştı. Tanzimat döneminde Osmanlı basınında ortaya çıkan ilk özel teşebbüsler, başka bir deyişle basında kendini göstermeye başlayan kapitalistleşme, fikirlerin liberalleşmesine ve entelektüel muhalefet hareketlerinin ortaya çıkmasına giden yolun temel yapı taşlarını döşemişti. Bu kompozisyon Osmanlı seçkinlerinin zihinsel atmosferini değişime uğratarak 19. ve erken 20. yy. modernizasyon sürecinin altındaki zihinsel dönüşümü başlattı.

Öte yandan, iktisadın Türkiye'de bağımsız, ayrı bir disiplin olarak benimsenerek, profesyonellerin arasında tartışılan bir bilim halini alması neredeyse bir yüz yıllık zaman gerektirdi. Türkiye'de iktisadi düşüncenin profesyonelleşme yolunda tecrübe ettiği bu dönüşüm süreci 1936'da İstanbul Üniversitesi çatısı altında ilk müstakil iktisat fakültesinin kurulmasıyla iktisat biliminin kurumsallaşmasıyla tamamlandı. İktisat Fakültesi kurulana kadar, Türkiye'de iktisat kendi spesifik bilimsel tartışma alanında ele alınan bir mesele olmaktan çok dönemin aydın kesimlerinin bir ilgi alanı olarak ele aldığı ve aralarında tartıştıkları bir mesele olarak varlığını sürdürdü. Osmanlı

İmparatorluğunda hiçbir profesyonelin ortaya çıkmadığı söylenemese de, sayıca oldukça az bulunuyorlardı. Dahası, iktisadi tartışmalarını kendi aralarında sürdürebilecekleri bir tartışma alanından ve profesyonel anlamda tartışma yapabilecekleri karşı görüşü savunan akademik rakiplerden de nicelik bakımından mahrum bulunuyorlardı.

Sakızlı Ohannes Paşa'ya kadar Osmanlı entelektüelleri arasında iktisadi ayrı bir disiplin ve profesyonel bir ilgi alanı olarak görüp ele alan biri olduğunu iddia etmek güçtür. Ohannes Paşa iktisadi spesifik ve profesyonel bir uğraşı olarak ele alıyor ve aslında, Osmanlı modernizasyon sürecindeki ilk kuvvetli liberal düşünür olarak ortaya çıkıyordu. Onun için iktisat entelektüel bir ilgi alanı olmanın ötesinde profesyonel bir mesleki alandı. Ohannes Paşa'dan sonra Cavit Bey, iktisadi düşüncüyü özel, profesyonel ve bilimsel bir tartışma alanı olarak gören ikinci isim oldu. Cavit Bey'in kendisi de liberal olmasına rağmen, Sakızlı Ohannes Paşa'nın yetiştirdiği bir kuşağın takipçisi de değildi. Yalnız savunduğu fikirlerin klasik liberal anlayışla var olan ilintisi, onun görüşlerini Ohannes Paşa'nın düşüncelerinin bir devamı niteliğinde gösterebilir. Ayrıca, her ikisinin kuşağında da iktisat Türkiye'de yeni kuşakların yetişmesine olanak veren ve daha geniş kapsamda kendi düşün geleneklerini oluşturabilen spesifik bir bilim halini henüz almamıştı. İktisat ile ilgilenenler dönemin siyasi düşünürlerinden ibaretti ve onların iktisada yaklaşımları da kendi içlerinde pragmatist bir algıdan ileri geliyordu. Bu da iktisadi düşüncenin Türkiye'de kendi geleneklerini yaratmasını büyük ölçüde engelleyen şeydi. Bu pragmatist yaklaşımın temel sebebi Osmanlı aydınlarının iktisadi kendi sosyal ve siyasi fikirlerini tamamlayıcı bir aracı olarak görüp algılamalarından ileri geliyordu. Tanzimat düşünürlerinin ve sonrasında İttihatçıların kendi hürriyetçi ve muhalif düşüncelerini tamamlayan iktisadi düşünce de yine liberal iktisadın ta kendisi olmuştu. Yeni Osmanlılar ve Jön Türkler devletin birey üzerindeki baskı ve müdahalelerine karşı bir tavır halindeydiler ve örnek aldıkları parlamenter yapının, demokratik kurumların ve özgürlüklerin temelini iktisadi liberalizmin oluşturduğu inancındaydılar. Böylelikle, daha sade bir anlayışla iktisadi liberalizmin birer savunucusu halini alıyorlardı. Bu pragmatik algının altında yatan ikinci sebep ise, modern iktisadi düşüncenin devleti kötü gidişatından kurtaracak bir çözüm bulmak kaygısı temel alınarak irdelenmiş olmasından kaynaklanıyordu. Böylelikle, Osmanlı aydınları için, iktisat bir bilimsel

kimlik ile, kendi gelişim düzlemi içerisinde ele alınmamış fakat pratik çözümler aranmak üzere bakılan pragmatik bir algının aracı olmuştur. Dolayısıyla denilebilir ki, Osmanlı'da savunusu yapılan iktisadi düşünceler Batı'daki varoluşsal gelişiminden farklı bir yön izlemiştir.

Parlamento ve anayasal düzen yanlısı olan Osmanlı entelektüelinin muhalefet aracı halini alan liberal düşüncenin karşısında, Ahmet Mithat Efendi gibi önemli bir entelektüel ise, Osmanlı'nın Avrupa'dan farklı olan yapısına atıfta bulunuyor ve Osmanlı için liberalizmin uygun bir model olmadığını savunuyordu. Böylelikle, Ahmet Mithat Efendi, ortaya koyduğu modernizasyon anlayışı ile paralel olarak Alman Tarih Okulu'nun savunusunu daha anlamlı buluyor, bunları merkantilist politikalar olarak isimlendirerek, devlet merkezli, müdahaleci bir yapıyı müdafaa ediyordu. Ahmet Mithat Efendi'nin aslında yapmaya çalıştığı şey geleneksel zihniyetin değişimi için devletin müdahalesini öngörmektir, ancak bu duruşun iktisadi yansıması da, onun merkantilist dediği, fakat aslında ucu Alman Tarih Okulu'nun görüşlerine çıkan yoldan geçiyordu. Devlet ise içerisinde bulunduğu iç ve dış krizler esnasında, İmparatorluğu çözülmekten kurtarmanın çaresini merkezi gücü artırmakta buluyor ve devlet yapısı giderek otokratik bir yapıya yöneliyordu. Bu bakıma Ahmet Mithat Efendi'nin savunduğu müdahaleci görüş altında yatan organik karakter devlet için kayda değer bir anlam ifade ediyordu. Organik görüş, bireyden ziyade topluma odaklı ve toplumun çıkarlarını birincil sıraya taşıyan görüştü. Dolayısıyla asıl mesele bireysel özgürlüklerden önce toplumun faydasıydı. Devletin 19. asırda başlayan İmparatorluk genelinde "Osmanlı" kimliği gibi toplu bir üst kimlik yaratma çabası da bu düşünceyle büyük bir paralellik taşımaktaydı. Keza, bu politikanın altındaki maksadı da İmparatorluk genelinde organik bir bütünlük meydana çıkarmak olarak okumamız mümkündür.

Dahası, Alman Tarih Okulu'nun devlet merkezli görüşleri de, 19. yy.'ın son çeyreğinde klasik okul karşısında kıymet kazanmaya başlamıştı. Nitekim tümdengelimci metodu kullanan ve iktisat kanunlarının evrensel geçerliliği ilkesi üzerinde durarak, aslında iktisadi düşünceyi soyut teoriler üzerine kurgulayan klasik okulun karşısında, Lutz, Wagner ve Schmoller gibi isimlerin önünü çektiği Alman Tarih Okulu taraftarları tümevarım metodunu ilke ediniyor ve iktisadi kanunların evrenselliğine karşı çıkıyorlardı. Onlara göre iktisadi kanunlar, bir bölgedeki

toplumun yaşam şekli, iktisadi yapısı ve gelişmişliği ile ilintiliydi. Dolayısıyla, iktisadi dinamikleri tespit edebilmek için, spesifik bir bölgede, oraya ait olan toplumsal dinamiklerin izi sürülmeli ve bunun için tarihe başvurulmalıydı. Onlara göre serbest ticaret ve bireysel çıkar kanunu gibi klasik okulun evrensel kabul ettiği ilkeler her yerde aynı sonucu getirmeyecekti. Klasik Okulun en önemli temsilcilerinden biri olan John Stuart Mill ise, Alman Tarih Okulu'nun iddiaları karşısında, tümevarım (inverse deductive) yönteminin göz ardı edilemeyeceğini kabul etmişti. Ancak Mill de tümevarım yöntemini, diğer klasikçiler gibi genellemelere ulaşmak için, tündengelim yönteminin bir yardımcısı olarak görüyordu. Alman Tarih Okulu mensuplarının bir diğer iddiaları da, elde edilecek iktisadi verilerin test edilmesi gerektiğine dairdi. Mill gibi ünlü klasik düşünürler, kendi aralarında tartışmalı bir mesele olmasına rağmen, genel olarak, doğrudan yahut dolaylı bir şekilde sınıma karşı çıkıyorlardı. Böylelikle klasik okulun düşünceleri Alman Tarih Okulu karşısında teorik ve soyut bir iktisat anlayışı ortaya koyuyordu. Dahası, Klasik Okulun iddialarının tartışılmaya başlanması ve klasik iktisadi öğretilerle ekonomik gelişmeleri açıklamakta yetersiz kalmaya başlaması, onun güvenilirliğini genel olarak zedeliyordu. Mill'in yazdığı kitapla pek çok mesele hakkında ortaya koyduğu görüşlerden sonra, onun üstüne çıkacak yeni bir klasikçi olmadı ve klasik iktisat bir durağanlaşma dönemine girdi. Hatta klasik iktisada dair söylenebilecek her şeyin zaten Mill tarafından söylenmiş ve klasik okulun tartışmalarının bitmiş olduğuna dair iddialar ortaya süren iktisatçılar dahi göründü. Bu da klasik iktisadın sonuna erdiği görüşünün yaygınlaşmasına ve Alman Tarih Okulu'nun nüfusunu arttırmasına ortam hazırladı. İngiltere'de ve Amerika'da ortaya çıkan tarihçi okullar, iktisadi tartışmaların politik yansımalarının genel bir değişime uğramasına etkide bulundu. 19. yy.'ın son çeyreği itibariyle, Batı Dünyası genelinde devlet merkezli korumacı politikalara genel bir eğilim oluşmuştu. Liberalizm ise, klasik okulun öğretilerine olan bağlılığın Mill'den itibaren sarsılmaya başlamasıyla farklı bir yapıya evrilmeye başladı. Bu anlayış, devletin klasik liberalizmdeki yerini genişletiyordu. Nitekim Mill, devletin bireylerin arasındaki sosyo-ekonomik eşitsizliklerin etkisini azaltmak doğrultusunda birtakım sosyal sorumlulukları olduğunu kabul etmişti. Devletin etkinlik sahasını genişleten bu yeni anlayış, sosyal liberalizm yahut refah liberalizmi olarak adlandırılmaya başlanacaktı.

Osmanlı İmparatorluğu'nda da özellikle, kendi döneminin aydınları tarafından Hâce-yi Evvel diye çağırılan Ahmet Mithat Efendi ile ağırlık kazanmaya başlayan müdahaleci görüş, bir sonraki kuşakta Akyiğitzâde Musa Efendi ile daha iyi yapılandırılmış bir biçim kazandı. Musa Efendi Alman Tarih Okulu'nun görüşlerini aktarmak ve Osmanlı'ya uyarlamak bakımından iktisat alanında profesyonelliğe en çok yaklaşmış kişiydi. Böylelikle, profesyonel iktisat, ikinci kuşakta ikinci bir iktisadi bakış açısının da gündeme gelmesine tanıklık ediyordu: Cavit Bey'in klasik liberal düşünceleri ve Musa Efendi'nin müdahaleci fikirleri.

II. Meşrutiyetin ilanı ile birlikte meşruti idarenin ilk beş yılı Osmanlı'da genel itibariyle liberal bir hava hâkim olmuştu. Öte yandan, II. Abdülhamit'in "istibdad"ına karşı tüm Osmanlı unsurlarını özgürlükçü bir yaklaşımla birleştirmek düşüncesi, Yunanistan'ın Girit'i ilhakı, Bulgaristan'ın bağımsızlığını ilanı etmesi, Avusturya-Macaristan'ın Bosna-Hersek'i işgal etmesi, Balkan Harbi ve Edirne'nin elden gidişi gibi hadiseler neticesinde İttihatçıların yaşadıkları düş kırıklığı ile son buldu. Bunun yerine, 1913 itibariyle, milli kimlik ve milli bir burjuvazi inşa etmek arzusu devlet politikalarında öne çıktı. Yeni Müslüman - Türk kimliğinin inşa edilmesinin liberal bir yapı ile mümkün olamayacağı fikri İttihat ve Terakki Cemiyeti'nin yönetici zümreleri arasında ağırlık kazanmıştı. İttihat ve Terakki Cemiyeti yönetiminin takındığı otokratik tutum, liberal havanın çabuk dağılmasını da beraberinde getiriyordu. Böyle bir ortam içerisinde klasik mektebin Osmanlı'daki o zamana değin en önemli temsilcisi konumunda olan dönemin mühim klasikçi düşünürü Maliye Nazırı Cavit Bey dahi etkisiz kalıyordu.

İktisadi düşüncenin diğer alanlardan bağımsızlığını kazanarak spesifik bir bilim halini alması ve tartışmalarının profesyonel bir tartışma zeminine kavuşması üçüncü kuşağı bekledi. 19. yy.'da ortaya konan katkılarla alınan yolun bir getirisi olarak, Cavit Bey'in temsil ettiği ikinci kuşakta iktisadi düşünce, siyasi çevrelerde bir saygı uyandırmış, fakat bu saygı, gene de iktisadın ayrı bir bilimsel kimliğe evrilmesini bir anda gerçekleştirememiştir. İktisat Türkiye'de ancak 1936'da İstanbul Üniversitesinde kurulan İktisat Fakültesi ile bağımsız bir bilim halini almış ve Türkiye'de iktisatçıların yetişmesine olanak tanınmıştır. Bu tarihleme de iktisadi profesyonel bir uğraşı olarak ele almış üçüncü kuşağa yerleştirebileceğimiz iktisatçıların dönemine denk gelmektedir. Üçüncü kuşak ile birlikte iktisat ile profesyonel ve dönemin politik

pragması etrafında şekillenen entelektüel uğraşlar da birbirinden ayrılmaya başlamıştır. Bu kuşak ile iktisat, entelektüel çevrelerin kendi aralarında ve de evvelden sayısı bir elin parmaklarını geçmeyecek profesyoneller ile meraklı entelektüellerin arasında yürütülen bir tartışma zeminine ek olarak, profesyonellerin bilimsel anlamda ele alıp tartıştıkları ve bilimsel bir literatür oluşturmaya başladıkları, bilimsel bir zemine kavuşmuştur.

Bu çalışmanın amacı şimdiye kadar literatürde adından dönemin önemli bir iktisatçısı olarak sözü edilmiş ve fakat sahip olduğu iktisadi düşünceleri hakkında varsayımlardan ötede bir yere varılamamış olan Ord. Prof. İbrahim Fazıl Pelin'in, iktisadi görüşlerine ve düşün dünyasına ışık tutmaktır. Kapsamlı bir analiz sağlayabilmek için, dönemin iktisadi düşünce birikimini ve yapısını doğru anlamak ve onun düşüncelerinin nasıl bir bağlam içerisinde şekillendiğini tartışmak önem taşır. Keza İbrahim Fazıl Pelin üzerine yapılacak bir çalışma, aynı zamanda Türkiye'de iktisadın profesyonelleşmesi ve bilimsel kimliğini kazanması serüvenine de kayda değer bir ışık tutacaktır. Nitekim, İbrahim Fazıl Pelin, Türkiye'de iktisadın bilimselleşme serüveni için bir dönüm noktası olarak kabul edebileceğimiz 1936 İstanbul Üniversitesi İktisat Fakültesinin, yani Türkiye'deki ilk müstakil iktisat bölümünün kurulmasına tanıklık etmiş ve onun kurucularından biri olarak tarih sahnesinde yerini almış iktisatçılardan biridir.

İbrahim Fazıl Pelin 1914-1944 tarihleri arasında yazdığı pek çok sayıda kitap ve makalesiyle Türkiye'de modern iktisadın bilimselleşmesi yönünde en büyük katkılardan birini ortaya koyuyordu. Kendisine değin yerli literatürde var olan iktisadi tartışmalar aslında dönemin düşünürlerinin politik ön kabullerinden hareketle şekillenmişti. Düşünürler, iktisat ile ilgili görüşlerini eserlerinde ya kendi politik ön kabulleri neticesinde ortaya atıyor yahut da kendi mensup oldukları iktisadi görüş doğrultusunda tek yönlü bir anlatı sunuyorlardı.

İbrahim Fazıl Pelin'in eserleri, aynı zamanda Türkiye'deki ilk iktisadi düşünce tarihi monografileri örnekleri olarak da kabul edilebilir. Nitekim kullandığı kaynakların fazlalığı ve atıfta bulunduğu iktisat düşünürlerinin oldukça kapsamlı bir tablo ortaya koyması bu tespiti mümkün kılmaktadır. İlm-i İktisat Dersleri kitabında iktisadi düşünce tarihine dair genel bir perspektif ortaya koyarken, 1927 ve 1933 tarihlerinde

basılan iki ciltlik İktisat kitabında sunduğu geniş anlatı, Türkiye’de düşünce okulları ve temsilcileri üzerine yapılmış şimdiye kadar tespit edilebilmiş olan en kapsamlı çalışmayı ortaya koyuyordu.

İbrahim Fazıl Pelin ise kitaplarında iktisadi düşüncenin doğasını çok yönlü bir tartışmaya açmıştı. O güne kadar ortaya çıkan iktisadi görüşleri ve bu görüşlerdeki gelişmeleri ortaya koydukları yöntem ve temel felsefe ile mercek altına alıyor ve sonra analitik bir süzgeçten geçirerek kendi eklektik perspektifine yer veriyordu. Böylelikle, kendine değin var olan en kapsamlı iktisat anlatısını kitaplarıyla ortaya koymuş oluyordu. Sahip olduğu eklektik tutumun altındaki temel belirleyici faktör de Türkiye’nin sahip olduğu sosyal ve politik iktisadi koşullardan ileri geliyordu. Kitaplarında, iktisadi düşüncenin evrimine, tartışmalarına, temsilcilerine ve kaynaklarına yer verdikten sonra Türkiye’deki koşulları analiz ederek, neyin, neden ve ne şekilde geçerli olduğunu akıcı bir üslupla ifade ediyor, böylelikle aslen refah liberalizminden hareketle ortaya koyduğu fikirlerini Tarih Okulu’nun metoduyla harmanlıyordu. Kullandığı örneklerdense dönemin hem yurtiçi hem de yurtdışı gelişmelerini sıkı ve başarılı bir şekilde takip ettiği anlaşılmaktadır. 1914-1915 tarihli Bütçe kitabında meşruti sistemi iktisadi perspektifle analiz ederken siyasi eleştirilere de yöneliyor ve 1933’te yazdığı İktisat kitabının ikinci cildinde de aşırıya kaçacak devletçi bir tutumun dünyanın içinde bulunduğu iktisadi koşullara nazaran realist olmayan bir tablo ortaya koyacağına dair endişelerini paylaşıyordu. Eklektik yaklaşımı onu ölçülü bir liberal ve ölçülü bir devletçi kılıyor, tam bir serbestiyete de, tam bir devletçiliğe de karşı çıkıyordu. Ona göre devlet toplum faydasını gözetmeli, toplumsal menfaatin ölçülü bir savunucusu olmalıydı. Bu esnada bireysel serbestlik ve özgürlüğün hem iktisadi hem de toplumsal faydası da net bir şekilde anlaşılmalı ve devlet ölçülü surette bir denge ortaya koymalıydı.

İbrahim Fazıl Pelin, eserlerinde iktisadi düşünce okullarının görüşlerine ve birbirlerine yönelttiği eleştirilere oldukça hâkim olduğunu gözler önüne serer. Bu bakıma, kendi eklektik metodunu ortaya koyarken oldukça tutarlı bir yol izler. Tamamen bireyci ve piyasacı değildir, fakat bireylerin serbestliğinin önemine yaptığı vurgular, onu temelde sosyal liberal düşünceye yakın algılamamıza sebep olabilir. Bireysel menfaate ve liberal zemine yaptığı vurgunun yanı sıra devlete ve onun sosyal sorumluluklarına yaptığı vurgu ve bu doğrultuda kooperatizm, sendikal haklar, sigorta, toplumsal

menfaat ve toplum refahı gibi kavramları öne çıkarması onun hareket noktasını sosyal liberalizme yahut diğer adıyla refah liberalizmine taşır. Hakikaten de, o, klasikçilerin görüşlerinin sosyal meselelere yanıt veremediğini ve içinde yaşadığı dünyanın iktisadi anlayışının artık bu ilkeleri takip etmediğini belirtir. Böylelikle, İbrahim Fazıl Pelin'in sosyal anlamda liberal bir eksenden hareket ettiğini söylemek yanlış olmayacak fakat bu kavram onu tanımlamak için yetersiz kalacaktır. Kendi düşüncelerini anlatmaya başladıkça, yaptığı devlet vurgusunun refah liberalizminin ötesinde konumlandığı anlaşılır. Ona göre mesele liberalizm yahut müdahalecilik görüşlerinden birini seçmek değil, ikisi üzerine geliştirilen eleştirileri iyi kavrayarak, günün iktisadi, sosyal ve kurumsal yapısına göre serbestliğin ve korumacılığın ölçüsüne karar vermek ve realist bir düşünce biçimlendirebilmektir. Bu yüzden, kendisi de eklektik bir tutum sergileyerek devlet müdahalesini iktisadi ve sosyal hayatta kabul ediyor, fakat bu müdahaleye birtakım sınırlar çizmeyi de uygun buluyordu. Pelin, devleti de piyasadaki aktörlerden biri olarak tanımlıyor ve kısaca, toplumsal faydayı gözeterek anahtar iktisadi meselelerin devlet eliyle regüle edilmesini öneriyordu. Yeri geldiğinde devletin ekonomiye doğrudan müdahale etmesinde sakınca görmüyordu. Bu hususlar, onu refah liberalizminin dışına taşıyor, ancak Alman Tarih Okulunun bir savunucusu olarak görebilmemize de olanak vermiyor. Tüm bunların ötesinde, Pelin'in devlete attığı role dair ortaya koyduğu bir takım temel prensipler, çağdaşı olan Keynes'in birtakım temel iddialarıyla da benzerlikler taşıyordu. Devletin sorumluluk ve müdahale alanına dair Pelin'in oluşturduğu anlatı, Türkiye'deki literatüre doğrudan Keynes'in düşüncelerini taşımamış olsa da, Türkiye'de böylelikle Keynes'in iktisat modeline giriş niteliğinde bir anlatı yerini almış bulunuyordu.

İbrahim Fazıl Pelin, Sıddık Sami Onar tarafından döneminin ünlü ve önemli bir iktisat düşünürü ve maliye profesörü olarak tanımlanıyordu. Mülkiye'den öğrencilerinden olan ve bir kısım hatıralarını kaleme almış olan Fehmi Yavuz da onun döneminde Mülkiye'de ders veren hocalarının arasında tek kendi kitabı olan hocası olduğunu belirtiyordu. Aynı zamanda "Atatürk Dönemi Maliye Politikaları" kitabında Güneri Akalın da İbrahim Fazıl Pelin'i, Cavit Bey ve Fethi Bey ile birlikte batı literatürünü devamlı takip edebilmiş dönemin nadir iktisatçıları arasında göstermekte ve Cavit Bey, Hasan Saka, Hasan Tahsin Aynî ve Cezmi Erçin Emiroğlu ile birlikte onu döneminin en önemli maliyecileri arasında kabul etmektedir. Kooperatif fikrine ve

uluslararası bir gümrük birliği idealine nazaran, İbrahim Fazıl Pelin'in Türk Kooperatifçilik Kurumunun kurucuları arasında yer aldığını ve Balkan Konferanslarında Türkiye'nin iktisat alanındaki temsilcisi olarak görevlendirildiğini de belirtmek gerekir. Dahası, döneminde, konferanslarının basın tarafından takip edildiği ve görüşlerinin basın aracılığı ile halka tanıtılıyor olduğu da görülmektedir. Rıza Şah Pehlevi'nin Türkiye ziyareti sırasında, yeni modern Türkiye'nin yapısını ve düşünce dünyasını kendisine göstermek maksadıyla hazırlandığı muhakkak olan ziyaret programının bir parçası olarak da Şah Hazretleri İstanbul Üniversitesini ziyarete götürülmüş ve İbrahim Fazıl Pelin'in sınıfına sokulmuştu.

Pelin için, dönemin Almanya'dan gelen iktisatçısı Neumark'ın hatıratında Pelin'i düşün dünyasıyla bir incelemeye tabii tutmuyor fakat kendisi için "Fransa'da öğrenim görmüştü. Sadece Fransızca kaynakları tanıyordu ve koyu liberal Rüstow'un dediği gibi <taş devri liberali> görüşleri savunuyordu." ifadesine yer veriyordu. Bir diğer kaynak da Şevket Süreyya Aydemir'in eleştirisidir ki, o da Pelin'i "müstemleke iktisatçısı" olarak itham etmekle yetinmiştir.

Pelin'in vefatından sonra onun üzerine müstakil bir çalışma kaleme almış olan tek isim Fındıkoğlu'dur. Fındıkoğlu'nun çalışması Pelin hakkında, onu tanıyan biri olarak kıymetli anekdotlar veriyor ve dönemi için kendi alanındaki yetkinliğini ön plana çıkarıyorsa da, Pelin'in görüşleri hakkında bir tespit bulunmuyor, bunu ileride yapılacak detaylı bir çalışmaya bırakıyordu.

Pelin'i zikreden bir diğer kaynak Akalın'ın *Atatürk Dönemi Maliye Politikaları* isimli çalışmasıdır. Öte yandan, Akalın, Pelin'e dikkati çekse de, onu detaylı inceleme fırsatını elde edememiş gözükmektedir. Nitekim, Pelin'i Cavit Bey'in bir devamı olarak literatüre sunmuştur. Göçer ve Çetin de İbrahim Fazıl Pelin'in 1914 tarihli *İlmi İktisat Dersleri* kitabını transkribe ederek Latin alfabesiyle tekrar düzenlemişler ve bu kitabın ön sözünde, Pelin'in yalnız bu çalışmasını baz alarak -muhtemelen kendilerinden önceki yorumların etkisiyle- Pelin'e dair yaptıkları incelemede onun görüşlerinin Cavit Bey ile benzer olduğunu ifade etmiş ve klasik düşüncenin Türkiye'deki önemli bir temsilcisi olarak takdim etmişlerdir. Bakırezzer ise, döneme dair yaptığı genel değerlendirmeler sırasında, Pelin'den dönemin ünlü bir akademik iktisatçısı olarak söz etmiş, onun görüşlerinin sosyal liberalizme yakın durduğunu ama

İbrahim Fazıl Pelin'in liberal ilkelere karşı bireyci ve piyasacı olmadığı için mesafeli yaklaştığını ve liberalliği benimsemediğini ifade etmiştir.

Literatürde İbrahim Fazıl Pelin üzerine vurgu yapmış olan bir diğer isim de Halil Nadaroğlu'dur. Nadaroğlu İbrahim Fazıl Pelin'in döneminin literatürüne olan hakimiyetinin etkileyciliğinden söz etmiş ve onun maliye alanında, dönem için var olan kıymetine vurgu yapmış, fakat Pelin'i bir iktisadi düşünce okuluna koymaktan geri durmuş, Neumark'ın tespitinin de doğruluğu hakkında şüphecî ifadeler kullanmıştır. Gene Nadaroğlu, Pelin'in iktisat ve maliye alanındaki yetkinliğine ve maliye alanında sonraki kuşaklar üzerinde bulunduğu etki üzerinde durmuş ve Pelin'i dönemi için bir kilometre taşı olarak tanımlamıştır. Son olarak Özveren de, Pelin'in 1933'teki *İktisat* kitabının ikinci cildinde ağırlıklı olarak ticaret meselesine dair olan fikirlerini baz alarak, dönemin literatürüne olan hakimiyetine ve özellikle Pelin'in Alman Tarih Okulunun fikirlerini yakinen tanıdığına ve kendi düşüncelerinde bunlardan faydalandığına vurgu yapmış, o da Neumark'ın ifadelerine karşın şüphecî bir tutum sergilemiştir. Kısacası, Pelin, şimdiye değin literatürde sürekli bir yer almış ve almaya da devam etmektedir. Öte yandan, henüz, onun üstüne dikkatli ve kapsamlı bir inceleme yapılmadığı için, her çalışmada farklı görüş ve ifadelerle karşımıza çıkmaktadır. Pelin'in düşün dünyası, Türkiye'de bir sonraki kuşağın üzerinde de tesirli olmuştur. Onun etkilerinin en büyüğü de, kendi yetiştirdiği öğrencilerden Turhan Feyzioğlu'nda ve Nihat Sayar'da görülür. Feyzioğlu'nun ve Sayar'ın çalışmalarına bakıldığında hocaları Pelin'in büyük bir etkisi altında kaldıkları, çalışmalarında onun eserlerinden ve sunduğu yabancı literatürden geniş ölçüde yararlandıkları gözükür. Düşüncelerinin de Pelin'in düşüncelerinin bir devamı niteliği taşıdığı açıktır.

Dahası, şimdiye kadar 1932 ve 1936 tarihleri arasında Türkiye'ye gelen Alman iktisatçıların iktisadın Türkiye'de bağımsız bir çalışma alanı olarak profesyonelleşmesinde buldukları katkılar literatürdeki çalışmalarda öne çıkmış ve dönemin Türk iktisatçılarının katkıları üzerine çalışmalar puslu kalmıştır. Bu durum da bu dönem üzerine çalışmalarda dönemin Türk iktisatçılarının katkılarının Alman iktisatçılarıinkine kıyasla daha bulanık ve dikkat çekmeyen katkılar olduğuna dair bir yanılgıya sebep olmaktadır. Pelin'in düşünce dünyasını açığa çıkarmak entelektüel iktisadi düşüncenin dönüşümü süresince ortaya çıkan bu kopuş algısını bertaraf etmek açısından destekleyici olacaktır.

Bu alıřmada, Pelin'in Büte (1913), İktisat (1927), İktisat II (1933), Finans İلمي ve Finansal Kanunlar (1937) ve onun birtakım makalelerine onun dūřuncelerini ve iddialarını sistematik ve birbirini tamamlayıcı bir mayette ierdikleri iin öncelikli olarak yer verilmiřtir. Ayrıca hayatı, resmi görevleri, biyografik bilgileri iin T.C. Bařbakanlık Cumhuriyet Arřivi'nden ve dönemin gazete ve dergilerinden faydalanılmıřtır.

B. TEZ FOTOKOPİ İZİN FORMU

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Bölümü :

TEZİN ADI (İngilizce) :

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TEZİN TÜRÜ : Yüksek Lisans

Doktora

1. Tezimin tamamı dünya çapında erişime açılsın ve kaynak gösterilmek şartıyla tezimin bir kısmı veya tamamının fotokopisi alınsın.
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Yazarın imzası

Tarih