

The Compatibility of the Late Ottoman Economy Politics with the Real Economy

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ABSTRACT

Two dynamics have been influential on the basic thought that refers to the political economy of the Ottoman State in the recent period. These are the modern economic thought of Western origin, which emerged in parallel with traditional thought, and the national economic thought that emerged and developed as a reaction to this. The first trend, liberalization, was driven by the idea of free trade or commercial capitalism. The aim of this study is to reveal to what extent the political economy, which has developed depending on economic thought, has been assimilated in the commercial field within the framework of the real economy. According to the findings obtained from current research, the ideological thought that forms the framework of Ottoman economic thought has recently been shaped in line with Ottomanism, Islamism and Turkism movements. It can be argued that the recent political economy and subsequent activities aimed to keep the state afloat according to the conditions of the period. It can be said that these commercial activities are in the style of periodic practices and discourses that are produced quickly, do not have much philosophical depth, and have political and ideological aspects.

Key Words: Ottoman, Ottoman Economic Thought, Ottoman Economy Politics,
JEL Sınıflandırması: A14, B00, E60

Son Dönem Osmanlı Ekonomi Politikasının Reel Ekonomiyle Bağdaşımı

ÖZ

Osmanlı'nın son dönemde ekonomi politikasını refere eden temel düşünce üzerinde iki dinamik etkili olmuştur. Bunlar geleneksel düşünceye koşut olarak ortaya çıkan Batı kaynaklı modern iktisadi düşünce ve buna tepki olarak ortaya çıkıp gelişen milli iktisadi düşüncedir. İlk eğilimde, liberalleşme boyutunda serbest ticaret veya ticari kapitalizm düşüncesi ile hareket edilmiştir. Bu çalışmanın amacı da iktisadi düşünceye bağlı olarak gelişen ekonomi politikasının reel ekonomi çerçevesinde ticaret alanı çerçevesinde ne derece özümsemediğini ortaya çıkarmaktır. Güncel araştırmalardan elde edilen bulgulara göre Osmanlı iktisadi düşüncesinin çatısını oluşturan ideolojik düşünce, son dönemlerde Osmanlıcılık, İslamcılık ve Türkçülük akımları doğrultusunda şekillenmiştir. Son dönemlerdeki ekonomi politikasının ve akabinde faaliyetlerin dönemin şartlarına göre devleti ayakta tutabilmek amacı taşıdığı ileri sürülebilir. Bu ticari faaliyetlerin hızla üretilen, felsefi derinliği fazla olmayan, siyasi ve ideolojik tarafları ağır basan dönemsel uygulama ve söylemler tarzında oldukları söylenebilir.

Anahtar Kelimeler: Osmanlı, Osmanlı İktisadi Düşüncesi, Osmanlı Ekonomi Politikası
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INTRODUCTION

Economic policies reveal the economic mentality of a state. Factors such as managers' knowledge, strategic thinking skills, analysis abilities, historical

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knowledge, ability to follow and read conjunctural developments, ability to produce ideas, and the extent to which they are intertwined with society are the factors that make up political economy. For this reason, when making an evaluation about the political economy, instead of relying solely on economic data, an interdisciplinary examination can lead to much more rational determinations.

As it is known, the Ottoman maintained its sovereignty over a very wide area for a very long time. It does not only include Muslim societies. It has gathered groups from different languages, religions, races, cultures and traditions under one umbrella (Duran and Çamlı, 2019). For this reason, if political economy and Ottoman dynamics are to be a research subject, first of all, periodic boundaries should be specified or a categorical interpretation should be made. Otherwise, interpreting yesterday from today's perspective would create a situation that contradicts scientific facts. Important factors such as the conditions of the period in question, the developments that deeply affected the society and the state at that time, public pressure, and the motivations that guided the society must absolutely form a basis.

It is necessary to reveal the motivating force, ideology or spirit behind the political economy field and take this as a starting point. As it is known, the Ottoman is a state institutionalized by Islamic law from its foundation to the last moment. All issues such as policies, decisions, audits, practices, and penal systems are handled within the scope of Sharia law. Naturally, this is the power that refers to economic policies.

In this regard, the study will try to analyze the compatibility of the late Ottoman political economy with the real economy. During the research, mostly current data and national/international literature will be used. The trade area in the real sector was determined as the boundaries of the study. It is planned that the study will add a new and updated interpretation to the literature on the subject. In this process, the late Ottoman economic mentality, the basic principles of the 19th century Ottoman Empire, the effects of the principles and values that constitute the economic mentality on the economic policies related to the trade sectors, and the effects of the policies put forward based on economic thought on economic development will be discussed in the context of the trade sector.

I. OVERVIEW OF THE REFERENTIAL THOUGHT SYSTEM

The self-sufficiency or success of the Ottoman Empire continued until the second half of the 1700s. If there is to be a turning point in decline, politically, militarily or economically, it should be 1774. With the signing of the Treaty of Küçük Kaynarca, it became clear that there was destruction in all areas. Naturally, a search for a solution is initiated as a result of the alarm raised by the system that has kept the state alive for many centuries. The disintegration and struggle of a structure firmly rooted in history naturally spreads over a long period. The period from 1774 to 1923 is a sign of this. During this time, the Ottoman system entered into tough struggles in every field. While there is resistance in some areas, disintegration is seen in some areas, and modernization is witnessed in others. III. Selim is important at this point. His period was the period of both renewal and the

beginning of the modernization of the Western thought system. Then II. Mahmud's period, on the other hand, points to a time when the Ottomanism movement was rapidly adopted by opening an internal front. During the Constitutional Monarchy periods, alongside Westernization and Ottomanism, Islamist activities and mentality were tried to be codified in almost every field (Hammond, 2022: 35-45).

The ideological thought that forms the framework of Ottoman economic thought is shaped in line with the recent Ottomanism, Islamism and Turkism movements. In the Ottoman economic thought system, two basic tendencies are effective: Western-based modern economic thought, parallel to traditional thought, and national economic thought, which emerged and developed as a reaction to this. (Morys, 2022; Omer, 2021: 43-74). It can be argued that the generally adopted ideas, policies and methods were in the style of periodic practices and discourses that were produced rapidly in order to keep the state alive according to the conditions of the period, did not have much philosophical depth, and had political and ideological sides

Recently, there has been a two-way intellectual interpretation in the Islamic world within the political, economic, ideological and religious debates. The first are the intellectuals who tend to Westernize and stay close to the political, social and economic developments of the West. The second is a group of intellectuals who prioritize Islamic values and want to receive only science, technology and methodology from the West. These synthesisist and eclectic intellectuals. They deal with economic issues within politics, education, philosophy, religion and morality. Although economic thought is seen as their weakness, they think mainly about Islamic economics because they are far from pure economics. On the other hand, due to the conditions of the period, it seems that they do not have much time to spare for economic issues (İmamoğlu, 2022: 1047-1056).

What lies ahead of them is a rapidly disintegrating state, a homeland whose lands are melting away, and a society that is disintegrating and disintegrating. It is inevitable that they act urgently in order to save the state and society. For this reason, natural thinkers adopt a reactionary style of action rather than an actional one. As a matter of fact, this situation is clearly felt in the policies put into effect. Because the Ottoman authorities could not produce independent policies due to capitulations. New agreement means a new concession in economic life. The incompatibility between the ways and methods to achieve the determined goals and the current conditions leaves its mark on real life. Despite everything, the Ottoman administrators fought hard to improve the conditions and make them more convenient. Depending on the demolition process and restructuring process experienced in the examined period, the land use system as well as trade, agriculture, industry, fiscal and monetary policies underwent extensive changes. Attempts are made to replace traditional institutions and policies with institutions and policies transferred from the West.

II. RECENT POLITICAL ECONOMY

The economic policies of the Ottoman tended to liberalize from the beginning of the 19th century, especially after the Tanzimat, in line with the

Ottoman economy's effort to integrate with the industrialized European economies. This trend is clearly felt in the policies put forward regarding the agriculture, industry and trade sectors. Agricultural policies come to the fore in the modernization process. Because in the Ottoman, the leading sector in economic development was determined as the agricultural sector (Karpat, 2022: 11-15). For this reason, the elimination of traditional institutions and methods and the substitution of new and modern institutions and methods are most common in the agricultural sector. This directly affects the trade sector.

During the restructuring process, basic programs to improve agriculture are revealed, official and private institutions that will implement the program are determined, practices that improve agricultural production are supported, the expansion of agriculture and the conversion of idle lands to agriculture are encouraged, agricultural schools are opened, local financial units are established, quality seeds are distributed, modern agricultural tools are distributed. -Materials are imported, production for foreign markets is expanded and encouraged. Many similar policies are pursued to reinforce the dominant position of the agricultural sector in the economy (Demir, 2023: 72). It is observed that agricultural development was achieved to a certain extent, especially in the period after the 1880s, under the influence of various factors. It can also be said that specialization and meta-agriculture are beginning to occur.

In the period under consideration, Ottoman decision-makers took important steps for the growth of the industrial sector. Large-scale factories are established under the leadership of the state, and efforts are made to modernize existing and new enterprises. In fact, with a rational move, incorporation policies are put into effect. However, it is seen that the targets to be achieved in the industrial sector are often not achieved (Pammer and Tuncer, 2022). Because the lack of technical capacity, capital accumulation and domestic financing institutions to support the determined policies creates a serious problem for the sector. In addition, the dominance of quality and cheap goods from Europe in the domestic market causes the demand for domestic goods to decline (Ramazan and Cingöz, 2020).

The domestic producer loses its competitive advantage against the foreign producer. One reason for this is that liberal ideas and trade were liberalized before the conditions were mature. Due to capitulations, measures that protect the domestic industry and producers cannot be taken most of the time, and the measures taken when they find the opportunity are weak and ineffective. On the other hand, in terms of economic development, the trade sector motivates economic activities. Although domestic trade was always more important than foreign trade in the Ottoman Empire, Ottoman foreign trade achieved rapid growth from the first quarter of the 19th century to the First World War, especially under the influence of external factors such as the industrial revolution and developments in production and transportation technology (Çiğdem, 2020: 101). The Ottoman economy strengthens its relations with industrialized Western countries through direct foreign capital investments. In other words, it can be said that it is mostly foreign demand that shapes foreign trade. Accordingly, the expansion of foreign trade

volume generally follows a fluctuating course. Depending on the long-term economic conjuncture, export and import volumes tend to grow sometimes faster and sometimes slower (Bozpinar, 2021: 330).

When talking about the trade sector, the first thing to mention is the Baltalimanı Trade Agreement signed in 1838. It is known that this development, which left its mark on the commercial sector in the examined period, affected the decisions to be taken until the last moment of the state. When the 1861 Trade Agreements are added to this, the Ottoman Empire turns into a market where commercial activities are carried out freely for foreigners. In addition, the fact that the economy was based on agriculture and trade was almost indexed to agriculture caused the Ottoman society to lose the commercial advantages it would have gained depending on the international economic and commercial conjuncture to foreigners (Sali et al, 2020). On the other hand, in the trade sector, initiatives are taken to protect local traders. II. During the reign of Abdulhamid, the Ministry of Commerce and Agriculture was established. In the following process, the authority and duty area of the Ministry was expanded and this institution was transformed into the Ministry of Commerce. Institutions focus on protecting domestic merchants, not making more concessions in domestic trade, and acting more independently in foreign trade (Demikha et al, 2021).

The first Ottoman trade school started education in 1881, but was closed in 1888 because there were not enough students. In the post-1908 period, emphasis was placed on trade-related courses in the education system, evening classes were opened, special trade courses were organized for women, and trade courses were given by different organizations. Additionally, apprenticeship schools are opened. Protective policies in trade cannot be fully implemented due to capitulations. However, with the start of World War I, decisions began to be taken independently. In this direction, from the beginning of the 19th century to 1914, the Ottoman Empire's trade with European states in general grew at a rate that has not been recorded before. The trade sector displays a very dynamic appearance, except for the period of international economic crisis (Somel, 2001).

At the end of the examined period, the Ottoman economy transformed into a structure that exported agricultural goods while importing manufactured goods and certain foodstuffs. It can be said that recent developments have been achieved to a certain extent in the Ottoman economy, depending on the international conjuncture. In other words, although some negative situations may arise in the industrial sector, we can talk about an economic structure that is open to the outside world and in which partial modernization takes place.

III. REAL SECTOR: TRADE

As revealed by current research, the trade of the Ottoman was in constant flux in terms of volume and value. In this process, changes arising from the international conjuncture occur, especially in the last centuries. In research on trade in the 19th century of the Ottoman, the foreign trade of the state is generally highlighted. Most historians mention that there is not enough information about the state in general regarding domestic trade.

First of all, if we give brief information about Ottoman internal trade, Quataert, like many researchers, complains about the lack of data on this subject. Despite this, Ouataert emphasizes the following three items on the subject in terms of providing ideas. Firstly, the commercial value of Ottoman goods in Damascus in 1860 was five times the commercial value of all other foreign goods. Secondly, according to the statistics of Diyarbakır, Mosul and Harput for 1890, the total value of trade is 1 million British pounds. This figure is 5 percent of the total export value of the same year. Considering that these three centers were economically secondary among the Ottoman cities at that time, the overall size of the internal trade figures is quite striking. Thirdly, in 1914, approximately 25% of the total agricultural production was exported. This means that a high rate of 75% of the total agricultural production is subject to domestic trade (Bulut and Altay, 2021; Ouataert, 2004).

Research indicates that the Ottoman trade with Europe showed a certain expansion until the 1780s. The speed of this expansion is too limited to be compared with the increase rate of Ottoman and European trade after the Napoleonic Wars between France and England. However, no matter how much expansion is mentioned, European trade had a low share in total agricultural production or total agricultural commodity production until the second quarter of the 19th century. Due to the Ottoman's spread over a wide area and the difficulty of transportation conditions, until the end of the 18th century, both interregional trade within the borders of the country and the trade volume with Russia and Egypt were more prominent than the trade with Central Europe. The Ottoman trade with Europe first expanded in the Balkan provinces due to their border relations. In this context, merchants from Serbia, Mora, Wallachia, Moldavia and Egypt are favorite segments for Europeans. Anatolia's trade with Europe remained quite low compared to these regions in the 18th century (Pamuk, 2017: 102).

The expansion rate of Ottoman foreign trade depends on international cyclical fluctuations. Excluding the years when the Ottoman State was at war and foreign trade decreased due to loss of territory, it is obvious that the long-term fluctuations, especially in the Western European and North American economies throughout the 19th century, also affected the Ottoman foreign trade. This effect is clearly noticeable when the share of foreign trade in total trade is examined in the long term. At the end of the 18th century and even at the beginning of the 19th century, the foreign trade volume of the Ottoman was 2% or 3% of the total production within the state. Huge changes occur within the century. For example, it is determined that Anatolia's foreign trade volume increased approximately 12-15 times between 1820 and 1914. Between 1870 and 1898, the expansion rate of Ottoman foreign trade decreased. The most important reason for this is that the world economy was in recession between 1873 and 1896. Accordingly, the second reason is the slowdown in the growth rates of industrialized economies and the decrease in the general level of prices. International cyclical movements also reflected on the Ottoman economy, slowing down the growth rate of Ottoman-European trade. The third reason is the decrease in demand from European countries, again based on the above reasons (Pamuk, 2018: 15-31).

From the late 19th and early 20th centuries until 1913, an expansion in the Ottoman dental trade is noticeable. There are two main reasons for the growth in this period. The first is that Western Europe has overcome the period of stagnation and entered a new period of expansion and accumulation. The intense demand of Europeans for Ottoman raw materials increases the amount of exports. Export revenues also lead to an increase in the tendency to import. Thus, an expansion is recorded in the total foreign trade volume. In addition, during this period, there was a revival not only in foreign trade with Western Europe, but also in foreign trade with other countries in general. The second reason is the infrastructure investments of foreign direct capital. Especially railway investments play a leading role in increasing the foreign trade volume. However, in the early 20th century, the proportion of British, French and Germans among 1000 merchants registered in Istanbul alone did not exceed 3%. The most important thing is that this minority controlled at least 50% of the Ottoman foreign trade. The majority of the remaining population consists of non-Muslims. On the other hand, as you go inland, the emphasis is on the side of Muslim merchants (Blaydes and Paik, 2021).

A. Expansion of Foreign Trade

The annual growth rates of Ottoman foreign trade are as follows: Between 1839 and 1854, exports at current prices were 5.3%, imports at current prices were 5.5%, exports at constant prices were 5.3%, and imports at constant prices were 6.4%. Between 1857 and 1873, exports at current prices were 5.0%, imports at current prices were 4.9%, exports at constant prices were 6.2%, and imports at constant prices were 5.2%. Between 1879 and 1899, exports at current prices were 1.2%, imports at current prices were 0.6%, exports at constant prices were 2.7%, and imports at constant prices were 2.5%. Between 1897 and 1907, exports at current prices were 4.3%, imports at current prices were 6.0%, exports at constant prices were 3.4%, and imports at constant prices were 4.6%. Between 1897 and 1913, exports at current prices were 3.0%, imports at current prices were 5.4%, exports at fixed prices were 1.9%, and imports at fixed prices were 4.4% (Baldwin, 2022; Pamuk, 2018: 28).

Before the period examined, that is, in 1840, the total exports of the Ottoman Empire were 4.7 million British pounds at current prices. In 1913, total exports increased to 28.4 million pounds. Between 1840 and 1913, exports increased more than 5 times in current prices. When we look at the total imports of the state, a value increasing from 5.2 million British pounds in 1840 to 39.4 million British pounds in 1913 is recorded. The increase in imports during the same period is more than 6.5 times. According to calculations made based on 1880 prices, the increase in exports between 1840 and 1913 was determined to be 10 times, and the increase in imports was 12 times (Pamuk, 2018: 25). In the Ottoman economy, while per capita exports at current prices were 0.23 British pounds in 1840, per capita exports increased to 1.36 pounds sterling in 1913. Likewise, per capita imports increased from 0.25 pounds in 1840 to 1.89 pounds in 1913 (Eldem, 2024; Arıkanlı, 2022).

The fact that the Ottoman and European export growth rates are close to each other shows that the Ottoman Empire progressed parallel to the European and, more generally, the world economy in the 19th century. While total exports constituted 14.1% of GNP in 1913, total imports corresponded to 19.4% of GNP. Again in 1913, 26.5% of the total agricultural production was exported. However, even according to these values, the Ottoman economy progressed in the first quarter of the 20th century in a line that was open to the outside world, acting in harmony with the world economy, exporting raw materials and importing finished goods. A vibrant production system can be mentioned for an economy that exports more than 10% of the total production and more than 20% of the total agricultural production and also produces for the domestic market (Husfeldt, 2023).

The effects of the rapid growth in foreign trade on the Ottoman economy were not as favorable to the Ottoman as the first positive connotations that come to mind. In the middle of the century, the share of imports and exports in total production was quite limited and the foreign trade volume was below ten percent. The increase and development of agricultural commodity production for foreign markets in the following period is mostly recorded in coastal regions where transportation costs decrease due to the expansion of the transportation network (Hanedar and Uysal, 2020).

B. The Composition of Foreign Trade

Looking at the composition of foreign trade, approximately 90% of Ottoman exports in the early 20th century consisted of raw materials and foodstuffs. Imports largely include manufactured goods. By 1910, the main items in imports consisted of foodstuffs such as wheat, flour, rice, sugar and coffee. The share of these imported items in total imports is more than 30%. In the examined period, tobacco, wheat, barley, raisins, figs, raw silk, raw wool and opium are the main export goods in the group. The share of these eight products in the total export amount in 1880 was 51%. It is not possible for any basic agricultural product to have a share higher than 12% in total export revenues. In other words, the Ottoman terms of foreign trade did not depend on the change in the international conjuncture of only one or a few agricultural products in the period under consideration. The share of the same goods group in the total export amount in 1913 decreased to 44% (Mills, 2020).

The fact that wheat exports had a 7% share at the beginning of the examined period and that this share decreased to 1% by 1913 can be shown as the reason for the decrease in the total rate. In the period under consideration, after the main export items, the second group consists of goods such as acorns, hazelnuts, cotton and olive oil. The share of secondary goods alone in total exports does not exceed 5%. On the other hand, products such as tobacco, opium, mohair, acorns, raisins and figs are items that are especially in demand by England and Germany. According to these data, it is possible to say that the demand elasticity for the mentioned goods was not infinite and that Ottoman supply conditions affected export prices to some extent. The only manufactured goods item that has a significant share among export items is hand-woven carpets and rugs (Aydın, 2021; Parry, 2022).

In import items, important goods can be shown as glass, porcelain, clothing, metal goods and medical drugs. Among these, there are also luxury items. Imported goods are mostly of British origin. Goods imported from England began to be imported from Germany-Austria towards the end of the century (Ortaylı, 2006: 220).

The rates of commodity groups in Ottoman foreign trade at the end of the examined period are important to understand the current situation. Looking at the Composition of Exports by Commodity Groups and the Ratio of Commodity Groups in the Ottoman Empire in 1911-1913, the following data are obtained: Foodstuffs 33-35%, Raw Materials 56-58%, Agricultural, Industrial, etc. Materials and Raw Materials 89-93%, Semi-Finished Goods (Processed Leather, etc.) 2-3%, Finished Goods (Wool Goods, Carpets, etc.) 6-7%. Two points attract attention here: First, the share of wheat and barley in total exports began to decline from the beginning of the 1880s, and accordingly, the share of foodstuffs tended to decline at the end of the century. Another notable group of goods is woolen goods. While the share of woolen goods such as carpets and rugs in total exports did not exceed 2% in the 1890s, by 1913 woolen goods occupied around 6-7% of total exports (Pamuk, 2018: 152-3).

Composition of Imports by Commodity Groups in 1911-1913 is as follows: Foodstuffs (Grains, Flour, Rice, Sugar, Coffee, Tea, etc.) 31-38%, Various Raw Materials and Intermediate Goods (Coal, Petroleum, Processed Metals, Paint, etc.) 6-10%, All Types of Yarn (Cotton, etc.) 4%, Cotton, Woolen, Silk, Linen Weaving Products (Clothing Goods) 36-38%, Investment Goods (Half of them are railway construction materials) around 8%, Other Manufactured Goods (Mainly Guns and Ammunition During War Periods) 8-10% (Boyar and Fleet, 2021).

There are some noteworthy points in the table of composition of imports by commodity groups. First of all, imports of manufactured goods are over 50%. This is a natural situation considering the position of the Ottoman economy vis-à-vis world economies. Additionally, the share of food products is quite high. While the Ottoman Empire exported wheat and various grains in the 1880s, by 1913 it began to import wheat, flour and various grains. Importing wheat, which is a basic agricultural product, is a negative situation.

Several factors are effective behind why this product became imported instead of being exported. The main reason is that the USA started to export wheat. Accordingly, there was a decrease in wheat prices in international markets, and therefore wheat prices in the Ottoman markets were also reduced. While European countries could implement protectionist policies in the face of this situation, the Ottoman Empire was prevented from adopting such a policy in the first place, especially with the 1838 Baltalimanı Treaty. Accordingly, while there was a decrease in Ottoman wheat exports, imported wheat became widespread in the domestic market. On the other hand, with the separation of the Balkan provinces, which largely provide Istanbul's wheat supply, from the land, production also decreases at this rate (Muradov, 2018).

C. Considering the Stakeholders of Foreign Trade

The share of foreign states in the export volume of the Ottoman in 1832 is as follows: Austria 30%, France 14.3%, England 13.3%, Russia 12.6%, Germany 2.1%. In 1852, these proportions of the Ottoman export volume change as follows: Austria 28.0%, England 20.1%, France 15.8%, Germany 11%, Russia 8.3% in the trade volume. By 1872, 27.2% of the Ottoman export volume was shared by England, 25.3% by France, 14.7% by Russia, 14.3% by Austria and 0.4% by Germany. In 1911, 17.9% of exports were to England, 14.1% to France, 11.4% to Germany, 8.0% to Austria, 3.9% It is made to Russia. The reason why Austria had a high rate in the 1830s and 1850s was the transit trade through the country (Pamuk, 2018: 32).

The share of foreign states in the import volume of the Ottoman Empire in 1832 was as follows: Russia with 31.3%, England with 19.0%, Austria with 16.9%, France with 9.9% and Germany with 3.1%. . In 1852, 26.2% of imports went to Austria, 25.5% to England, 13.6% to Russia, 9.7% to Germany, 9.3% It belongs to France. By 1872, the Ottoman Empire's import volume was 32.4% from England, 13.6% from Germany, 12.9% from Austria, 12.3% from France and 9.2% from Russia. In 1911, 23.9% of imports were from England, 13.9% from Austria, 13.7% from Germany, 8.7% from Russia and 8.4% from France (Pamuk, 2018: 33).

According to what Pamuk quotes from British foreign trade statistics, the Ottoman Empire's exports to England grew by 5% annually between 1820 and 1838, the period in which the signs of liberalization were seen, and by 6.8% annually between 1838 and 1854, which included the transition period to economic liberalism. England's exports to the Ottoman Empire, excluding Egypt and Morea, increase from an annual average of 500,000 pounds sterling in 1818 to an annual average of 651,000 pounds sterling in 1822 and to an annual average of 1,729,000 pounds sterling in 1838. Accordingly, there is an annual export increase exceeding 6% at current prices. During the transition period between 1838 and 1854, an annual expansion of 3.4% was recorded in imports from England (Pamuk, 2018: 27).

As it is known, England's share in foreign trade began to decrease after the 1870s, even though they were still at the top of the list. Foreign direct investments are also effective in this regard. It is known that the British lead in this type of investments. However, the interest shown by the British varies according to the international conjuncture. Starting from 1865, British investments in the Ottoman Empire began to decrease. As the share of foreign trade volume declined, the share of the British in direct investments, which was 56% in 1888, subsequently decreased to 15% in 1914. Despite the relative superiority of England in previous periods, French and German capital made its weight felt seriously in the Ottoman market after the 1880s (Cole, 2018).

In the early and even mid-19th century, Austria had a great advantage, such as geographical proximity, in Ottoman foreign trade compared to England. Despite the quality and competitiveness of British origin products, as well as the intense pressure of British politicians, businessmen and merchants, Austria has an

important place in the foreign trade of the Ottoman Empire, with the advantage of both geographical proximity and the ease of transportation and transportation of the Danube River. However, with the Ottoman Empire losing territory in the Balkans, Austria lost perhaps its only trump card against the British and its share in the Ottoman foreign trade volume gradually decreased (Mestyán, 2021).

France, which had an important position in Ottoman foreign trade in the classical period, could not maintain this position in the 19th century. French origin products lose their power and importance in the face of competition from British origin products in cotton textile products, the most popular products of the century. However, the Ottoman Empire is still a very important resource for France. First of all, the Ottoman Empire is a major supplier of raw materials and food products for France, as well as for other states. So much so that France's imports from the Ottoman Empire had a dimension that alleviated the foreign trade deficit of the Ottoman Empire arising from other European economies. On the other hand, France, which shared with Germany the gap created by the British decreasing their influence in the Ottoman economy, opened businesses in Turkey in order to increase its effectiveness in commercial activities. 80% of the existing French businesses in 1914 were established after 1893, as the British reduced their investments (Arıkanlı, 2022).

The majority of Ottoman and Russian trade consists of trade between the Ottoman Balkan provinces and Russia. As it is known, commercial relations between the Ottoman Empire and European countries are based on the export of raw materials and the import of finished goods. The commercial activities of the Ottoman Empire with Russia consist of raw material export and raw material import. Therefore, the Ottoman-Russian trade volume could not expand as much as the Ottoman-European trade. In addition, when the important privileges that Russia received from the Ottomans with the Treaty of Edirne in 1829 were granted to European countries with the Treaty of Baltalimanı in 1838 and subsequent treaties, the Russian superiority in trade life was short-lived. This development led to a decrease in Russia's share in the Ottoman foreign trade volume. In the following periods, as a result of the separation of the Balkan provinces from the Ottoman lands, the trade with Russia declined further, and as it was said at the beginning, the basis of the Ottoman-Russian trade was the Balkan provinces-Russia trade (Brisku, 2019).

During the period 1840-1873, the foreign trade of the Ottoman with Germany was mainly carried out with the Balkan provinces such as Russia and in transit via Austria. Germany's attempt to compete with England in the Ottoman markets, especially in Anatolia, was seen in the 1880s and 1890s. In the last quarter of the 19th century, Ottoman exports consisted of around 190 items and imports consisted of around 250 items. Considering only Anatolia, the following can be said about exports: tobacco to the USA; grains to various countries; Walnut tree logs, mohair, cotton, silk, cocoon, opium to France; nuts, acorns, wool, cotton to England; Fish and fish oil to Italy; Flax and hemp are the main countries and export products to the Middle East (Christensen, 2017).

The following information is available about imports from Anatolia towards the end of the 19th century: flour, grains, sugar, coffee, alcohol, spirits, alcoholic beverages, cotton products, silk products, woolen products, velvet, leather and leather products, iron from France, all kinds of iron goods, glassware, paper, bricks and tiles were imported. Bakery products (such as pasta and biscuits) were imported from Italy. Coffee, tea, cotton goods, silk goods, woolen goods, leather and leather goods, iron and all kinds of iron goods and paper were imported from England. Sugar, cotton products, silk products, woolen products, leather and leather products, medical drugs, glassware, candles and matches were imported from Austria. Cotton products, silk products and woolen products were imported from the USA. Medical drugs from Germany, olive oil from the islands, iron and all kinds of iron goods from Belgium, oil and other products from Russia were brought to various cities in Anatolia (Provence, 2017).

On the other hand, the transportation of all these exported and imported goods is mostly done by ships. However, the Ottoman merchant fleet was not at a sufficient level. This situation is understandable when looking at the statistics. As a matter of fact, 15% of the Ottoman Empire's trade with Russia, 20% of its trade with Romania, 25% of its trade with Egypt, 25% of its trade with Greece, and 5% of its trade with Austria and Italy were carried out by Ottoman ships. Domestic ships have no share in the trade with either Europe or the USA (Petriat, 2021).

The issue of Foreign Trade Balance in Foreign Payments is also important. In the period between 1830 and 1853, when trade tended to be liberalized due to agreements, the foreign trade deficit was not of a significant size before the inflow of foreign capital. According to Pamuk's calculations, the foreign trade deficit in this period was -0.9 on average annually. This limited amount of deficit is mainly covered by revenues from Egypt. Net fund inflow was provided to the Ottoman Empire between 1854 and 1875, which covers the period when foreign direct capital used especially borrowing and infrastructure investments as entry channels. Due to the development of the world economy, the channeling of the fund to the Ottoman markets through borrowing accelerated in 1869. While the foreign trade balance in this period had an average annual deficit of -3.1, this large-scale foreign trade deficit was financed with some of the foreign funds entering the country (Pamuk, 2018: 192-4).

The period between 1876 and 1887 covers the years when world economies were simultaneously in crisis. As it is known, while the Ottoman finance was going bankrupt, the Public Debt Administration was established in 1881. This institution re-determines the target of net funds arising from foreign borrowing by seizing the main revenue items of the state. The main function of this institution is the transfer of surplus value from the Ottoman country to Europe. As a result of these developments, it is observed that the foreign trade deficit was closed to some extent, but a significant foreign trade surplus did not occur. According to the data, an average annual deficit of -0.3 was recorded in the foreign trade balance between 1876 and 1887. When we look at the sub-periods of the same period in the Ottoman foreign trade balance, there is an average annual deficit of -0.9 in the 1876-1881

period, and an average annual surplus of +0.3 in the 1882-1887 period (Tunçer, 2020).

The most important feature of the period covering the years 1888-1896 is the large-scale foreign direct investments in railways and other areas. The negative impact of this initiative on the foreign trade balance is that imports expand with the influence of foreign investments and cause the deficit to increase (Uca, 2024). In the nine-year period, the foreign trade balance has an average annual deficit of -1.6. The years 1897-1913 were the period when world economies developed. In the years 1897-1903, which constitute the first part of this period, foreign debt payments and profit income arising from direct foreign investments were realized in the Ottoman economy to a significant extent, which enabled the foreign trade deficit to be closed. After 1903, the foreign trade deficit increased incredibly. In other words, foreign trade was in balance between 1897 and 1903. In the years 1904-1913, the foreign trade balance had an average annual deficit of -7.7 (Pamuk, 2018: 194).

Generally speaking, there is an average annual deficit of -2.2% in Ottoman foreign trade in the period 1830-1913. There is a fluctuating pattern in this period, which covers a long period. Sometimes decreasing and sometimes increasing deficits are observed, but in any case, it is certain that the established opinion that the Ottoman foreign trade had enormous deficits does not correspond to the truth (Şimşeker and Sabancı, 2024: 197-205).

CONCLUSION

The Ottoman has succeeded in maintaining its sovereignty over a wide geography for centuries. The Ottoman, which set out with the aim of always existing, not only included Muslim societies within itself, but also united groups of different religions, cultures and traditions under one roof. It had the ability to manage these communities with policies of tolerance. In the Ottoman, fields such as administration, law, economy, judiciary and legislation were built on Islamic principles and values system. In this process, the emergence of interactions with different societies is inevitable. In addition, administrators show the flexibility to evaluate the rational and legitimate traditions of the Muslim-Turkish states that preceded them and the traditions of the societies that ruled in the same geography. However, while we can talk about a more positive situation for the establishment and development periods called the classical period, it is witnessed that this dynamic organization began to fail in the following and recent periods. The first half of the 18th century was a period in which failures and destruction were not clearly felt for the Ottoman. Up to this stage, the Ottoman had the power to manage its own economy with rational and flexible interventions and policies. Towards the end of the 18th century, it was realized that the system could not be maintained as before, with the policies and practices adopted until then. Due to the influence of internal and external factors, intense destruction occurs in many areas. Indeed, the energy behind the developments in this period reveals the thoughts and developments of the 19th and 20th centuries.

In the last periods of the Ottoman, European states grew economically at an unprecedented rate. The Ottoman became a state where economic, political and financial crises became chronic. So much so that this period is expressed by many researchers as the longest and most difficult century of the state. Tanzimat, II. In this period, which was divided into the Abdulhamid and Constitutional Monarchy periods, Ottoman intellectuals realized the impossibility of the state and society running with the old institutions and understandings and found the solution in the transfer of European political and economic institutions to Turkey. Under the influence of Ottoman intellectuals, who were influenced by Western ideologies and institutions, ideologies such as Ottomanist, Islamist, Turkist and Westernist, whose boundaries and programs were not well planned and whose details were not very clear, emerged.

Recently, while Western reform activities continue, another rapidly developing process is the fact that the state is rapidly collapsing. Stuck between the collapse and reform processes, Ottoman intellectuals had to find urgent solutions. In such a political and economic conjuncture environment, they produce unsystematic, superficially approaching problems and somewhat scattered solutions that aim to save the day. In addition, they quote Western ideas and institutions without making in-depth and systematic analysis. The thought structures of Ottomanist, Islamist, Turkist and Westernist intellectuals are generally very close to each other. Therefore, depending on the order in which they came to power, they put forward policies that are almost a repetition and continuation of each other.

Araştırma ve Yayın Etiği Beyanı

Makalenin tüm süreçlerinde Yönetim ve Ekonomi Dergisi'nin araştırma ve yayın etiği ilkelerine uygun olarak hareket edilmiştir.

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