



BULLETIN OF ECONOMIC THEORY AND ANALYSIS

Journal homepage: <https://dergipark.org.tr/tr/pub/beta>

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To cite this article: Demirci, U. (2026). Entrepreneurial activities in the late Ottoman Period and Early Republican period from the perspective of business history: trade interaction with the United Kingdom. *Bulletin of Economic Theory and Analysis*, 11(1), 723-753.

Received: 24 Oct 2025

Accepted: 10 Feb 2026

Published online: 28 Feb 2026



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Bulletin of Economic Theory and Analysis

Volume 11, Issue 1, pp. 723-753, 2026

<https://dergipark.org.tr/tr/pub/beta>

Original Article / Araştırma Makalesi

Received / Alınma: 24.10.2025 Accepted / Kabul: 10.02.2026

Doi: <https://doi.org/10.25229/beta.1809995>

Entrepreneurial Activities in the Late Ottoman Period and Early Republican Period from the Perspective of Business History: Trade Interaction with the United Kingdom*

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Abstract

The aim of this research is to determine the entrepreneurial activities in Turkey's industrialisation process and to reveal the commercial interaction with the UK in this process. The study mainly focuses on the initiatives in the late industrialisation period that started in the second half of the 19th century in the Ottoman Empire, the entrepreneurial activities in the national industrialisation move that marked the founding period of the Republic of Turkey, and the commercial interaction with the UK in both periods. In accordance with the purpose of the study, qualitative research method was preferred and the data of the research was obtained through document analysis. In the entrepreneurial activities in the late Ottoman period, it was observed that the railway and banking sectors came to the fore. In the Early Republican period, the pioneer of entrepreneurial activities was the state sector and investments were concentrated in the defence sector. It has been determined that 36 British companies operated in the Ottoman Empire during the late Ottoman period. British investments between 1851 and 1918 were concentrated in the railway and banking sectors. British ventures during the early Republican period, however, remained quite limited compared to those of the late Ottoman period.

Keywords

Business History, Entrepreneurial Activities, Late Ottoman Period, Early Republican Period, United Kingdom

JEL Classification

L26, N83, N85

* This study was produced as part of a research project conducted under the 2219 - International Postdoctoral Research Fellowship Program, supported by the Scientific and Technological Research Council of Turkey (TÜBİTAK).

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Citation Demirci, U. (2026). Entrepreneurial activities in the late Ottoman Period and Early Republican period from the perspective of business history: trade interaction with the United Kingdom. *Bulletin of Economic Theory and Analysis*, 11(1), 723-753.



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İşletme Tarihi Penceresinden Geç Osmanlı Dönemi ve Erken Cumhuriyet Döneminde Girişimcilik Faaliyetleri: İngiltere ile Ticari Etkileşim

Öz

Bu araştırmanın amacı, işletme tarihi perspektifinden Türkiye'nin sanayileşme sürecindeki girişimcilik faaliyetlerini tespit etmek ve söz konusu süreçte İngiltere ile gerçekleşen ticari etkileşimi ortaya koymaktır. Araştırma amacı doğrultusunda çalışmada temel olarak, Osmanlı İmparatorluğu'nda 19. yüzyılın ikinci yarısından itibaren başlayan geç sanayileşme dönemindeki girişimlere, Türkiye Cumhuriyeti'nin kuruluş dönemine damgasını vuran milli sanayileşme hamlesi içerisindeki girişimcilik faaliyetlerine ve her iki dönemde İngiltere ile gerçekleşen ticari etkileşime yer verilmiştir. Çalışmanın amacı ve kapsamına uygun olarak, nitel araştırma yöntemi tercih edilmiş ve doküman incelemesi yoluyla araştırmanın verileri elde edilmiştir. Geç Osmanlı dönemindeki girişimcilik faaliyetlerinde, demiryolları ile bankacılık sektörlerinin ön plana çıktığı görülmüştür. Erken Cumhuriyet döneminde, girişimcilik faaliyetlerinin öncüsü devlet kesimi olmuş ve yapılan yatırımların savunma sektöründe yoğunlaştığı tespit edilmiştir. Geç Osmanlı döneminde 36 İngiliz şirketinin Osmanlı ülkesinde faaliyet gösterdiği belirlenmiştir. 1851-1918 yılları arasındaki dönemde gerçekleşen İngiliz yatırımlarının demiryolları ve bankacılık alanlarında yoğunlaştığı görülmüştür. Erken Cumhuriyet dönemindeki İngiliz girişimleri ise geç Osmanlı dönemindeki girişim faaliyetlerine nazaran oldukça sınırlı düzeyde kalmıştır.

Anahtar Kelimeler
İşletme Tarihi,
Girişimcilik
Faaliyetleri,
Geç Osmanlı Dönemi,
Erken Cumhuriyet
Dönemi,
İngiltere
JEL Kodu
L26, N83, N85

1. Introduction

Since the earliest periods of history, human societies have interacted with each other through the exchange of information, ideas and culture, technology movements, migrations and trade. In inter-human interactions, many objects have been transferred from one society to another. These objects include military institutions, political institutions, economic institutions and businesses. This interaction has not always been peaceful. Both internal and external factors have played an important role in the emergence and development of institutions within a society. Factors such as wars, invasions, occupations, internal turmoil and balance of power have been effective in changing and transforming social institutions according to the needs of the time.

In countries that were able to remain outside the colonial empires and maintain their independence, European states tried to exert economic pressure from time to time through military interventions or commercial agreements. They started to influence the economic order and institutions of the countries they penetrated more intensively. Some states that were able to maintain their independence endeavoured to create new institutions in response to military, political and economic threats originating from Western Europe. Western Europeans tried to keep the economies of these countries open through free trade agreements and to influence the institutions in these countries.

The Ottoman Empire and the Republic of Turkey have never been part of one of the colonial empires. However, from the 19th century onwards, the Ottoman Empire had a strong interaction with the European economy. Until the 19th century, the influence of external factors on local institutions in the Ottoman Empire remained quite limited. In the 19th century, both domestic political and military events and the changing economic conditions due to the Industrial Revolution had an impact on the trajectory of Ottoman institutions and commercial life. In the 19th century, the Ottoman Empire's difficulty in resisting increasing external pressures led it to open its economy intensively to foreign capital and European entrepreneurs. The influence of Western European states and entrepreneurs on the Ottoman economy and trade, which began in the 17th century and gained momentum in the 18th century, reached significant proportions, particularly from the second half of the 19th century onwards.

The trend towards economic nationalisation and the idea of self-sufficiency, which began to emerge in the final years of the Ottoman Empire, gained rapid momentum under the Committee of Union and Progress administration. This idea was also reflected in the founding philosophy of a new state, the Republic of Turkey. In the early years of the Republic, as a result of favourable global and domestic conditions, more independent and national economic institutions could be established compared to the late Ottoman period. The adoption of economic development as an important goal brought along the methods of creating a private sector by the state. The newly established Turkish state prioritised the Muslim-Turkish entrepreneur class in the constructions it built, tenders it opened, government purchases and loans it extended through banks. Thus, the state tried to create a national bourgeoisie and private sector.

The aim of this study is to trace the entrepreneurial activities in the industrialisation process in Turkey from the perspective of business history and to reveal the commercial interaction with the UK in this industrialisation process. The study will mainly focus on the initiatives in the late industrialisation period of the Ottoman Empire starting from the second half of the 19th century, the entrepreneurial activities in the national industrialisation drive that marked the founding period of the Republic of Turkey, and the commercial interaction with the UK in both periods. In the light of this information, the scope of the research consists of Turkey's industrialisation story in the one-century period between 1850-1950, the structurally transformed entrepreneurial class in this period and the activities of British entrepreneurs in this process.

2. Historical Background

2.1. Trade and Industrialisation Initiatives in the Ottoman Empire

In order to encourage trade and increase the volume of trade, the Ottoman Empire granted a number of privileges to European states and merchants over a long period of time. Starting in the 14th century and intensifying in the 15th century, the first privileges were granted to the Venetians and the citizens of Italian city-states competing with them. These commercial privileges granted by the Ottoman Empire provided important facilities especially to Levantines and European merchants living in port cities. Within the scope of these privileges, they gained important rights such as being able to trade and travel within the empire, transfer their goods from one region to another, and use ships flying the flag of their own country (İnalçık, 2004).

European merchants, strengthened by overseas trade and geographical discoveries that began in the second half of the 15th century, gained much greater influence in Ottoman trade life over the following two centuries. Furthermore, European merchants were strongly supported by their own states. The dominant power of European states and merchants began to favour non-Muslim Levantines who could take advantage of social networks on the European continent. By the end of the 18th century, Muslim merchants were largely excluded from European trade, and non-Muslim merchants in the Ottoman Empire became the dominant factor in commercial relations with Europe. By the end of the 18th century, Muslim merchants were largely excluded from European trade and non-Muslim merchants in the Ottoman Empire became the dominant factor in commercial relations with Europe (Öndeş, 2010; Şenocak, 2011).

The 19th century military and political developments led to the emergence of a period quite different from the previous centuries in terms of Ottoman society and economy. The traditional Ottoman socio-economic structure remained intact until the 19th century without undergoing radical changes. However, during the hundred years from the 1820s to World War I, the Ottoman Empire was confronted with the increasing military, political and economic power of Western Europe. The Ottoman administration, which tried to respond to this power and followed a policy of balance from time to time, was introduced to a new economic order originating from Western Europe. The Ottomans, who closely followed the economic developments in Europe, tried to adapt and integrate into this order (Erdem, 2016).

2.2. A Turning Point in Ottoman-British Trade: The Treaty of Balta Liman (1838)

In the first quarter of the 19th century, British entrepreneurs were uncomfortable with the economic obstacles and interventions imposed by the Ottoman administration. British capitalists who wanted to make investments in the Ottoman Empire, which was seen as an important source of raw materials, wanted to legitimise their entrepreneurial activities. During the 19th century, it seemed difficult for the Ottoman Empire, which was gradually losing power both militarily and financially, to resist the British pressure for free trade. At this point, the Ottoman grand vizier Reşit Pasha and the British ambassador Ponsonby signed a trade treaty in 1838 on behalf of the two states. This trade treaty, signed at the Grand Vizier's mansion in the Balta Liman district of Istanbul, became a turning point in Ottoman-British commercial relations (Dura & Altıparmak, 2000).

This treaty signed between the Ottomans and the British set forth important regulations regarding commercial activities. Some of these regulations included the monopoly regime imposed by the Ottoman Empire on foreign trade, special restrictions and additional taxes. With the Treaty of Balta Liman, the monopoly system in foreign trade was abolished and the Ottoman administration gave up its right to impose extraordinary taxes. With this arrangement, while the opening of raw materials in the Ottoman country to foreign markets was facilitated, the Ottoman Empire lost an important source of additional income. With the Treaty of Balta Liman, taxes on exports were increased to 12 per cent, while taxes on imports were set at 5 per cent. While Ottoman merchants continued to pay the internal customs tax, British entrepreneurs were exempted from this practice. Thus, foreign entrepreneurs gained very important privileges in the Ottoman-British trade, while Ottoman merchants suffered economically (Eşiyok, 2014).

2.3. A Painful Transition Period: From the Ottoman Empire to the Republic of Turkey

After the Treaty of Balta Liman, the Ottoman Empire started to follow more liberal policies. With this policy change, the share and weight of foreign trade in the economy gradually increased. With the outbreak of World War I in 1914, the Ottoman economy was forced to close in on itself rapidly due to the conditions brought about by the war environment. The devastating effects of this war, which affected the whole world, led to the adoption of economic principles such as self-sufficiency, protectionism, industrialisation and national economy. This sharp turn in the perspective of the Ottoman administration towards the economy was considered as the reflection

of the nationalism movement that came to the fore during the government of the Committee of Union and Progress (1908-1918) on the economy (Toprak, 2023).

The dissolution of the Ottoman Empire and the establishment of a nation-state in Turkey under the leadership of a new cadre played an important role in the change of economic policies. The new Turkish state established in the early 1920s aimed to establish a fully independent economic order within the shrinking borders (Eroğlu, 2007). In line with this aim, the “İzmir Economic Congress” held in 1923 and the “Law on Incentive Industry” enacted in 1927 are very important in terms of showing the determination of the new Turkish state on national economy (Kasalak, 2012). The industrialisation moves carried out one after another on the basis of economic development marked the first years of the Republican period in terms of creating a Muslim-Turkish entrepreneur class with state support (Sarıçoban, 2020).

The construction of a national economy that could be self-sufficient both in war and peace conditions and the creation of a domestic entrepreneurial class free from foreign influences became top priorities. Especially in the period between 1923 and 1932, great efforts were made to create a Turkish entrepreneur class that could stand on its own feet (Altıparmak, 1998). The rulers of the new Turkish state did not have a sharp attitude towards foreign entrepreneurs. However, in the environment of uncertainty that emerged between the two world wars, foreign entrepreneurs were not willing to invest outside Europe. In fact, these entrepreneurs tended to leave the country by selling the enterprises they owned within the borders of Turkey (Pamuk, 2014).

2.4. The Republic of Turkey’s Industrialisation Efforts in the Great Depression and World War II

Beginning in 1929 and continuing until World War II, the Great Depression closely affected the economy and policies of the Republic of Turkey, which was still in its infancy. Similar to the policy changes in the world's leading countries such as the USA, the UK and the Soviet Union, the role and weight of the Turkish state in the economy increased (Dokuyan, 2014). In order to take an effective measure against the global economic crisis, the Turkish government adopted the state-led industrialisation strategy from 1930 onwards. Thus, as a result of the effective implementation of the principle of statism, the state sector came to the fore as an important actor in the economy (Akkor, 2018).

The Great Depression, which created devastating effects in different geographies of the world, especially in developed countries, caused radical changes in the economic understanding and policies of the young Republic of Turkey. The state's involvement in the economy as the most powerful actor paved the way for the formation of a new model. Although this new model was expressed under the principle of statism, it revealed a mixed structure that did not completely reject private initiatives. In this sense, throughout the 1930s, a development strategy based on the activities of the Turkish-Muslim entrepreneur class under the leadership of the state was sought to be maintained. During this period, the state sector as an entrepreneur became the leader in sectors such as textiles, iron and steel, food, glass, cement, mining, transport and finance (Boratav, 1981).

Important developments such as the death of Mustafa Kemal Atatürk, the founder and leader of the new Turkish state, the ongoing economic effects of the Great Depression, and World War II, which ravaged the whole world for 6 years, significantly affected the course of Turkey's economic policies and industrialisation moves in the 1940s. The wind of factoryisation, which had been blowing rapidly in various sectors and under the leadership of the state sector throughout the 1920s and 1930s, lost its effect in the 1940s and became stagnant. Economic imperatives such as the financing of military expenditures, high inflation and decreasing production volume caused by the war conditions led Turkish governments to take strict measures throughout the 1940s (Pamuk, 2014).

3. Methodology

3.1. Purpose, Significance and Scope of the Study

The aim of this study is to examine the entrepreneurial activities in the industrialisation process that started in the late Ottoman Empire and continued in the early period of the Republic of Turkey and the British influence in this process from the perspective of business history. In line with the research objective, the study will mainly focus on the initiatives in the late industrialisation period that started in the second half of the 19th century in the Ottoman Empire, the entrepreneurial activities in the national industrialisation move that marked the founding period of the Republic of Turkey, and the commercial interaction with the UK in both periods. The structure of the entrepreneurial class in Turkey, which has changed under the influence of many factors in this period covering approximately one hundred years, and the commercial interaction with the UK will be discussed.

Definitions of the concept of entrepreneurship have varied over time. Irish economist Richard Cantillon was the first to use the term entrepreneurship in literature. According to Cantillon (1755), an entrepreneur is someone who takes risks by bringing together the factors of production. At this point, the entrepreneur accepts future uncertainties and aims to make a profit. Braudel (1985) defines the concept of entrepreneur as family workshops producing at home before the Industrial Revolution. Considering the conditions of that period, the entrepreneur was perceived as a person engaged in trade within the economic order as people transitioned from primitive society to an agriculture-based village economy.

By the second half of the 19th century, the concept of entrepreneurship had undergone a number of changes. With the industrialisation process, the entrepreneurial individual acquired certain qualities and became a more important actor in the economy and social development. Consequently, entrepreneurship became a concept encompassing a number of economic changes and transformations in the social structure that affected the world. During the period in question, the artisan class and the industrialist/entrepreneur group were sharply divided in terms of the nature and extent of entrepreneurial activities. For these reasons, this study covers entrepreneurs who have large-scale, high-capital ventures, extensive networks and entrepreneurial knowledge.

Business history is a field of study that has come to the fore in recent years within the discipline of management and organisation (Hansen, 2012; Jones & Zeitlin, 2008; Scranton & Fridenson, 2013). Institutions, new ways of doing business and entrepreneurs that emerged due to industrialisation movements are the main topics that business history researchers examine (Amatori & Jones, 2007; Naylor, 2006; Wilson, 1995). It is known that there are various studies on the history of entrepreneurship in the business literature (Cassis & Minoglou, 2005; Hébert & Link, 2009; Landes et al., 2010). However, there is currently no study that deals with entrepreneurship practices in Turkey periodically within the scope of business history.

On the other hand, no research has been found in the relevant literature that examines the influence of another country on entrepreneurial activities in Turkish business history. Furthermore, existing studies on Turkish business history do not pay sufficient attention to the role of British entrepreneurs in direct capital investments in Turkey. Therefore, this study makes a clear contribution to the literature by examining entrepreneurial activities in Turkish business history on a period-by-period basis, as well as by examining the historical background of commercial

interaction between Turkey and the UK. Furthermore, this study is expected to serve as a guide for researchers who intend to conduct studies on entrepreneurship in Turkish business history.

3.2. Research Questions

In the research process, answers to the following basic questions were sought depending on the purpose and scope of the research. The research questions are as follows:

1) How was the entrepreneurial class formed in the late Ottoman period? In which sectors are entrepreneurship activities concentrated?

2) How did commercial interaction with the UK occur in the entrepreneurial activities of the late Ottoman period?

3) How was the entrepreneurial class formed in the Early Republican period? In which sectors are entrepreneurship activities concentrated?

4) How did commercial interaction with the UK occur in the entrepreneurial activities of the Early Republican period?

3.3. Data Collection Method

Document analysis covers the processes of finding, reading, noting and evaluating relevant sources for a specific purpose (Karasar, 2005). In other words, document analysis is a series of processes that take place in the process of analysing and evaluating printed and electronic materials (Bowen, 2009). Document analysis is known as a qualitative research method generally used by researchers in the field of social sciences and humanities such as history, anthropology, sociology and linguistics. Libraries and state archives can provide the researcher with rich content on the topic of focus if the researcher has sufficient time and means to collect data (Merriam, 2009).

Considering that this study will examine entrepreneurial activities in the industrialisation process in the late Ottoman period and the early Republican period from the perspective of business history, qualitative research method was preferred among the research methods. The qualitative research methods examined by Creswell (2021) under five headings—ethnographic research, narrative research, phenomenological research, grounded theory research and case study—were employed to conduct the research through case study. In accordance with the purpose and scope of the research, the research was conducted through document analysis and archival research. In the study, the sources in the archives and libraries in both countries were utilised. In addition, other

archives, published scientific studies and academic databases were utilised to obtain data on the research topic.

4. Findings

4.1. The Entrepreneurial Class and Entrepreneurial Activities in the Late Ottoman Period

From the second half of the 19th century until the collapse of the state, which is called the late Ottoman period, the European entrepreneur class had a serious say in the investments made in the Ottoman country. This entrepreneur class, which became influential in the Ottoman economy especially from the 1850s onwards, made investments in various sectors such as railways, banking, insurance, mining, agriculture, textiles and energy. Among these sectors, the railway sector, in which two-thirds of foreign capital investments were made, attracts attention (Pamuk, 2023). The initiatives undertaken as a result of the concessions granted to Europeans in the construction of railways stand out among the entrepreneurial activities in the late Ottoman period. Table 1 shows the European entrepreneur class in the late Ottoman period and the railway initiatives undertaken by the Ottoman Empire through the state.

Table 1

Railway Initiatives in the Late Ottoman Period

No	Railway Line	Starting Year	Entrepreneurs	Country of Origin
1	Alexandria - Cairo	1851	British entrepreneurs	The United Kingdom
2	İzmir - Aydın	1856	Ottoman Railway Company	The United Kingdom
3	Constanța - Cernavodă	1857	Midland Railway Company	The United Kingdom
4	Ruscuk - Varna	1863	The Ruscuk and Varna Railway Company	The United Kingdom
5	İzmir - Kasaba	1863	The Smyrna Cassaba Railway	The United Kingdom
6	Haydarpaşa - İzmit	1871	The Ottoman Empire	The Ottoman Empire
7	Galata - Pera	1871	The Metropolitan Railway of Constantinople from Galata to Pera	The United Kingdom
8	Mudanya - Bursa	1871	The Ottoman Empire Chemin de Fer Moudania Broussea	The Ottoman Empire France
9	İstanbul - Edirne	1871	Chemins de fer Orientaux	Germany
10	Kasaba - Alaşehir	1872	The Ottoman Empire	The Ottoman Empire
11	Mersin - Adana	1883	Mersin – Tarsus – Adana Railway	The United Kingdom
12	Manisa - Soma	1887	The Ottoman Empire	The Ottoman Empire
13	İzmit - Ankara	1889	Chemins de Fer Ottoman d'Anatolie	Germany

14	Jaffa - Jerusalem	1890	Société du Chemin de Fer Ottoman de Jaffa à Jérusalem et Prolongements	France
15	Thessaloniki - Bitola	1891	Deutsche Bank	Germany
16	Beirut - Damascus	1892	Societe Ottomane des Chemin de Fer de Beyrouth-Damas-Hauran et Biredjik sur l'Euphrate	France Belgium
17	Thessaloniki - İstanbul	1893	Compagnie du Chemin de Fer Ottoman	France
18	Eskişehir - Konya	1893	Chemins de Fer Ottoman d'Anatolie	Germany
19	Damascus - Medina	1900	The Ottoman Empire	The Ottoman Empire
20	Rayak - Hama	1902	Régie Générale de Chemin de Fer	France
21	Konya - Baghdad	1903	Chemins du Fer Impérial Ottomans de Bagdad	Germany
22	Hama - Aleppo	1905	Societe Ottomane des Chemin de Fer de Beyrouth-Damas-Hauran et Biredjik sur l'Euphrate	France
23	Homs - Tripoli	1910	Societe Ottomane des Chemin de Fer de Beyrouth-Damas-Hauran et Biredjik sur l'Euphrate	France
24	Soma - Bandırma	1910	Société Ottomane du Chemin de fer de Smyrne-Cassaba et Prolongements	France
25	Samsun - Sivas	1914	Régie Générale de Chemin de Fer	France

Source. Quataert (1985), Tamçelik (2000), Akyıldız (2005), Ergüven (2019).

Table 1 shows that the first railway initiative in the Ottoman Empire was carried out by British entrepreneurs who succeeded in obtaining the concession of the Alexandria-Cairo line. In addition to this line, British entrepreneurs were influential in railway construction activities in the Ottoman geography until the last quarter of the 19th century. Apart from the British, it is possible to say that French and German entrepreneurs also started to have a say in railway construction activities in the Ottoman Empire from the 1870s onwards. Especially in the period from the end of the 19th century until the collapse of the Ottoman Empire, it has been determined that the influence of British entrepreneurs decreased and French and German entrepreneurs came to the forefront in the railway competition. Apart from the European entrepreneur class, railway lines such as Haydarpaşa-İzmit, Kasaba-Alaşehir, Manisa-Soma, Damascus-Medina were realised through state entrepreneurship.

As a result of the concessions granted to European entrepreneurs through trade agreements and foreign borrowings, intensive railway construction activities were undertaken in the last period of the Ottoman Empire. After the construction of railways, the initiatives in the banking sector in the late Ottoman period are quite important. As of the second half of the 19th century, many banks were opened in the Ottoman Empire by the European entrepreneur class and Ottoman citizens in order to meet the credit demands in the market, especially government expenditures.

Table 2

Banking Activities in the Late Ottoman Period

No	Banks	Foundation Year	Entrepreneurs	Country of Origin
1	Banque de Constantinople	1847	Galata bankers	The Ottoman Empire
2	Ottoman Bank	1856	British entrepreneurs	The United Kingdom
3	Union Financière	1859	Galata bankers	The Ottoman Empire
4	La Banque de Turquie	1860	Galata bankers	The Ottoman Empire
5	Banque Impériale Ottomane	1863	Bank-ı Osmani Crédit Mobilier	The United Kingdom France
6	Memleket Sandıkları	1863	Ahmet Mithat Pasha	The Ottoman Empire
7	Société Générale de l'Empire Ottoman	1864	Galata bankers	The Ottoman Empire
8	The Ottoman Financial Association	1866	British entrepreneurs	The United Kingdom
9	İstanbul Emniyet Sandığı	1868	Ahmet Mithat Pasha	The Ottoman Empire
10	Le Crédit General Ottoman	1869	Finance Bank Société Général	The United Kingdom France
11	Austro-Ottoman Bank	1871	Credit-Anstant Anglo-Austrian Bank The Union Bank	Austria
12	Avusturya-Türk Bankası	1872	Anglo-Austrian Bank The Union Bank Galata bankers	Austria The Ottoman Empire
13	Banque de Constantinople	1872	Galata bankers British entrepreneurs	The Ottoman Empire The United Kingdom
14	La Societe Ottoman de Change et de Valeurs	1872	Galata bankers	The Ottoman Empire
15	Selanik Bankası	1888	Isak Fernandez and partners	The Ottoman Empire
16	Ziraat Bankası	1888	Ahmet Mithat Pasha	The Ottoman Empire
17	Bank of Mytilene	1891	Greek entrepreneurs	The Ottoman Empire
18	Deutsche Orient Bank	1906	Dresden Bank Bavyera Bank	Germany
19	Türkiye Milli Bankası	1909	Sir Ernest Cassel	The United Kingdom
20	İtibar-ı Malî Osmanlı Anonim Şirketi	1910	Turkish entrepreneurs	The Ottoman Empire
21	Türkiye Ticaret ve Sanayi Bankası	1910	Prince Lütfullah Bey İsmail Hakkı Bey Monsieur A. Durand	The Ottoman Empire France

22	Osmanlı Ticaret Bankası	1911	Armenian entrepreneurs	The Ottoman Empire
23	İstanbul Bankası	1911	Ahmet Kemal Bey	The Ottoman Empire
24	Şirket-i İktisadiye-i Milliye	1911	Turkish entrepreneurs	The Ottoman Empire
25	Asya Bankası Anonim Şirket-i Osmaniyesi	1914	Hüseyin Naim Bey	The Ottoman Empire
26	Emlak ve İkrabat Bankası Osmanlı Anonim Şirketi	1914	Turkish entrepreneurs	The Ottoman Empire
27	Millî Aydın Bankası	1914	Turkish entrepreneurs	The Ottoman Empire
28	Karaman Millî Bankası Osmanlı Anonim Şirketi	1915	Turkish entrepreneurs	The Ottoman Empire
29	Emval-i Gayrimenkule ve İkrabat Bankası Osmanlı Anonim Şirketi	1915	Deutsche Orient Bank	Germany
30	Kayseri Millî İktisat Bankası	1916	Turkish entrepreneurs	The Ottoman Empire
31	Köy İktisat Bankası	1916	Zekâi Bey	The Ottoman Empire
32	Akşehir Bankası	1916	Turkish entrepreneurs	The Ottoman Empire
33	Osmanlı İtibar-ı Milli Bankası	1917	Cavid Bey	The Ottoman Empire
34	Millî İktisat Bankası	1918	Turkish entrepreneurs	The Ottoman Empire
35	Eskişehir Çiftçiler Bankası	1918	Zekâi Bey	The Ottoman Empire
36	Türkiye Umumi Bankası	1918	Macar Ticaret Bankası Said Halim Pasha	Hungary The Ottoman Empire

Source: Yılmaz (2009), Toprak (2023).

As can be seen from Table 2, various actors were effective in the late Ottoman banking sector at different times. Similar to the railway initiatives, the capital-owning European entrepreneur class played an active role in banking activities. In addition, unlike the railway enterprises, the non-Muslim entrepreneur class in the Ottoman Empire was quite influential in the banking sector. The interest of bankers and Greek, Armenian and Jewish entrepreneurs in banking activities in Galata, which is known as a neighbourhood of non-Muslim Ottoman citizens in Istanbul, is an important finding of this study. On the other hand, the banks opened by the Muslim-Turkish entrepreneur class in different regions of the Ottoman Empire since 1910 are also noteworthy.

Apart from the intensive investments in the railway and banking sectors, the state, as an entrepreneur, also established factories in various sectors. Industrialisation initiatives launched by the state in the late Ottoman period were aimed at meeting the basic needs of the army and the state. Within these factories, most of which were clustered in and around the capital Istanbul, it

was found that organisations in different sectors were operating. However, a significant portion of the factories established with great ideals could not be operated, production was stopped after a short period of time and the enterprises were closed down (Clark, 2006).

Table 3

State Initiatives in the Late Ottoman Period

No	Initiatives	Foundation Year	Sectors	No	Initiatives	Foundation Year	Sectors
1	Harir Fabrika-i Hümayunu	1852	Textile	19	Yıldız Çini Fabrika-i Hümayunu	1891	Glass
2	Çekiç Fabrikası	1852	Metallurgy	20	Bahriye Matbaası	1895	Paper
3	Levâzımât-ı Umumiyye-i Askerî Fabrikası	1855	Textile	21	Hereke Halı Fabrikası	1895	Textile
4	Dolmabahçe Gazhanesi	1855	Energy	22	Asker Üniforma Fabrikası	1896	Textile
5	Çekmece Bez Fabrikası	1850s	Textile	23	Konya Güherçile Fabrikası	1896	Defence
6	İspermenç (Mum ve Sabun) Fabrikası	1863	Chemistry	24	Tophane Kundak Fabrikası	1890s	Defence
7	Kayseri Güherçile Fabrika-i Hümayunu	1864	Defence	25	Tophane Torpido Fabrikası	1890s	Defence
8	Kuzguncuk Gazhanesi	1865	Energy	26	Tophane Tekerlek Fabrikası	1890s	Defence
9	Cebhane-i Amire	1868	Defence	27	Zeytinburnu Mavzer ve Fişek Fabrikası	1902	Defence
10	Pirinç Boru Fabrikası	1870s	Defence	28	Zeytinburnu Çelik Fabrikası	1902	Metallurgy
11	Doğramacılık ve Enva'ı Fabrikası	1870s	Forestry	29	Zeytinburnu Asit ve Eter Fabrikası	1902	Chemistry
12	Yedikule Gazhanesi	1880	Energy	30	Zeytinburnu Kimyahanesi	1902	Chemistry
13	Eskişehir Kereste Fabrikası	1881	Forestry	31	Darülaceze Halı İmalatı	1908	Textile
14	Paşabahçe Cam Fabrikası	1884	Glass	32	Paşabahçe Kiremit ve Tuğla Fabrikası	1910	Construction
15	Hamidiye Kağıt Fabrikası	1886	Paper	33	Hamidiye Kağıt Fabrikası	1912	Paper

16	Dersaadet Ticaret Odası Matbaası	1887	Paper	34	Silahdarağa Elektrik Fabrikası	1914	Energy
17	Elektrik Fabrikası	1888	Energy	35	Adapazarı Araba Fabrikası	1916	Defence
18	Buz Fabrikası	1888	Food				

Source: Kurt et al. (2016).

In the late Ottoman period, in addition to European entrepreneurs and the non-Muslim Ottoman entrepreneur class, the state sector was also influential in the industrialisation process of the Ottoman Empire. As an actor, the Ottoman Empire opened many factories in various sectors such as defence, textile, paper, chemistry, energy, forestry, glass, construction, food and metallurgy and made significant contributions to the industrialisation process. Among these sectors, most of the initiatives were made in the field of defence (9 factories) in order to meet the military needs of the state. State investments in the field of defence were followed by initiatives in the textile sector (6 factories). In the 64-year period, 35 enterprises were realised by the state sector.

4.2. Commercial Interaction with the UK in Entrepreneurship Activities during the Late Ottoman Period

In the 16th century, Ottoman-British commercial relations started with the arrival of British merchants in the Eastern Mediterranean and their trade in the trade centres, especially in the port cities in the region. In the 17th and 18th centuries, commercial relations between the Ottomans and the British intensified as a result of Britain's serious orientation towards the Mediterranean and Far East trade. In 1838, the Treaty of Balta Liman signed between the Ottoman Empire and the UK marked the Ottoman-British trade and entrepreneurial activities in the late Ottoman period (Arslan, 2022). British entrepreneurs who wanted to utilise the attractive opportunities offered by this agreement showed an increased interest in the Ottoman Empire. Table 4 provides information on the activities carried out by British entrepreneurs in the late Ottoman period.

Table 4

British Initiatives in the Late Ottoman Period

No	Initiatives	Foundation Year	Sectors	No	Initiatives	Foundation Year	Sectors
1	British entrepreneurs	1851	Railway	19	Commercial Company of Salonica	1895	Trade
2	Ottoman Railway Company	1856	Railway	20	Borax Consolidated Limited	1899	Chemistry

3	Ottoman Bank	1856	Banking	21	The Oriental Carpet Manufacturers Limited	1907	Textile
4	Midland Railway Company	1857	Railway	22	Nectar Brewery Company Limited	1907	Food
5	Osmanlı Gaz Şirketi	1862	Energy	23	Anglo-Levantine Banking Company Limited	1908	Banking
6	Banque Impériale Ottomane	1863	Banking	24	Türkiye Milli Bankası	1909	Banking
7	The Ruscuk and Varna Railway Company	1863	Railway	25	Constantinople Machine-Made Bread Monopoly Limited	1910	Food
8	The Smyrna Cassaba Railway	1863	Railway	26	Mersina Oil Mill and Cake Company Limited	1910	Food
9	Şirket-i Maliye-i Mahdûde-i Osmanî	1864	Textile	27	Ottoman Cloth Company Limited	1910	Textile
10	İsmit Forest Company Limited	1865	Forestry	28	Turkish Tobacco Plantations Syndicate Limited	1910	Agriculture
11	The Ottoman Financial Association	1866	Banking	29	Bağdat Elektrikli Tramvay ve Tenvirât ve Kudret-i Elektrikiye Anonim Osmanlı Şirketi	1912	Energy
12	İzmir Rıhtım Şirketi	1867	Trade	30	Smyrna Fig Packers Limited	1912	Agriculture
13	Le Crédit General Ottoman	1869	Banking	31	Anglo-Ottoman Tobacco Company	1913	Agriculture
14	Banque de Constantinople	1872	Banking	32	Constantinople Suburban Estates and Aerolith Building Company Limited	1913	Construction
15	The Metropolitan Railway of Constantinople from Galata to Pera	1872	Railway	33	Smyrna Antimony Company	1913	Mining
16	Borax Company Limited	1872	Chemistry	34	Kiazim Emin Tobacco Trading Company	1913	Agriculture
17	Mersin – Tarsus – Adana Railway	1883	Railway	35	Prinkipo Yacht Club Company Limited	1917	Tourism
18	Anglo-Eastern Cooperative Company Limited	1893	Trade	36	The Economic Cooperative Society Limited	1918	Trade

Source: Yılmaz (2009), Şirin (2018), Çetin (2022), Toprak (2023).

According to the information given in Table 4, 36 British companies were active in the late Ottoman period. When we look at the British enterprises in the period between 1851 and 1918, it is seen that there was a sectoral diversification. It is determined that British enterprises in the

Ottoman geography were carried out in 12 different sectors including railway, banking, energy, textile, forestry, trade, chemistry, food, agriculture, construction, tourism and mining. Looking at the sectoral distribution, the weight of the companies operating in the fields of railway (7 companies) and banking (7 companies) in the total is remarkable. Especially the railway investments and banking activities, which intensified from the middle to the end of the 19th century, are an important finding for British enterprises in the late Ottoman period.

4.3. The Entrepreneurial Class and Entrepreneurial Activities in the Early Republican Period

The subsequent rise of the Committee of Union and Progress movement in the Ottoman administration initiated the idea and period of nationalisation in the economy. In this period, a Muslim-Turkish entrepreneur class was wanted to be created with the support of the state. This protectionist approach, which was adopted during the years of national economy, was maintained in the newly established Republic of Turkey. Acting on the basis of economic nationalism, the governments of the Republican period aimed to create a local and national entrepreneurial class independent of foreign influences. However, due to economic reasons such as the lack of institutions to provide financial resources for domestic investments, weak capital accumulation, lack of experience and knowledge, and inadequate infrastructure, the state sector had to assume the role of the leader of the enterprises in the early Republican period.

Table 5

State Initiatives in the Early Republican Period

No	Initiatives	Foundation Year	Sectors	No	Initiatives	Foundation Year	Sectors
1	Ankara Silah Fabrikası	1923	Defence	31	Zonguldak Antrasit Fabrikası	1935	Chemistry
2	Eskişehir Uçak Tamir Fabrikası	1924	Aviation	32	Murgul Bakır İşletmesi	1935	Mining
3	Ankara Marangoz Fabrikası	1924	Defence	33	İzmit Kâğıt ve Karton Fabrikası	1936	Paper
4	Türkiye Sanayi ve Maadin Bankası	1925	Banking	34	Elazığ Şark Kromları İşletmesi	1936	Mining

5	Kırıkkale Topçu Mühimmatı Fabrikası	1925	Defence	35	Konya Ereğli Bez Fabrikası	1937	Textile
6	Eskişehir Cer Atölyesi	1925	Defence	36	Nazilli Basma Fabrikası	1937	Textile
7	Silahtarağa Fişek Fabrikası	1925	Defence	37	Karabük Demir Çelik Fabrikası	1937	Metallurgy
8	Kayseri Uçak Fabrikası	1926	Aviation	38	Gemlik Suni İpek Fabrikası	1938	Textile
9	Emlak ve Eytam Bankası	1926	Banking	39	Bursa Merinos Fabrikası	1938	Textile
10	Gazi Orman Çiftliği Süt Fabrikası	1927	Food	40	Kırıkkale Dişli Fabrikası	1938	Defence
11	Gazi Fişek Fabrikası	1928	Defence	41	Divriği Demir Madenleri İşletmeleri	1938	Mining
12	Pirinç Döküm ve Haddehanesi	1928	Metallurgy	42	Giresun Fiskobirlik	1938	Agriculture
13	Ankara Çimento Fabrikası	1928	Construction	43	Halkbank	1938	Banking
14	Elmadağ Barut Fabrikası	1928	Chemistry	44	Denizbank	1938	Banking
15	Türkiye Cumhuriyeti Merkez Bankası	1930	Banking	45	Kırıkkale Nitroselülözlü Barut Fabrikası	1939	Defence
16	Gaziantep Rakı Fabrikası	1930	Food	46	Malatya Sigara Fabrikası	1939	Agriculture
17	Tekirdağ İçki Fabrikası	1931	Food	47	Malatya Bez ve İplik Fabrikası	1939	Textile
18	Diyarbakır İçki Fabrikası	1932	Food	48	Ergani Bakır İşletmesi	1939	Mining
19	Kırıkkale Çelik Döküm ve Haddehanesi	1932	Metallurgy	49	Bitlis Sigara Fabrikası	1939	Agriculture
20	Sümerbank	1933	Banking	50	Sivas Cer Atölyesi	1939	Railway
21	Devlet Hava Yolları İşletmesi	1933	Aviation	51	THK Etimesgut Uçak Fabrikası	1940	Aviation
22	Kırıkkale Tüfek Fabrikası	1934	Defence	52	Garp Linyitleri İşletmesi	1940	Mining

23	Bakırköy Bez Fabrikası	1934	Textile	53	İzmit Kaolin Fabrikası	1941	Paper
24	Keçiborlu Kükürt Fabrikası	1934	Chemistry	54	Sivas Çimento Fabrikası	1943	Construction
25	Ankara Bira Fabrikası	1934	Food	55	Elazığ Şarap Fabrikası	1944	Food
26	Etibank	1935	Mining	56	THK Gazi Uçak Motoru Fabrikası	1945	Metallurgy
27	Paşabahçe Cam Fabrikası	1935	Glass	57	İzmit Klor Fabrikası	1945	Chemistry
28	Kayseri Bez Fabrikası	1935	Textile	58	Rize Çay Fabrikası	1947	Agriculture
29	Isparta Gül Yağı Fabrikası	1935	Chemistry	59	Filyos Ateş Tuğlası Fabrikası	1949	Metallurgy
30	Mamak Gaz Maskesi Fabrikası	1935	Defence				

Source. Akdoğu (2014), Evsile (2018), Kurt and Şehitoğlu (2023), Yurtoğlu (2024).

In the period between 1923 and 1950, known as the Early Republican period, a total of 59 state enterprises were identified. In this period, when the newly established Republic of Turkey was still in its infancy, the state sector was the pioneer of industrialisation and entrepreneurial activities. In 13 different sectors, including defence, aviation, banking, food, metallurgy, construction, chemistry, textile, mining, glass, paper, agriculture and railways, state-led entrepreneurial activities were carried out. Among these sectors, state investments in the defence sector (10 factories) are noteworthy. Investments in the textile sector (7 factories) followed the initiatives in the field of defence.

The decisions taken at the İzmir Economic Congress, which was convened in 1923, significantly shaped the economic policies and entrepreneurial activities of the early Republican period. This understanding, which aimed to develop domestic industry and trade, prioritised private enterprises, and wanted to establish an economic order that respected property rights within the framework of laws, led the state to protect and support private enterprises. In line with this understanding, domestic and national initiatives were prioritised, and private initiatives were supported through state economic institutions. Table 6 presents information on the entrepreneurial activities carried out by the Muslim-Turkish entrepreneur class in the early Republican period.

Table 6

Private Initiatives in the Early Republican Period

No	Initiatives	Foundation Year	Sectors	No	Initiatives	Foundation Year	Sectors
1	Tarsus Dokuma Fabrikası	1923	Textile	23	Milli Reasürans Anonim Şirketi	1929	Insurance
2	Türkiye İş Bankası	1924	Banking	24	Kayaş Kapsül ve İmla Fabrikası	1930	Defence
3	Türkiye Tütüncüler Bankası	1924	Banking	25	Zeytinburnu Silah ve Cephane Fabrikası	1930	Defence
4	Isparta İplik Fabrikası	1924	Textile	26	Gaziantep Veliç İplik Fabrikası	1932	Textile
5	Aksaray Azmi Milli Un Fabrikası	1924	Food	27	Kars Süt Fabrikası	1933	Food
6	İtimad-ı Milli	1924	Insurance	28	Eskişehir Şeker Fabrikası	1933	Agriculture
7	Trabzon Elektrik Türk Anonim Şirketi	1925	Energy	29	Turhal Şeker Fabrikası	1934	Agriculture
8	Adana Milli Mensucat Fabrikası	1925	Textile	30	Bursa Süt Tozu ve Buz Fabrikası	1934	Food
9	Şakir Zümre Uçak Bombası ve Silah Fabrikası	1925	Defence	31	Ankara Türk Sigorta Şirketi	1936	Insurance
10	Anadolu Sigorta	1925	Insurance	32	Beşiktaş Nuri Demirağ Uçak Fabrikası	1936	Aviation
11	Bakırköy Çimento Fabrikası	1926	Construction	33	Sütlüce Silah ve Cephane Fabrikası	1938	Defence
12	Uşak Şeker Fabrikası	1926	Agriculture	34	Koç Ticaret Anonim Şirketi	1938	Trade
13	Alpullu Şeker Fabrikası	1926	Agriculture	35	Sevilen Şarapları Anonim Şirketi	1942	Food
14	Tosya Çeltik Fabrikası	1926	Agriculture	36	Doğan Sigorta	1942	Insurance
15	Kütahya Seramik Sanayi Müessesesi	1926	Construction	37	Yazgan Şarapçılık Sanayi ve Ticaret Anonim Şirketi	1943	Food
16	Doluca Şarap Fabrikası	1926	Food	38	Yapı ve Kredi Bankası	1944	Banking
17	Kayseri Bünyan Dokuma Fabrikası	1927	Textile	39	Halk Sigorta Türk Anonim Şirketi	1944	Insurance
18	Eskişehir Bankası	1927	Banking	40	Destek Reasürans Anonim Şirketi	1945	Insurance
19	Eskişehir Kiremit Fabrikası	1927	Construction	41	Türkiye Garanti Bankası	1946	Banking
20	İzmir Esnaf ve Ahali Bankası	1928	Banking	42	Akbank	1948	Banking
21	İpek Film Şirketi	1928	Entertainment	43	Türkiye Genel Sigorta	1948	Insurance

22	Kavaklıdere Şarap Fabrikası	1929	Food	44	Türkiye Sınai Kalkınma Bankası	1950	Banking
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Source. Polatoğlu (2021), Akduru (2023), Atukalp (2023).

According to the information given in Table 6, 44 entrepreneurial activities carried out by the Muslim-Turkish entrepreneur class in the early Republican period between 1923-1950 were identified. It was observed that these private enterprises were carried out in different sectors such as textile, banking, food, insurance, energy, defence, construction, agriculture, entertainment, aviation, trade. When the sectoral distribution is analysed, it is determined that most of the enterprises were engaged in banking (8 banks) and insurance (8 companies). In addition, investments made by Muslim-Turkish entrepreneurs in the textile and food sectors in the early Republican period are also an important finding.

4.4. Commercial Interaction with the UK in Entrepreneurial Activities during the Early Republican Period

Developments such as the establishment of an independent nation-state after a successful war, the initiation of an industrialisation drive led by the state, and the idea of creating a Muslim-Turkish entrepreneurial class independent from foreign influences and supported by the state had an impact on the course of British enterprises in the early Republican period. The fact that the cadres who founded the Republic of Turkey focused on the development of the country on the basis of the principle of statism and prioritised national initiatives severely restricted the investment activities of foreign entrepreneurs. In 1923, with the Treaty of Lausanne signed between the Republic of Turkey and the European states, all commercial privileges granted to the European entrepreneur class were abolished. Following this arrangement, a significant portion of the railways built and operated by the European entrepreneur class in the late Ottoman period were placed under state monopoly. The changes in the railway sector were followed by nationalisation practices in other sectors (Akkor, 2018).

Although the Republican governments acted in line with the principle of statism and supported Muslim-Turkish entrepreneurs, there were some developments in Turkish-British commercial relations. Commercial and political relations, which progressed in a liberal line within the framework of mutual respect, gained another dimension with the new treaties concluded during the early Republican period. The trade and maritime agreement signed in 1930, the commercial payments agreement signed in 1935, the trade and clearing agreement signed in 1936 and the trade

agreement signed in 1938 shaped the course of commercial relations between the two countries (Arslan, 2022). Although the agreements were intended to increase the volume of trade between Turkey and the UK, the number of British enterprises on Turkish soil remained limited.

The most important development in Turkish-British commercial interaction in the Early Republican period was the establishment of the Karabük Iron and Steel Factory with British capital. German Krupp and British Brassert participated in the tender for the construction of this factory, but the Turkish government preferred the British. The amount to be paid to the British company on behalf of Sümerbank, which played an important role in state initiatives in the early Republican period, was £2,745,000. Apart from this initiative, the British Alexander Gibb and Partners Company was engaged for the construction of the harbour in Istanbul. This company also won the tenders for the surveying of the railway line in Southeastern Anatolia and the construction of irrigation systems in Anatolia (Tekeli & İlkin, 2013).

5. Conclusion

In the Ottoman Empire, which followed protectionist economic policies for many years and was largely based on traditional agriculture and small handicrafts, a capitalist and entrepreneurial class did not emerge until the mid-19th century. Following the signing of the Treaty of Balta Liman with the UK, the Ottoman economy began to rapidly open up to foreign markets from the 1840s onwards. As a result of this policy change, European entrepreneurs, seeing the attractive opportunities offered by the Ottoman administration, embarked on investment activities in the Ottoman Empire. At this point, European entrepreneurs who wished to invest in the Ottoman Empire applied to the Ottoman government and succeeded in obtaining the necessary concessions and undertook initiatives in various fields (Sükan, 2014).

The Ottoman administration's offering of attractive opportunities to European states and investors through bilateral trade agreements led to Western European entrepreneurs focusing their interest and investment activities on the Ottoman Empire. During the period that began in the second half of the 19th century and continued until the collapse of the Ottoman Empire, the European entrepreneurial class had a significant say in investments made in the Ottoman Empire. This entrepreneurial class made investments in various sectors, particularly in the railway and banking sectors. As a result of the privileges granted to European states in the construction of

railways, numerous railway lines were built in different regions of the Ottoman Empire between 1850 and 1914.

According to the findings of this study, there were 25 railway initiatives in the late Ottoman period. It is seen that the first railway initiative in the Ottoman geography was carried out by British entrepreneurs who succeeded in obtaining the concession for the Alexandria-Cairo line. In addition to this line, British entrepreneurs constructed the İzmir-Aydın (1856), Constanța - Cernavodă (1857), Ruscuk-Varna (1863), İzmir-Kasaba (1863), Galata-Pera (1871) and Mersin-Adana (1883) lines. From the 1870s onwards, the influence of British entrepreneurs in the railway sector gradually declined. This situation can be attributed to the decline of British imperial power from the 1870s onwards (Berend, 2023).

The void left by the UK in the railway sector was filled by French and German entrepreneurs. The investment competition between these two groups of entrepreneurs continued until the collapse of the Ottoman Empire (Quataert, 1985). In addition to the dominant power of the European entrepreneurial class in the railways, it has been determined that the Ottoman administration also built railway lines through state entrepreneurship. However, the volume and impact of these initiatives remained weaker than the activities of the European entrepreneurial class (Tamçelik, 2000). The Ottoman Empire's inadequacy in terms of capital, technical knowledge, tools and equipment, and human resources in railway construction may have contributed to this outcome.

In the late Ottoman period, the intensity of initiatives in the banking sector following the railways is noteworthy. From the second half of the 19th century onwards, many banks were established in the late Ottoman period due to factors such as a significant increase in state expenditures, expansion of trade volume, and the credit needs of entrepreneurs and merchants in the market (Pamuk, 2014). Similar to the railway sector, investments by the European entrepreneurial class were also observed in the banking sector. In addition to the UK, France, and Germany, Austria and Hungary, which were also part of the European entrepreneurial class, were involved in banking ventures in the Ottoman Empire. Therefore, it is possible to say that new actors within the European entrepreneurial class also joined the competition in the sector.

Unlike the European entrepreneurial class's clear dominance in the railway sector, local elements were more influential in the banking sector during the late Ottoman period. Galata

bankers and non-Muslim entrepreneurs consisting of Armenians, Greeks and Jews opened many banks in the late Ottoman period. The interest of the non-Muslim entrepreneurial class consisting of Ottoman citizens in banking activities is an important finding of this study. On the other hand, the concept of economic nationalisation, which began with the Committee of Union and Progress movement, quickly made its mark on banking sector initiatives. From 1910 onwards, the Muslim-Turkish entrepreneurial class came to the fore in the sector with the banks they opened in different regions of the Ottoman Empire (Toprak, 2023).

While European entrepreneurs clearly dominated railway investments, the activities of non-Muslim Ottoman citizens and Muslim-Turkish entrepreneurs in the banking sector were noteworthy. In addition to these two sectors, the state also engaged in various investment activities as an entrepreneur. The Ottoman Empire opened many factories in various sectors such as defence, textiles, paper, chemicals, energy, forestry, glass, construction, food, and metallurgy (Kurt et al., 2016). Among the sectors mentioned, the density of factories opened in the defence sector is noteworthy. Military events such as wars, internal uprisings, and independence movements that occurred in the last century of the Ottoman Empire may have led the state to prioritise investments in the defence sector.

The Treaty of Balta Liman signed between the Ottoman Empire and the UK in 1838 had significant effects on Ottoman-English relations and trade (Dura & Altıparmak, 2000). British entrepreneurs seeking to take advantage of the attractive opportunities offered by the free trade agreement began investing in the Ottoman Empire (Arslan, 2022). According to the information obtained in this study, 36 British companies were operating in the Ottoman Empire during the late Ottoman period. When examining British investments between 1851 and 1918, it is possible to say that there was diversification in terms of sectors.

British entrepreneurs carried out their activities in 12 different sectors, including railways, banking, energy, textiles, forestry, trade, chemicals, food, agriculture, construction, tourism, and mining. Among these sectors, railway companies and banks stand out. The intensification of railway investments and banking activities from the mid-19th century to the end of the century is an important finding regarding British ventures in the late Ottoman period. From the beginning of the 20th century onwards, British investments in the Ottoman Empire shifted towards sectors such as food, agriculture and textiles. At this point, it can be said that the changes in the Ottoman

Empire's economic policies had an impact on the activities and sector choices of British entrepreneurs.

With the Union and Progress movement gaining influence in the Ottoman administration, a period of economic nationalisation began. During this period, which constituted the last ten years of the Ottoman Empire, the goal was to create a Muslim-Turkish entrepreneurial class with state support. This protectionist economic approach was continued in the same manner during the newly established Republic of Turkey (Altıparmak, 1998). The conditions of the second quarter of the 20th century, when intense competition and conflicts among developed countries prevented the establishment of new economic rules, provided some room for manoeuvre for countries such as the Republic of Turkey that were able to maintain their independence. Thus, the new Turkish state was able to analyse the conditions in the world and within the country well and gain the opportunity to act more freely in economic terms (Pamuk, 2014).

During the early Republican period, it was observed that the state sector acted as an economic actor in various initiatives. In this new period, when the Republic of Turkey was still in its infancy, the state sector was the pioneer of industrialisation and entrepreneurial activities (Evsile, 2018). The state has undertaken initiatives in a wide range of sectors, including defence, aviation, banking, food, metallurgy, construction, chemicals, textiles, mining, glass, paper, agriculture and railways. Of these sectors, the defence sector has received the most investment from the state. The resumption of power struggles among European states immediately after World War I and the outbreak of World War II approximately 20 years later naturally caused concern among the early Republican-era governments in terms of military affairs. In this context, it is understandable that state initiatives have prioritised the defence sector.

Due to the absence of institutions to provide financial resources for domestic investments, weak capital accumulation, lack of experience and knowledge, and inadequate infrastructure, the state sector was forced to take on the leading role in early Republican-era initiatives (Akdoğan, 2014). Alongside state entrepreneurship, the development of domestic trade and industry was aimed for, and facilities were provided to private enterprises and investors wishing to engage in entrepreneurial activities. The heavy dependence on foreign trade in the late Ottoman period brought to the fore the idea of creating a Muslim-Turkish entrepreneurial class in the early

Republican period (Sarıçoban, 2020). Thus, the state sought to create a national bourgeoisie and private sector.

The study found that 44 entrepreneurial activities were carried out by the Muslim-Turkish entrepreneurial class during the early Republican period. These entrepreneurial activities were found to be diversified across sectors such as textiles, banking, food, insurance, energy, defence, construction, agriculture, entertainment, aviation, and trade. It was determined that the majority of these entrepreneurial activities were in the banking and insurance sectors. An important finding regarding private initiatives in the early Republican period is that the Muslim-Turkish entrepreneurial class supported the development drive led by the state through the banks they established. This finding may be attributed to the desire to meet the capital and credit needs of the state and the market during the industrialisation process.

The European entrepreneurial class, which had long held sway over the Turkish economy and trade, was replaced by the Muslim-Turkish entrepreneurial class, which was created and supported by the state. Turkish-British commercial interaction, which remained stagnant in the 1920s, was attempted to be revitalised through agreements signed in the 1930s (Hale, 1985). Between 1939 and 1945, the severe destruction caused by World War II on a global scale had a negative impact on trade between the two countries. The Turkish governments' rapprochement with the USA in the 1940s in terms of trade and politics led to British investments in Turkey remaining weak. Therefore, it is possible to say that the activities of British entrepreneurs in the early Republican period remained at a very limited level compared to those in the late Ottoman period.

Based on the findings of this study, a number of recommendations can be made for future research. A review of the literature in Turkey reveals that business history research has been conducted within two separate frameworks: the Ottoman Empire period and the Republic of Turkey period. The intensity of business history research focusing on the early Republican period in the literature is noteworthy. Despite certain obstacles in accessing sources related to the pre-Republican period, there is great potential for Turkish business history research in the late Ottoman period as well.

It is important to study the late industrialisation of the Ottoman Empire, which began in the second half of the 19th century, and the entrepreneurial activities that took place during this period. In addition, many topics await investigation from the perspective of business history, such as the

organisation and business practices of companies operating in specific sectors during the late Ottoman period, the commercial activities of non-Muslim entrepreneurs in the Ottoman Empire, and the economic interactions of the entrepreneurial class consisting of Ottoman citizens with European countries and other regions.

Declaration of Research and Publication Ethics

This study which does not require ethics committee approval and/or legal/specific permission complies with the research and publication ethics.

Researcher's Contribution Rate Statement

Since the author is the sole author of the article, his contribution rate is 100%.

Declaration of Researcher's Conflict of Interest

There are no potential conflicts of interest in this study.

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