

The Effect of Cameralism on Ottoman Economic Thought Revisited

Mesut Sert

This study aims to critically reconsider the reference given by the literature dealing with the effect of Cameralism in the Ottoman economic thought to the 19th century as a period and to Sadık Rıfat Pasha (1807-1857) as an actor. I will argue that another actor (Ebubekir Ratîb Efendi (1750-1799) deserves at least as much interest in this respect and helps us push back the effect in time.

Two points need to be clarified from the beginning to serve as a basis for further discussion. Since the economic thought to be traced directly depends on how economics is defined, first point relates to the problem of the definition of economics. For this purpose, I will start from the difference between Polanyi's formal and substantive definitions of economics. There exists yet another problem to do with the nature of existing sources. In this context, the source value of the *Sefaretnames* (Embassy Books) written by Ottoman ambassadors after their visits to foreign countries in the history of economic thought will be discussed. These texts, written by ambassadors based on their observations, can provide geographical, historical, military and cultural information about Europe of the period, as well as economic topics, albeit implicitly. These two discussions will be the subject of the first part of the paper.

Cameralism, the impact of which on Ottoman economic thought will be examined in greater detail, will then be discussed in the following part. In this context, in addition to spelling out what Cameralism actually is, its relationship to mercantilism, the 'dominant' economic thought of the period, and its position within the current social sciences, I will also evaluate if it points to a *Sonderweg*.

In order to explore the concrete earlier traces of the Cameralism-effect, in the last part of the paper, I will turn to the *Nemçe Sefaretnamesi* (Nemçe Embassy Book) and *Büyük Layiha* (Great Layiha), both written by Ebubekir Ratîb Efendi, who was at the Austrian embassy in 1791-1792. I will argue that the findings expressed in the *Büyük Layiha*, prepared by making use of some regulations in force or code of practice in Austria at the time, as well as his own observations in Vienna, unlike the *Nemçe Sefaretnamesi*, which seems to have instead a strong travelogue feature, are important for showing the influence of Cameralism in the Ottoman Empire. While even earlier manuscripts included information about economic phenomena such as the economic structures, commercial activities and customs duties of the countries visited, they did not provide or consider the intellectual background that guided these practices or policies. In contrast, I insist that the *Büyük Layiha* contains detailed explanations regarding the intellectual background of the economic practices in question. In this context, the statements made by Ebubekir Ratîb Efendi within the scope of the *politika fenn-i* (political science) he encountered in Vienna can be interpreted as evidence for how this discipline clearly corresponds to Cameralism.

Reevaluating Human Capital in Turkish Economic Thought: Another Instance of German Influence

Erkan Gürpınar

The German influence on Turkish economic thought, both in terms of theory and policy-making, is well documented (Özveren 2016, Özveren et al. 2016, Özçelik and Özveren 2016). This influence is evident, for example, in the contributions of German scholars such as Friedrich List and Gustav Schmoller (and German Historical School in general). These scholars influenced the discussions on development policies that were proposed as alternatives to the classical laissez-faire liberal thought that was prevalent in Ottoman economic thinking (Ağır 2023, Toprak 1982). A common feature of these alternative approaches was the search for policies to achieve economic development through a certain degree of central (i.e., state) guidance. Reflecting on the development trajectories of countries such as Japan, Soviet Union and Germany (Allen 2011), it is clear that Turkish scholars were not an exception in seeking state-guided development. Nevertheless, there was considerable diversity in the details of how to catch-up with the developed world. For example, while scholars like Ziya Gökalp emphasized the role of industrialization, others, such as Ethem Nejat, highlighted the essential role of agriculture in economic and social transformation (Özveren et al. 2016). Similar debate could also be found in the writings of Kadro authors (Özveren and Özgür 2021).

In this paper, we argue that these discussions have parallels in theories related to human capital. Turkish scholars developed alternative interpretations (or misinterpretations) of technological change and economic development that directly relate to their understanding of the role of human capital, similar to the discussions of figures such as Friedrich List. Although the concept of human capital dates back to the founders of political economy (Kiker 1966), it would be incorrect to claim that List or other German or Turkish scholars explicitly developed a discussion around this concept. Nevertheless, the idea that underdevelopment is the result of a competence or capability gap between the developed and underdeveloped world, and the role of intangible/intellectual assets is crucial in overcoming this gap, is evident in figures such as List (Senghaas 1991). In the paper, we analyze the diversity found in Turkish economic thought regarding the role of human capital in economic development and its German origins. Lastly, we argue that these alternative approaches could have exerted a lasting influence on the trajectory on Turkish economic policymaking following the establishment of the Republic.

References

- Ağır, S. 2023. Milli İktisattan Önce Milli İktisat. In Ağır, S and Kaya, A. Y. (eds.) *Sonrası Kalır: Milli İktisat, İktisadi Düşünce ve İktisat Tarihi*. Imge Kitabevi Yayınları.
- Allen, R. 2011. *Global Economic History: A Very Short Introduction*, New York: Oxford Univ. Press.
- Kiker, B. 1966. The Historical Roots of the Concept of Human Capital. *Journal of Political Economy*, 74:481-499.
- Özçelik, E., Özveren, E. 2016. Friedrich List and Joseph Schumpeter: Strange bedfellows in the pedigree of (development) economics? *METU Studies in Development*. 43: 337-360.

Özveren, E. 2016. A hundred years of German connection in Turkish economic thought: Historismus and otherwise. In Cardoso, J. L. and Psalidopoulos, M. (eds.) The German Historical School and European Economic Thought. New York: Routledge.

Özveren, E., Erkek, M. S., Ünal, H. S. 2016. Unity and Diversity in the Ottoman School of National Economy: A Reappraisal of Ziya Gökalp and Ethem Nejat. In Reinert, E. S., Ghosh, J., Kattel, R. Handbook of Alternative Theories of Economic Development. Cheltenham: Edward Elgar Publishing.

Özveren, E., Özgür, E. 2021. The Turkish Kadro pioneers of a Balkan Dependencia in the interwar period: rethinking underemployment, monetary policy, and technology. The European Journal of the History of Economic Thought. 28(6): 910-939.

Senghaas, D. 1991. Friedrich List and the Basic Problems of Economic Development. Review Fernand Braudel Center, XIV (3): 451-467.

Toprak, Z. 1982. Türkiye’de Milli İktisat: 1908-1918. Ankara: Yurt Yayınevi.

German Economists in Turkey

Hakkı Bilen

Shortly after the First World War started (specifically between 1915 and 1918), a total of twenty German faculty members came to Istanbul to work in various faculties of Istanbul Darülfünun, through the "German Education Institute" established in Istanbul by Franz Schmidt, an officer of the Education Department of the German Ministry of Foreign Affairs. Among the twenty faculty members, two of them were related to economics education. One of them was Professor Friedrich Hoffmann from the University of Hannover and, the other was Anton Fleck from the University of Kiel. These German scholars had to return to Germany after Istanbul was occupied in 1918.

With the 1933 Reform, Darülfünun was closed and Istanbul University was established in its place. Fritz Neumark, Wilhelm Röpke and Gerhard Kessler were among the staff of the Faculty of Law, one of the four faculties of the new university, and the Institute of Economics and Social Sciences, which was established to provide economics education. Alexander Rüstow was first appointed to the Scientific Committee of the Department of Human and Economic Geography at the Faculty of Letters. Rüstow was also assigned to give the same courses at the Institute of Economics and Social Sciences.

Article 11 of the report submitted by Albert Malche to the Turkish Government included a proposal to establish a Faculty of Economics independent of the Faculty of Law. In 1936, the Board of Professors of the Faculty of Law assigned Fritz Neumark to prepare a report on the establishment of the fifth Faculty of Istanbul University. The report prepared by Neumark was approved by the then Minister of Culture. Turkey's first Faculty of Economics was established with the Decree No. 2/5719 dated 14 December 1936 of the Board of Deputies under the Chairmanship of President Kemal Atatürk. With the addition of Alfred Isaac to Neumark, Röpke, Rüstow and Kessler, the founding staff was completed, and the education started in October 1937 at the Faculty of Economics. After a while, Wilhelm Röpke left Turkey and went to Switzerland. He was replaced by Josef Dobretsberger.

In the contracts made with German professors, it was stipulated that they would devote all their efforts to the teaching and research tasks entrusted to them, that they would teach all the necessary courses in their fields, that they would make all the exams related to their departments, and that they would also fulfill the duties assigned by the official institutions of the state. In addition, refugee professors started to work on establishing faculty and institute libraries. They also established the Journal of the Faculty of Economics. Refugee German Professors trained Turkish staff who could replace them. They ensured their participation in all their work. They established the German education system in teaching economics. They left their chairs to their assistants, associate professors and fellow professors whom they trained in their place.

German Refugee Economists and the Birth of Turkish Economic Thought: A Study of Early Influences and Contributions

Merve Kılıçkan

In the late 1930s, two historically significant events converged: the Rise of Nazism in Germany and the University Reform in Turkey. During this period, numerous German scholars displaced by Nazism sought refuge in Turkey and took part in its ongoing reform in higher education, where they became instrumental to the development of Turkish science. This included the establishment of the first Institute of Economics at the nascent Istanbul University, which served as the wellspring from which Turkey's next generation of economic scholars emerged. The arrival of the refugee economists also introduced two distinct schools of economic thought to the Turkish intelligentsia: the German Historical School and the Austrian School.

This paper is a descriptive study offering detailed portraits of the five German refugee professors at Istanbul University during the early phase of the university reform, namely Fritz Neumark, Gerhard Kessler, Alexander Rüstow, Wilhelm Röpke and Alfred Isaac. It provides an in-depth account of their contributions to the development of economics education in Turkey, Turkish economic and social policy, and Turkish society at large. Furthermore, the study aims to analyze the academic legacy of the German refugee economists by investigating their influence on contemporaneous Turkish colleagues and students. By examining the profiles, economic philosophies, and academic placements of the first generation Turkish scholars affiliated with the refugee German economists, the study aims to provide a comprehensive understanding of the early academic trajectory of economic education in Turkey and to gain insight into the extent of German influence on the development of Turkish economic thought.

Divitçiođlu, Wittfogel, and the Asiatic Mode of Production Revisited

Altuđ Yalçintaş

In this paper, I aim to focus on the works of Sencer Divitçiođlu (1927, İstanbul - 2014, İstanbul) and revisit the debate on the Asiatic mode of production. My goal will be to argue that the economic success of “underdeveloped” and “static” societies should be reconsidered from the perspective of an updated theory of Asiatic mode of production. I claim that the nation states in Asiatic societies have played a unique role in the emergence of digital economies. Digital technologies and the Internet in China and India (partially in Russia and Indonesia as well) are the primary forces leading to high rates of growth (and sometimes social welfare). I also argue that digital economies provide countries such as Turkey and Iran with opportunities for economic growth and development.

Divitçiođlu was a prominent Turkish Marxian economist. His academic journey began at İstanbul University, where he pursued his undergraduate studies in economics and graduated in 1950. He obtained his doctoral dissertation from the University of Paris in 1955. He served as a visiting scholar at Cambridge University during the periods of 1962-1963 and 1973. He was a professor of economics at İstanbul University until he was dismissed from his position by the military decree in 1982. His works were translated into several languages, including French and Greek.

One of Divitçiođlu's most notable contributions was his development and refinement of the theory of Asiatic mode of production. This theory, originally conceptualized by Karl Marx, argues that societies like China, India, Russia, Iran, and the Ottoman Empire had distinct institutional histories that differentiated them from European societies. Divitçiođlu argued that these societies did not follow the same capitalist developmental paths as Europe due to their unique economic and bureaucratic structures.

His contribution was unique because he attacked unilinear historical development models. Instead, Divitçiođlu posited a multilinear model, suggesting that societies could experience multiple forms of production simultaneously rather than sequentially transitioning from slavery to feudalism to capitalism and then socialism. This perspective allowed for a more nuanced understanding of societal transformations, highlighting the complex and non-determined nature of historical development.

In his works, Divitçiođlu was notably influenced by Karl Wittfogel's *Oriental Despotism* (1957), which explained the emergence of despotic regimes in the East as a consequence of the management of water resources. According to Wittfogel, the administration of large irrigation and flood mitigation projects required extensive bureaucratic structures that exerted influence over economic, social, and religious domains. Divitçiođlu applied this framework to the Ottoman Empire and the Republic of Turkey, arguing that their economic evolution did not lead to a capitalist society as seen in the West.

Selected Bibliography

Divitçiođlu, Sencer. 1966. *Asya Tipi Üretim ve Az-Gelişmiş Ülkeler [Asiatic Mode of Production and Underdeveloped Countries]*. İstanbul: Elif Yayınları.

Divitçiođlu, Sencer. 1967. *Asya Üretim Tarzı ve Osmanlı Toplumunu [Asiatic Mode of Production and the Ottoman Society]*. İstanbul: Köz Yayınları.

Wittfogel, Karl. 1957. *Oriental Despotism: A Comparative Study of Total Power*. New Haven: Yale University Press.