

SMALL-SCALE INDUSTRY MATTERS:
INDUSTRIALIZATION AND OCCUPATIONAL STRUCTURE
IN TURKEY BETWEEN 1927 AND 1945

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2015

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Thesis submitted to the
Atatürk Institute for Modern Turkish History
in partial fulfillment of the requirements for the degree of

Master of Arts

by
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Boğaziçi University

2015

ABSTRACT

An abstract of the thesis of Berkay Küçükbaşlar for the degree of Master of Arts from the Atatürk Institute for Modern Turkish History to be taken in May 2015.

Title: Small-Scale Industry Matters: Industrialization and Occupational Structure in Turkey between 1927 and 1945

This study aims to evaluate the significance of the small-scale manufacturing in Turkey's history of industrialization both quantitatively and qualitatively by using the occupational data and the secondary sources. In Anatolia, there is much evidence on the existence and importance of small-scale producers throughout the nineteenth and twentieth centuries. However, the studies that handle this evidence is usually far from being comprehensive or systematic. On the other hand, there is a considerable amount of valuable information in demographic records, especially in national censuses. This can be analyzed in the context of economic history. Including this dataset in historical analyses and arguing on the relative significance of the small-scale industry constitutes the two main bases of this study. By doing this, it is aimed to reach a long-term, geographical and computational understanding on the nature of industrial production in Turkey.

The weaving and clothing industries are two of the most specific examples as they were the pioneer branches of industry. In the international economic history literature, especially regarding weaving and clothing, there are various accounts that examine the innate coexistence of handwork and factory production. The notion of industry does not necessarily refer to a mechanized production; that is, in the context of Turkey, etatist industrialization. It is a necessity to look beyond factory production. This study combines this way of thinking with the available occupational data for the early periods of Republican Turkey. Keeping in mind that this should be done in longer periods, the results show that in certain provinces of western, central and eastern Anatolia, the concentration of weaving and clothing population cannot be explained with a simple scheme of modern industrialization. Further, as the most striking case, Denizli is examined more closely. It is seen that the industrial production pattern of this area was determined by strong local elements such as geography and production culture.

ÖZET

Atatürk İlkeleri ve İnkılap Tarihi Enstitüsü'nde Yüksek Lisans derecesi için
Berkay Küçükbaşlar tarafından Mayıs 2015'te teslim edilen tezin özeti.

Başlık: Küçük Sanayi Meseleleri: Türkiye'de Sanayileşme ve Mesleki Yapı
1927-1945

Bu çalışma, Türkiye'nin sanayileşme tarihinde küçük sanayinin önemini, meslek verilerini ve ikincil kaynakları kullanarak hem niceliksel, hem de niteliksel olarak ele almayı amaçlamaktadır. Anadolu'da ondokuz ve yirminci yüzyıl boyunca küçük sanayi üretimine ilişkin çeşitli kanıtlar bulunsa da bunları kullanarak yapılmış çalışmalar genellikle kapsayıcılıktan ve sistematik yaklaşımdan uzaktır. Öte yandan, demografik kayıtlarda, özellikle nüfus sayımlarında oldukça fazla ve değerli nitelikte bilgiler bulunmaktadır. Bu bilgiler, yukarıda söylenen amaca uygun biçimde kavramsallaştırılabilir. Bu veri setini tarihsel analizlerin kapsamına almak ve küçük sanayinin görece önemini tartışmak bu çalışmanın iki temel çıkış noktasını oluşturmaktadır. Böylece, uzun dönemli, coğrafi ve hesaplamalı bir anlayışa ulaşmak hedeflenmektedir.

Dokuma ve giyim sanayii, sınai üretimin öncü kolu olduğundan en özgün örneklerden biridir. Uluslararası iktisat tarihi yazınında, özellikle bu alan üzerinden, el işi ve sanayi üretimi arasındaki doğal birliktelik ve bir arada var olma durumu çokça tartışılmıştır. Sanayi kavramı yalnızca makineleşmiş üretime işaret etmez. Bu, Türkiye örneğinde bu tezin kapsadığı zaman aralığı için devletçi üretimdir. Fabrika üretiminin ötesine bakmak, tutarlı bir analiz için bir gerekliliktir. Bu çalışma, bu düşünce yapısı ile erken cumhuriyet dönemi Türkiye'si için kullanılabilir meslek verisini ele almaktadır. Bu incelemenin daha uzun dönemleri içine alacak şekilde genişletilmesi gerektiğini de göz önünde bulundurarak söylenebilir ki batı, orta ve doğu Anadolu'daki bazı vilayetlerdeki dokuma ve giyim alanında mesleklere sahip nüfus, basit modern sanayi şeması içinde anlaşılabilir. Bunun ötesinde, en çarpıcı sonuçları veren vilayet olarak Denizli daha derinlemesine incelenmiş ve buradaki sınai üretim yapısının coğrafya ve üretim kültürü gibi çok güçlü bazı yerel elementler tarafından belirlendiği görülmüştür.

ACKNOWLEDGEMENTS

First of all, I would like to express my deepest gratitude to my advisor, Prof. Şevket Pamuk, who organized and directed my tangled ideas from the first steps of this study. Without his guidance and consultancy, this study would not have been possible. Aside from our office talks, his professional approach and work ethic inspired and encouraged me greatly in the process of writing.

I also would like to thank sincerely to Assoc. Prof. M. Erdem Kabadayı, with whom I realized the significance of occupational data during the productive work in the TÜBİTAK research project Nr. 112K271 he conducts, “Introduction to the Occupational History of Turkey in the Light of New Methods and Aspects: From Ottoman Empire to Turkish Republic (1840-1940)”. His support helped me a lot to understand the existing literature and learn the general academic tendencies. Within this project I was funded as a researcher by TÜBİTAK. I would like to thank this institution as well.

I am thankful to Tracy Lord Şen for her indispensable help during the writing and editing processes. In addition to many other valuable inputs about academic writing, the title of this thesis was also developed with her contributions. I also thank Kathryn Kranzler for editing the text.

I would like to express my respect to the honorable memory of Necla Turunç, who always took the most important administrative responsibilities for everyone in the institute. I also thank to Kadriye Aksoy and Leyla Kılınç for their constant administrative works to make all the processes easier and more enjoyable.

I am grateful to İpek Kay, without whom I could not manage to pursue my academic and personal aims. She has shown a great devotion in all steps and all aspects of my study and my life.

Last but not least, I would like to thank my parents, Saadet Küçükbaşlar and Ahmet Küçükbaşlar, for their endless encouragement and support. Also to my sister Burcu Beşlioğlu for her valuable thoughts and comments. I would also like to commemorate the loving memory of my grandmother Safure Cerik, to whom I owe a great part of my moral values. I would like to dedicate this study to my niece Yonca Beşlioğlu, and to my nephew Sarp Beşlioğlu.

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CHAPTER 1: INTRODUCTION

The Early-Republican period in modern Turkish history is an era that is widely discussed, whereas reliable information on actual parameters is significantly limited. This period is mostly highlighted in terms of its political developments. This is reasonable regarding the fact that some massive external and internal transformations took place. Those major changes make this period an object of contention in terms of state policies and their political foundations. As a consequence, the emphasis is usually given on political instances to proof certain theoretical assumptions. This can be regarded as an important loss especially for the economic history literature.

Economic history of Ottoman and Republican Turkey was generally discussed around an abstract concept of industrialization. The main criteria on this was the existence or the absence of factories and the value of output of them. However, specific questions on the industrialization history of this period usually remain unanswered. The amount and significance of small-scale industry is a question that arises naturally as there is historical evidence on the contribution of the small-scale manufacturers in Anatolia.

The lack of scientific analyses on this period also comes out of a specific historiographical mentality as much as the shortage of reliable data. Narratives that are primarily based upon the behaviors of individuals or governments create a certain level of ambiguity and discrepancy between indicators and analyses. This study adopts the idea that the historical events in this period can and must be assessed regarding the conjunctures and structures in which they occur. In this regard, this

study follows the theoretical legacy of the *Annales* school as an analytical base.

Fernand Braudel's way of periodization and his effort to explain historical processes in terms of scientific methods are more than being only sources of inspiration for this study.

As this period in the history of Turkey is such an object of contention, there is a primary need to get involved in the official and academic arguments. The idea and the implication of etatism will be discussed in the following chapter on this basis. Also, the information on the economic indicators will be put together in order to assess those arguments and to see the functioning of applied policies. This way of thinking will ask why in economic history etatism is still used as an explanatory category. Especially in a period while the governmental discourse was highly unstable on various issues. Further, it will be discussed if it was possible for a government to govern as comprehensively as it was claimed to.

Those holistic and vague explanations comes out of a structurally problematic way of thinking. Looking only at the aggregate numbers of production to see the traces of economic growth and industrialization can lead to controversial results. Different variables and datasets must be included in a long-term perspective. In this study, the main focus will be on assessing the importance of the small-scale industry in the economic structure of Turkey. This research question is a result of a perspective in which the traces on continuities rather than ruptures are much more explanatory in economic history analyses. In this view, the main effort will be given on looking for evidence on the existence of small-scale manufacturers in the literature and questioning their capacities through the concentrations of occupations.

In this way of thinking, it will be possible to have a detailed, spatial and relational look to the nature of industrialization in Turkey. The claim here is not to

produce an extensive explanation but to see the concentrations and patterns in particular regions on particular sectors. In this case, textile industry will be elaborated through occupational structure by making comparisons among the provinces, western Anatolia region will be popped-out with their high shares.

As the main issue is conceptualized around the notion of industrialization, the third chapter presents a literature survey on industrialization theories and processes. The discussion will be on how industrialization was conducted and became widespread in Europe, and how it was spread around the world. The importance of handwork and small-scale production throughout the history of industrialization will be examined. In the process of discussing the arguments, it is seen that there is a growing vein of literature that questions the scientific validity of conventional methods of research in the field of economic history. Within this new approach, industrialization should be regarded as a complicated process that has to be analyzed in the long-run by taking other available variables into account.

The third chapter also conceptualizes the small-scale industry and observes it in several examples on Ottoman Empire and Republican Turkey. The importance of locality and geography will be stressed once again and the possibilities to examine the Turkish case within this framework will be discussed via the existing literature on the history of industrialization in the Ottoman Empire. In the light of some valuable examples in the literature, it will be discussed that the tradition of manufacturing survived and it was the usual production method in Anatolia from the nineteenth to the twentieth century. This will lead the way to conduct a quantitative analyze on Republican Turkey's occupational data concerning the existence of small-scale industry.

In the fourth chapter, the main source of this study will be introduced.

Occupational data derived from the national censuses will be used in a comparative perspective. By, putting all available information on the distribution of medium and large-scale industry, it will be possible to make inferences on the concentrations of small-scale industry in textiles. This exercise will be conducted mainly for two benchmark years, 1935 and 1945. The results of several analyses reveal an important small-scale production concentration in western and central Anatolia. It will be argued that these were long-lasting structures that shapes the production characteristics of their regions. This may be called small-scale production culture. In the places that have this culture, there always were various production networks and organizational forms that are almost independent from the surrounding economic situations. They either competed or coexisted with other production units. This process was shaped in a reciprocal rationality.

These assemblages can and must be traced far back and forth in history beyond the focal period of this study. Denizli, for instance, is known for its weaving activity that started in ancient times. The continuity of this characteristic throughout the history is not a coincidence for sure. The entrepreneur groups that recently have been called “Anatolian Tigers” were also quite strong in this region in the sphere of twenty-first century.

The main purpose of this study is primarily to show the relative significance of small-scale industry in Turkey by introducing and analyzing new datasets. As a further aim, it may be extended to raise the understanding on small-scale industry and its mechanisms by getting into the literature on industrialization and industrial production. In short, the goal is not to romanticize, but to historicize small-scale industry in Turkey.

CHAPTER 2: ETATIST PLANNING AND WAR ECONOMY: THE ECONOMIC STRUCTURE IN EARLY REPUBLICAN TURKEY

The economy of the Turkish Republic in its early years was affected by a set of turning points including external impacts, and accordingly, critical internal policy decisions. The widespread method to analyze these crucial events is to categorize them from macro perspectives and to claim that all those events led to various epochs in history. Since there is a serious lack of concrete data, it is more useful to take a political position, make a macro scale periodization, and find quantitative evidences to verify this logic of succession between economic states. Although it is not the most convenient way to make periodization, this study follows the existing divisions. The focal time period of this study is also divided into two macro categories. The period 1932-1939 is usually named as the “etatist era” and 1939-1945 is usually interpreted within the circumstances of the Second World War.

This chapter will offer a periodization and a contextualization of the historical events that was experienced in Turkey, in this period. Primarily, it is aimed to examine the above-mentioned sub-periods through their distinctive characteristics. Also, the mainstream arguments on this period will be opened up for discussion as the issue on small-scale industry was often ignored by those. Thus, this chapter will suggest a theoretical discussion over the existing literature.

The most controversial category for this period is “etatism”, as it is mostly used as an extensive and explanatory term to illustrate the economic and political developments of the 1930s in Turkey. In this chapter, it will be argued that considering a wide spectrum of economic indicators, etatism as a historical category

does not provide a complete explanation for the socio-economic and political reality of Turkey in the 1930s.

The counter argument will be given based on a discussion on the logic of planning and the actual economic experiences. The essence of this argument consists of the following components: How the single party adopted this idea as the official policy and applied it to economic planning, and how this policy came to an end; and how it became a historical category despite its failure. Further, it will be claimed that instead of giving the sole emphasis to state-owned or private large-scale industries, focusing on small-scale industry could lead to a more productive field of study in economic history.

The 1930s: Historical Framework

The 1930s in Turkey was a decade of several turning points. First of all, in 1929, the Great Depression compelled Turkey to seek new policies although it did not cause a direct shock on the economy. Accordingly, tariff rates were increased dramatically and a new economic model, etatism was introduced and applied via industrialization plans by the ruling political power. This model was also an opportunity for the constitutive power of the young republic to prove itself economically, thus the main social and economic policies were also prepared based on this model.

Not surprisingly, the economic history of Turkey was also evaluated simply in terms of this model. This is one of the main reasons behind the shortage of detailed analyses on this period. The narratives are usually built on a categorical

assumption that the government¹ developed a control mechanism over the economy. Identifying the economic and political incidents that happened before and during this period makes etatism understandable within a historical context. This is a more convenient way to analyze rather than taking it as a strict category.

The Great Depression affected most of the less-developed countries similarly, including Turkey and the Latin American countries, which were integrated into the world economy as the exporters of raw materials, importers of industrial goods, and were ruled in terms of free trade regimes.² There were sharp declines in the prices of agricultural export goods. For instance, Turkish corn prices in international markets declined 60 percent from 1928-29 to 1932-33 and remained around the same level throughout the 1930s. A strict depreciation was also experienced. The exchange rate for the pound sterling increased from 993 *kuruş* in January 1929 to 1042 *kuruş* in December 1929.³

These sudden changes increased the relative prices of compulsory industrial consumer goods and decreased the volume of consumption.⁴ In those circumstances, there were two basic theoretical pathways to be followed by the governments of less-developed countries: They could either open the economy within the spirit of *laissez faire* to draw foreign capital into the country, or they could use interventionism to limit the impact of the depression. The first option was almost unavoidable for colonies and countries in which the local aristocracy was superior and had agreements with the foreign powers. Turkey in the 1930s was neither a

¹ This concept may result in a confusion because of the unstable nature of party politics. By using the term “government”, I simply mean the state polity that is conducted by the single party, the Republican People’s Party (RPP).

² Korkut Boratav, *Türkiye İktisat Tarihi, 1908-2007* (Ankara: İmge Kitabevi, 2008), p. 63.

³ İlhan Tekeli, *1929 Dünya Buhranında Türkiye’nin İktisadi Politika Arayışları* (Ankara: Orta Doğu Teknik Üniversitesi, 1983), p. 80.

⁴ Şevket Pamuk, *Türkiye’nin 200 Yıllık İktisadi Tarihi: Büyüme, Kurumlar ve Bölüşüm* (İstanbul: Türkiye İş Bankası Kültür Yayınları, 2014), p. 186, 187.

colony, nor a country where an aristocracy reigned. In other words, interventionism was a realistic strategy, rather than a completely autonomous decision for Turkey against the crisis.

Although the rational decision for the government was to implement high tariff rates, there was a serious practical difficulty standing in front of this intention. The tariff restriction coming from the Treaty of Lausanne in 1923 had imposed certain rates on Turkey's foreign trade. These restrictions expired in September 1929 and a new tariff regime has implemented immediately which increased the overall ratio applied on imports, from 13 percent to 46 percent.⁵

An adjustment on tariffs had already been taken into the agenda by the early 1920s. Thus, protectionism was already an issue before the Great Depression.⁶ A tariff committee was established at the Ministry of Economy in 1925. A similar organization was also established at the Istanbul Chamber of Commerce and Industry in 1926. The Grand Council of Economy (*Âli İktisat Meclisi*) evaluated the reports those organizations submitted.⁷ The associations had assessed the advices and suggested the appropriate amount to raise the tariff rates.

There were three basic tools of protectionism for the above-mentioned less-developed countries during the Depression: to raise the exchange rate, tariffs, and quotas. Turkey applied those policies and production subsidy as a non-tariff intervention. It can be observed that Turkey applied an import-repression policy in the years of the Depression. 1929 was the beginning of the application of

⁵ Roger Owen and Şevket Pamuk, *A History of Middle East Economies in the Twentieth Century* (Cambridge, Mass: Harvard University Press, 1998), p. 16.

⁶ İlhan Tekeli, *Uygulamaya Geçerken Türkiye'de Devletçiliğin Oluşumu*, (İstanbul: Bilge Kültür Sanat, 2009).

⁷ İlhan Tekeli, *1929 Dünya Buhranında Türkiye'nin İktisadi Politika Arayışları*, pp. 69-71.

protectionist policies by the republic.⁸ As will be discussed further, this was a crucial turning point. As a result of protectionism, the volume of imports to Turkey, declined by 48 percent from 1929 to 1930, whereas the decline in the export volume was not that sharp. This difference led to a trade surplus for the first time in the history of the republic.

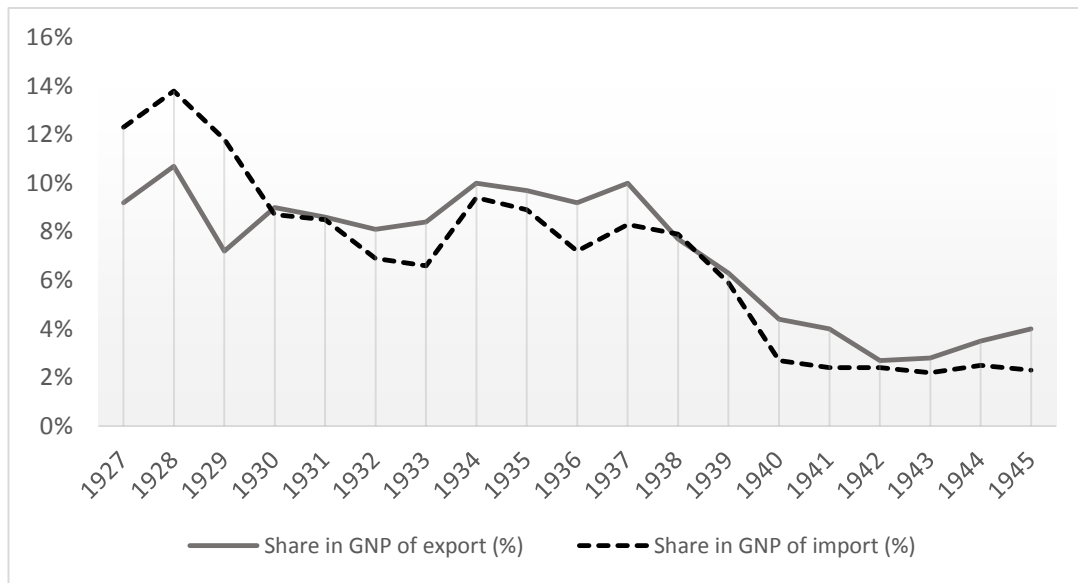


Figure 1: Closing of the economy: Shares of imports and exports in GNP of Turkey between 1927 and 1945

Source: *İstatistik Göstergeler, 1923-2012*. Ankara: TÜİK, 2012.

According to this series, the essential turning point was unquestionably the transition from 1929 to 1930. From then on, imports were repressed either by policies or by external effects. This import repression formed the backbone of the main economic policies in the 1930s.

⁸ Protectionism was a policy that is also applied in the last years of Ottoman Empire. In 1920, tariff rates were higher compared to 1916. This means there were already a practical disposition to protect local producers. See Yahya S. Tezel, *Cumhuriyet Döneminin İktisadi Tarihi, 1923-1950* (İstanbul: Tarih Vakfı Yurt Yayınları, 1994).

Protectionism was supported by a conservative exchange rate policy. Right after a sudden depreciation led by the Great Depression, the Turkish lira gained value against the English pound sterling by 40 percent between 1931 and 1934, and remained around the same level until the late 1930s.⁹ This is interesting because it could be expected that the government would apply a devaluation to accelerate export. This intention shows that for the most part, Turkey was not aiming to gain income from the export of agricultural goods. Another reason to keep the currency valuable was the Ottoman payments on international debts continued to be made, as they had been since 1929.

Protectionism was also selective. New rates were imposed with a discriminating logic which was in favor of industrial raw materials, machines, and equipment. The production of basic consumption goods, such as sugar and cloth, were protected behind tariff walls, whereas the import of intermediate goods rose 6 percent per year between 1931 and 1939.¹⁰ With the regulation in 1929, tariff rates were increased for sugar by 616 percent, for cotton cloth by 154 percent compared to the rates of 1916.¹¹

In light of those developments, it could be claimed that Turkey applied a kind of import substitution policy, which would have been expected to be followed by a country attempting to pursue industrialization. Accordingly, in 1930, The Grand Council of Economy (*Âli İktisat Meclisi*), led by Şakir Kesebir, minister of economy, presented a report to the National Assembly titled “The Report on Our Economic

⁹ Şevket Pamuk, “Dünya İktisadi Bunalımı ve 1930’lara Yeniden Bakış,” in *Bilanço 1923-1998: Türkiye Cumhuriyeti’nin 75 Yılına Toplu Bakış Uluslararası Kongresi: 10-12 Aralık 1998 ODTÜ Kültür ve Kongre Merkezi, Ankara*, ed. Zeynep Rona (Beşiktaş, İstanbul: Tarih Vakfı Yayınları, 1999), p. 35.

¹⁰ Ayçın Yelda Yücel, “Macroeconomic Policies During the Great Depression in Turkey” (MA Thesis, Boğaziçi University, 1996), p. 90.

¹¹ Orhan Kurmuş, “1916 ve 1929 Gümrük Tarifeleri Üzerine Gözlemler,” in *Türkiye İktisat Tarihi Üzerine Araştırmalar* (Ankara: Orta Doğu Teknik Üniversitesi, 1978), pp. 182-209.

Situation” (*İktisadi Vaziyetimize Dair Rapor*). This report could be regarded as the basis of industrialization plans; it generally determined the nature of the application of etatism. The report basically studied ways to ensure the balance of payments. The theoretical answer was the import repression policy, followed by industrialization; which meant import substitution.¹²

However, this transition from protectionism to etatism may not have been as straightforward as it is thought to have been. One should keep in mind that in an agricultural economy such as Turkey, protectionism primarily and practically aimed to protect agricultural producers by keeping cheap foreign products out of the internal market. In November 1930, while introducing the new tariff regime, İsmet İnönü stated that “It is true that we protect wheat exclusively ... 70 percent of our people are farmers ... We will not abandon the protectionist policy at the expense of misery of that 70 percent.”¹³ Accordingly, tariff rates were increased for wheat by 75 percent as well.¹⁴ It is clear that there was a strong intention and a special emphasis on industrialization, but it was also a fact that in a highly agricultural economy and society, applications had to include the agricultural sector primarily.

Hence, protectionism did not necessarily lead to a version of etatism which aimed to establish large-scale factories in accordance with a strict planning policy. The 1930s was also a decade of revisions of state objectives. In an atmosphere where the Republican People’s Party (RPP) consolidated its political power as the single party, the economy was also to be re-designed according to realize state objectives. Combining these two facts, history-writing on this period has acquired a general tendency to explain those developments with a simple formulation, etatism. There

¹² Tekeli, *1929 Dünya Buhranında Türkiye’nin İktisadi Politika Arayışları*, pp. 98-110.

¹³ Korkut Boratav, *Türkiye’de Devletçilik*, Savaş Yayınları (Ankara: Savaş Yayınları, 1982), p. 74 (my own translation).

¹⁴ Yücel, “Macroeconomic Policies During the Great Depression in Turkey”, p. 111.

was also a significant industrialization in the economy in this period, but its elements cannot be reduced to a unidirectional flow such as “state capitalism”. The paradoxical nature of this term should also be addressed.

Beyond these arguments, it would be useful to look at the shares of the sectors in GDP to see the relative importance of industrialization in the 1930s.

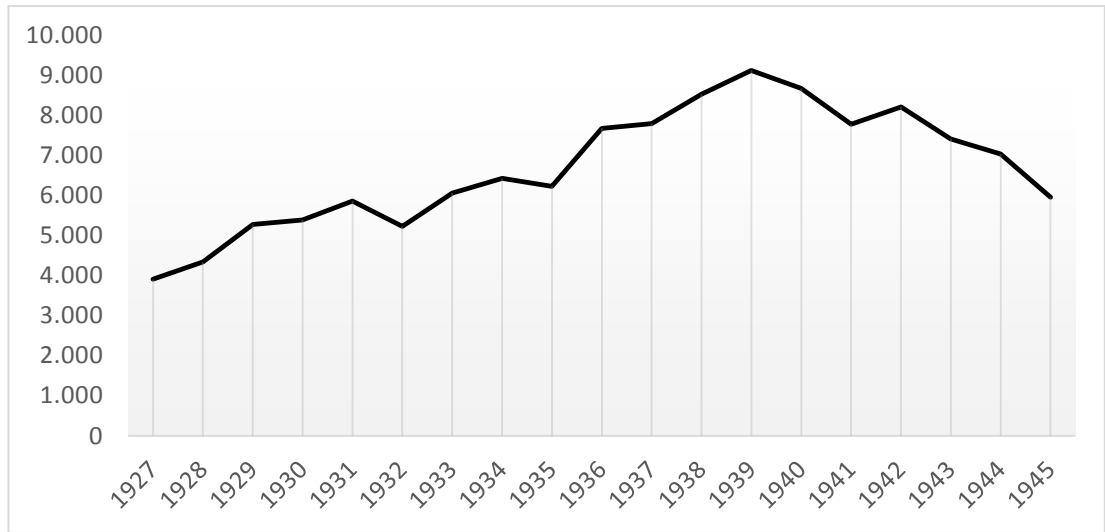


Figure 2: GDP between 1927 and 1939 (.000.000 TL) (in 1948 prices)

Source: *İstatistik Göstergeler, 1923-2012*. Ankara: TÜİK, 2012

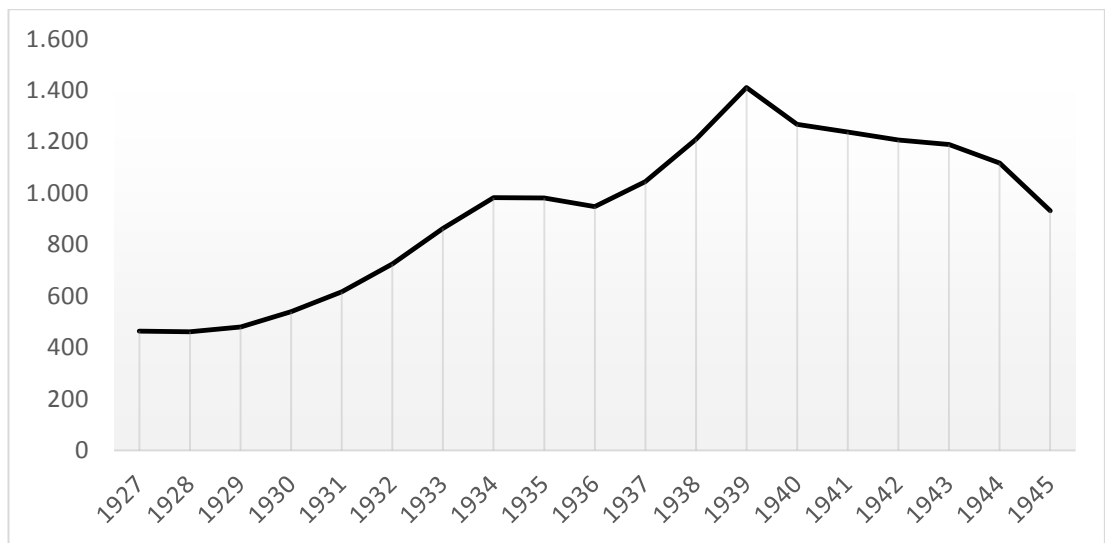


Figure 3: Industrial output between 1927 and 1945 (.000.000 TL) (in 1948 prices)

Source: *İstatistik Göstergeler, 1923-2012*. Ankara: TÜİK, 2012.

The datasets based on current prices would be misleading as the price rates at this period are unstable. To prevent this uncertainty, 1948 prices were taken as a deflating variable by TÜİK (Turkish Statistical Institute). The time series that are produced according to those numbers illustrates that there was a relative stabilization in terms of aggregate output especially in the second half of the 1930s, while the share of industrial production increased. It should always be noted that those numbers are the result of a back-projection which aggregates the estimated income items. However, in a broad meaning, they show the trends in economy.

Based on those numbers, it can be claimed that this relative wellbeing in the economy is strongly supported by industry as a whole. The term “industry” here also naturally involves small-scale industry. However, after 1939, it is seen that the contribution of industry decreased. Since these are the numbers on output, it can be claimed that this decrease is related to the war economy. But it is equally important to see that the output level in 1945 is approximately the same as the 1936 level. This shows that the stabilization observed in 1930s within the supports of protectionism, constitutes a steady state that can be returned after a crisis.

Before making further inferences, it will be useful to see the distribution of GDP among sectors to see their relative contributions.

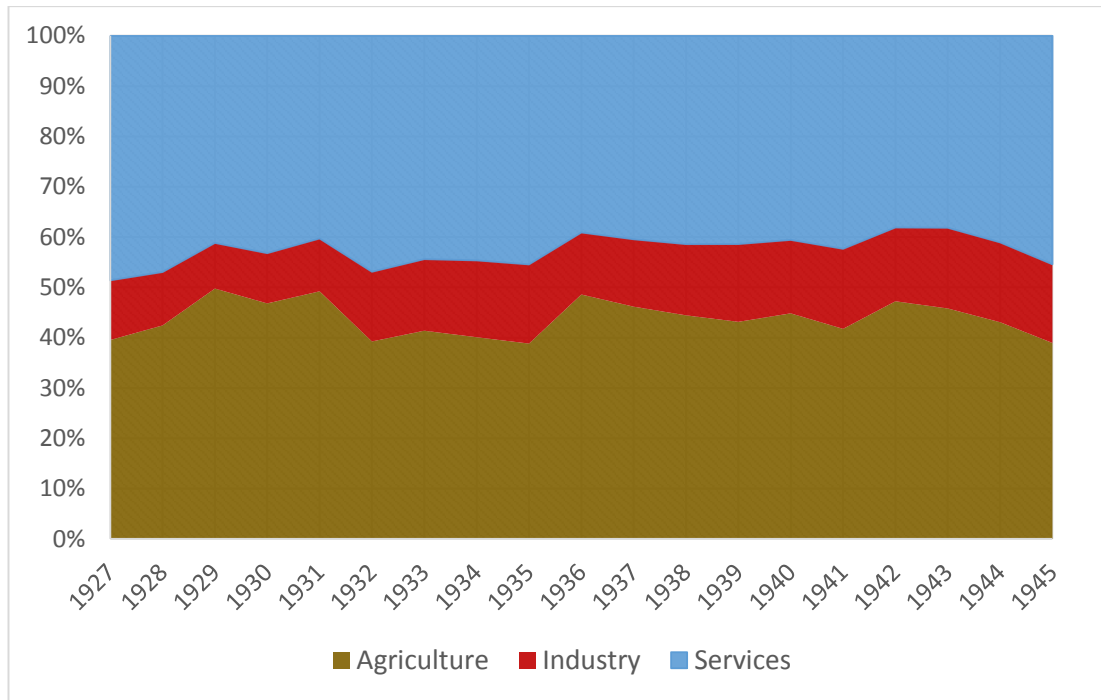


Figure 4: Shares of agriculture, industry and services in GDP between 1927 and 1945 (in 1948 prices)

Source: *İstatistik Göstergeler, 1923-2012*. Ankara: TÜİK, 2012.

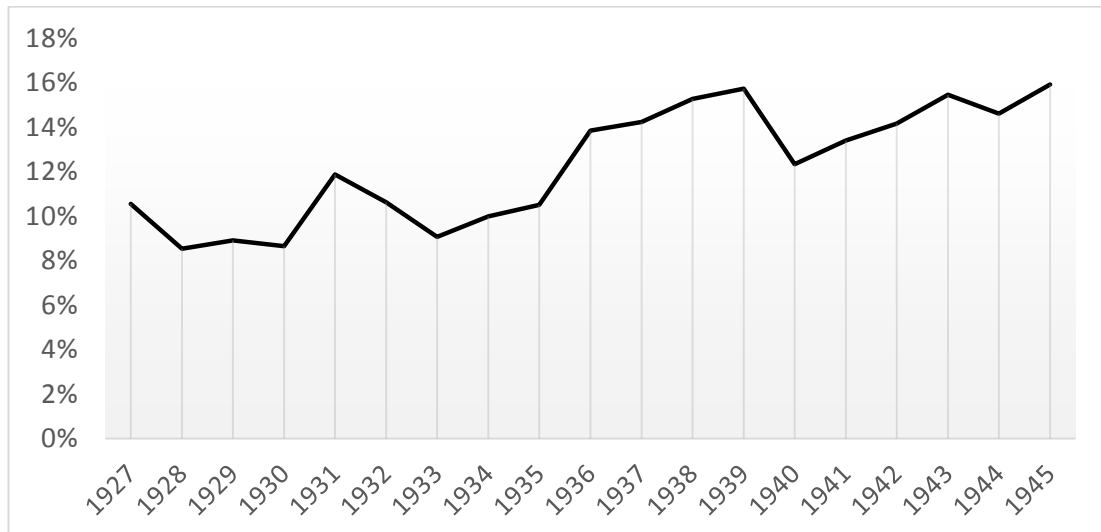


Figure 5: Share of industry in GDP between 1927 and 1945 (in 1948 prices)

Source: *İstatistik Göstergeler, 1923-2012*. Ankara: TÜİK, 2012.

The sectoral shares in GDP show that although their contributions has changed on some levels, the composition of GDP remained more or less the same until the mid-1940s. Share of Industry is low compared to the others. But it should be

noted that the services sector is closely related to the industry. Nonetheless, it can be seen that there was a gradual growth non-agricultural economy throughout the 1930s and 1940s. The period between 1939 and 1945 is unique in this way. The Second World War affected the country both economically and politically. Those years are important in discussing the situation of industry while agricultural output is in a bottleneck.

Turkey's Economy during the Second World War

It is an observable fact that within the Second World War, even if Turkey did not have an active part in it, the main parameters in the economy suffered drastic changes. First of all, the military expenses were in a leap, and precautionary conscription policy had a significant demographic effect on the labour force. Male citizens were forced to perform long military services. This meant a serious recession in agricultural production which is highly dependent on labour power.

On the other hand, the volume of import was already in a narrowing trend due to the protectionist policies of the 1930s and it was cut in half to the level of 3 percent within first two years of the Second World War (see Figure 1). Putting these facts together, the sphere of Second World War caused a serious provision problem.¹⁵ This problem caused a set of economic and political consequences. First important consequence was that the industrialization plans were abandoned. Besides, in the following years, the characteristics of income distribution have changed. These points will be discussed later.

¹⁵ Pamuk, *Türkiye'nin 200 Yıllık İktisadi Tarihi*, p. 199.

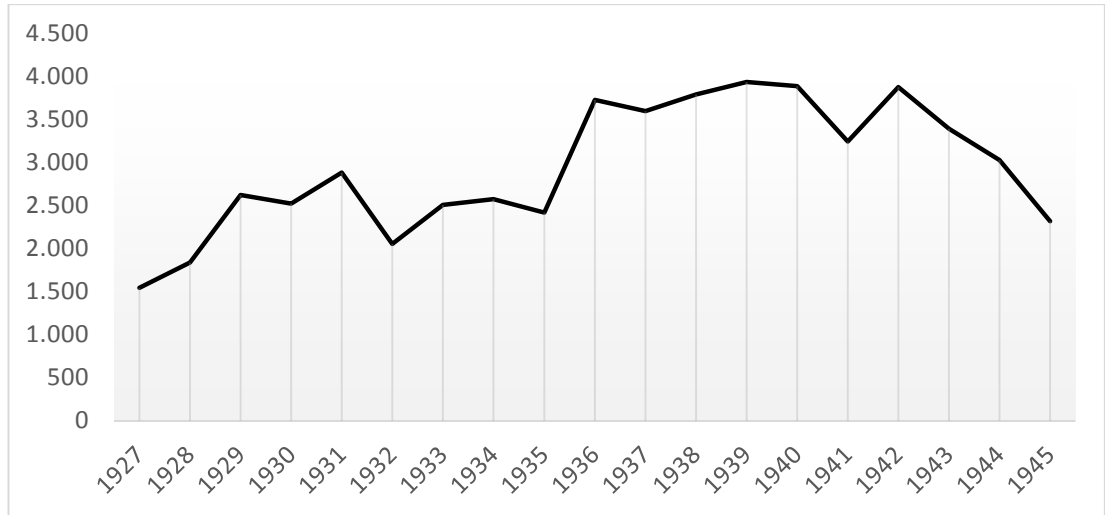


Figure 6: Agricultural output between 1927 and 1945 (.000.000 TL) (in 1948 prices)

Source: *İstatistik Göstergeler, 1923-2012*. Ankara: TÜİK, 2012.

Between 1939 and 1942, the Refik Saydam government implemented an economic policy that indicated a rigid protectionist policy enforcement, the main problem that had to be solved was provision in these years, and to do that, the Saydam government used the legislative power for this purpose. For instance, the National Protection Act (*Milli Koruma Kanunu*) introduced in 1940, imposed a set of reforms that proposed austerity in many areas. There was a comprehensive interventionism to cope with the negative effects of war economy. However, those policies were highly neglected, misused and caused a certain level of corruption in the economy.¹⁶

The government that was acceded after Saydam's death in July 1942, adopted a fundamentally different economic policy than its predecessor. prime minister Şükrü Saraçoğlu pursued a liberal economic mentality. Agricultural producers were highly supported via high base prices and the strict financial control over markets was abandoned. Thus, it can be said that Saraçoğlu government ventured high inflation

¹⁶ Ibid., p. 200.

rates in exchange of a short-term wellbeing. These policies gave birth to an excessive taxation. The Agricultural Products Tax (*Toprak Mahsulleri Vergisi*) and the Property Tax (*Varlık Vergisi*) were introduced in 1942. Especially the latter had irrecoverable effects in the long-run. Soon after, this tax turned into a discriminative spoliation movement based on the ethno-religious roots of citizens as it turned into a tool for ethnic cleansing.¹⁷

As a consequence, the years of the Second World War had been a period of ruptures, congestions, and political maneuvers. The idea of planned industrialization was put on ice and no more state-owned factories were opened. The important economic events happened concerning the agricultural sector. On the other hand, looking at the share of the industrial production in the GDP (Figure 4), the relative importance of industry stood the more or less the same. This means that there was a constant productive power in the field of industry other than the state itself. This notion will be addressed later. Before that, it would be meaningful for the purposes of this study to analyze more deeply the concept of Etatism and its use in 1930s. This would provide an argumentation base on the contributions of the state to the industrialization. Small-scale private production will be discussed after that.

Etatism in the Official Discourse and in History-writing

Etatism, in general terms, can be described as a limited or comprehensive amount of state intervention into the economy and/or society. It can be evaluated either as an economic agenda or as a political system. In terms of economy, etatism

¹⁷ Boratav, *Türkiye İktisat Tarihi, 1908-2007*, p. 85; For further analyses on this taxation, see Ayhan Aktar, *Varlık Vergisi ve "Türkleştirme" Politikaları* (İstanbul: İletişim Yayınları, 2012).

mostly is used as a term diametrically opposed to liberalism which is a special form of interventionism, including state enterprises and nationalization. In other words, it is an interventionist economic policy, which includes state-led enterprises by its nature. As a political system, etatism is seen as a “third way” in between capitalism and socialism.¹⁸ In Turkey, we see these kinds of descriptions among thinkers who put the main emphasis on the formation of the Turkish republic as a modern nation-state. For them, etatism is more than an economic policy; it is a system that gave the spirit of independence to the young republic by reorganizing the society. Further examples of this position will be given below.

Taking etatism as only a kind of capitalism led by government, however, is not a sufficient explanation. State property is incompatible with capitalism by its nature. This was the main reason the government always put emphasis on the importance of private initiative and praised government initiative as only the trigger power of economic development.

Republican rhetoric basically was built on the old reflex of protecting society. State generosity was an important concept and had been one of the basic principles of the Ottoman state. The Ottoman Empire had been a patrimonial state that had a limited space for a free market system in which the main aim was to protect the interests of the dominant class. The framework of “generous state” in such a setting was effective in satisfying the basic need of protection for individuals. It also ensured a stable structure that tied people to itself with strong bonds. This notion of “protecting society” was carried on to the young republic’s etatist rhetoric. State intervention to the economy is more or less based on this historical objective. Thus, etatism was a set of reflexive applications aimed to protect existing structures, rather

¹⁸ Korkut Boratav, *Türkiye’de Devletçilik* (Ankara: Savaş Yayınları, 1982), p. 95.

than a rationally chosen third way.¹⁹ In order to pinpoint the appearance of this mindset, it is useful to examine the official discourse on etatism.

In 1930, İsmet İnönü stated that “liberalism theory in this country is something that is hard to understand ... We define ourselves as conservative etatists in the economic field ... It would be a mistake to abandon etatism and expect everything to be done by capitalists.”²⁰ Here, the main concern clearly was not economic development or industrialization; instead, this expression resonates with the state objective to protect and control people in all areas. Accordingly, in 1931, Mustafa Kemal declared that “our people are etatists by their nature so they think that they have the right to expect all kinds of needs to be satisfied by the state.”²¹ In the same year, Mustafa Şeref Özkan, the minister of economy, stated the following:

There are some high points in economies. The ones who reached to those points, may arrange everyone’s interests according to their own interests. This is the basis of man’s exploitation of man ... State will keep those high points; thus private capital will also be protected.²²

In the official discourse, a strong emphasis has also been put on the private sector appropriation and the regulative role of the state. Etatism was described in an educational book and then in the Republican People’s Party’s official doctrine in 1931 as “a state objective to take action especially in the field of economy to bring people to the satisfaction of welfare and to flourish the country while showing great

¹⁹ Ahmet Insel, *Düzen ve Kalkınma Kıskaçında Türkiye: Kalkınma Sürecinde Devletin Rolü*, trans. Ayşegül Sönmezay (İstanbul: Ayrıntı, 1996), pp. 93-99.

²⁰ Quoted by *ibid.*, p. 99 (my own translation).

²¹ Bilsay Kuruç, *Mustafa Kemal Döneminde Ekonomi* (Ankara: Bilgi Yayınevi, 1987), p. 128 (my own translation).

²² Quoted by *ibid.*, p. 129 (my own translation).

respect to private individual efforts and activities.”²³ It also was accepted as a constitutional principle in 1937.

Etatism in Republican Turkey cannot be regarded as a set of strict principles. There was a constant conflict on the nature of etatism both theoretically and historically. And those conflicting theoretical formulations have certain practical backgrounds in terms of the actual political economy. One particular example of these conflicts occurred between Mustafa Şeref Özkan and Celal Bayar. When Özkan resigned in 1932, right after he had designated the first five-year industrialization plan based on the reports given by the Soviet experts. Afterwards, Celal Bayar was appointed as the minister of economy.

This handover can be taken as evidence of this conflict. In July 1932, the parliament passed a series of acts, which allowed the government to make severe interventions on private commerce. This drew reaction of some circles in the private sector. In addition to this, an indirect disagreement between Mustafa Kemal and Mustafa Şeref Özkan led to the resignation of the latter.²⁴ His successor, Bayar, on the other hand, took a more liberal position. He often made statements about the virtues the private enterprise and criticized the idea of excessive state intervention.²⁵ The resignation of Özkan and appointment of Bayar points to a turn to a more liberal approach. But it did not occur as a sharp transformation in state objectives. Those controversies between liberal and social etatism remained prevalent throughout the 1930s on both private sector and state levels.

²³ A. Afetinan, *Devletçilik ilkesi ve Türkiye Cumhuriyetinin Birinci Sanayi Planı 1933*, Türk Tarih Kurumu Yayınları, (Ankara: Türk Tarih Kurumu Basımevi, 1972), p. 23 (my own translation).

²⁴ İlhan Tekeli and Selim İlkin, *Cumhuriyetin Harcı 2: Köktenci Modernitenin Ekonomik Politikasının Gelişimi*, İstanbul Bilgi Üniversitesi Yayınları (İstanbul: İstanbul Bilgi Üniversitesi, 2003), pp. 217,218.

²⁵ Ibid., pp. 229-235.

Etatism was not strictly defined; theoretical explanations were always needed. The journal *Kadro* played a significant role to develop a theoretical framework for etatism throughout the 1930s. Thinkers such as Şevket Süreyya Aydemir, Yakup Kadri Karaosmanoğlu, Vedat Nedim Tör, İsmail Hüsrev Tökin, and Burhan Asaf Belge were gathered around this journal. Etatism was one of the most important issues discussed in the articles.

Mainly, the idea of social etatism was adopted and theorized. The general ideology of the journal was based upon a notion of national unity. For them, eventually the main aim of etatism was to constitute a classless society. For instance, İsmail Hüsrev stated that there were three possible forms of etatism: fiscal, socialist, and nationalist. Şevket Süreyya claimed that Turkey's etatism was unique, that it had emerged as a reaction to imperialism. For them, the main aim was to create a society without class conflict, which required some activities beyond the economic field. Etatism was regarded as the cornerstone. In this view, etatism in the economy had to be supported by intellectual, cultural, and political etatism.²⁶

Thus, etatism in Turkey cannot be defined only as a vague economic policy; there were clear attempts to shape the nation by creating new upper and lower classes, whose interests overlapped with the young republic as the government was taking the direct role of investment and trying to open new fields to private enterprise. Şevket Süreyya also stated in *Kadro* that “for us, etatism is the regime of ‘militarized society’ ... this order is genuinely determines the order of our nation

²⁶ Temuçin Faik Ertan, *Kadrocular ve Kadro Hareketi: Görüşler, Yorumlar, Değerlendirmeler* (Ankara: T.C. Kültür Bakanlığı Millî Kütüphane Basımevi, 1994), pp. 95-117.

since the ancient history.”²⁷ However, these claims were only the discursive elements of governmental regime and had a limited effect on the actual condition of society.

Beneath the official discourse, historians immediately made attempts to formulate etatism as a successful response to the economic developments. In 1940, Haldun Derin wrote *Türkiye’de Devletçilik* (Etatism in Turkey) to describe etatism in economy using numbers and evidence. He advocated the idea that state intervention into the economy came from a certain necessity; in other words, etatism succeeded.²⁸

Yalçın Küçük labeled this policy an attempt at progression. He based his claims mainly on the estimations of *Kadro*. Thus, he also asserted that etatism was a successful project and it would lead to a transition to a more industrialized economy.²⁹

Bilsay Kuruç also praised the development efforts of the young republic through planning the economy. He claimed that the essence of etatism was industrialization. He put great emphasis on official claims and based his main ideas on them.³⁰

Korkut Boratav highlights the idea of protectionism for this sub-period and advocates the idea that within 1932, the transition took place with a new model, etatism. He called the years between 1932 and 1939 an etatist era, during which Turkey managed to satisfy the needs of the internal market and was able to produce capital goods in its own factories.³¹ Although it is an acceptable assertion that the

²⁷ Ahmet İnsel, “Devletçiliğin Anatomisi,” in *Cumhuriyet Dönemi Türkiye Ansiklopedisi*, vol. 2 (İstanbul: İletişim Yayınları, 1983), p. 425 (my own translation).

²⁸ Haldun Derin, *Türkiye’de Devletçilik* (İstanbul: Çituri Biraderler, 1940).

²⁹ Yalçın Küçük, *Planlama, Kalkınma ve Türkiye*, İkinci basım, (İstanbul: Bilim Yayınları, 1975).

³⁰ Kuruç, *Mustafa Kemal Döneminde Ekonomi*.

³¹ Korkut Boratav, *Türkiye’de Devletçilik*, p. 117.

period between 1930 and 1932 was unique in many ways, calling the period between 1932 and 1939 as “etatist era” is an exaggeration at best.

This exaggeration can also be observed in other thinkers. Etatism has been approached as an indicative policy of the government. For instance, Çağlar Keyder states that etatism, which is permuted directly from the contemporary European experience of fascism, indicated a system in which the political elite and nascent bourgeoisie joined forces to isolate a national economic space for themselves. This system included heavy oppression of the workers to make them serve the state objectives.³² In a similar line of argument, Koray Çalışkan argues that the existence of a triangle consisting of assembly-academia-judiciary, which adopted a system that shared the fundamental principles of the Italian National Fascist Party.³³

These views, in a way, validate the official view that claims the success of etatism. In contrast, this study is an attempt to integrate the idea that the government was not equipped fully to realize this political aim and to control the field of economics extensively. My primary purpose is to bring together material and to discuss the real capacity of government in the area of employment. The official political discourse and the claims of the thinkers are mostly vague given the limited economic abilities of government. Hence, it can be said that the state-owned factories were not the preeminent power behind the relative high economic performance of the 1930s. As stated before, the pioneering event in this era was the abolition of tariff restrictions and introduction of new tariff rates on imports. In other words, it was protectionism, not etatism that gave this period its spirit.

³² Çağlar Keyder, *State and Class in Turkey: a Study in Capitalist Development* (London; New York: Verso, 1987).

³³ Koray Çalışkan, «‘Organism and Triangle’: A Short History of Labour Law in Turkey (1920-1950)’, *New Perspectives on Turkey*, Fall 1996, pp. 95-118.

In spite of all the effort and success of production by the private small-scale enterprises, they have been mostly neglected in the economic historiography of Turkey. Given the fact that the industrial workforce had already been employed and continued to be employed in small-scale enterprises, it is also reasonable to ask if it was a realistic goal for the government to fully comprehend and reshape the population and their economic activities by almost solely focusing on factory industrialization.

The Notion of Planning: Employment Regime versus Occupational Structure

After becoming one of the official doctrines of the RPP, in 1931, etatism was implemented as an official state policy by the first five-year industrialization plan in 1933. In 1937, the second five-year industrialization plan was introduced. However, it was abandoned two years later, mainly due to the conditions of the war economy. The principle aim of those plans was to produce basic commodities such as flour, sugar and cloth domestically.³⁴ The historical outcome of this planned state production is a highly controversial subject among scholars and is beyond the scope of this study. As seen above, there was an obvious official desire to create employers and to hire employees who were obedient to the state objectives. This attempt can be regarded as the main component of the employment regime of the state, which they sought to establish on a set of relations of production that had already been in action in the background. Etatist implementations on top of this system inevitably caused

³⁴ Selahattin Özmen, “Üretimde Devlet: Kamu İktisadi Teşebbüsleri,” in *Cumhuriyet Dönemi Türkiye Ansiklopedisi*, vol. 2 (İstanbul: İletişim Yayınları, 1983), 431.

collisions. The tensions or new settlements occurred as the products of this collision are the main focus of this study.

It might be useful to do a rough preliminary exercise to reveal the bias of the official discourse and the conventional history-writing. There were 19 state-led factories opened between 1932 and 1939 in accordance with the first and second five-year industrialization plans. Six of them operated in the textile sector. Because of the nature of the production process, cloth and textile production can be properly conducted by small enterprises. This might suggest a suitable tool to observe the above-mentioned collision and to measure the degree of the intervention of the state-led industries. To investigate their relative significance, an examination of the employment capacities created by the factories that were parts of first plan is necessary.

The state-led factories created a capacity of approximately 8.941 workers and officers.³⁵ Additionally, an official report prepared by the RPP in 1938, stated that between 1936 and 1938, 217 new large and medium scale enterprises entered into business life and created approximately 8.900 jobs.³⁶ According to the national population census of 1935, there were 187.032 workers, foremen and officers in the textiles and clothing industries alone.³⁷ This means that the state-led investments and large and medium-scale private enterprises provided roughly 10 percent of industrial employment in Turkey. Thus, it is reasonable to ask questions about the work places of the other 90 percent.

³⁵ Based upon the numbers stated in İlhan Tekeli, *Uygulamaya Geçerken Türkiye’de Devletçiliğin Oluşumu*, (İstanbul: Bilge Kültür Sanat, 2009), pp. 200, 201. Considered factories are Kayseri cloth factory, Bakırköy cloth factory, Malatya cloth factory, Nazilli cotton printing factory, Gemlik artificial silk factory and Bursa Merinos wool factory.

³⁶ This is a number that includes all branches of industry. Yet, keeping in mind that most of the private enterprises operated in textiles industry, this number is taken into account as it is. Yahya Tezel, *Cumhuriyet Döneminin İktisadi Tarihi* (Ankara: Yurt Yayınevi, 1982), p. 252.

³⁷ *Genel Nüfus Sayımı, 20 İlk Teşrin 1935*, (Ankara: DİE, 1937).

İlhan Tekeli calls this period the age of “radical modernity,” when the government revealed and introduced its plans for social transformation.³⁸ The industrialization plans can be taken into account as parts of the modernization project. In that respect, it also could lead to a fertile argument about what the situation if all the general economic objectives of first and second industrialization plans had been achieved would be?

James C. Scott suggests that the attempts to build an administrated society are often resisted; society is an organism that is too complex to be fully controlled. This is why the authoritarian efforts of high modernist logic have failed in most cases. He also discusses about the “impossibility of an economic sovereignty,” in Foucault’s words.³⁹ From that point of view, economic development plans can be seen as the fantasies of rulers who have highly reductionist visions for society. It can be argued that the political authority in Turkey envisaged and attempted to perform this kind of planning in the 1930s.

The following map is taken from a report sent from the minister of economy Şakir Kesebir to the prime minister Celal Bayar. This map illustrates the factories that were established, were being established, or planned to be established within the scope of the plans in 1938. It is interesting as it shows the foresight of the government regarding the regions roughly categorized, and approach the whole country as a production unit:

³⁸ İlhan Tekeli and Selim İlkin, *Cumhuriyetin Harcı 1: Köktenci Modernitenin Doğuşu*, Cumhuriyetin Harcı (Istanbul: İstanbul Bilgi Üniversitesi, 2003).

³⁹ James C. Scott, *Seeing Like a State: How Certain Schemes to Improve The Human Condition Have Failed*, Yale Agrarian Studies (New Haven: Yale University Press, 1998), pp. 97-102.



Figure 7: Factories that were established or planned to be established according to the five-year industrialization plans, 1938

Source: “Beş yıllık sanayi planlarına göre kurulmuş ve kurulacak sanayi tesislerine ait harita ve ayrıntılı liste”, BCA, 30..10.0.0, 17449.

Scott writes that the practical background of society is ignored and abolished by these modernist schemes. What he calls *metis*⁴⁰ can be taken in our case to mean the technical knowledge that is intrinsic to locality. He also uses the terms “practical skills” and “folk wisdom”.⁴¹ He argues that these skills and wisdom of the local elements always remain under the dynamics of the conflict between the central and local. This is the source of the resistance to state simplification.⁴²

It would be arbitrary to claim that the planning activities did not take local elements into account at all. The processes and procedures that were followed in the making of those plans shows us that there was a consideration regarding the local

⁴⁰ “The Greek personification of wisdom and its goddess” (Encyclopedia Mythica, online: <http://www.pantheon.org/>).

⁴¹ Scott, *Seeing Like a State*, p. 313.

⁴² Ibid., p. 316.

production forces throughout the country. Still, it can be claimed that especially before the Second World War, etatism was such a big utopia that shaped the discursive characteristics of the state. As this map illustrates the underlying mindset, it can be examined and criticized in this manner.

In the light of examinations, it can be claimed that protectionism in Turkey succeeded by some means in the 1930s. The GDP was stabilized, and a foreign trade surplus was reached. On the other hand, the domestic currency was reinstated in a short time and maintained its value for a decade. The rising share of industry in the GDP can be interpreted as a successful import substitution program as well. However, claiming that these developments naturally prepared the ground for etatism would be over-simplifying. Etatism is more than just an economic policy and there is no straight-forward linear causality between the success of protectionism and the etatist planning of the government. Thus, etatism cannot be taken as the reason for economic development in the 1930s. This was a strong official claim that was not realistic in the field of industrialization.

Following this way of thinking and given the evidence on Turkey, the necessity of discussing the local forces of production in the 1930s in a theoretical framework becomes clear. The next chapter combines the current theoretical debates with the concept of small-scale industry in Turkey.

CHAPTER 3: MEASURING ECONOMIC PERFORMANCE: SMALL-SCALE INDUSTRIALIZATION BEYOND THE FACTORIES

So far, the main concern of this study has been to criticize the conventional assessments by claiming that the state-led industrialization project cannot be regarded as the main explanation for Turkey's economic history in the 1930s. Instead, the hypothesis of this study is that the contribution of the state was rather limited, especially in creating industrial employment. The process of thinking and criticizing the approach of the conventional accounts on etatism entails the need to extend the perspective that they adopted. Since the historical explanation that is built upon the idea of etatism would not be explanatory, what kind of model then should be posited instead? How do the approaches to economic history differ in the recent international literature in this manner? In this chapter, those claims will be put into a theoretical context via certain explorations. Some of them deal with a different perspective in this theme; whereas others could genuinely resonate with the case of Turkey. More specifically, this chapter can be regarded as a literature survey, which enables further theoretical and numeric analyses.

An organic link exists between the orthodox approach to Europe's industrialization process and the Turkey's etatism narrative for the 1930s as the sole emphasis is always given on to factories. Therefore, the main obstacle that this study encounters is this approach, which prescribes seeking the history of industrialization nowhere but in the large-scale factories. This approach accordingly explains all the history of industrialization in terms of the effects of a dramatic rupture, the Industrial Revolution.

While criticizing the orthodox industrialization theory, the benchmark discussion must be on the historiography of British industrialization. Understandably, almost all of the accounts on the theory of industrialization and economic development are built on the British model. It could be either an attempt at justification or falsification. It is a fact that historical assertions are highly dependent on their contemporary political tendencies. In the 1960s, while the major part of industrial production was made in large industrial plants, it was legitimate to ask how these factories came into being. The idea that confines industrial production to large-scale factories was also reasonable in its historical context. For this reason, the accounts on the history of industrialization also need to be historicized.

Since industrialization is not a process that can be explained by a simple explanation such as “dramatic changes in GDP”, there are three principal inferences that can be made: First, the economic performance of countries and regions should be evaluated over the long-term in order to observe if there was a sudden divergence or a gradual change. Second, other indicators, such as demography and employment must be taken into account to pursue the tendencies of economic structure. Last, it is not a process that can be simply represented with a setting of steam engines and large-scale factories; different production units must also be considered.

Long-Term Structural Change

Although there have been a few different viewpoints,⁴³ the basic traditional orthodoxy that regards industrialization simply as a dramatic and revolutionary

⁴³ Herbert Heaton, *Economic History of Europe*, Rev. ed, Harper’s Historical Series (New York: Harper, 1948); J. H. Clapham, *An Economic History of Modern Britain* (Cambridge

process reigned until the 1980s in most ways.⁴⁴ To illustrate this view, the stages of growth and take-off theories of W. W. Rostow must be visited. Discussing the historical conditions that are supposed to lead economic growth, he claims that if the proper circumstances are provided, modern industrialization will take place alongside a set of institutional developments and expands rapidly from the key sectors in particular regions to other sectors at the national level. He calls this mechanism “the take-off”. It offers a strict model according to which economic development becomes self-sustained within diffusing new technologies. The take-off makes this process automatic at a certain level.⁴⁵ Rostow focuses all of his effort on explaining the formation of the conditions needed for the take-off. He builds his narration on a combination of constitutional changes and levels of national income.

Pursuing this way of thinking, David Landes’ *The Unbound Prometheus* states that the eighteenth century cotton manufacturing was highly affected by the introduction of the newness of Industrial Revolution (capital initials). Factories began to be established as “glorified workshops” at first, and production costs were reduced significantly. Later on, steam engine technology improved both the scale and diversity of the factories. Meanwhile, independent small producers began to adapt their methods of production according to the new technological innovations.⁴⁶ The implicit argument here is that the sudden innovations in technology altered the mode

[Eng.]: The University Press, 1951); John Ulric Nef, *The Conquest of the Material World* (Chicago: University of Chicago Press, 1964).

⁴⁴ Leigh Shaw-Taylor, “The occupational structure of England and Wales, c.1750-1911” [unpublished]. Paper prepared for the INCHOS workshop, held in Cambridge, July 29th-31st 2009.

<http://www.geog.cam.ac.uk/research/projects/occupations/britain19c/papers/paper5.pdf>

⁴⁵ W. W Rostow, *Politics and the Stages of Growth* (Cambridge [Eng.]: University Press, 1971).

⁴⁶ David S. Landes, *The Unbound Prometheus: Technological Change and Industrial Development in Western Europe from 1750 to the Present*, 2nd ed. (Cambridge, UK ; New York: Cambridge University Press, 2003 [1969]), pp. 65.66.

of production by organizing a completely new setting. Aside from this new particular mode, there was no other option; those who could not adapt to this new setting were condemned to elimination. Though Landes considers other approaches and concedes that it was not an overnight transformation, he points out a set of rapid changes. This is also a strong example of and the main reason why similar studies categorically omit the variables such as small-scale industry in historical analyses.

Walter Hoffman developed an index to measure British industrial production in 1955.⁴⁷ He indicates a stagnant progress for the years between 1770 and 1815, which was followed by an immense leap in total industrial output from 1815 to 1950. In 1962, Phyllis Deane and W. A. Cole analyzed British economic growth as a long-term process, starting from seventeenth century. They arrive at results in most ways consistent with the traditional assumptions: a considerable leap occurred in the GDP in the eighteenth century.⁴⁸ These statistical outcomes are overly used by economic historians in order to justify the conventional “Industrial Revolution” thesis; and are used as quantitative evidences that validate the superiority and the uniqueness of British industrialization.

C. K. Harley, in 1982 criticized Hoffman’s estimation for the period from 1700 to 1815 and claimed that there was too much extrapolation in the calculation of sectoral contributions to industrial production. He estimates a different trend that monitors a much higher industrial output for the period between 1770 and 1815.⁴⁹ This way of thinking implies a gradual growth rather than a sudden one. In 1983, N. F. R. Crafts claimed that Deane and Cole’s measurement of industrial growth in the

⁴⁷ Walter G. Hoffman, *British Industry 1700-1950* (Oxford: Blackwell, 1955).

⁴⁸ Phyllis Deane and W. A. Cole, *British Economic Growth 1688-1959: Trends and Structure* (Cambridge: Cambridge University Press, 1969).

⁴⁹ C. Knick Harley, "British Industrialization Before 1841: Evidence of Slower Growth during the Industrial Revolution," *The Journal of Economic History* 42, issue 2 (01 Jun 1982): 267-289.

period between 1801 and 1831 was incorrectly deflated and seemed to exaggerate output and productivity growth. He says that British growth of industry in the eighteenth and nineteenth centuries had been exaggerated.⁵⁰ He revised and re-calculated the data, arriving at a gradual growth rather than a dramatic leap. As he writes:

The acceleration in growth is much more gradual in the new estimates, whether industrial output or national product is considered. Industrial output growth at 3 per cent per year is postponed to the 1820s and is not achieved in the 1780s, with the result that Rostow's case for take-off in 1783-1802 is considerably weakened.⁵¹

In a more contemporary account, Stephen Broadberry is mostly in unison with Crafts. He re-estimates the levels of industrialization between 1750 and 1860 for Britain and argues that in 1750, before the classic Industrial Revolution period, the United Kingdom was already an industrialized country, to a large extent.⁵²

This is a substantial argument; it shows that the industrial revolution was neither a comprehensive phenomenon, nor an instant one. This view requires a broader definition of industrialization. It is a more complex phenomenon than previously thought, regarding long periodization and intricate sectoral dissemination. Furthermore, industrialization is still an ongoing process in developing countries such as China and India. Linking industrialization directly to sudden technological inventions no longer seems relevant. On the other hand, a divergence of Britain in some economic variables can be observed even in the critical accounts that are mentioned above. Still, further examination is required in order to provide more comprehensive assessments.

⁵⁰ N. F. R. Crafts, "British Economic Growth, 1700-1831: A Review of the Evidence", *The Economic History Review* 36, issue 2 (01 May 1983): 177-199.

⁵¹ *Ibid.*, p. 194.

⁵² S. N. Broadberry and Kevin H. O'Rourke, eds., *The Cambridge Economic History of Modern Europe*, vol. 1 (New York: Cambridge University Press, 2010), p. 172.

Some significant structural shifts may have occurred at the regional level in the referred period; however, this does not necessarily mean that all the manufacturing units in the national economy of Britain ascended in a few decades.⁵³ The sectoral and regional distribution of manufacturing is a variable that is mostly overlooked by scholars despite its crucial importance. The partial divergences or continuities can only be observed by sectoral and regional evaluations. This kind of analysis requires a different set of variables and techniques of analysis. There also may have been some changes at the national level that altered the mindsets in the nineteenth century. Inarguably, those changes must be tracked to the past too. This attempt also demands an exploration regarding not only the output or GDP ratios of population, but also other indicators.

Measuring economic performances in the long-run has been a hot topic in the recent literature on economic history. Angus Maddison has made comprehensive publications on the calculation and estimation of economic indicators from a global perspective, covering 2000 years in total.⁵⁴ Naturally, his research is concentrated on the last two centuries, which he calls the years of “accelerated growth”. The main purpose is to acquire a clearer view of the notions of divergence, catch-up, convergence, and underlying causes. The main measurement unit he used are GDP and GDP per-capita estimates, calculated based on the 1990 international Geary-

⁵³ Leigh Shaw-Taylor, “The occupational structure of England and Wales”, p. 2.

⁵⁴ Angus Maddison, *Monitoring the World Economy, 1820-1992* (Paris : Washington, D.C: Organization for Economic, 1995); Angus Maddison, *The World Economy: A Millennial Perspective* (Paris: Organisation for Economic Co-operation and Development, 2001); Angus Maddison, *The World Economy: Historical Statistics*, Development Centre Studies (Paris, France: Development Centre of the Organisation for Economic Co-operation and Development, 2003).

Khamis dollars.⁵⁵ This currency is problematic itself as it does not consider purchasing power parity.

Maddison concluded that his general findings do not conflict with the general opinion of the United Kingdom achieved significant growth compared to the rest of the world in the nineteenth century.⁵⁶ He also made estimations on the employment structure and supports his calculations with structural shift from agricultural employment to other sectors.⁵⁷ However, this supportive data given are national aggregate numbers; they are obviously unable to provide regional information. Furthermore, Maddison's calculations do not cover enough aspects to measure economic performance comprehensively.

Indicators of Economic Performance and Structural Change

The most significant contemporary extension to Maddison's works is *Clio Infra*, which is an ongoing research project that has been conducted by Jan Luiten van Zanden since 2010. This project aims to provide data for as many variables as possible to allow research into the long-term development of worldwide economic growth and inequality by making the indicators that carry information about other dimensions of well-being; such as life expectancy at birth, SO₂ emissions per capita, average years of education, and so on available.⁵⁸

⁵⁵ The Geary-Khamis dollar is a hypothetical unit of currency that has the same purchasing power parity that the US dollar had in the United States at a given point in time. See the "Handbook of the International Comparison Programme" (http://unstats.un.org/unsd/methods/icp/ipc7_hm.htm). For a critique on usage of this calculation for Turkey's economic history, see Pamuk, *Türkiye'nin 200 Yıllık İktisadi Tarihi*, p. 21.

⁵⁶ Maddison, *The World Economy: A Millennial Perspective*, pp. 94-100.

⁵⁷ Ibid., p. 95.

⁵⁸ For further information and datasets, see Clio-Infra Project, <http://www.clio-infra.eu/>

Taking other indicators as measurement units of economic performance is also an ongoing effort. In 1990, the Human Development Index (HDI) was introduced within the scope of the United Nations Development Programme (UNDP). The HDI is a measure that is composed of the indicators of health (life expectancy at birth), education (mean years of schooling and expected years of schooling), and income (gross national product per capita).⁵⁹

In 2008, upon the special request of French president Nicholas Sarkozy, to gather statistical information about the economy and society, Joseph Stiglitz, Amartya Sen, and Jean Paul Fitoussi worked to form a commission to prepare a report, called the “Sarkozy Report”. The primary aim of this commission was to identify the limits of GDP and bring out alternative measurement tools.⁶⁰ They questioned the HDI’s expansiveness and measured France’s current economic performance in terms of ten themes, mainly regarding sustainability. There were also numbers of sub-themes including employment, education, demography, climate change, and biodiversity.

The common conclusion of all these studies is that the GDP does not have much to say about the economic performances of countries. There is a certain need to analyze other indicators. Two main factors handicap the applicability of the measurement techniques on historical cases. First and foremost, the detailed measuring units are difficult to apply to historic cases. Second, all the alternative methods of measurement still take GDP into analysis, which is a problematic calculation as historical projection is concerned.

⁵⁹ <http://hdr.undp.org/en/statistics/hdi>

⁶⁰ The Sarkozy Report, <http://www.stiglitz-sen-fitoussi.fr/en/index.htm>

On the other hand, a growing literature seeks to put GDP into the context of economic structural change. Since regional GDP data are not extractable for the case of Turkey in the 1930s, denominations of structural change and other indicators at the regional level become more important for observing the economic change. Occupational structure is an important unit of measure regarding its potential information about economic structure. First of all, the sub-sector distributions of the main categories are related directly to the depth of the economy. Furthermore, regional and sectoral concentrations of occupations give vital information about the character of local and general economic activities. In that sense, analyzing GDP and occupation numbers are satisfactorily explanatory. Given the unfortunate fact that the regional GDP data are not yet estimated for Turkey's regions, other indicators need to be taken into account to analyze regional differences.

This way of thinking has been applied to certain cases. Max-Stephan Schulze, while making estimations on the Habsburg Empire between 1870 and 1910, stresses the regional GDP inequality. He takes the regional and sectoral distribution of GDP and combines them with the sectoral employment shares.⁶¹

Robert C. Allen, on a different occasion, while trying to explain the reasons for the divergence of Britain, builds a global analysis on a different variable: subsistence and real wages of labourers. He also claims that GDP is insufficient in some ways for understanding why some countries have been able to achieve industrialization, and others not. He claims that if the labour were cheap, there would be no motivation to invent new production technologies, which is a compulsory element of sustained economic development. He asserts that, "the Industrial

⁶¹ Max-Stephan Schulze, "Origins of Catch-up Failure: Comparative Productivity Growth in the Habsburg Empire, 1870-1910," *European Review of Economic History* 11, no. 2 (August 1, 2007): 189–218.

Revolution was the result of high wages - and not just their cause.”⁶² He grounds his claims on estimates that covers a very long term. Thus, although his main aim is to justify the conventional theory, he brings a new perspective which can be regarded as a transitional step to alternative methods of evaluation.

In the field of demography, E. A. Wrigley illustrates the settings of an industrialized society. He, in a conventional way, explains how the great acceleration occurred, yet he insists that the process of industrialization has not come to an end.⁶³ Then he quantitatively shows the gradual changes in the structural characteristics of society, one of which is the occupational structure.

I would argue that examining occupational data is a more robust way to measure the long-term structural change than calculating a long-term GDP, for several reasons. First of all, it gives regional data alongside the aggregate one; this makes the regional differences visible. Second, observing the sectoral shifts in the process of industrialization allows the pursuit of the intra and inter-sectoral transitions and connections rather than seeking a leap in the GDP. Last, the urban concentration of population and, accordingly, urbanization can be observed depending upon the nature of the data.

Applying macro-sectoral analyses to population in order to measure the structural change is not a new effort. Petty's Law, named after Sir William Petty, who lived in the seventeenth century, was formulated by Colin Clark in the 1940s, defined the distinction between three main sectors, primary industry, manufacturing industry, and service industry. He suggests a pattern of growth, where masses of

⁶² Robert C. Allen, *Global Economic History: A Very Short Introduction*, (Oxford ; New York: Oxford University Press, 2011), pp. 27-39.

⁶³ E. A. Wrigley, *Poverty, Progress, and Population* (New York: Cambridge University Press, 2004), p. 4.

occupations followed those sectors in a row.⁶⁴ Simon Kuznets likewise argues that one of the most indicative characteristics of “modern economic growth” is a sectoral flow of employment from agriculture to industry.⁶⁵ Although their predictions have been proven incorrect with recent empirical studies as the sectoral shifts do not necessarily follow this particular path, economic historians continue to implement this method of analyze. Thus, the concept of long-term structural change broadly addresses the transfer of labour and capital from agriculture to manufacturing and services. This transfer can be observed by focusing on occupational data.

This kind of data requires a new set tools for the classification of occupations in manufacturing. For instance, the question “who is a cotton manufacturer” is important. It is also a main determinant of the attitude about the classification of production units. Thus, before making any analyses, it is necessary to argue that industrial production was (and is) not only the business of large-scale factories; different types must be taken into account.

Challenging the Creed of “Factory-Industrialization”

All of the efforts aimed at revising the method of analysis of industrialization also can be read in advance of a different assertion. Claiming that industrialization cannot be regarded as a transformation that took place in 15-20 years also means claiming that the effect of the introduction of steam power technology in 1851 was limited to manufacturing as a whole. Thus, industrialization cannot be understood as a particular one-way process that can be achieved by continuous linear steps. This

⁶⁴ Colin Clark, *The Conditions of Economic Progress*, 3rd ed. (London: Macmillan, 1957).

⁶⁵ Simon Kuznets, “Modern Economic Growth: Findings and Reflections,” *The American Economic Review* 63, no. 3 (June, 1973): 247-58, pp. 251, 252.

view clearly needs to be revised. Revisions on theories of economic development depend on the actual experiences. Since there have been drastic changes in production regimes and employment relations since the 1970s, a need for new theories of industrialization has emerged. Today's economic development schemes show that there are many other ways to industrialization. One cannot indicate a formal direction of industrialization; in other words, outside of the factory must be taken into account of industrialization. Starting from this kind of an inquiry, the following views need to be considered.

Raphael Samuel discusses the productive handwork that was done in the years of industrial revolution outside of the realm of steam power technology. He concentrates on the production relations in the years of the industrial revolution and stresses the importance of labour power whereas the effect of technological progress is usually exaggerated. He claims that mechanization in one branch of industry was often accompanied by a growth of small-scale manufacturing in other areas.⁶⁶ Accordingly, it is a highly reductive inference to approach industrialization as manufacturing that started to be made in factories. Factory-goods were not the only items that were mass produced and become dominant in the market. Instead, small-scale production constituted a considerable presence with or without the blessings of technological improvements.

Maxine Berg also makes a strong emphasis on the existence of other forms of industrial production before and during the years of industrial revolution. She attempts to explain the character of the eighteenth century manufacturing in Britain. She, based on a re-reading of Adam Smith's theory of the division of labour, claims

⁶⁶ Raphael Samuel, «Workshop of The World: Steam Power and Hand Technology in Mid-Victorian Britain», *History Workshop* 3, issue 1 (1977), p. 17.

that the artisanal skills of labourers who worked “in concert with advanced technology” made a significant contribution to Britain’s economic improvement.⁶⁷ She emphasizes the corporation between high-tech factories and traditional production. This phenomenon, she says, can occur in different types in different regions. Depending on geographical or socio-economical characteristics of the particular place, in some regions traditional producers could produce the final product by themselves, and could compete with the fabricated product; whereas in some other parts of the country, they provided a complementary process.

Thus, it can be asserted that the history of industrialization cannot be understood in terms of a sequence of linear developments such as improvements in production technology, the introduction of the steam engine and large-scale factory production. It is a crucial oversimplification that overlooks the complex nature of historical processes. Instead of seeking a steam machine in a factory, taking industrialization into account in its various ways seems to be more promising.

The recent debates on the economic history of India are significant to exemplify these various ways of industrialization, and illustrate the view in which this delusion can be observed. The “retardation thesis” had been used to explain the poverty until the 1980s. Jawaharlal Nehru argued that the Indian economy after colonial rule was exploited and prevented from establishing its own modern industry; whereas followers of M. K. Ghandi, who were thinking in terms of a rural utopia, were concerned that the colonial rule had destroyed the traditional industry.⁶⁸ After 1980, when India’s trade and economic policies were liberalized and India gained

⁶⁷ Maxine Berg, Pat Hudson, and Michael Sonenscher, eds., *Manufacture In Town and Country Before the Factory* (Cambridge [Cambridgeshire]; New York: Cambridge University Press, 1983), pp. 33-58.

⁶⁸ Tirthankar Roy, *Rethinking Economic Change in India: Labour and Livelihood*, Routledge Explorations in Economic History 28 (London ; New York: Routledge, 2005), pp. 13, 103-104.

advantage in the world economy, this dichotomy started to be criticized. Tirthankar Roy observes the employment shares of 1901 and 1931 for India and says that the colonial India was experiencing a “labour-intensive industrialization”.⁶⁹ That means the small-scale industry has always had a crucial part in India, including during the colonial era.

Labour-intensive industrialization has been conceptualized by economic historians who study the Asian path of industrialization,⁷⁰ which corresponds to a kind of specialization in which the abundant resources of labour are put into the production process, and the quality of labour becomes a major element in production. This dichotomy comes out of the theoretical response of East Asian economic historians to British history-writing. Arguments built around this conceptualization will not be detailed for the case of Turkey because of the profound differences between the production structures of East Asia and Turkey.

There is also an explanation that regards this kind of production as the “first phase” of capitalist industrialization. Franklin Mendels, in a 1972 article explains the growing levels of manufacturing activity in agrarian economies under population growth.⁷¹

Çağlar Keyder uses this term while explaining the experience of Turkey after de-industrialization in the nineteenth century. He writes that proto-industrialization occurred via a link between merchant capital and rural labour. He also stresses that proto-industrialization must be distinguished from traditional local handicrafts and

⁶⁹ Ibid., 106.

⁷⁰ Gareth Austin and Sugihara Karou, eds, *Labour-Intensive Industrialization in Global History* (London: Routledge, 2008).

⁷¹ Franklin F. Mendels, «Proto-Industrialization: The First Phase of the Industrialization Process,” *The Journal of Economic History* 32, issue 1 (March 1972): 241-261.

petty domestic industry; it was another form of rural industry.⁷² In theory, proto-industrialization would lead to a regional division of labour and specialization among densely populated, industrializing regions and regions in which there is a development in commercial agriculture.

Osamu Saito argues that proto-industrialization should be reevaluated as a specific form of labour-intensive industrialization. He claims that being capital-intensive was not the only goal for proto-industrial producers.⁷³ This kind of view also points to the potentials and continuity of small-scale production. However, holistic categorizations may lead to the omission of regional differences.

In the case of Turkey, all those theoretical explanations can be useful; however, it would be mistake to try to fit the Turkish path of industrialization into one of those patterns. The next sections will try to bring explanations which are specifically on the Ottoman Empire and Turkey. Alongside with this, the concept of small-scale industry will be historicized and theorized.

Small-Scale Industry as an Actor in the Economic History of Turkey

Above, an opposing argument suggested to the orthodox presumption that industrial production is an activity that has been made only by large-scale factories. The core idea here is that the industrial production had been made much before than the groundbreaking technical innovations were introduced by western industrial bourgeoisie. Even after those technologies started to be utilized in production in the

⁷² Çağlar Keyder, «Proto-Industrialisation and The Periphery: A Marxist Perspective», *The Insurgent Sociologist* 10, issue 3 (1981), p. 51.

⁷³ Osamu Saito, «Proto-Industrialization and Labour-Intensive Industrialization», in *Labour-Intensive Industrialization in Global History*, ed. Gareth Austin and Kaoru Sugihara (London: Routledge, 2013), pp. 85-106.

late eighteenth century, traditional manufacturing was still the most common mode of production for a long period. In that sense, the history of industry must be studied regarding the long-term. In this long-term, the nineteenth century naturally deserves a close attention. The previous sections offered a perspective that acknowledges small-scale production as a permanent actor in world economic history.

In this section and following two sections, the main purpose is to transcribe this notion to the case of Turkey. The prominent conception in this context is “resistance”. Small-scale production units have resisted through centuries in completely different economic and political circumstances. It is an aim to illustrate the characteristics of this resistance in the sphere of the nineteenth century’s open economy and to explain how it came to a much more advantageous position under the twentieth century Republican protectionism.

Studying the historical significance of small-scale industry has always been difficult for many reasons. First of all, there is no general agreement on its distinctive characteristics. Should the distinction between large and small-scale be on the use of technology, or should it be on the number of employees? This is an important unanswered question. Secondly, in the official discourse, these types of production are usually classified as inefficient and useless forms of industrial production, so that gathering sufficient information about local productive forces has been almost impossible. In addition, the variety of practices makes classification complicated. Those are the main reasons why the secondary sources on small-scale industrial production are extremely limited. Beyond all, there is a structural problem behind lack of comprehensive studies, which corresponds to some orthodox historical presumptions that suggest rather linear transitions between modes of productions.

However, this topic became a current academic issue essentially in the late 1970s and early 1980s. After the Oil Crisis in 1973, while large-scale factories were collapsing one by one, the survival of small-scale firms forced scholars to develop new considerations about the changes in the nature of production and labour processes. In this context, the existence of small-scale industry was to be explained in the geographical setting of industrial production, in which various production units operate in some sort of a production network. The units of this network are not necessarily integrated to each other.

Oliver E. Williamson, in 1975, reformulated the transactions cost approach based upon Ronald H. Coase's arguments on the nature of the firm in 1938, as he explained the circumstances of vertical integration and the motivations behind the adjustment of the firm size by the entrepreneurs. This is a model that examines the determinants of vertical integration in various industries.⁷⁴ At this point of view, the main issue is not the quantity, but the process and organization of the production. This can be taken as the first theoretical consideration on the scale of the production, defining in what circumstances and which sectors it should or could be small or large-scale production.

In a similar way that concerns the forms of organization or production, Doreen Massey, in 1982, analyzed the massive collapse in the 1970s from the perspective of unemployment and its geographic appearance. She problematized the geographically and sectorally determined mechanisms behind the aggregate numbers that shows the massive employment decline in the UK in the late 1970s, and early

⁷⁴ Oliver E. Williamson, *Markets and Hierarchies, Analysis and Antitrust Implications: A Study in the Economics of Internal Organization* (New York: Free Press, 1975); Ronald H. Coase, "The Nature of the Firm," *Economica* 4, no. 16 (November 1937): 386-405; see also David T. Levy, "The Transactions Cost Approach to Vertical Integration: An Empirical Examination," *The Review of Economics and Statistics* 67, no. 3 (August 1985): 438-545.

1980s.⁷⁵ Her effort was mainly focused on to show the economic uneven development and different consequences of rising unemployment for different economic spaces. This argument reflects the nature and organization of production per se. Although Massey takes the labour process as the subject matter, her method has also some important inferences on organizational differences between different sectors. She reveals that certain processes took place in industrial production and in individual sectors, and stated that those mechanisms operated in different patterns.⁷⁶ Thus, the natures of the sectors determines the labour processes in production. This is a substantial argument in the sense that it is a necessity to look inside individual sectors to observe relations of production between large-scale and small-scale firms.

Relevantly, Allen J. Scott, in 1988, illustrates the circumstances of the division of labour among individual manufacturers. He describes the proper conditions for the firms to be vertically integrated, and he demonstrates the indications of being “vertically disintegrated”. He claims that the decisions to be vertically integrated or disintegrated basically are depended on transaction costs.⁷⁷ If the internal transaction costs are greater than the external transaction costs, the labour process will be vertically disintegrated. The important thing here is that this disintegration entails a complex set of spatial relations. Those small production units create industrial linkages over time by their nature. There is no chance for them to survive as independent organisms. They exist in a system which Scott describes as a “dense assemblage of disintegrated producers”.⁷⁸

⁷⁵ Doreen B. Massey, *The Anatomy of Job Loss: The How, Why, and Where of Employment Decline* (London ; New York: Methuen, 1982), p. 7.

⁷⁶ Ibid., p.182.

⁷⁷ Allen John Scott, *Metropolis: From the Division of Labour to Urban Form* (Berkeley: University of California Press, 1988), p. 36.

⁷⁸ Ibid., pp. 41, 42.

It is a historical fact that small-scale production has survived throughout history despite all economic breakdowns. While the western economies were having their high conjuncture stages, these production units were mostly ignored or approached as the outsiders of the system. In the 1960s and 1970s, this kind of production was either neglected or denigrated because of the strict commitment to the factory-industrialization theory. In growing countries such as Turkey, on the other hand, this kind of production was labeled one of the main reasons behind the underdevelopment.⁷⁹

Within the worldwide changing patterns of production in the 1970s and 1980s, the survival of small-scale production created a major problematic for social scientists who sought to conceptualize it. Putting all the theoretical considerations together, it is seen that there was a paradigm shift in the economic history literature. The strict scheme of factory-industrialization has been questioned by taking other forms of industrial production into analysis. On the other hand, the spatial aspect of industrial production also has been seriously studied.

Murat Güvenç, in 1993, analyzed the spatial distribution of factors of production in Istanbul textile industry by using the data from 1988. His approach was very much in accordance with Scott and Massey. The conclusion was a seemingly disintegrated structure of factors of production in textile production, but at the same time, a significant spatial concentration of small-scale producers. Those small-scale

⁷⁹ For instance, Raci Bademli, in 1977, described this kind of production as “distorted and lower forms of capitalist industrial production”. He regarded all artisan shops and workshops as corrupted institutions entailed to underdevelopment. See Raşit Raci Bademli, “Distorted and Lower Forms of Capitalist Industrial Production in Underdeveloped Countries: The Contemporary Artisan-Shops and Workshops in Eskisehir and Gaziantep” (PhD, 1977).

producers are indispensable as they are complementary and integrative units in the production process.⁸⁰

The particularly interesting point all these studies have made is that the process of industrial production is not a linear one. Instead, there are a set of intricate relations and long-term networks in the background. The focal notion here is not only a simple mechanism of “exchange of goods”, but also processes that consist of transaction costs, imperfect information, and other surrounding institutions. Subsequently, economic history, instead of only dealing with the volumes of outputs; must also include some other variables that are related with the population.

Taking Turkey’s history of industrialization into account regarding those theoretical improvements is a necessity. To do that, the specific characteristics of small-scale production in Anatolia during the nineteenth century and in Republican Turkey will be reviewed in the next sections.

Observing Small-Scale Industry in Anatolia during the Nineteenth Century

Ottoman experiences of the nineteenth century cannot be analyzed separately from the international developments. The international roles were politically dependent on the United Kingdom’s current situations. However, it should be kept in mind that it was only in the mid-nineteenth century, in United Kingdom at first, and in some countries in continental Europe, that steam machines started to dominate industry.

⁸⁰ Murat Güvenç, “İstanbul Tekstil Sanayiinde Üretim Faktörlerinin Ekonomik ve Mekansal Dağılım Örüntülerinin Bazı Özellikleri Üzerine,” *Toplum ve Bilim*, no. 56-61 (1993): 130-46.

One of the most interesting and particularly delayed impacts of mechanization can be observed in the textiles and clothing industry. New spinning and weaving technologies started to be used and established domination in those countries after the 1850s.⁸¹ But this was certainly not the case for the rest of the world. Since the factor prices was the main decision criteria for the use of technology in the industrial production, in the places where labour is relatively cheap, it may be expected to remain labour-intensive.⁸² Thus, textiles and clothing manufacture remained activities that were mostly done by hand in the rest of the world. The main mechanism lying underneath this system was external trade. As the trade was expanded through peripheral countries, new specializations and production practices occurred. These tendencies were exclusively steered by the merchant capital during the period of its domination in the periphery.⁸³

Franklin Mendels presents this process as “the first phase” of industrialization and named it “proto-industrialization”. He suggests that the modern industry is a phase that is built upon some set of industrial practices. Rural industry in this formulation has a major significance. In his view, increasing productivity in rural manufacturing helped the merchant entrepreneurs to accumulate the capital that is necessary to establish modern industry. He also points out that the role of handicrafts in manufacturing activity did not necessarily disappear as “new industry” was established.⁸⁴ Notwithstanding this strict separation of phases, it is a substantial argument that small-scale manufacturers established strong links with the world economy.

⁸¹ Broadberry and O’Rourke, *The Cambridge Economic History of Modern Europe*, volume I, pp. 165-179.

⁸² Ibid., p. 166.

⁸³ Çağlar Keyder, *The Definition of a Peripheral Economy: Turkey, 1923-1929* (Cambridge; New York; Paris: Cambridge University Press, 1981), p. 136.

⁸⁴ Mendels, “Proto-Industrialization”, pp. 242-247.

There is no monolithic description of small-scale production. It differs according to specific needs for specific regions and it is exclusive for each particular place. Thus, it is essential for the purposes of this study to understand its formation in the historical process in Anatolia. There have been some significant attempts to analyze the nature and operation of industrial production in Ottoman Anatolia. Some of them also touch on the small-scale production units and their progress within the general situations of economy. But the resilience and importance of small-scale production units in the industry is usually missing in the existing literature. This section will argue that the longevity of small-scale production forces is based on the networks to which they were affiliated. These were not broken down in the nineteenth century. Also, those networks were very flexible and were able to remain by altering their characters. Thereby it may be possible to track the process of small-scale industry throughout the nineteenth century and to understand its actual situation in the 1930s in this continuity.

There is a widespread historical assumption that claims that while the European countries had their climaxes in industrial output in the nineteenth century, the Ottoman Empire was de-industrialized and turned into a raw-material supplier for the international market and nothing more. The general decline of the industrial production may be observed and can be related to this argument for the Ottoman Empire. However, there is a categorical premise that looks highly problematic regarding the situation of small-scale industry. Donald Quataert claims that the Ottoman manufacturing, in itself, created new ways to be a part of the international system and the volume of output significantly expanded for a largely agricultural empire. He asserts that de-industrialization can be an acceptable argument in only a comparative perspective but it doesn't mean the industrial production had come to a

halt.⁸⁵ Decline of the industrial production is an acceptable argument regarding the political developments in the nineteenth century. However downplaying the resistance of local industries would be a massive mistake.

In the Ottoman Empire, the industrial production was traditionally organized around guilds, which were self-sufficient in the eighteenth century. In the nineteenth century, while several countries restricted British trade in order to survive against British cheapening prices, in the Ottoman Empire, British trade was historically under protection of a distinct capitulation. Thus, the Ottoman imports of British goods were in a continuously growing trend for the first quarter of the century. On top of that, within the introduction of Treaty of Balta Limanı in 1838, tariff rates were fixed at a rate of five percent as the Ottoman state lost its ability to set these rates.⁸⁶

The survival methods of domestic manufacturers can be divided into two kinds: some of them were engaged in a putting-out system directly connected with the international merchants; and others used imported intermediate goods to produce for the domestic market. The former are more likely to be observed in such a political and economic atmosphere.

The power of the guilds, on the other hand, was getting more and more limited, especially in rural areas.⁸⁷ New organizational forms were introduced in order to answer the changing needs of the international and domestic networks. For a manufacturing unit, staying out of the domain of guilds was also a requirement to constitute such networks.⁸⁸ This can be seen as a massive use of local and mostly

⁸⁵ Donald Quataert, *Ottoman Manufacturing in the Age of the Industrial Revolution* (Cambridge ; New York: Cambridge University Press, 1993), pp. 161-2.

⁸⁶ Orhan Kurmuş, *Emperyalizmin Türkiye'ye Girişi* (İstanbul: Bilim Yayınları, 1974), pp. 42-45.

⁸⁷ Ibid., p. 172.

⁸⁸ Ibid., p. 144.

rural knowledge of production via putting-out system, instead of establishing mechanized monopolistic units of production.

One of the most explicit appearances of these practical and pragmatic formations was the carpet manufacturing industry in west and south-west Anatolia in the late nineteenth century. Carpet manufacturing had been spread all over Anatolia in its historical process. This was the main reason this activity was not suitable for control by a guild-like organization in the first place. This fact enabled some local merchants to build a putting-out network.

By the beginning of the 1860s, these networks were under control of a few Turkish merchants in Anatolia. One of them, Hacı Ali Efendi, supplied necessary materials to households and collected the output. The total production of those 3.000 households was about 84.000 m² per year.⁸⁹ By the 1880s, those networks were to be taken over and to be expanded enormously by English merchants. The nature of operation remained practically the same.

Carpet manufacturing industry had been a small-scale production area by nature except from a few spinning and dying factories. Even in the early twentieth century, after the establishment of Oriental Carpet Manufacturers Ltd, the main production was done in households. This company constitutes a monopoly on networks. Centralizing the production would mean abandoning their low production costs. Austrians tried to establish factories to get into this profitable sector, but they did not have the necessary connections with local producers and middlemen, so they were unable to compete against such a tight and successful system.⁹⁰

⁸⁹ Ibid., p. 146.

⁹⁰ Ibid., p. 150.

This example reveals how households were engaged to industry as direct production units. Although the unique nature of carpet manufacturing is one of the key factors of this continuity, it can be claimed that other forms of this kind of network establishments must be found in various sectors.

In the weaving industry, on the other hand, local producers faced different kinds of troubles. There was a massive and increasing import of textiles from Europe. Those products were being consumed in the internal market. The local weavers had found new ways of creating demand and managed to combine cheap foreign yarn to produce cloth. How can their resistance and partial success be explained? Pamuk offers four possible hypotheses: foreign distribution may have been not as efficient as needed to reach inner and more remote parts of the country, domestic tastes may have determined the local demand, wages may be relatively low in hand-weaving industry in comparison to the rising wages in Britain weaving industry, worsening terms of trade may helped the competing domestic sectors.⁹¹

This industrial heritage continued deriving the massive political change took place in Turkey. Administrators had to consider those units. Thus, after the superficial efforts in 1924 and 1927 industrial censuses, attempts to classify and describe small-scale industry in Turkey started to be made in the late 1930s. Samet Ağaoğlu wrote the book *Küçük Sanat Meseleleri: Türkiye’de ve Başka Yerlerde*⁹² (Issues on Artisanry: In Turkey and Elsewhere) in 1939. He problematized small-scale production, describing the craft production and specifying it for regions. He also tried to compare the situation of Turkey with that of some European countries.

⁹¹ Şevket Pamuk and Jeffrey G. Williamson, “Ottoman De-Industrialization, 1800–1913: Assessing the Magnitude, Impact, and Response,” *The Economic History Review* 64 (February 2011), pp. 169-170.

⁹² Samet Ağaoğlu, *Küçük Sanat Meseleleri: Türkiye’de ve Başka Yerlerde* (Istanbul: Üniversite Kitabevi, 1939).

Ağaoğlu, who would become the deputy prime minister in 1950, prepared the book following his education in Strasbourg on economics, while he was working for the Ministry of Economy. Thus this piece can be regarded as a formal scientific report.

Tevfik Eşberk published the book *Türkiye’de Köylü El Sanatlarının Mahiyeti ve Ehemmiyeti*⁹³ (The Characteristics and Importance of Peasant Crafts in Turkey), based on his doctoral thesis, in 1939. He classified and described the processes of Anatolian manufacturing activities and specified unique characteristics of particular regions.

Halûk Cillov, in 1949, made inferences about the local handicrafts and traditional weaving in Denizli district in his book *Denizli El Dokumacılığı Sanayii* (Hand-Weaving Industry in Denizli).⁹⁴ His study was so detailed and comprehensive that it allowed readers to track the technological change of production over time as well as the existing employment relations. He gave the number of employees in particular branches. Cillov was an academician at Istanbul University, in the faculty of economy. This book was originally his doctoral thesis as well. In addition, he had connections with Denizli as he came from a family that actually operated in the weaving industry in Denizli. This study will be widely utilized in the last chapter.

This study shares the same spirit as those works in the sense of the classification and examination of small-scale production. It also aims to claim those structures to be valid subjects of economic history. This attempt is crucial not only because of the structure of the economy of Turkey, but also because small-scale industry is a key concept when arguing about the modes of production. The initiating

⁹³ Tevfik Eşberk, *Türkiyede Köylü El Sanatlarının Mahiyeti ve Ehemmiyeti*, T.C. Yüksek Ziraat Enstitüsü Çalışmalarından 44 (Ankara: Yüksek Ziraat Enstitüsü, 1939).

⁹⁴ Halûk Cillov, *Denizli El Dokumacılığı Sanayii*, İstanbul Üniversitesi İktisat Fakültesi İktisat ve İktisadiyat Enstitüsü Neşriyatından, no. 10 (İstanbul: İsmail Akgün Matbaası, 1949).

problems on the other hand are too comprehensive to be fully answered in this study. However, there are some research decisions that are made to explain the weight of small-scale production in the economy, which will be given in the next chapter.

This is clear that if the analyses are built only upon the aggregate output of small-scale industry, those structures probably would be overlooked. However, being in various kinds of relationships with modern industry, small-scale production offers a very flexible structure for foreign or local merchants, whether the production is export-oriented or for the domestic market. Their coexistence alongside with the large-scale establishments must be elaborated in order to estimate their relative importance in industrial production.

Protectionism and Small-Scale Industry in the Republican Turkey

In variable circumstances, small-scale units played a significant role and had resilience in different stages of industrial production. In the light of the Ottoman trajectory which was touched on previous sections, it is reasonable to claim that despite of the changes in political and economic environment, those units must have survived in Turkey. Still, it is also necessary to explore the surrounding atmosphere for different periods and to argue about the continuities in the history. This section will argue the relationship between protectionist economic policy that Turkey adopted in the 1930s, and on the relative importance of the small-scale industry in the domestic market.

In the few decades from the turn of the twentieth century that Turkey underwent into drastic changes, both in political and economic areas. First and foremost, the Ottoman Empire collapsed after World War I and a new Republican regime was implemented by mainly the military staff from high offices and a few

civilian bureaucrats from the Ottoman Porte. It was not a smooth transition. A set of new institutions was implemented while the old ones were condemned. This sharp turn on governmental vision had affected the economic relations. On the other hand, after 1929, with the young republican administration, Turkey had a set of serious economic policy implementations, which were disclaimed in detail in Chapter One. Those policies also give hints about the state vision of the centralization of the economy.

However, given the strong evidence, the local production practices survived through the twentieth century. The underestimation of those productive units is a big issue in the economic history of Turkey. For example, weaving is an activity for the clothing industry, which was traditionally done in houses. There were specific regions in Anatolia that are specialized in this particular field in the simple principles of the division of labour. Even after they managed to survive in a certain level against British competitive imports, in the sphere of openness of the nineteenth century,⁹⁵ there is no reasonable explanation why these productive units would suddenly stop their businesses in the 1930s, whereas this knowledge of production was handed down through generations. In western examples, those people joined the massive production as skilled labour in the factories. However, it is clear that compared with the population, the factories established in Anatolia did not have such great employment capacities. Thus, it can be claimed that this tradition of manufacturing survived and, by some means, it was the usual production method in Anatolia from the nineteenth to the twentieth century.

Those claims can be extended even further as in the years of protectionism, small-scale production extended its capacity and ability to reach the sources and the

⁹⁵ Pamuk, *Türkiye'nin 200 Yıllık İktisadi Tarihi*, p. 101.

markets. Roger Owen, in 1984, used the term “interrelationship” between factories and small-scale manufacturing for especially Lebanese silk and Egyptian sugar industries for the period 1900-1930.⁹⁶ He also denies abstract dichotomies between the terms as modern and traditional industry or as factory and workshop production. He points out that industrial production is a process that is built on complex relationships between various actors. He argues that in the Middle East, the emergence of industry must be examined within an international framework where the European powers had a relative advantage and dominated the world market. He also claims that after those powers were edged out by tariff adjustments, small-scale industry survived, and even extended itself by using the existing production processes, such as the putting-out system. They strengthened their vertical and horizontal links in industrial production, especially in textiles manufacturing.

Owen’s argument is essential and genuinely inspiring in two ways. First, he offers an argument on the production capacity of small-scale producers. Secondly, he claims that small-scale industry is not an anomaly; rather it grows up in a system both domestically and internationally. These observations seem like a completely new approach to the history of industrialization. However, this way of thinking did not continue in the years after.

Examples from Turkey and their emphasis on protectionism present important similarities with the theoretical bases of this study. As mentioned in the second chapter, the core theme of the economic history of Turkey in the 1930s was protectionism. In a protected domestic market, domestic producers must have

⁹⁶ Roger Owen, “The Study of Middle Eastern Industrial History: Notes on the Interrelationship between Factories and Small-Scale Manufacturing with Special References to Lebanese Silk and Egyptian Sugar, 1900-1930,” *International Journal of Middle East Studies* 16, no. 4 (November 1984): 475–787.

extended into the compulsory industrial production. The main workforce was made up of those small producers who had the traditional knowledge of production.

The main assertion for Turkey is that in the years of protectionism and after, small-scale producers had a significant role in industry. This is an important argument, which is equally important to examine. The following chapter puts a quantitative analysis on primarily the occupational structure of Turkey in terms of recent considerations. Spatial analyses will also be made which examine specific regions that are emphasized in consequence of quantitative analyses.

CHAPTER 4: OCCUPATIONAL STRUCTURE OF TURKEY, THE SMALL-SCALE CHARACTERISTICS OF THE TEXTILE INDUSTRY, AND THE CASE OF DENIZLI

This chapter introduces the occupational data for Republican Turkey as one of the main indicators of its economic structure. Beyond that, to investigate the ways of measuring the regional concentrations of small-scale industry especially in textile industry is another objective. The main argument is that small-scale industry played a significant role in Turkey's industrialization process. And this comes out of local production practice which is unique to particular regions. This kind of production had its take-off in the years of protectionism. Further, medium and large-scale businesses were not as widespread as it is shown in official records and in the conventional economic history-writing. The predominant reference point of this argument is the employment structure. This notion can be seen in a macro view on the regional characteristics of employment structure, and can be confirmed by getting into the details of local production practices.

In order to assess these arguments, information on occupational structure will be analyzed both for the entire industry and textiles, which is categorized in weaving and clothing. Those results will be argued in terms of their regional distributions. Following that, regional information on how medium and large-scale employment distributed will be put on it by using either official records or secondary literature. Those two will be compared to make suggestions about the density and geography of small-scale industry. This exercise will also be conducted for both levels: entire industry and textile industry. Finally, the case of Denizli as the most striking result

will be detailed by examining the local social history and the local history of industrialization. Production practices and employment processes will be examined to observe if they give any supporting information.

Although the potential sources to be taken as criteria are limited, there is a significant amount of information embedded into the population census data, which would make much more sense when compared with the economic indicators for that period.

In addition, regarding its distinctive characteristics, “occupation” provides a very useful dataset itself. First of all, by definition, it is highly intrinsic to a person’s economic activity. It comes alongside with some important demographic information: gender division, urban-rural division, geographical position. In the perspective of making connections between industrialization practices and economic indicators, occupational data are one of the best variables on which to rely.

Population Censuses and Data Availability in Republican Turkey

The first general population census of Republic of Turkey took place in 1927. The second was held in 1935. From this year, it was decided to make censuses for five-year periods. However, the 1940 census was not a successful one in many ways. With only one exception in 1995, national censuses were held between 1935 and 2000 every five years. Thus, for the focal period of this study, there are 3 population censuses available: 1927, 1935, and 1945 censuses.

The 1927 census results are detailed enough to calculate the total labour force, its share in the entire population and its breakup into sectors for both of the sexes. However, the reliability of the data deriving from this first national census is more

questionable compared to later ones due to the limited bureaucratic abilities of the newly established Turkish Republic. The most detailed occupational data can be found in the 1935 and 1945 censuses. Due to its detailed sub-sectoral distinctions and its widespread geographical coverage, 1935 seems to be the best option to be chosen as the benchmark year.⁹⁷

In 1950, a completely different taxonomy was applied in order to be more comparative with the world. Halûk Cillov compares the taxonomies of occupations used in 1935, 1945 and 1950 Turkish censuses with international practices. He is very critical about the occupational categories used in the 1937, 1935 and 1945. He argues that only after the Turkish Statistical Institute started to implement the American census system, which is close to the International Standard Classification of Occupations of the International Labour Organization, the results of the Turkish population censuses can be compared meaningfully internationally.⁹⁸

However, since the international comparison is not the main concern for the sake of this study, all of the data coming from censuses will be adapted to the 1935 classification. Likewise, names and borders of provinces will also be adapted to the 1935 administrative division.⁹⁹

⁹⁷ An important technical detail about 1935 is that Hatay province was not a part of Turkey at the time. Hence, for the sake of comparison, Hatay is excluded also from all other analyses.

⁹⁸ Halûk Cillov, *Meslek İstatistikleri: Metodolojide Yeni Meseleler* (Istanbul: Istanbul Üniversitesi İktisat Fakültesi, 1956), pp. 92-102.

⁹⁹ The data that is used in this chapter and some of the analyses are directly related to this book section which is currently in preperation: M. Erdem Kabadayı and Berkay Küçükbaşlar, "The Shifts in Occupational Structure and Urban Economic Change in Turkey in the Twentieth Century [forthcoming]," in *Occupational Structure and Industrialization in a Comparative Perspective* (Cambridge: Planned to be published by Cambridge University Press).

Industrial Population in Turkey between 1927 and 1950

One of the main questions on the usability of occupational data as a representational tool of economic structure involves its difference from employment data. Unfortunately, before the 1955 census, current employment was not a question in the census surveys. But until then, it was asked continuously. One idea on testing the availability of occupational data as the replacement of employment data is to pursue their differences over time.

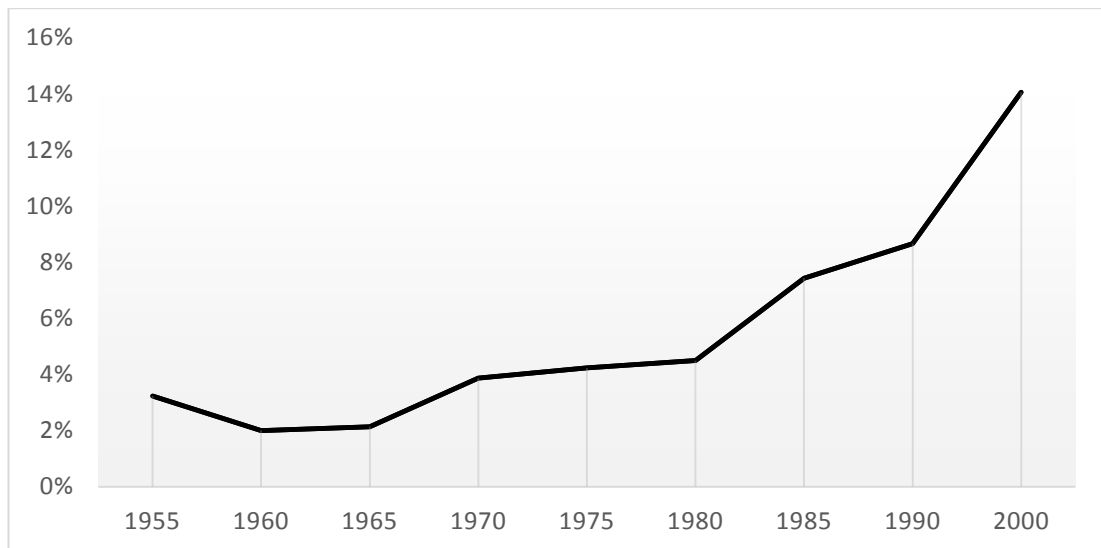


Figure 8: Numeric discrepancy between population covered by "last week's occupation" and "usual occupation" in population censuses 1955-2000

This line represents the percentages of the difference between the population who have occupations and who have worked between 1955 and 2000. Although looking at the grand total numbers is not a precise examination, it gives a clue about the discrepancy between occupations and employment. The reason behind 1955's relatively high percentage is because of the difference in definition of "economically active population". In 1955, population above five years old were regarded as economically active, whereas in other censuses this category was above 15 years old. Therefore, it could be claimed based on this trend that for the focal years or this

study, discrepancy between employment and occupational data would be fairly low. This could allow us to make general inferences using the occupational data in 1927, 1935, 1945, and in a more general way, in 1950.

The main category to refer to the population with occupations in industry was “Industry and Crafts” (*Sanayi ve Küçük San'atler*) through 1927 to 1945. This statement makes more sense in relation to population has occupations in small-scale industry. As explained before, in 1950, the classification system was completely changed. However, regarding the sub-categories, it is possible to adopt it to this classification. As an initiating, general analysis, it would be helpful to look at the real numbers and percentages of this category through census years.

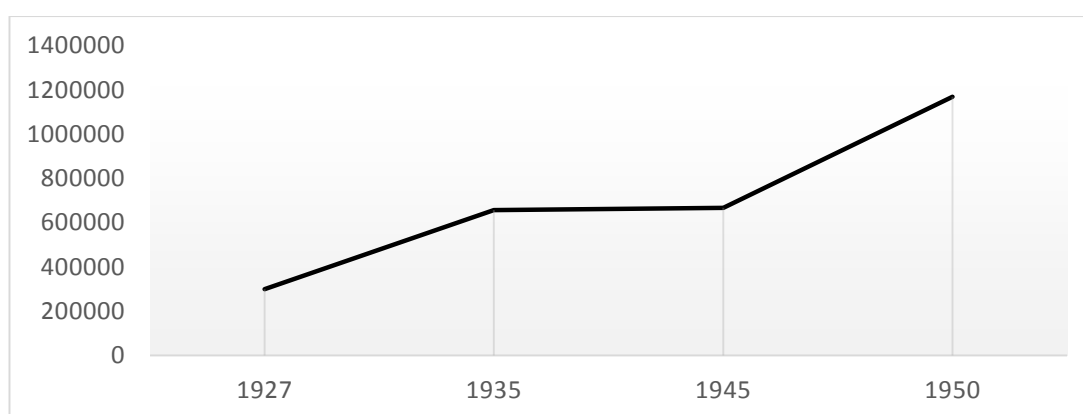


Figure 9: Population whose occupation are in industry and crafts 1927-1950

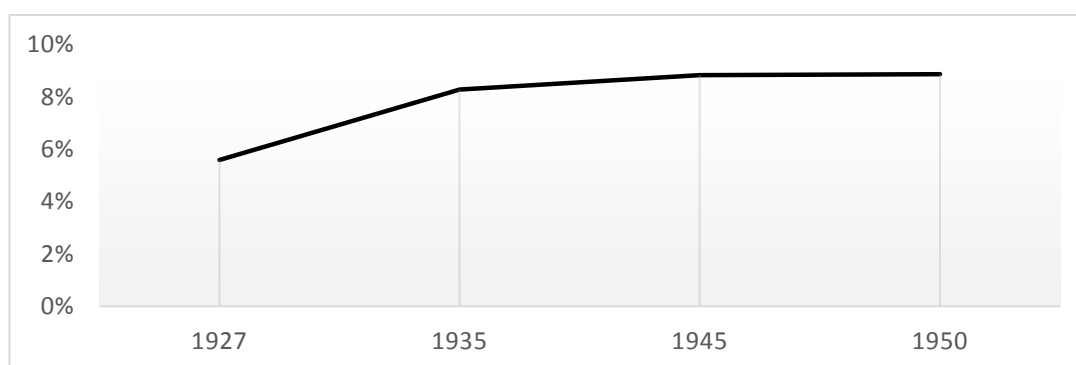


Figure 10: Shares of population whose occupation are in industry and crafts in gainfully occupied population 1927-1950

There is a constant rise in both absolute numbers and percentages. The main significant leap was between 1927 and 1935, which is compatible with the main assertions that are made in previous chapters. It is also possible and would be useful to see the distribution of these numbers in the provinces.¹⁰⁰

The 1927 census was not detailed but it was equally valuable for the observation of the geographical setting of the industrial population before the etatism policy and the conjuncture before the 1930s.

The third column, which is highlighted, declares the volume of the population with industrial occupations in all gainfully occupied population in the related province. On the other hand, the column on the far right shows the share of this province in whole Turkey's industrial population.

At first glance, Izmir and Istanbul, not surprisingly, had the most industry-intensive occupational structures, whereas they had approximately 25 percent of industrial population of whole Turkey. On the other hand, following them, there were Denizli, Manisa, Eskişehir, İsparta, Gaziantep and Aydın, which were not particularly known as industrial cities. Especially Manisa, Denizli, and Aydın had remarkable shares in the total industrial population. These three cities had in total almost ten percent of industrial population of all of Turkey in 1927.

In 1933, the first five-year industrialization plan was introduced and an official agenda on industrialization started to be followed. Also, Industry Encouragement Act was increasingly utilized by the private sector and state-run factories were being established. Istanbul and Izmir maintained their position while Zonguldak showed a significant increase with 3,7 percent of the total industrial

¹⁰⁰ See Table 1 at the back of the chapter.

population of Turkey by itself. Other than that, Denizli, Manisa and Aydın in total cover nearly ten percent of the total industrial population.¹⁰¹ This seems fairly significant regarding none of the western Anatolia provinces had state-run factories or a significant utilization of Encouragement Act funds. This point will be examined in detail in the next section.

In 1945, Zonguldak remained important as more and more men got employed in the mining industry. Denizli, Manisa, and Aydın also kept their significance. Also, Gaziantep's leap is striking, where the small-scale industry was traditionally strong. Gaziantep, Malatya, and Elaziz accounted for nearly six percent of total industrial population. These provinces are located in eastern Turkey in which rural population is dense.¹⁰²

After having a general understanding about the dissemination of industrial population in Turkey through those years, a detailed examination of the textile industry will help to find answers to the particular questions on small-scale industry.

Weaving and Clothing in Anatolia: Regional Differentiation

The textile industry is the most convenient sector to be explored in order to see the steps of industrialization process in general. It also provides the information on small-scale industry and how it proceeded before and within the large-scale factories. Accordingly and following the theoretical arguments from the previous chapters, the 1935 and 1945 data will be elaborated in the sense of the shares of the

¹⁰¹ See Table 2 at the back of the chapter.

¹⁰² See Table 3 at the back of the chapter.

population whose occupations were in weaving and clothing branches and also provinces' shares in the total Turkey numbers.

Looking at the 1935 data, the most striking result is that in terms of occupations all over Anatolia, industry was significantly common. Additionally, one of the main characteristics of this industrial population was that numbers in weaving and textiles were notably high. Especially in western Anatolia, particularly in Denizli, 11,5 percent of gainfully occupied population were in the weaving and clothing industry. The share of weaving was distinctly high. On the other hand, Denizli made up 9,2 percent of the Turkey total. Other than that, Isparta, Burdur, Kırşehir, Gaziantep, Manisa, and Kayseri were important. They accounted for nearly 18 percent of the Turkey total.¹⁰³

In 1945, the provinces in the western Anatolia remain remarkably significant. The share of weaving and clothing in Denizli increased to nearly 15 percent. Other Anatolian provinces also came to top. Another important observation from this table is that although Istanbul and Izmir's shares did not decrease, they fell back in the table. This means, other Anatolian provinces made significant leaps from 1935 to 1945.¹⁰⁴

Those results require a deeper explanation. Other methods are possible to see those numbers in more detailed classification. In the 1935 census, occupational data is given at a very detailed level. For the weaving and clothing industry, the sub-categories are given in the Table 6.

In 1935, the data allow us to see the numbers of all 57 provinces in these detailed sub-sectors. Thus, it is possible to raise some questions about the scale of

¹⁰³ See Table 4 at the back of the chapter.

¹⁰⁴ See Table 5 at the back of the chapter.

those sub-sectors in the textiles industry based on their content and regional distribution. In order to do that exercise, we need a clearer cross-table that make groups of provinces and sub-sectors as well via recognizing their distributional patterns. Starting from table above, if we take top 20 contributors to Turkey's textile population and cluster them, it renders a more detailed distribution and hence to discuss the results.¹⁰⁵

The clusters primarily show that the Anatolian provinces mentioned above had their own characteristics as they followed different patterns from each other. Ankara, Istanbul, Seyhan; and also Balıkesir, and Izmir varied from the others with their distinctive percentages in two clustered categories. Those categories also could be analyzed. The clustered columns (column 1 and column 5) include a variety of sub-sectors, but broadly it can be claimed that all of those categories point out medium and large-scale operations. Other than that, the Gaziantep, Kütahya and Malatya cluster is distinctive with those provinces' high percentages in the cotton, wool and silk industries. The basic hand-loom weaving could be included. In addition, the carpet industry is highly remarkable for Isparta and Manisa provinces and also for Niğde and for Nevşehir, which is also known for small-scale manufacturing activity traditionally. On the other hand, Denizli seems unique in several categories, however, a closer look shows that besides from its remarkable share in the wool industry, it follows the same pattern as Gaziantep, Kütahya, and Malatya group. They all had distinctive shares in the cotton, wool and silk industries, but Denizli's share was even bigger than the total share of those three provinces.

¹⁰⁵ For this exercise, the software "Katmanlar GP 7.2." is used. This software has been designed and written by Murat Güvenç and Savaş Yıldırım and is used by permission. See Table 7 at the back of the chapter.

A Regional Comparison between Large and Small-Scale Industry

Although the numbers in industrial occupations are promising, those results must be put in their geographical contexts to see their possible regional interrelations; and also to compare those results with another parameter.

Since the prominent theme of this study is small-scale industry, knowing how many people were employed in large-scale industry is essential to making comparable comments. This exercise is possible in two of our observation years, 1935 and 1945.

In 1927, in order to encourage private entrepreneurs to open up businesses, a supplementary fund was dedicated by the state. This fund was approved to be distributed among the businesses who met specific conditions. Those conditions were listed in 4 groups as follows:

- Manufacturing establishments working with machines that have at least ten horsepower and with a total workforce of at least 1.500 days per year.
- Establishments without machines with ten horsepower, but have a total workforce of at least 1.500 days per year; or have less total workforce than 1.500 days per year, but have machines have at least ten horsepower; or have approximately ten workers per day.
- Establishments without machines have ten horsepower, but with a total workforce of at least 750 days per year
- Establishments gathered the handloom weavers, carpet weavers, knitters, ropers, and similar workers together in a specific building.¹⁰⁶

¹⁰⁶ *Teşviki Sanayi Kanunu*, 15.06.1927, No: 608/1055, my own translation. Original text: “Bu kanunda yazılı müsaade ve muafiyetlerden istifadeleri itibarıyla sınaî müesseseler dört sınıfa ayrılırlar.

Birinci sınıf: En az on beygirlik bir kuvvei muharrike ile işleyen ve imalâtında bir sene zarfında en az bin beş yüz gündelik mikdarında işçi çalıştıran müesseseler;
İkinci sınıf: Kuvvei muharrikesinin mikdarı on beygirden az olub da imalâtında çalıştırdığı işçi gündelikleri mikdarı senevî en az bin beş yüz olan veya bu mikdar bin beş yüzden az olub da kuvvei muharrikesi en az on beygir olan veyahut imalâtta çalıştırdığı işçiler adedi günde onu tecavüz edib de kuvvei muharrikesi bulunmayan müesseseler;
Üçüncü sınıf: Kuvvei muharrikesi mikdarı on beygirden az olub imalâtında senevî çalıştırdığı işçi gündelikleri mikdarı yedi yüz elliye mütecaviz bulunan müesseseler;
Dördüncü sınıf: Tezgâh veya el ile her nevi dokumacılık, halıcılık, trikotaj, urgancılık,

It can be seen from this statement that the targeted group of entrepreneurs were exclusively middle and large-scale producers. As there is no evidence of systematic exclusion, this assistance must have reached whoever met the conditions above throughout the county.

Between 1932 and 1941, annual surveys were taken in order to report the numbers and development of those establishments. Until 1934, the numbers are detailed enough to go through the employment numbers in provinces sector by sector. After this year, the available information became more aggregate. For example the total number of employees and managers was not counted, instead, the total work-hours were calculated vaguely. This system does not produce any base points to be compared with the numbers coming from national censuses. For those reasons, the 1934 data seems much more convenient to be used in comparisons.

The 1934 Industry Encouragement Act data provide some strong evidence about the capacity of private medium and large-scale establishments. Furthermore, these are the only numbers that are by some means comparable with the occupational data from the 1935 census. By doing this and getting more information from other secondary sources, it will be possible to draw a map of large-scale industry. This is available for both industrial occupations as a whole, and for weaving and clothing in particular in 1935. For 1945, it is possible to conduct the same exercise for weaving and clothing by using the information given in secondary sources.

Consequently, by putting the locations where medium and large-scale industry were dominant on a map will give a sense on their economic geography. Superimposing this map on the map of concentrations in industrial occupations will

dantelâcılık ve emsali işleri yapan işçileri bir bina dâhilinde toplu bir halde çalıştıran müesseseler.”

provide an approximate result on small-scale industry's degree of influence and its geographical concentrations. One important assumption here is that the occupational data and the employment data do not collide each other, but they are highly consistent and are interchangeable in given years.¹⁰⁷

To begin with an attempt to draw a map of medium and large-scale industry, it is necessary to gather information from the Industrial Encouragement data and the locations state-run factories that were running at that time together. The employment numbers of the provinces that benefited from industry encouragement act can be seen in Table 8.

In addition to that, there were ten state-run factories operating in various branches of industry. The opening dates and names of those factories are given in Table 9.

This information is shown in Figure 11. The provinces that had more than 1.000 employees and managers working in companies that benefited from the Industry Encouragement Act and the provinces that had state-run factories at that time are merged in Figure 12. This can be regarded as the map of medium and large-scale industry in the province level in 1934-1935 Turkey.

In Figure 13, this information of the locations of medium and large-scale industry is put on the map of the 1935 share of industrial population in the total industrial population.

Among other information, this map illustrates that the high shares of the industrial population that cannot be explained by the rise of the medium and large-industry. The provinces that had high shares of industrial population without having any significant medium or large-scale industrial establishments are Denizli,

¹⁰⁷ See Figure 8.

Manisa, Ankara, Aydın, and Malatya. Based on all of the available data and some basic assumptions, it is possible to claim that the main employment source in those provinces was small-scale industry.

The exercise can also be applied to the weaving and clothing industries. The results would be more specific and interesting for the main assertions of this study. The employment numbers for private weaving and clothing companies that benefited from industry encouragement act are given in Table 10, at the back of the chapter.

Figure 14 shows the geographic distribution of those numbers and the two state-run factories in the weaving and clothing industry, the Bakırköy Cloth Factory, and the Kayseri Cloth Factory. In Figure 15, this will be put on the map of provinces' shares of weaving and clothing industry in the Turkey total.

After doing that, another information about those provinces' characteristics will be added by calculating and mapping the shares of city population in those provinces. In 1935, all of the provinces were divided into two categories as they had below or above 10.000 inhabitants. Above 10.000 is regarded as the city population.¹⁰⁸

¹⁰⁸ See Table 11 at the back of the chapter.

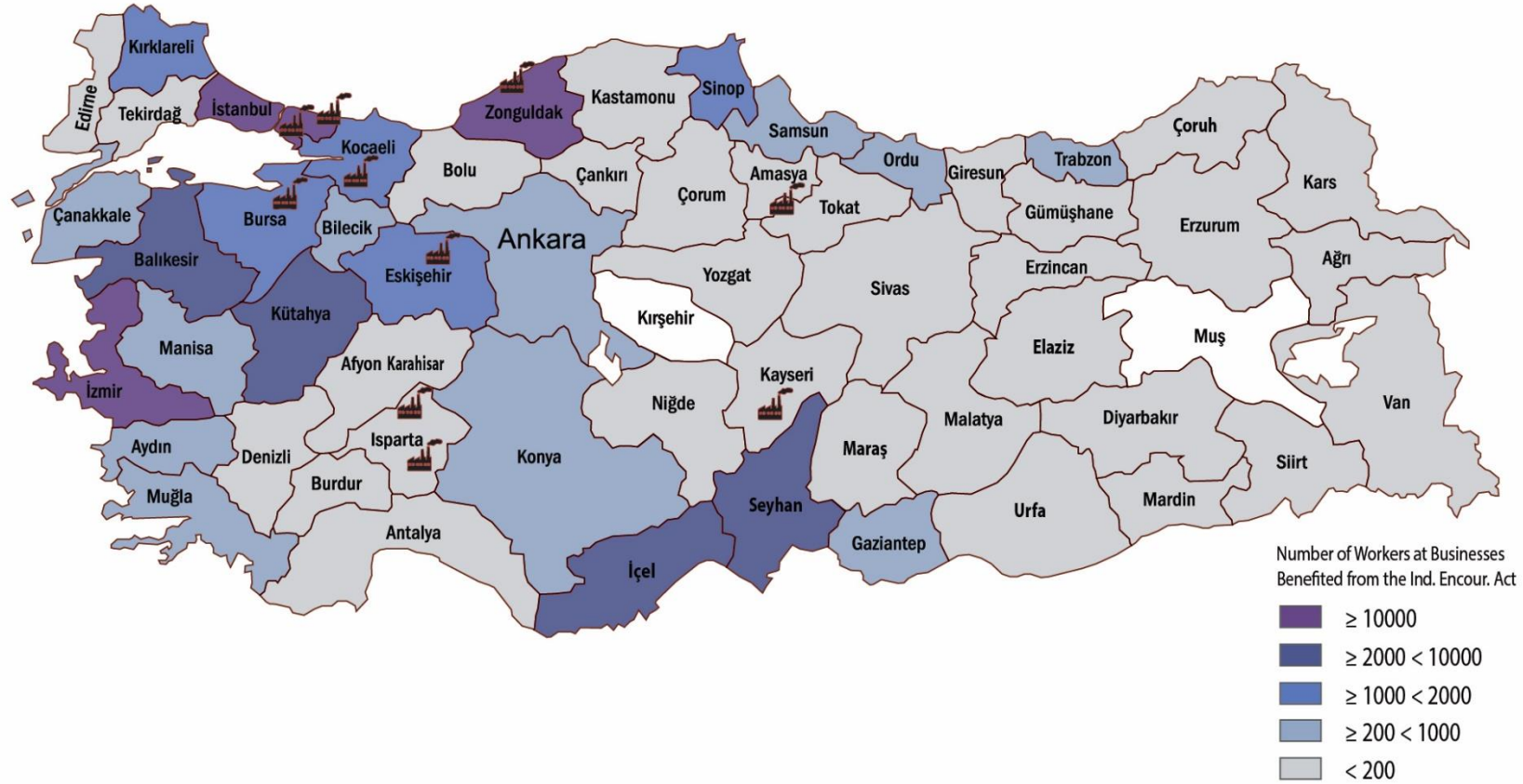


Figure 11: Number of workers at businesses that benefited from the Industrial Encouragement Act, 1934 / Approximate locations of state-run factories, 1935 (🏭)



Figure 12: Provinces with medium and large-scale industrial establishments, 1935

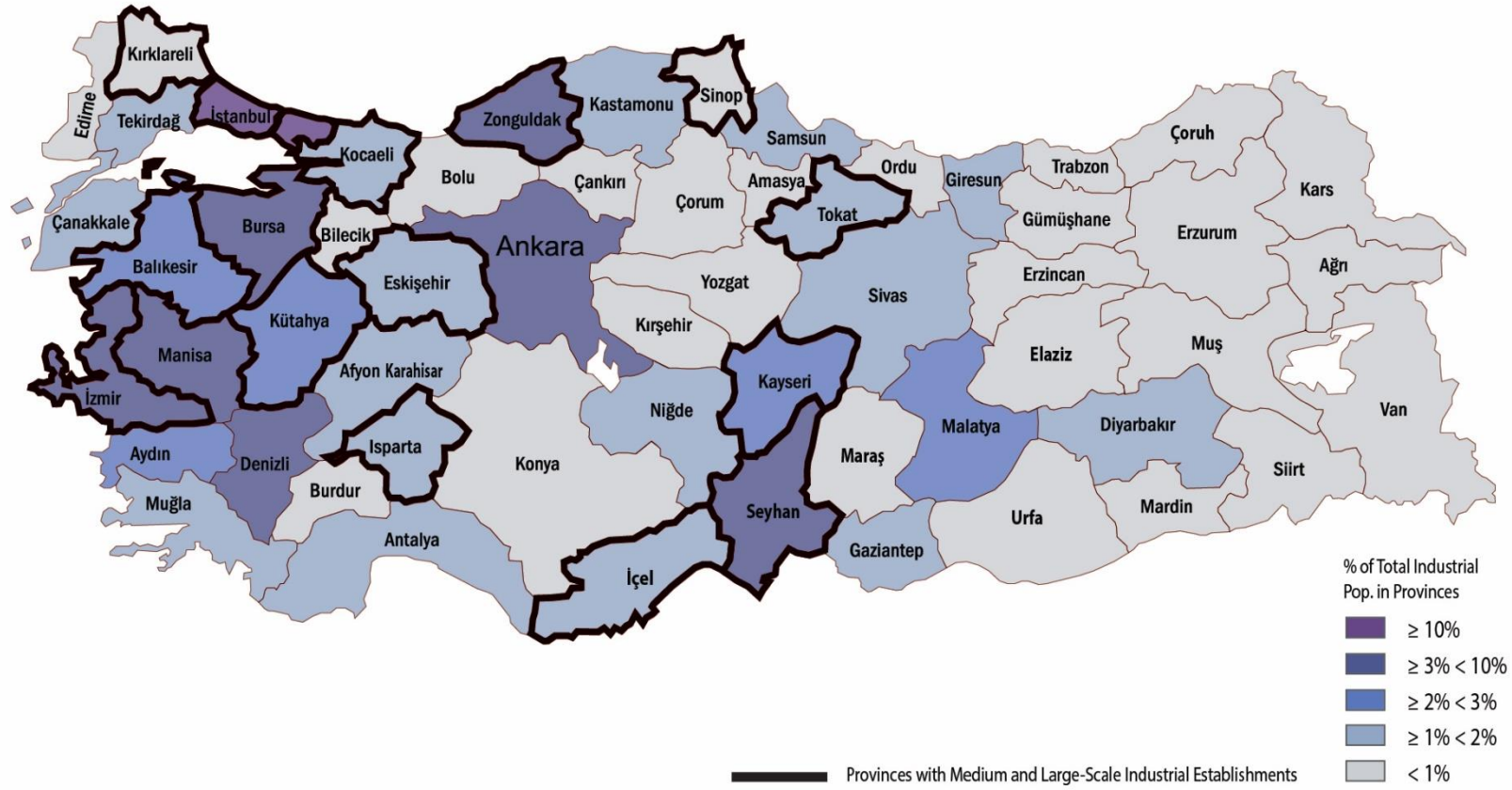


Figure 13: Provinces' shares of industrial population in total industrial population / Provinces with medium and large-scale industrial establishments, 1935

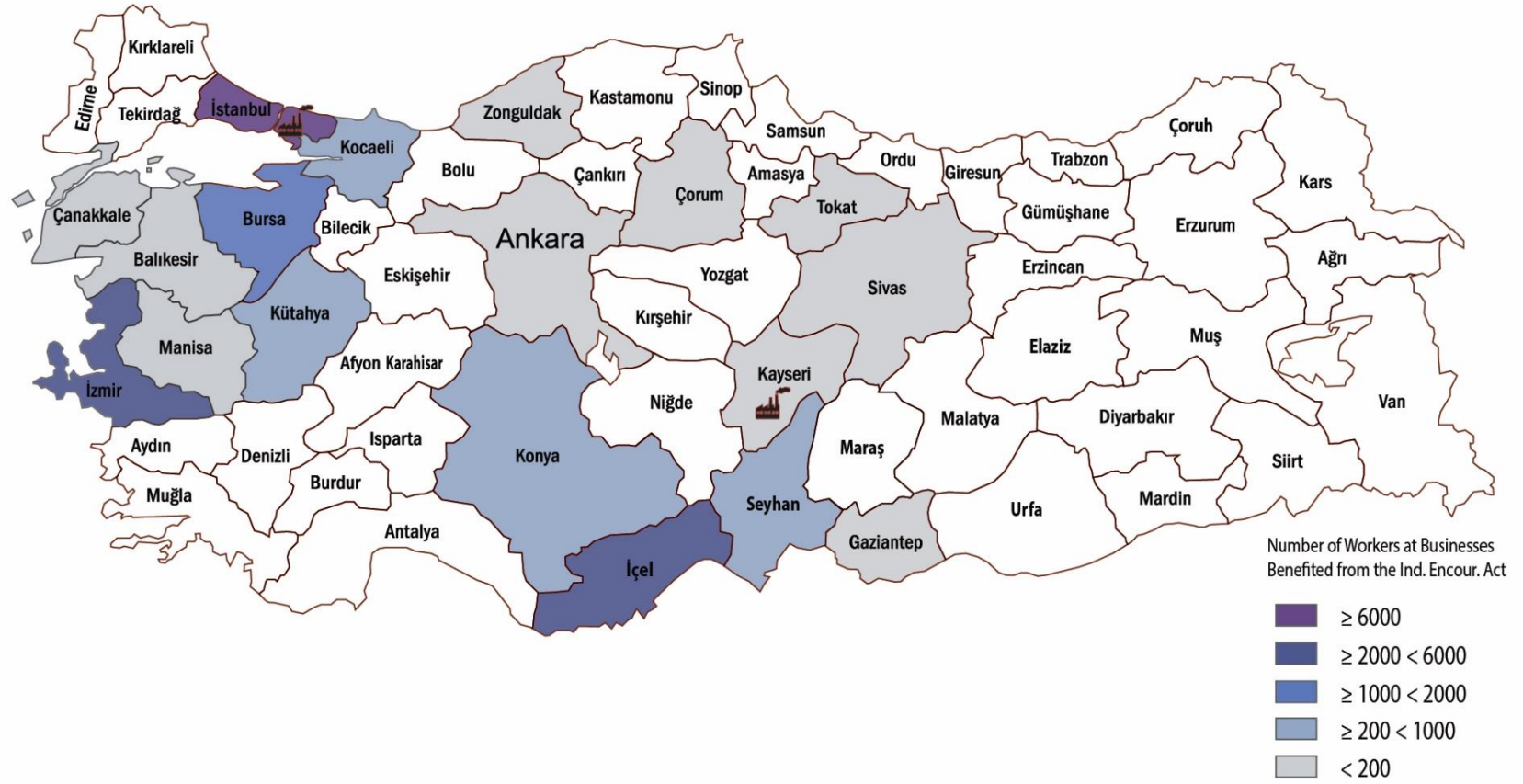


Figure 14: In clothing and weaving industries, number of workers at businesses benefited from The Industrial Encouragement Act, 1934
/ Approximate locations of state-run factories, 1935 (🏭)

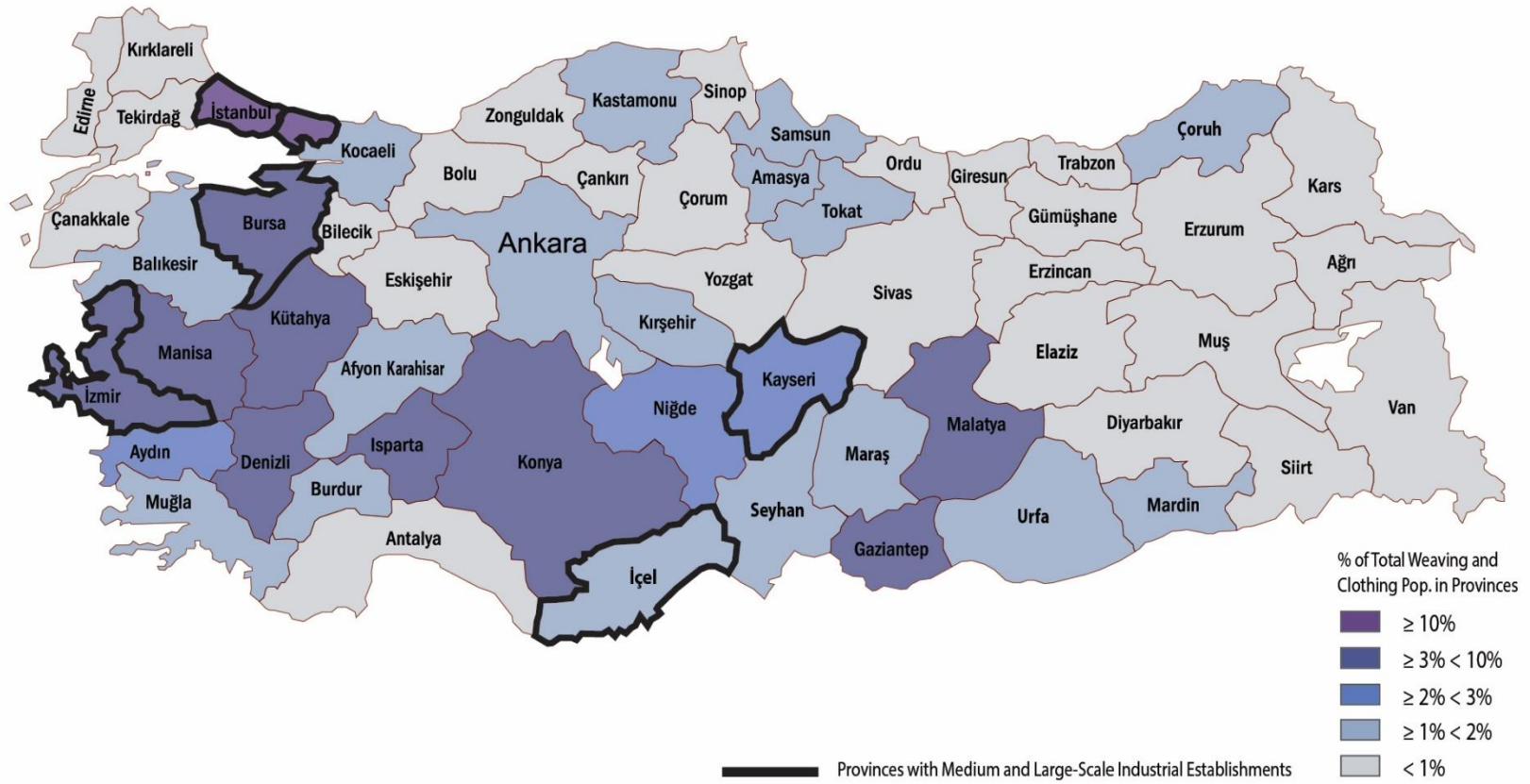


Figure 15: Provinces' shares of weaving and clothing population in total weaving and clothing population / Provinces with medium and large-scale industrial establishments, 1935

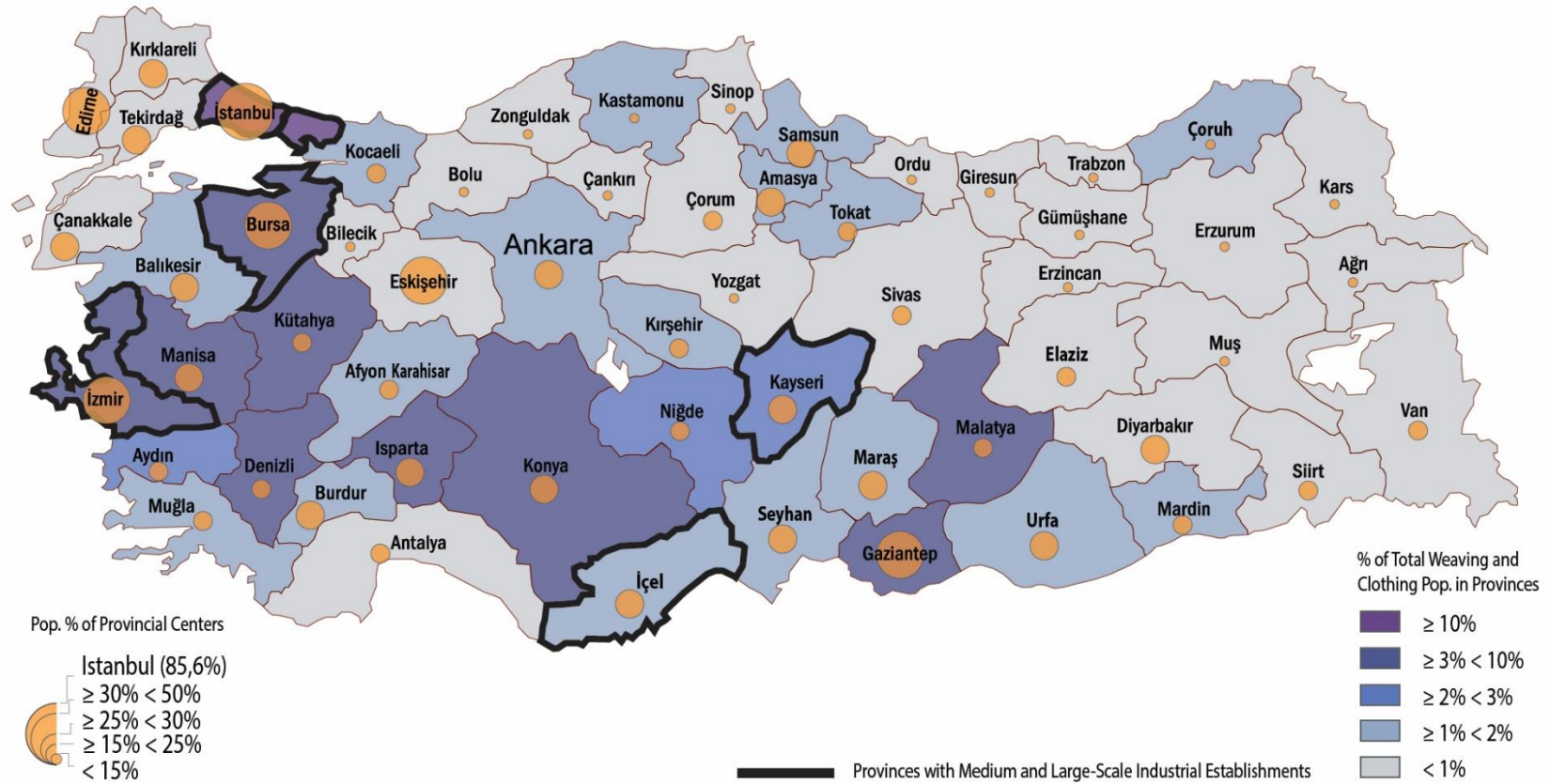


Figure 16: Provinces' shares of weaving and clothing population in total weaving and clothing population / Provinces with medium and large-scale industrial establishments / Percentages of provincial centers' populations within provinces, 1935

Figure 16 particularly shows that the geographical setting of weaving and clothing in 1935 perfectly fits with the core arguments of this study. That is, the population working in weaving and clothing industry was mostly located in the provinces that had no significant industrial investments neither from private sector, nor from the government.

According to the map, Denizli, Manisa, Kütahya, Konya, Gaziantep, and Malatya had significant shares of weaving and clothing populations, while they did not have any private or government investment. Additionally, except from Gaziantep, none of those provinces had significant urbanization in 1935.

Further, some points need to be emphasized. Denizli had no funds from the Industrial Encouragement Act for weaving and clothing, although it was the leading province in shares of the weaving and clothing industry in Turkey total. If the occupational data were overlooked, this notion could be wrongfully deciphered to indicate the failure of Denizli weavers. However, it can be clearly seen that the Industrial Encouragement Act funds played no significant role on the success of the Denizli weavers as they were expanding by choosing to keep their small-scale structures.

In Malatya, on the other hand, in the following years, a state-run cloth factory was opened. This can be interpreted as a match of government attention with the existing local practices. Such interpretations need to be tested by getting further information from local histories, province by province.

The same exercise is also applicable to the 1945 data. However, for this year, there is no information available such as Industrial Encouragement Act data. Still, from the available secondary sources the locations of existing private or state-run factories can be sorted out to be put on the same map of provinces' shares of weaving and clothing industry in the Turkey total. The shares of city populations again will also be calculated, but they need to be

approached cautiously because a different method was used in identifying them. Towns that had the same name as their provinces were taken as the centers of those provinces. The shares are significantly different. Still, the ranking of the shares might give valuable relative information.¹⁰⁹

The state-run factories operating in weaving and clothing in 1945 were the Bakırköy Cloth Factory (Istanbul), the Kayseri Cloth Factory, the Nazilli Cloth Printing Factory (Aydın), the Ereğli Cloth Factory (Konya), the Malatya Cloth Factory, and the Adana Cloth Factory. The private factories were Çukurova Manufacturing Inc. (İçel), National Textile Inc. (Adana), Rasim Dokur Inc. (İçel), Pamuk Textile Inc., Eastern Industry Company Inc. (Izmir), Erciyes Yarn Manufacturing and Textile Inc. (Kayseri), Soymer Yarn Manufacturing and Textile Inc. (Gaziantep), Central Textile Inc. (Istanbul), and Karadeniz Textile Inc. (Istanbul).¹¹⁰

¹⁰⁹ See Table 12 at the back of the chapter.

¹¹⁰ Cillov, *Denizli El Dokumacılığı Sanayii*, pp. 12, 13.

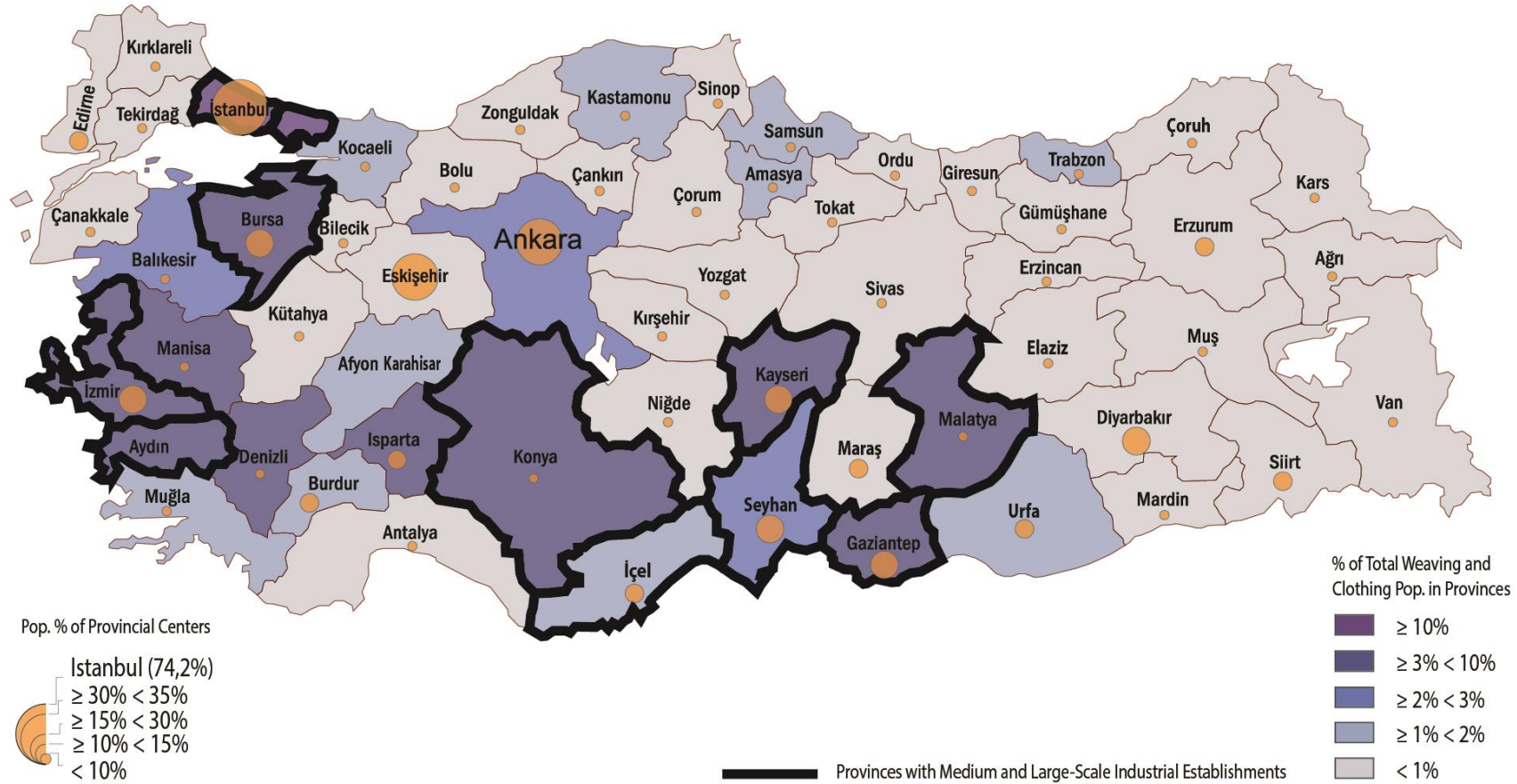


Figure 17: Provinces' shares of weaving and clothing population in total weaving and clothing population / Provinces with medium and large-scale industrial establishments / Percentages of provincial centers' populations within provinces, 1945

It is clearly seen from this map that there were no major changes in the situations of Denizli, Manisa, or Isparta. They continued to be the main weaving and clothing centers in Anatolia in terms of occupations although they received no big industrial investments.

As a result of all these analyses, it can be said that all outcomes fit the beginning argument. The main distinctive characteristic of industrialization in Republican Turkey is that it was small-scaled in terms of employment. If the occupational data is taken as a measurement tool, it is seen that the economic performance in the 1930s etatist and in the 1940s closed war economy conditions were excessively supported by the provinces that had no direct or indirect government endorsement and had significant non-urban populations.

This evidence reveals that from a new perspective, economic history can be re-read by utilizing the detailed information base of occupational data. The results of the explorations done with this new approach differ from the conventional arguments in some key points. Exploring the industrialization process in the twentieth century requires more profoundness than just an examination of factories or calculation of aggregate GDPs. Small-scale industry must be taken into account in order to make more comprehensive inferences.

In the case of Turkey, this investigation leads the questions of the real impacts of the etatist planning, the war economy, and other significant turning points on the industrialization process. More importantly, it leads to an enquiry on the long-term disposition of the industry in Anatolia. The only way to get into this is to look for the historical facts using secondary literature. This exercise needs to be done for all of the provinces that were mentioned above. However, within the limits of this

study, only the case of Denizli will be elaborated in the next section more deeply as it delivers the most impressive results.

Case: Denizli

In the light of the analyses above, it is seen that one of the most striking outcomes is Denizli's excessive shares, especially in the textiles industry. Yet, this notion is understated in most of the secondary sources on the economic history of Turkey. Although other provinces which followed the same pattern are equally important, for the terms of this study, Denizli will be the only case study to be elaborated. In this way, a clearer perspective is sought on the findings on Denizli by examining the historical, geographic and economic roots of those statistics more extensively.

The example of Denizli supports the main assertions of this study. The essence of artisanal handloom weaving can be observed explicitly in Denizli. Small-scale textile industry was naturally made on handlooms in Turkey, and Denizli historically had a significant share in it. In 1937, there were approximately 35.000 handlooms in Turkey; Denizli's share in this was an estimated 18,5 percent with 6.500 handlooms.¹¹¹

The main source of this section on the topic of small-scale textile industry of Denizli will and must be Halûk Cillov's 1949 book, *Denizli El Dokumacılığı Sanayii* as mentioned above in a different context. Cillov made an extensive field research by conducting a survey with 137 weavers. He also gathered all possible official data about Denizli together.

¹¹¹ Cillov, *Denizli El Dokumacılığı Sanayii*, p. 20.

To begin with the structural reasons behind Denizli's specialization of textiles, geography played an important role. The towns of Buldan, Babadağ and Tavas and the Kadıköy village of Sarayköy town can be considered to be leading textile producing regions of Denizli, which are spread over the province, and located in places with certain distances from the city center. All of them have very limited cultivable areas.¹¹² In addition to that, this area has plenty of water which nourishes the cotton production and at the same time is significant in certain processes of weaving.¹¹³ This is a simple, yet the most reasonable explanation of the specialization of those areas in weaving.

Since it is geography which affects the economic activity of this region and lead it to specialization in weaving, the traces of it must have gone far back in history. Actually, the first signs go back to the Roman period. The previous name of Denizli region was *Ladik*, which phonetically comes from *Laodicea*, the ancient Roman city. The city was rebuilt and founded by Antiochus II Theos in 246 BC and named after his wife, Laodice. After that period it was taken first by the Attalid dynasty in 220 BC, and by the Roman Empire in 133 BC. In the empire, it is known that *Laodicea* was famous for its high-quality wool. It was the center of wool industry and a popular commercial city. There is also an inscription which mentions about the guilds and cloak-makers of *Laodicea*.¹¹⁴

The Ottoman state records mention weaving in Denizli. In an official order from 1714, some minimum standards were appointed for cloth manufacturing throughout Anatolia, including Buldan. In the yearbook (*salnâme*) of Aydın province

¹¹² Eşberk, *Türkiyede Köylü El Sanatlarının Mahiyeti ve Ehemmiyeti*, p. 89.

¹¹³ Cillov, *Denizli El Dokumacılığı Sanayii*, p. 29.

¹¹⁴ O. Zeki Avralıoğlu, *Buldan ve Yöresinin Tarihçesi* (Ankara: Önder Matbaacılık, 1997), p. 36; A. H. M. Jones, *The Cities of the Eastern Roman Provinces*, 2nd ed. (Oxford [Eng.]: Clarendon Press, 1971 [1937]), p. 74.

(including Denizli district), it is mentioned that coarse woolen cloth (*aba*), mottled cotton cloth (*alaca*), brace (*kuşak*) and breechcloth (*peştamal*) was produced in high quality in those regions.¹¹⁵

Hence, it can be said that textile manufacturing was exclusively implicit to Denizli's historical characteristics and its local culture. More historical evidence is needed. However, it would be the subject of a completely different study. Although further historical particularities are not within the limits of this study, that evidence can be used to interpret the high numbers that are observed for the period.

In the 1930s, Halûk Cillov worked to increase awareness about Denizli's importance in industry at the state level. As the main theme, the prominent aim of his book was to present the industrial activity made by the hand weavers of Denizli as a substantial value that had to be protected by tax adjustments and be regulated by legislative principles.

Aside from policy recommendations as such, Cillov put this kind of production into a theoretical perspective. He suggested that the economic organization of textiles manufacturing in Denizli could be described in three categories; Cottage industry, small industry, or collective workshop manufacturing. In cottage industry, artisans produced a certain amount of weaving for a specific merchant in their individual households. They lost their economic freedom at various levels. The only difference of small industry from this kind of production was that small producers had their economic freedom and did the manufacturing on entirely their own account. Lastly, a merchant could provide a workshop facility for different producers to come together as qualified workers.¹¹⁶

¹¹⁵ Avralıoğlu, *Buldan ve Yöresinin Tarihçesi*, p. 62; İbrahim Cavid, *Aydın Vilâyet Sâlnâmesi R. 1307. H. 1308*, Atatürk Kültür, Dil ve Tarih Yüksek Kurumu. Türk Tarih Kurumu Yayınları III-5 (Ankara: Türk Tarih Kurumu, 2010).

¹¹⁶ Cillov, *Denizli El Dokumacılığı Sanayii*, pp. 42, 43.

Although there are substantial regional differences throughout Denizli in adopted organizational types, Cillov indicated that the second one was the most common type of production among the producers. In addition to that, production usually was done inside households. This situation was also supported by the legal environment. The scope of the “income tax”, covered all the producers that worked in shops, rather than in their houses. Despite this, some producers opened shops until a new tax law under the name of “supreme income tax” was introduced in 1944. This forced producers to pay even higher amounts of taxes; hence, they choose to move their production back to their houses.¹¹⁷

Labour relations differed from one region to another. However, most frequently, weaving was a regular family business and a craft learned in childhood. The main labour force consisted of the members of the family. Apprentices were very rarely employed from outside of the house. Nearly 80 percent of producers were organized as family businesses.¹¹⁸ The nearest assistant of the master was usually his wife; their children also help them in certain stages of production. Yet, in Buldan, the formation of the labour process was different than Babadağ as mentioned before. 50 percent of the producers from Buldan used exterior apprentices, whereas in Babadağ, nearly everyone used household labour.¹¹⁹

In the process of weaving, two kinds of handlooms were used. The first one was a mounted loom, which was relatively cheap and unhealthy for the workers. The worker using this mounted loom needs to sit as his/her legs in a pit on the ground. The second type was a raised loom, which was timber-framed. This type was more

¹¹⁷ Ibid., p. 46.

¹¹⁸ Ibid., p. 48.

¹¹⁹ For comprehensive explanations on labour relations and regional comparisons between Babadağ and Buldan, see Nilgün Taşkın Karaçam, “Denizli Ekonomisi (1920-1980),” MA Thesis (Pamukkale Üniversitesi, 2006); Metin Özügür, *Anadolu’da Küresel Fabrikanın Doğuşu: Yeni İşçilik Örüntülerinin Sosyolojisi*, (İstanbul: Halkevleri, 2005).

convenient and more expensive than the other one. Raised looms were introduced only after 1936, but became widespread in a short time, especially in Babadağ.¹²⁰

A periodization in production processes and the situation of producers is possible. To begin with supplying, raw materials (yarn, most importantly) were mainly supplied by foreign countries such as Japan, India, Egypt and Italy. After state-run factories were established in 1930s, domestic sources began to be utilized, but it never led to a decrease in import numbers.¹²¹ Even after the tariff rate adjustments in 1929, in spite of a sharp increase in import taxes on both final products and raw materials,¹²² foreign yarn never lost its importance in Denizli's cloth production.¹²³ Still, it can be said that establishment of the state-run factories was a turning point for the use of local raw materials for the weavers of Denizli.

Another turning point for the weavers was the introduction of cooperatives. There were some initial formations in the early 1930s, but mainly in the years of the Second World War, within the difficulties on import and conscription of most of the labour power, the relative importance of Denizli weavers and demand for their products from the internal market substantially increased. On the other hand, scarcity of raw materials, led to a danger of black-marketing and exploitation by merchants. In order to avoid that, from 1939 the weavers in Denizli started to associate via establishing cooperatives. By 1939, there were 11 artisans cooperatives in Denizli, eight of them made up of weavers. Those cooperatives had 1.703 members.¹²⁴ After 1939, the government started to establish new cooperatives both to take direct

¹²⁰ Cillov, *Denizli El Dokumacılığı Sanayii*, pp. 56, 57.

¹²¹ Ibid., pp. 77,78.

¹²² An increase of 154% for cotton cloth, 121% for yarn.

¹²³ "Denizli," *Yurt Ansiklopedisi: Türkiye, İl İl Dünyü, Bugünü, Yarını*, v. 3 (Istanbul: Anadolu Yayıncılık, 1981), pp. 2164, 2165.

¹²⁴ Ağaoğlu, *Küçük Sanat Meseleleri*, p. 114.

precautions over the market in the conditions of war economy and to involve and regulate existing cooperatives.¹²⁵

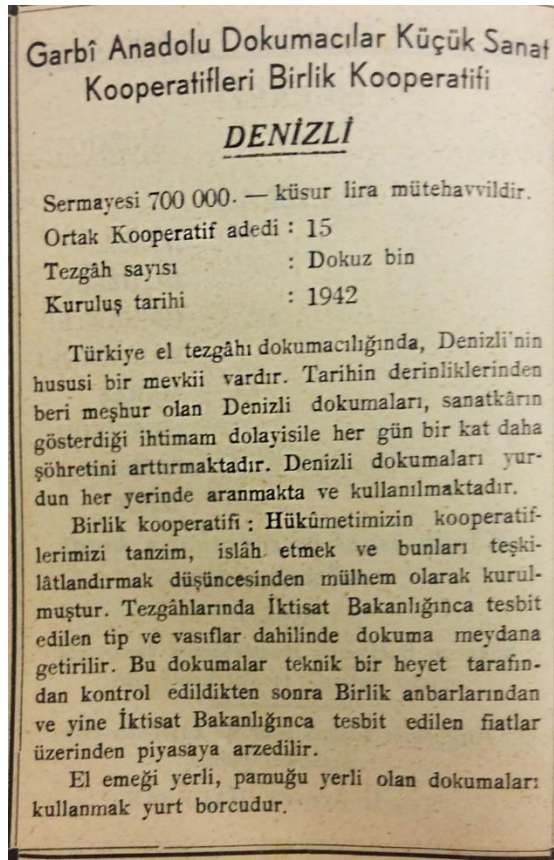


Figure 18: Advertisement for a governmental parent organization for individual weavers' cooperatives in Denizli, 1942

Source: F. Akçakoca Akça, *Küçük Denizli Tarihi*

This advertisement text from 1942 indicates that this organization aimed to improve the conditions and to increase the power of local cooperatives. It also concluded by reminding consumers that it was a national duty to use domestically produced fabric.

It is more explicit with this example that the government was very much aware of the significance of those local small producers in the weaving industry. This can be regarded as an inclusion policy which is a highly rational attempt in difficult

¹²⁵ Cillov, *Denizli El Dokumacılığı Sanayii*, p. 92.

economic circumstances to regulate and exalt the existing small-producer base. This is also a very good example of the flexibility of those small-scale units in time of crisis.

Although Denizli is a special case in many aspects, the dominant characteristics of small-scale industry that have been emphasized several times in this study, are vivid in this case. First of all, the structure is rooted very deeply in the local history and culture. Secondly, during the years in which large-scale industry grew rapidly, those units did not lose power; on the contrary, they became more and more widespread and co-existed with the medium and large-scale industry. And last, in times of crisis, they became one of the primary producers of the economy and thus were regarded as legitimate structures by the government.

Table 1: Numbers and Shares of Industrial Population in Turkey, 1927

Provinces	Industrial Population	Total Gainfully Occupied Population	Share of Industrial Population in Gainfully Occupied Population in Province (%)	Share of Industrial Population in Total Industrial Population of Turkey (%)
Istanbul	52.856	265.813	19,88	17,65
Izmir	24.162	199.329	12,12	8,07
Denizli	8.383	83.361	10,06	2,80
Manisa	14.435	149.292	9,67	4,82
Eskişehir	4.292	50.894	8,43	1,43
İsparta	4.636	57.771	8,02	1,55
Gaziantep	5.429	69.001	7,87	1,81
Aydın	6.523	85.530	7,63	2,18
Kayseri	5.608	73.713	7,61	1,87
Bursa	10.648	141.549	7,52	3,56
Kütahya	10.541	141.764	7,44	3,52
Edirne	3.639	49.107	7,41	1,22
Çanakkale	4.324	59.604	7,25	1,44
Kırşehir	2.145	30.107	7,12	0,72
Seyhan	7.328	104.966	6,98	2,45
İçel	4.621	66.615	6,94	1,54
Balıkesir	10.839	164.917	6,57	3,62
Mardin	3.175	48.333	6,57	1,06
Urfa	3.177	52.960	6,00	1,06
Maraş	3.295	56.968	5,78	1,10
Konya	10.132	175.898	5,76	3,38
Ankara	9.931	176.154	5,64	3,32
Burdur	2.046	40.056	5,11	0,68
Muğla	3.671	74.475	4,93	1,23
Tekirdağ	2.435	49.628	4,91	0,81
Amasya	2.141	43.722	4,90	0,72
Niğde	3.906	79.882	4,89	1,30
Kırklareli	1.796	38.248	4,70	0,60
Malatya	4.899	108.461	4,52	1,64
Diyarbakir	2.388	53.983	4,42	0,80
Antalya	3.715	84.184	4,41	1,24
Çorum	3.213	73.561	4,37	1,07
Çoruh	4.006	96.327	4,16	1,34
Kocaeli	4.818	122.795	3,92	1,61
Afyon Karahisar	4.124	110.699	3,73	1,38
Siirt	950	25.898	3,67	0,32
Zonguldak	4.674	136.298	3,43	1,56
Samsun	4.615	135.258	3,41	1,54
Bolu	3.062	95.584	3,20	1,02
Bilecik	1.478	47.758	3,09	0,49
Tokat	3.822	125.460	3,05	1,28
Elaziz	2.162	72.332	2,99	0,72
Kastamonu	4.784	175.217	2,73	1,60
Erzurum	2.634	97.340	2,71	0,88
Erzincan	1.201	45.704	2,63	0,40
Ağrı	752	31.030	2,42	0,25
Trabzon	2.923	129.097	2,26	0,98
Muş	535	24.822	2,16	0,18
Gümüşane	959	45.511	2,11	0,32
Çankırı	1.431	75.333	1,90	0,48
Sivas	2.789	147.269	1,89	0,93
Van	470	26.706	1,76	0,16
Giresun	2.152	138.475	1,55	0,72
Sinop	1.437	100.451	1,43	0,48
Yozgat	1.099	78.704	1,40	0,37
Ordu	1.355	115.078	1,18	0,45
Kars	826	80.087	1,03	0,28
GRAND TOTAL	299.387	5.229.079	5,73	100,00

Table 2: Numbers and Shares of Industrial Population in Turkey, 1935

Provinces	Industrial Population	Total Gainfully Occupied Population	Share of Industrial Population in Gainfully Occupied Population in Province	Share of Industrial Population in Total Industrial Population of Turkey (%)
Istanbul	95.203	337.431	28,21	14,52
Izmir	50.986	257.276	19,82	7,78
Denizli	23.879	147.979	16,14	3,64
İsparta	12.238	81.029	15,10	1,87
Zonguldak	24.101	181.306	13,29	3,68
Seyhan	19.668	168.129	11,70	3,00
Manisa	24.925	216.965	11,49	3,80
Aydın	13.859	125.204	11,07	2,11
Eskişehir	9.413	85.247	11,04	1,44
Kayseri	14.398	136.191	10,57	2,20
İçel	11.590	110.097	10,53	1,77
Burdur	5.290	51.047	10,36	0,81
Ankara	26.635	269.395	9,89	4,06
Muğla	9.223	94.262	9,78	1,41
Gaziantep	12.116	124.455	9,74	1,85
Kırşehir	5.781	60.767	9,51	0,88
Bursa	20.305	215.075	9,44	3,10
Amasya	5.954	64.417	9,24	0,91
Malatya	16.985	190.070	8,94	2,59
Diyarbakir	7.003	84.974	8,24	1,07
Kütahya	14.894	190.972	7,80	2,27
Çanakkale	7.881	109.557	7,19	1,20
Balıkesir	17.042	241.275	7,06	2,60
Niğde	8.006	114.007	7,02	1,22
Siirt	2.665	38.745	6,88	0,41
Afyon Karahisar	11.142	162.051	6,88	1,70
Konya	18.628	271.410	6,86	2,84
Mardin	5.181	76.118	6,81	0,79
Edirne	6.267	92.839	6,75	0,96
Tekirdağ	6.768	101.644	6,66	1,03
Maraş	5.074	76.866	6,60	0,77
Antalya	7.375	119.993	6,15	1,12
Giresun	8.271	137.159	6,03	1,26
Kocaeli	10.873	183.149	5,94	1,66
Samsun	10.353	185.321	5,59	1,58
Kırklareli	5.317	98.245	5,41	0,81
Urfa	5.101	94.362	5,41	0,78
Sivas	12.971	242.938	5,34	1,98
Tokat	8.818	176.076	5,01	1,34
Elaziz	5.639	115.859	4,87	0,86
Bilecik	3.336	69.017	4,83	0,51
Kastamonu	9.459	220.068	4,30	1,44
Erzincan	3.105	72.788	4,27	0,47
Çorum	6.303	149.326	4,22	0,96
Çorum	5.417	133.201	4,07	0,83
Trabzon	6.468	191.226	3,38	0,99
Bolu	4.776	141.899	3,37	0,73
Muş	1.785	53.154	3,36	0,27
Erzurum	6.233	186.787	3,34	0,95
Van	1.840	55.161	3,34	0,28
Çankırı	3.018	104.741	2,88	0,46
Sinop	3.214	113.289	2,84	0,49
Ağrı	1.293	47.004	2,75	0,20
Gümüşane	2.285	85.627	2,67	0,35
Yozgat	2.977	137.655	2,16	0,45
Kars	3.521	166.590	2,11	0,54
Ordu	2.780	159.862	1,74	0,42
GRAND TOTAL	655.628	7.917.297	8,28	100,00

Table 3: Numbers and Shares of Industrial Population in Turkey, 1945

Provinces	Industrial Population	Total Gainfully Occupied Population	Share of Industrial Population in Gainfully Occupied Population in Province (%)	Share of Industrial Population in Total Industrial Population of Turkey (%)
Istanbul	109.698	436.370	25,14	16,45
Zonguldak	42.815	201.670	21,23	6,42
Denizli	23.726	116.758	20,32	3,56
Izmir	44.080	241.243	18,27	6,61
İsparta	11.811	68.697	17,19	1,77
Eskişehir	14.570	88.811	16,41	2,18
Aydın	16.907	104.288	16,21	2,54
Gaziantep	14.814	101.535	14,59	2,22
İçel	10.678	91.148	11,72	1,60
Burdur	6.187	53.424	11,58	0,93
Ankara	31.853	278.457	11,44	4,78
Manisa	20.197	180.045	11,22	3,03
Bursa	21.790	203.327	10,72	3,27
Kayseri	14.194	137.828	10,30	2,13
Seyhan	15.648	152.608	10,25	2,35
Kütahya	17.511	178.344	9,82	2,63
Amasya	5.951	61.365	9,70	0,89
Balıkesir	18.420	193.468	9,52	2,76
Malatya	14.285	157.875	9,05	2,14
Muğla	6.370	74.677	8,53	0,96
Elaziz	8.908	104.583	8,52	1,34
Antalya	7.082	96.844	7,31	1,06
Maraş	6.270	85.829	7,31	0,94
Konya	18.119	248.719	7,28	2,72
Urfa	6.464	89.450	7,23	0,97
Siirt	2.871	41.432	6,93	0,43
Kocaeli	13.652	202.658	6,74	2,05
Mardin	4.172	68.149	6,12	0,63
Niğde	6.126	106.816	5,74	0,92
Kırklareli	4.391	76.580	5,73	0,66
Diyarbakir	4.692	82.138	5,71	0,70
Kırşehir	2.852	52.531	5,43	0,43
Edirne	4.621	85.724	5,39	0,69
Tokat	7.848	152.577	5,14	1,18
Bilecik	2.763	53.897	5,13	0,41
Samsun	10.746	211.002	5,09	1,61
Tekirdağ	3.890	76.950	5,06	0,58
Çanakkale	7.387	148.138	4,99	1,11
Çoruh	7.218	147.821	4,88	1,08
Çorum	5.310	109.484	4,85	0,80
Afyon Karahisar	7.221	150.818	4,79	1,08
Bolu	5.795	125.517	4,62	0,87
Erzincan	2.693	64.256	4,19	0,40
Muş	2.731	70.086	3,90	0,41
Kastamonu	7.776	200.750	3,87	1,17
Sivas	8.739	226.140	3,86	1,31
Trabzon	7.452	193.129	3,86	1,12
Erzurum	6.185	170.596	3,63	0,93
Giresun	3.985	135.955	2,93	0,60
Çankırı	2.447	92.955	2,63	0,37
Gümüşane	1.842	79.941	2,30	0,28
Sinop	2.313	102.438	2,26	0,35
Kars	3.528	165.679	2,13	0,53
Yozgat	2.673	127.723	2,09	0,40
Van	1.174	64.044	1,83	0,18
Ordu	2.767	170.908	1,62	0,41
Ağrı	707	45.323	1,56	0,11
GRAND TOTAL	666.915	7.549.518	8,83	100,00

Table 4: Numbers and Shares of Weaving and Clothing Population in Turkey, 1935

Provinces	Weaving Industry (<i>Dokuma sanayii</i>)	Clothing Industry (<i>Elbise sanayii</i>)	Weaving and Clothing Total	Industrial Population	Total Gainfully Occupied Population	Share of Weaving and Clothing in Industrial Population (%)	Share of Weaving and Clothing in Total Gainfully Occupied Population in Province (%)	Share of Weaving and Clothing in Turkey Total (%)
Denizli	15.093	2.036	17.129	23.879	147.979	71,73	11,58	9,16
Isparta	5.365	2.147	7.512	12.238	81.029	61,38	9,27	4,02
Istanbul	3.913	18.914	22.827	95.203	337.431	23,98	6,76	12,20
Burdur	2.367	469	2.836	5.290	51.047	53,61	5,56	1,52
Kırşehir	2.656	555	3.211	5.781	60.767	55,54	5,28	1,72
Izmir	3.821	7.872	11.693	50.986	257.276	22,93	4,54	6,25
Gaziantep	3.484	2.150	5.634	12.116	124.455	46,50	4,53	3,01
Manisa	5.341	3.769	9.110	24.925	216.965	36,55	4,20	4,87
Kayseri	3.298	1.910	5.208	14.398	136.191	36,17	3,82	2,78
Aydın	2.354	2.403	4.757	13.859	125.204	34,32	3,80	2,54
Amasya	1.713	730	2.443	5.954	64.417	41,03	3,79	1,31
Malatya	4.540	2.350	6.890	16.985	190.070	40,57	3,62	3,68
Niğde	2.448	1.297	3.745	8.006	114.007	46,78	3,28	2,00
Bursa	2.470	4.000	6.470	20.305	215.075	31,86	3,01	3,46
Kütahya	3.359	2.243	5.602	14.894	190.972	37,61	2,93	3,00
Mardin	1.421	797	2.218	5.181	76.118	42,81	2,91	1,19
İçel	1.569	1.515	3.084	11.590	110.097	26,61	2,80	1,65
Maraş	906	1.092	1.998	5.074	76.866	39,38	2,60	1,07
Siirt	469	504	973	2.665	38.745	36,51	2,51	0,52
Urfa	832	1.491	2.323	5.101	94.362	45,54	2,46	1,24
Muğla	992	1.266	2.258	9.223	94.262	24,48	2,40	1,21
Konya	2.104	3.936	6.040	18.628	271.410	32,42	2,23	3,23
Seyhan	1.370	2.051	3.421	19.668	168.129	17,39	2,03	1,83
Eskişehir	261	1.352	1.613	9.413	85.247	17,14	1,89	0,86
Diyarbakir	513	937	1.450	7.003	84.974	20,71	1,71	0,78
Çanakkale	386	1.406	1.792	7.881	109.557	22,74	1,64	0,96
Kastamonu	2.249	1.196	3.445	9.459	220.068	36,42	1,57	1,84
Balıkesir	551	3.151	3.702	17.042	241.275	21,72	1,53	1,98
Antalya	659	1.131	1.790	7.375	119.993	24,27	1,49	0,96
Afyon Karahisar	682	1.614	2.296	11.142	162.051	20,61	1,42	1,23
Çoruh	479	1.447	1.926	6.303	149.326	30,56	1,29	1,03
Kocaeli	488	1.780	2.268	10.873	183.149	20,86	1,24	1,21
Van	312	364	676	1.840	55.161	36,74	1,23	0,36
Ankara	419	2.836	3.255	26.635	269.395	12,22	1,21	1,74
Çorum	424	1.146	1.570	5.417	133.201	28,98	1,18	0,84
Muş	109	510	619	1.785	53.154	34,68	1,16	0,33
Edirne	103	965	1.068	6.267	92.839	17,04	1,15	0,57
Elaziz	127	1.205	1.332	5.639	115.859	23,62	1,15	0,71
Tokat	674	1.304	1.978	8.818	176.076	22,43	1,12	1,06
Samsun	458	1.605	2.063	10.353	185.321	19,93	1,11	1,10
Zonguldak	228	1.618	1.846	24.101	181.306	7,66	1,02	0,99
Tekirdağ	127	898	1.025	6.768	101.644	15,14	1,01	0,55
Giresun	292	990	1.282	8.271	137.159	15,50	0,93	0,69
Erzincan	120	530	650	3.105	72.788	20,93	0,89	0,35
Trabzon	198	1.486	1.684	6.468	191.226	26,04	0,88	0,90
Ağrı	230	171	401	1.293	47.004	31,01	0,85	0,21
Erzurum	311	1.211	1.522	6.233	186.787	24,42	0,81	0,81
Bilecik	119	418	537	3.336	69.017	16,10	0,78	0,29
Bolu	58	1.037	1.095	4.776	141.899	22,93	0,77	0,59
Kırklareli	78	644	722	5.317	98.245	13,58	0,73	0,39
Sivas	402	1.368	1.770	12.971	242.938	13,65	0,73	0,95
Kars	405	676	1.081	3.521	166.590	30,70	0,65	0,58
Çankırı	140	464	604	3.018	104.741	20,01	0,58	0,32
Ordu	116	787	903	2.780	159.862	32,48	0,56	0,48
Sinop	63	519	582	3.214	113.289	18,11	0,51	0,31
Gümüşane	107	318	425	2.285	85.627	18,60	0,50	0,23
Yozgat	188	490	678	2.977	137.655	22,77	0,49	0,36
GRAND TOTAL	83.961	103.071	187.032	655.628	7.917.297	28,53	2,36	100,00

Table 5: Numbers and Shares of Weaving and Clothing Population in Turkey, 1945

Provinces	Weaving Industry (<i>Dokuma sanayii</i>)	Clothing Industry (<i>Elbise sanayii</i>)	Weaving and Clothing Total	Industrial Population	Total Gainfully Occupied Population	Share of Weaving and Clothing in Industrial Population (%)	Share of Weaving and Clothing in Total Gainfully Occupied Population in Province (%)	Share of Weaving and Clothing in Turkey Total (%)
Denizli	14.956	2.546	17.502	23.726	116.758	73,77	14,99	7,85
İsparta	5.744	2.270	8.014	11.811	68.697	67,85	11,67	3,59
İstanbul	12.090	23.182	35.272	109.698	436.370	32,15	8,08	15,82
Gaziantep	5.535	2.623	8.158	14.814	101.535	55,07	8,03	3,66
Aydın	5.463	2.914	8.377	16.907	104.288	49,55	8,03	3,76
Burdur	3.506	719	4.225	6.187	53.424	68,29	7,91	1,89
İzmir	5.302	8.673	13.975	44.080	241.243	31,70	5,79	6,27
Amasya	2.193	991	3.184	5.951	61.365	53,50	5,19	1,43
Malatya	5.926	2.228	8.154	14.285	157.875	57,08	5,16	3,66
Kayseri	4.444	2.391	6.835	14.194	137.828	48,15	4,96	3,06
Bursa	4.960	4.521	9.481	21.790	203.327	43,51	4,66	4,25
Kütahya	5.609	2.672	8.281	17.511	178.344	47,29	4,64	3,71
Manisa	3.592	4.221	7.813	20.197	180.045	38,68	4,34	3,50
İçel	2.106	1.629	3.735	10.678	91.148	34,98	4,10	1,67
Muğla	746	1.604	2.350	6.370	74.677	36,89	3,15	1,05
Seyhan	2.385	2.397	4.782	15.648	152.608	30,56	3,13	2,14
Urfa	1.046	1.580	2.626	6.464	89.450	40,63	2,94	1,18
Konya	2.292	4.884	7.176	18.119	248.719	39,60	2,89	3,22
Mardin	1.052	767	1.819	4.172	68.149	43,60	2,67	0,82
Maraş	810	1.318	2.128	6.270	85.829	33,94	2,48	0,95
Balıkesir	498	4.275	4.773	18.420	193.468	25,91	2,47	2,14
Niğde	637	1.550	2.187	6.126	106.816	35,70	2,05	0,98
Eskişehir	164	1.579	1.743	14.570	88.811	11,96	1,96	0,78
Kastamonu	2.484	1.449	3.933	7.776	200.750	50,58	1,96	1,76
Antalya	574	1.310	1.884	7.082	96.844	26,60	1,95	0,84
Siirt	387	404	791	2.871	41.432	27,55	1,91	0,35
Diyarbakır	494	1.042	1.536	4.692	82.138	32,74	1,87	0,69
Çorum	380	1.570	1.950	5.310	109.484	36,72	1,78	0,87
Ankara	341	4.417	4.758	31.853	278.457	14,94	1,71	2,13
Kocaeli	1.218	2.024	3.242	13.652	202.658	23,75	1,60	1,45
Afyon Karahisar	608	1.769	2.377	7.221	150.818	32,92	1,58	1,07
Erzincan	472	531	1.003	2.693	64.256	37,24	1,56	0,45
Bilecik	195	549	744	2.763	53.897	26,93	1,38	0,33
Çoruh	709	1.278	1.987	7.218	147.821	27,53	1,34	0,89
Edirne	39	1.086	1.125	4.621	85.724	24,35	1,31	0,50
Kırşehir	96	587	683	2.852	52.531	23,95	1,30	0,31
Trabzon	654	1.826	2.480	7.452	193.129	33,28	1,28	1,11
Tekirdağ	32	955	987	3.890	76.950	25,37	1,28	0,44
Elaziz	125	1.204	1.329	8.908	104.583	14,92	1,27	0,60
Samsun	544	2.057	2.601	10.746	211.002	24,20	1,23	1,17
Tokat	348	1.486	1.834	7.848	152.577	23,37	1,20	0,82
Çanakkale	251	1.502	1.753	7.387	148.138	23,73	1,18	0,79
Bolu	103	1.377	1.480	5.795	125.517	25,54	1,18	0,66
Kırklareli	23	811	834	4.391	76.580	18,99	1,09	0,37
Zonguldak	85	1.955	2.040	42.815	201.670	4,76	1,01	0,91
Giresun	281	1.059	1.340	3.985	135.955	33,63	0,99	0,60
Muş	95	416	511	2.731	70.086	18,71	0,73	0,23
Erzurum	125	1.102	1.227	6.185	170.596	19,84	0,72	0,55
Sinop	42	667	709	2.313	102.438	30,65	0,69	0,32
Sivas	164	1.401	1.565	8.739	226.140	17,91	0,69	0,70
Çankırı	128	485	613	2.447	92.955	25,05	0,66	0,27
Ordu	68	831	899	2.767	170.908	32,49	0,53	0,40
Yozgat	52	601	653	2.673	127.723	24,43	0,51	0,29
Gümüşane	69	319	388	1.842	79.941	21,06	0,49	0,17
Van	81	218	299	1.174	64.044	25,47	0,47	0,13
Kars	73	635	708	3.528	165.679	20,07	0,43	0,32
Ağrı	38	121	159	707	45.323	22,49	0,35	0,07
GRAND TOTAL	102.434	120.578	223.012	666.915	7.549.518	33,44	2,95	100,00

Table 6: Original Codes and Professions Deriving from the 1935 Census

Original Code	Professions in Turkish	Translation
B.8	Dokuma sanayii	Weaving Industry
B.8.1	Pamuk sanayii (hazırlama, bükme, yıkama, örme ve laski ve boyama)	Cotton Industry (preparing, spinning, washing, dyeing and knitting)
B.8.2	Yün sanayii (ayni işler)	Wool Industry
B.8.3	İpek sanayii (ayni işler)	Silk Industry
B.8.4	Pamuk, yün ve ipek sanayii (bir arada ve ayni işler)	Cotton, Wool and Silk Industry
B.8.5	Halı sanayii	Carpet Industry
B.8.6	Keten, kenevir ve jüt (Hint keneviri) sanayii	Linen, Hemp and Jute Industry
B.8.7	İşlemecilik, sırmacılık, şerit, kaytan ve dantela imalâtı	Embroidery, Thread, Ribbon, Cord and Lace production
B.8.8	Saire	Others
B.12	Elbise sanayii	Clothing Industry
B.12.1	Elbise imalâtı	Clothes Manufacturing
B.12.2	Çamaşır, gömlek, kravat, korsa, kemer imalâtı	Underwear, Shirt, Tie, Corset and Belt Manufacturing
B.12.3	Şapkacılık ve kasket imalâtı	Millinery and Hats Manufacturing
B.12.4	Kürkçülük	Furriery
B.12.5	Trikotaj, çorapçılık	Knitwear, Hosiery
B.12.6	Kundura imal ve tamiri	Shoemaking and Repair
B.12.7	Baston ve şemsiye imalâtı	Walking Stick and Umbrella Manufacturing
B.12.8	Çamaşırcılık, elbise temizleme ve ütölemesi	Laundry, Clothes Cleaning and Ironing
B.12.9	Saire	Others

Table 7: Weaving and Clothing Sub-Sectoral Clusters of 20 Provinces that Have the Biggest Share in Weaving and Clothing Industry, 1935

	Others (Weaving), Millinery and Hats Manufacturing, Furriery, Walking Stick and Umbrella Manufacturing, Laundry, Clothes Cleaning and Ironing	Silk Industry	Knitwear, Hosiery	Linen, Hemp and Jute Industry	Cotton Industry (preparing, spinning, washing, dyeing and knitting), Embroidery, Thread, Ribbon, Cord and Lace production, Clothes Manufacturing, Underwear, Shirt, Tie, Corset and Belt Manufacturing, Shoemaking and Repair, Others (Clothing)	Cotton, Wool and Silk Industry	Wool Industry	Carpet Industry	TOTAL
Ankara , Istanbul , Seyhan	70,2	2,7	40,7	6,8	32,4	11,4	1,9	1,4	21,7
Bursa	3,7	77	16,5	1,7	5,2	3,5	1,8	0,3	4,7
Balıkesir , İzmir	12	2	10,2	24,2	17,6	5,2	2,8	1,2	11,3
Kastamonu	0,4	8,3	1,6	26	1,8	2,7	0,5	0	2,5
Aydın	1	0,2	0,8	18,8	3,8	3	3,7	0,1	3,5
İçel	1,7	2,2	0,3	0,3	3	1,9	3,7	0,1	2,2
Konya	3,2	0,1	4,8	0,5	5,7	2,8	2,4	4,9	4,4
Gaziantep , Kütahya , Malatya	2,5	2,4	6,1	6,4	11,3	22,2	15,9	12,2	13,3
Burdur	0,1	0,2	0,2	2,6	0,7	6,9	2,5	0,1	2
Kayseri	1,5	0,4	0,2	0,4	3	4,5	1,5	9,5	3,8
İsparta , Manisa	1,4	2,7	9,6	4,7	9	9,7	5,5	37,8	12,2
Niğde	0,7	0,3	0,8	0,6	2	0,3	1,8	11,2	2,7
Denizli	0,8	0,5	7	6,4	3	24,8	55	6,7	12,6
Kırşehir	0,2	0,1	0,3	0	0,8	0,2	0,4	13,7	2,3
TOTAL	100	100	100	100	100	100	100	100	100

Table 8: Employment Numbers of Companies Benefited from Industry Encouragement Act by Provinces

Provinces	Total Number of Employees and Managers that are Working in Companies Benefited from Industry Encouragement Act
Istanbul	18.633
Zonguldak	11.047
Izmir	10.047
Seyhan	4.101
İçel	3.456
Kütahya	2.532
Balıkesir	2.163
Eskişehir	1.965
Sinop	1.807
Bursa	1.693
Kocaeli	1.110
Kırklareli	1.094
Ankara	945
Manisa	787
Aydın	773
Konya	447
Samsun	428
Ordu	364
Trabzon	334
Bilecik	327
Gaziantep	302
Çanakkale	299
Muğla	232
Giresun	176
Tekirdağ	165
Bolu	160
Edirne	154
Kayseri	151
İsparta	137
Tokat	135
Diyarbakir	130
Denizli	111
Urfa	98
Amasya	97
Antalya	77
Çoruh	72
Kastamonu	62
Çankırı	59
Afyon Karahisar	53
Çorum	50
Sivas	46
Maraş	39
Mardin	30
Niğde	26
Elaziz	23
Siirt	18
Erzincan	17
Ağrı	15
Gümüşane	13
Malatya	12
Van	12
Erzurum	11
Kars	7
Burdur	6
Yozgat	6
Kırşehir	0
Muş	0
GRAND TOTAL	67.054

Table 9: Chronological Order of the Factories that are Built and Opened in Accordance with the first five-year industrialization plan until 1935

Date ¹²⁶	Establishment
December 5, 1933	Eskişehir Sugar Factory
July 16, 1934	Bursa Milk Powder Factory
August 13, 1934	Bakırköy Cloth Factory
August 14, 1934	İzmit Paper Factory
August 15, 1934	Zonguldak Stone Coal Factory
October 19, 1934	Turhal Sugar Factory
October 30, 1934	Keçiborlu Sulphur Factory
October 30, 1934	Isparta Rose Oil Factory
September 16, 1935	Kayseri Cloth Factory
November 29, 1935	Paşabahçe Bottle and Glass Factory

Table 10: Employment Numbers in Provinces of Companies Benefited from Industry Encouragement Act in Weaving and Clothing Industry (*Sanayi-i Nesciye*)

Provinces	Number of Employees and Managers that are Working in Companies Benefited from Industry Encouragement Act in Weaving and Clothing Industry
Istanbul	6.415
Izmir	3.539
Bursa	1.259
İçel	1.204
Kocaeli	649
Seyhan	626
Kütahya	393
Konya	254
Gaziantep	180
Ankara	171
Manisa	158
Kayseri	116
Tokat	91
Balıkesir	51
Sivas	31
Çorum	9
Zonguldak	8
Çanakkale	5
GRAND TOTAL	15.159

¹²⁶ Hakan Toy, *Kronolojik Türkiye Cumhuriyeti Tarihi*, (İstanbul: Karma kitaplar, 2007).

Table 11: Population of Provincial Centers (Population of Settlements that Have More than 10.000 Inhabitants) and Their Percentages, 1935

Provinces	Provincial Center	Total Population	Provincial Center (%)
Istanbul	755.833	883.414	85,56
Izmir	286.015	596.078	47,98
Eskişehir	56.607	182.961	30,94
Gaziantep	87.390	283.616	30,81
Bursa	133.155	441.663	30,15
Edirne	55.440	184.801	30,00
Manisa	122.929	425.038	28,92
Ankara	153.804	538.669	28,55
Seyhan	110.284	387.009	28,50
Urfa	63.982	229.201	27,92
Kırklareli	46.869	172.344	27,20
Amasya	32.345	128.497	25,17
Tekirdağ	48.559	193.537	25,09
İsparta	40.966	164.256	24,94
Çanakkale	54.476	223.225	24,40
Diyarbakir	51.551	214.871	23,99
Kayseri	71.867	312.469	23,00
İçel	61.388	271.914	22,58
Burdur	20.181	96.152	20,99
Balıkesir	99.218	482.261	20,57
Maraş	38.276	189.570	20,19
Samsun	68.220	338.014	20,18
Konya	114.339	570.992	20,02
Niğde	48.716	247.592	19,68
Aydın	49.436	260.749	18,96
Siirt	24.193	127.728	18,94
Mardin	42.531	226.030	18,82
Kocaeli	59.498	335.492	17,73
Antalya	42.314	241.569	17,52
Malatya	70.699	411.513	17,18
Tokat	53.167	310.152	17,14
Afyon Karahisar	50.065	299.794	16,70
Muğla	32.583	197.069	16,53
Van	23.327	142.672	16,35
Çorum	45.549	286.751	15,88
Kütahya	55.378	349.005	15,87
Elaziz	39.875	253.693	15,72
Kırşehir	22.547	145.676	15,48
Sivas	67.140	435.630	15,41
Denizli	43.345	286.365	15,14
Bilecik	18.134	125.417	14,46
Erzincan	22.947	158.383	14,49
Kars	44.312	306.444	14,46
Muş	20.742	143.527	14,45
Zonguldak	43.189	321.246	13,44
Giresun	33.678	259.673	12,97
Erzurum	46.447	386.428	12,02
Ağrı	12.152	106.727	11,39
Kastamonu	39.335	361.671	10,88
Trabzon	39.135	359.791	10,88
Gümüşane	16.846	162.921	10,34
Bolu	24.614	254.254	9,68
Çoruh	23.250	270.688	8,59
Çankırı	14.630	177.734	8,23
Yozgat	21.629	262.268	8,25
Sinop	14.670	192.150	7,63
Ordu	19.975	283.340	7,05
GRAND TOTAL	3.799.742	16.200.694	23,45

Table 12: Population of Provincial Centers (Towns that Have the Same Name as Their Provinces) and Their Percentages, 1945

Provinces	City Population	Total Population	City Population (%)
Istanbul	799.856	1.078.399	74,17
Eskişehir	80.030	244.251	32,77
Ankara	226.712	695.526	32,60
Izmir	198.396	673.581	29,45
Seyhan	100.780	418.740	24,07
Gaziantep	62.873	290.058	21,68
Bursa	85.919	491.899	17,47
Diyarbakir	41.087	249.949	16,44
Kayseri	57.864	370.089	15,64
Edirne	29.439	198.271	14,85
Urfa	36.350	263.855	13,78
Erzurum	50.875	395.876	12,85
Maraş	33.104	261.550	12,66
Siirt	16.210	133.627	12,13
İçel	33.148	279.484	11,86
Burdur	14.377	125.792	11,43
İsparta	17.292	172.543	10,02
Van	16.411	164.260	9,99
Malatya	41.530	428.660	9,69
Samsun	38.725	407.541	9,50
Sivas	44.856	490.493	9,15
Amasya	13.344	147.870	9,02
Antalya	25.037	278.178	9,00
Konya	58.457	661.877	8,83
Elaziz	25.335	288.527	8,78
Kırşehir	13.783	157.565	8,75
AfyonKarahisar	29.030	335.609	8,65
Zonguldak	32.978	383.481	8,60
Kırklareli	14.412	178.203	8,09
Mardin	18.522	234.457	7,90
Muş	17.435	230.159	7,58
Trabzon	29.824	395.384	7,54
Çankırı	14.680	197.356	7,44
Erzincan	12.573	171.868	7,32
Tekirdağ	14.780	202.606	7,29
Çanakkale	22.869	317.254	7,21
Kocaeli	28.352	416.058	6,81
Manisa	32.079	472.789	6,79
Çorum	20.307	312.723	6,49
Balıkesir	33.894	524.748	6,46
Ağrı	8.605	133.504	6,45
Denizli	20.162	315.934	6,38
Aydın	18.504	294.407	6,29
Tokat	20.078	340.749	5,89
Kars	22.360	381.176	5,87
Muğla	12.319	220.678	5,58
Çoruh	18.172	331.257	5,49
Kütahya	19.849	384.625	5,16
Giresun	12.431	283.626	4,38
Yozgat	11.576	287.371	4,03
Niğde	11.855	296.584	4,00
Kastamonu	13.869	385.410	3,60
Bilecik	4.661	136.053	3,43
Ordu	10.346	333.008	3,11
Bolu	7.214	276.367	2,61
Sinop	4.995	205.276	2,43
Gümüşane	3.894	190.130	2,05
GRAND TOTAL	2.704.415	18.537.311	14,59

CHAPTER 5: CONCLUSION

This study conceptualized the small-scale industry by examining the economic history literature and by using datasets that had not been used from this perspective before. It is clear that in economic history-writing, the significance of small-scale industry is far from having been properly discussed. One of the main reasons for this is that historically it is almost impossible to calculate the actual contribution of small-scale establishments to the entire industrial production. There is also an implicit political motive behind the tendency of regarding the large-scale factories as the only possible places for industrial production. This view categorically excludes small-scale industry. However, small-scale production shows important characteristics of economic structures.

Throughout the literature survey that was undertaken in this study, it was seen that issues related to the small-scale industry are usually discussed in terms of political history and there is a boundary between political and economic history. In order to examine the reflections of small-scale industry to the economy, the introduction of new datasets with a long-term perspective is needed. In accordance with this purpose, first, the existing literature on Turkish history and on Europe's history of industrialization was examined. After that, occupational data from the national censuses were analyzed. Within the limits of this study, the covered period was short, but an effort was made to approach them in a long-term perspective.

In the first chapter, Turkey's years of protectionism (1929-1939) and years of war economy (1939-1945) were put in historical context. The following arguments were made on Turkey's economic policies, and the effectiveness of those policies. Etatism was the main theme for those years. It has been a preeminent discussion

subject for the thinkers of the period and by the contemporary historians. It was argued and supported with numbers that etatism alone does not provide a sufficient category to describe 1930s. Protectionism, on the other hand, was applied and succeeded in many ways. Seeing that the weaknesses of the etatism narrative generates a gap, and also there is a literature growing and questioning the actual power of government policies on the structure of economy, a different way of explanation for those years was adopted.

The second chapter, discussed theoretical readings regarding the idea and processes of industrialization. At first, it was argued and supported by different examples that the analysis methods that use aggregate numbers as their main source are usually biased. It was also seen in this chapter that the notion of industrialization cannot be understood completely by looking at those aggregate numbers and it cannot be fit into a certain theme of factory industrialization. Writers such as R. C. Allen and M. Berg were revisited in the discussion on this understanding. As a consequence, this chapter proposed that industrialization is an intricate process that cannot be comprehended by looking into a set of fixed circumstances. Different trajectories must be treated differently.

Following this way of thinking, the third chapter got into more specific considerations on Turkey's industrialization process and on the theorization of small-scale industry. First of all, the concept of small-scale industry and its necessity were discussed around some important inter-disciplinary approaches. Thinkers such as D. Massey and M. Güvenç highlight the idea that the industrial production cannot be explained as a linear process. There are a set of relations and long-term networks in the background. And the small-scale units operate in economy within those relations and networks. For the Ottoman period, the discussion on the production activities of

small-scale industry was focused on the de-industrialization theme. The unique idea that these studies purport is also that these small-scale production units were involved in some networks. It is also seen that there is a rupture in those studies within the transition to the Republican era. For the twentieth century, R. Owen's article regarding the cases of Egypt and Lebanon were quite important and inspiring for this study as it theorizes the interrelationship between large and small-scale industry in the years of protectionism.

Based upon those theoretical considerations, in the fourth chapter, the situation in Turkey between 1927 and 1945 was examined via its occupational structure. The method was to put the occupational concentrations and the available data on medium and large-scale industry together to observe the provinces that had high shares in the total industrial population and to see if these concentrations can or cannot be explained with medium and large-scale industry. The same exercise was also applied to textile industry for 1935 and 1945. The results were very much in accordance with the preliminary estimations. Most strikingly, some Anatolian provinces remained as centers of industrial occupations as they also had significant weaving and clothing population without having any traces of any kind of medium or large-scale industry.

Denizli is unquestionably important regarding its shares in the total weaving and clothing population. However, it was overlooked by the state and did not have any kind of big investments. Gaziantep, Kütahya and Manisa were similar. Malatya, on the other hand, had large amount of state investment in 1936. Thus, small-scale industry may either exist outside of the state control, or it may lead to investment decisions.

As the final section, Denizli was examined more deeply by delving into the secondary literature. It is seen that the roots of textile industry in Denizli can be dated back to the ancient times. Also, especially in the years of crisis, those units did not lose power, instead, they strengthened. The continuous nature of small-scale industry and the manufacturing culture that is innate to its locality shows itself vividly in this example. It is seen that in spite of all political ruptures in the history, small-scale industry offers a continuity. This way of looking leads the way to ask new questions on the nature of Turkey's industrialization process.

Another significant observation about those results is that there is an obvious need to conduct more detailed researches regarding the history of the economic geography of Anatolia, of especially those provinces which have significant amounts of small-scale industry. Only in this way, can studies comprehend the industrialization processes in the urban or rural settings of Anatolia. For instance, a detailed geographical analyze would allow us to see how they interact and how they compete with large-scale industry or how they were positioned against them. Within the growing possibilities of research techniques, it is getting more possible to analyze the interrelationship among variable features of the data at the same time via multiple correspondence analyses. Furthermore, the results can be mapped more deeply and accurately with the GIS (Geographical Information System) technology. In this way, data from censuses and the archival materials can be utilized more efficiently to create long-term series. In this regard, this study can be regarded as a preliminary step of a bigger project.

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