

The Impact of Corporatisation on the Ottoman Economy: Trade and Industry Oriented Approach

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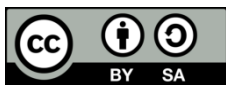
ABSTRACT

Joined companies (*Anonim Şirketi*) are an important sign that the Ottoman Empire was beginning to participate in the global economic process at that time. This was influenced by the industrial revolution and developments in production technology from the west. As part of the reforms of the Tanzimat period led by Sultan Abdülmecid, the Ottoman Empire tried to adopt this new production approach instead of preserving traditional production methods. Therefore, the aim of this study is to analyse the influence of companies in the post-Tanzimat reform period in more depth. As a historical approach, trade development and western industrial orientation in that period will be analysed. The research method used is qualitative, with data collected from various sources and analyzed through descriptive analysis. The findings show that the influence of foreign capital and the establishment of foreign firms such as banks and infrastructure companies had a significant impact on the Turkish economy. However, the economic stability of the Ottoman Empire depended on the trade independence of the companies at that time. Although the potential in that region was very high, it was restricted by the companies established by western powers and the purchase of cheap raw materials from the local population. Moreover, at the beginning of the reform, trade competition still favoured the west, as the local population lacked technological knowledge and skills and had difficulty competing with foreign merchants.

ABSTRAK

Perusahaan gabungan (*Anonim Şirketi*) merupakan sebuah penanda bahwa Kekaisaran Turki Usmani mulai berpartisipasi dalam proses ekonomi global pada saat itu. Hal ini dipengaruhi oleh revolusi industri dan perkembangan teknologi produksi dari barat. Sebagai bagian dari reformasi periode Tanzimat yang dipimpin oleh Sultan Abdülmecid, Kesultanan Utsmaniyah mencoba untuk mengadopsi pendekatan produksi baru ini alih-alih mempertahankan metode produksi tradisional. Oleh karena itu, tujuan dari penelitian ini adalah untuk menganalisis pengaruh koorporatisasi pada periode reformasi pasca-Tanzimat secara lebih mendalam. Sebagai pendekatan historis, perkembangan perdagangan dan orientasi industri barat pada periode tersebut akan dianalisis. Metode penelitian yang digunakan ialah kualitatif dengan mengumpulkan data dari berbagai sumber dan melakukan analisa secara deskriptif analisis. Hasil penelitian menunjukkan bahwa pengaruh modal asing dan pendirian perusahaan-perusahaan asing seperti bank dan perusahaan infrastruktur memberikan dampak yang signifikan terhadap perekonomian Turki. Namun, stabilitas ekonomi Kekaisaran Turki Usmani bergantung pada kemandirian perdagangan perusahaan-perusahaan pada saat itu. Meskipun potensi di wilayah tersebut sangat tinggi, namun dibatasi oleh perusahaan-perusahaan yang didirikan oleh kekuatan Barat dan pembelian bahan baku murah dari penduduk lokal. Selain itu, pada awal reformasi, persaingan perdagangan masih berpihak pada barat, karena penduduk lokal tidak memiliki pengetahuan dan keterampilan teknologi dan mengalami kesulitan untuk bersaing dengan pedagang asing.

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1. INTRODUCTION

Before the Tanzimat period, there were events in the 18th century that caused the Ottoman Empire to undergo transformations in various aspects. The Industrial Revolution in Europe had a direct impact on the Ottoman economy at that time. The empire had a strong military and financial structure to maintain its power in its territories; during this period, the process began with the establishment of factories and workshops (Bahattin Keleş, 2021). The Ottoman Empire began to show interest in modernization not only in military industries but also in the development of high technology. At that time, factory installations began, and many machines, materials, and experts were brought in from abroad (Bahattin Keleş, 2021).

According to Acar, (1992), before the reform era in the 16th century, the economy and land system were controlled by the state. The regime granted land to the people to be managed through the *timar system*, and there were other systems in trade before it transformed into heavy industrialization, such as *lonca* and *esnek*. The *timar system* focused on land management and taxation by military officials or individuals granted management rights by the state. Meanwhile, *lonca* was a professional organization that regulated handicrafts and trade, overseeing the quality and prices of goods. *Esnek* was a smaller and more flexible group of traders, aimed at facilitating the trade of goods at local or regional levels (Ş. Pamuk, 2009).

Due to the strong pressures from the West, the Ottoman Empire began to engage in the era of modernization. It was influenced by the economic power of the West, which stemmed from the Industrial Revolution in France and England, and spread to the Islamic world. Technological advancements such as production machines, improvements in administration, and the development of corporate systems, which were more efficient compared to the traditional systems of the time, had a significant impact on the economy. Politically, the West also influenced modernization through capitalism and the socio-structural systems present in all of Europe.

In addition, the government's centralized control over the military, agriculture, and mining sectors led to industrialization occurring in the form of specific factories and in certain cities. This situation reduced technological productivity in industry and caused it to remain confined to narrow areas and take the form of craft organizations. Another factor was that the private sector gradually surrendered its power to central authorities, which led to an approach toward industrialization (Kaya, 2022).

However, initially, in the Ottoman Empire, modernization was not formed through social-economic factors but rather through military strengthening (Çolak, 2024). As stated by Acar, (1992), while the West had already begun the Renaissance and economic development, the Ottoman Empire had not yet moved toward change. This was because Ottoman production technology did not develop and could not meet the demands of Europe. The Ottomans did not have the advantages that Europe had, such as cheap and abundant raw

materials from their colonies. Europe also had an abundance of gold and money, which the Ottomans lacked. As a result, Ottoman traders preferred to sell raw materials rather than finished goods (Acar, 1992).

The Tanzimat period is also known as the era of reform in the history of the Ottoman Empire, marked by several key developments such as the influence of legal changes and economic administrative reforms at that time. Trade laws, bureaucratic renewal, and administrative reforms played a significant role in transforming the Ottoman Empire into a more modern and liberalized state across various aspects.

During the Ottoman Empire, companies began to be established, which boosted economic activities. The growth of trade and industry increased competition both in local and international markets. Companies enhanced production and created job opportunities by using resources more efficiently. This process transformed the economic dynamics and contributed to the modernization of the Ottoman economy.

According to Ş. Pamuk, (2018b), in 1830, trade between the Ottoman Empire and England showed a significant impact with the signing of several trade agreements. Then, with the influx of foreign capital from Europe in 1850, significant developments occurred in trade, and the Ottoman Empire began to specialize in the production of raw materials and food for the global market (Yıldız, 2007).

However, even before the Tanzimat period, there were private companies in the Ottoman Empire established during the reigns of Sultan Selim III and Mahmud II. However, these industries were not yet strong and only produced handmade crafts using traditional methods, making them weak in facing European industrialization. In addition, many companies were oriented toward military needs and were affiliated with the government (Cüneyt Uzun, 2019).

In addition to England, the Ottoman Empire also signed trade agreements with France to conduct the export-import of raw materials to Europe, while also receiving high-quality goods from the Industrial Revolution at low prices (Sükan, 2014). After the England Revolution, France spread capitalism starting from the periphery. Then, in 1838, foreign investment from England began, with capital being invested in various companies, including those in transportation, raw materials, and other sectors, with the aim of increasing domestic productivity (Toraman & Taştan, 2021)

Another aspect that the author focuses on is how foreign investments entered Türkiye in the 19th century, which encouraged the formation of industries and trade between the Ottoman Empire and European countries, particularly England. Until 1850, trade was carried out through the exchange of raw materials and manufactured goods. Meanwhile, the integration of foreign capital began during this period and continued into the 19th century, marked by the occurrence of free trade with various countries, ultimately creating industrial and commercial dependency on the Europe

Based on the descriptions above that the author has compiled, there are two key points to discuss in this paper. First, how did trade develop during the Ottoman Empire when the Industrial Revolution took place? Were the companies of that time able to support and provide positive impacts on the Ottoman economy? Given the natural resources available in

the region at that time, with abundant natural products and Türkiye's geographical location at the crossroads of the East and the West, the potential was very high. Therefore, this paper aims to examine the role of corporations in economic growth and their impact on trade and industry after the reforms.

Literature Review

To strengthen the reasoning and correlation of the study regarding the impact of corporations on the economy of the Ottoman Empire in terms of trade and industry, the author attempts to gather several writings related to the above study. The correlation of this theme is approached through two main perspective. The development of trade and the orientation of industrial activities during the Ottoman Empire. Additionally, the author also examines the influence of foreign capital entering the Ottoman territories at that time. The influx of foreign capital marked a new phase, leading to the establishment of many joint ventures during the period of the Ottoman Empire (Ş. Pamuk, 2018a).

First, the study conducted by (Sunar, 2022) shows that during the Tanzimat period in the 19th century, the Ottoman Empire implemented significant reforms in trade and economic administration. During this period, there was also a transformation in laws and finance, as well as a restructuring of the land system, which became more focused on private ownership. A similar point is made by (Toraman & Taştan, 2021), who argue that the early Tanzimat period, or the onset of the Westernization movement, brought about major changes in the economic context, including the establishment of companies such as *Şirket-i Hayriye*. They also highlight the increasing demand for maritime transportation. However, the research they conducted focused on documenting the financial records of the first companies in the Ottoman Empire during that time.

In contrast to the research by Bahattin Keleş, (2021), during this period, there were deficiencies as the West had advanced with the emergence of new industrial technologies that increased production, allowing their products to be sold at low prices to Türkiye. The lack of human resources, particularly in terms of management skills, and the poor quality of products led to the collapse of several companies.

According to Erdem, (2016), regarding trade during the early Ottoman period before the Tanzimat, it was a time of weak industry due to insufficient capital accumulation, which resulted in a 30-year delay in industrial development. Despite opening up to foreign trade by signing the free trade agreement in 1838, the turning point for the rapid acceleration of industrial development occurred after the Tanzimat period, around 1840, with the establishment of many factories in Istanbul and other regions (Erdem, 2016; Pamuk, 2018).

The third perspective, regarding the entry of foreign capital, is highlighted in the research of Yıldız, (2007) and Yılmaz, (2018). The conclusion of Yıldız, (2007) indicates that the influx of foreign capital into the Ottoman Empire led to an increase in foreign debt, which began to rise from 1854 to 1914. Another interesting finding comes from (Sükan, 2014), which focuses on the Balta Limanı Agreement in the 19th century with England. This agreement marked the opening of trade barriers with European countries, including France, with the initial goal of seeking the best raw materials in Türkiye. However, after this agreement, the process of foreign capital investment began to dominate Turkey, especially

through investments in railroads and trade. As a result, the economy of the country was increasingly controlled by foreign powers.

Similarly, as stated in the research by Acar, (1992), traditional industries in the Ottoman Empire had already existed before the Tanzimat period, but they had declined because they remained outside of the revolutionary developments in the West. From this point, the Ottoman economy faced a slowdown and pressure in various sectors, including finance, which supported industrialization through the influx of foreign capital and the private sector.

The research by Kaya, (2022) illustrates the impact of the Industrial Revolution on the Ottoman Empire. Administrative weaknesses, the breakdown of the *timar system*, a lack of state funds, traditional economic thinking, capitulations granted to foreign countries, land losses, and wars all increased foreign dependency and damaged domestic industry. Furthermore, the fact that the industry did not operate within an industrial framework that leveraged capitalist accumulation and failed to allow for capital accumulation, along with a lack of skilled labor and scientific expertise, led to the Industrial Revolution having negative consequences for the Ottoman Empire.

Then, because Europe had already undergone the Industrial Revolution, many Ottoman Empire states did not directly experience rapid changes, and instead, focused more on strengthening the military. According to Çolak, (2024) modernization began with the restructuring of the military along Western lines to address the Empire's lag. This process can be seen more as an effort to address existing "*backwardness*" rather than a move to create a new world as required by modernity. The Westernization of the Ottoman Empire was also influenced by several factors that had occurred in Europe, such as the Renaissance, the French Revolution, the Industrial Revolution, and capitalism in the Western world, all of which contributed to the shaping of modernity (Çolak & Mumcu, 2023). These events are believed to have impacted the socio-economic development of society in the Ottoman Empire at that time.

lastly, according to Çetin, (2022), the entry of foreign capital and companies into Turkey at that time occurred through a moratorium until 1875, during which many financial institutions were established as a bridge for the influx of foreign capital from Europe into the Ottoman Empire. At the same time, a company named *Şirket-i Maliyet-i Mahdude-I*, a British company, supported cotton production by providing credit to small producers in its vicinity.

2. RESULTS AND DISCUSSION

a. Review of Trade During the Ottoman Empire Era

The Tanzimat period, or Tanzimat-ı Hayriyye, was continued by Sultan Abdülmecid, who sought to carry on the reforms after ascending to the throne (Soyluer, 2021:433). The aim of the Tanzimat reforms was to strengthen state control over industries and improve production efficiency. In addition to the state-owned large factories centered in Istanbul, plans were also made to establish additional factories to provide semi-finished products. However, despite the implementation of some projects, many were hindered by economic

conditions, the situation of traders, or legal obstacles (Çelik et al., 2018). The trade era during that time was primarily focused on agriculture or raw materials to meet basic needs such as corn, wheat, grapes, cotton, rice, sesame, olives, and other fruits and vegetables (Yücel, 2023). The trading activities during that period can be viewed briefly through different phases, with the writer distinguishing two types of trade: domestic and foreign trade, each of which had both classical and developmental periods.

Domestic Trading

a) The Classical Period

During the classical period of the Ottoman Empire, the state played a crucial role in the commercialization of trade at the city level. The right to open shops and engage in industrial and commercial activities was granted under the supervision of administrators and within the framework of state economic policies (Genç, 2014).

In Istanbul, there were many craftsmen, such as spoon makers, jewelers, spice traders, and bakers. Trade during this period primarily catered to the internal needs of the city and was limited to supplying surrounding areas. The market places, like the Grand Bazaar, were vital commercial hubs where traders could set their own prices for goods, allowing for a relatively stable balance of supply and demand for products and services during that time (Çelik et al., 2018). This system was grounded in a controlled market environment where the state's involvement ensured the regulation and supervision of commerce, preserving economic stability within the city. However, the focus of trade was mainly local and regional, and the industry was still largely based on traditional craftsmanship, lacking the expansion seen later during the Tanzimat period.

At the end of the 18th century, considered the classical period for domestic trade in the Ottoman Empire, the characteristics of local trade included a wide variety of products such as silk from Bursa, leather from Kayseri, and fruits from Western Anatolia. Domestic production not only met regional demand but also contributed to national trade, with major consumption centers like Istanbul benefiting from these goods. Meanwhile, imports from the Far East and the West remained limited in the Ottoman markets until the end of the classical period, although these goods were primarily oriented toward luxury consumption. This policy aligned with the state's economic goals of regulating the flow of goods and maintaining market stability (Çelik et al., 2018)

b) Period of Renewal

In the early 19th century, following the Industrial Revolution, factories began to emerge in Ottoman cities. Artisans, most of whom were affiliated with guilds, met local demand with their production. However, by the 1820s, manufactured goods from Europe rapidly increased in volume due to their affordability and fast production. These goods eventually flooded the market in Türkiye (Cüneyt Uzun, 2019). Another consequence of the increasing flow of goods from Europe was a significant rise in import taxes collected by the government. In 1838, the Balta Trade Agreement with Britain led to lower import tariffs, but this had a negative impact on local production, which started to incur losses. Recognizing this adverse effect, the government raised import duties between 1861 and 1862 in an attempt to protect Ottoman industry, but this effort was considered too late (S. Pamuk, 2003).

Additionally, social changes also took place. Local merchants felt threatened by foreign traders, and many illegal merchants from Europe also entered Istanbul. However, alongside these challenges, there were factors that contributed to the revival of the economy, such as the emergence of important innovations like the concept of "*gedik*," which became popular in the 19th century. This term referred to the right of a merchant to open a shop and use the necessary production tools (Çelik et al., 2018).

Foreign Trade

1. The Classical Period

The Ottoman Empire, geographically situated at a crucial crossroads between the economies of the East and West, controlled key trade routes since the early 14th century. Spanning regions such as Anatolia, the Balkans, the Black Sea, the Middle East, and the Mediterranean, the empire became a dominant force with significant influence across much of Africa. At that time, the Ottoman foreign trade policy was based on two main principles. Provisionism, which aimed to ensure the availability of abundant and high-quality goods, and Fiscalism, which focused on increasing state revenue. The Ottomans viewed trade as a means to achieve the welfare of their people, in contrast to the mercantilist approaches of Western nations (Worringer, 2021).

During the classical period, Ottoman foreign trade experienced a surplus, and domestic products were still able to compete with foreign goods. Imports from abroad, such as woolen fabric and paper, were relatively small and did not pose a threat to local industries. Before the 19th century, the volume of manufactured goods imported from Europe was minimal, with the market share of imported woolen fabrics in Istanbul and Anatolia accounting for no more than 1-2 percent (Çelik et al., 2018; Ş. Pamuk, 2018a).

2. Period of Renewal

Foreign trade at that time was greatly influenced by the political conditions faced, such as the Crimean War, the Ottoman-Russian War, and the impact of World War I. These events had a profound effect on the economy and governance of the Ottoman Empire. Not only was the Ottoman Empire under pressure from the growing economic power of the West, but it also had to strengthen its military to maintain security and stability amid the ongoing wartime crises (Quataert, 2005; Yücel, 2023). The growth of foreign trade increased the production capacity of the Ottoman economy, affecting its structure in two ways. First, agricultural commodity production rose to meet the demand of Western industrialized countries. Second, manufactured goods imported from industrial nations began to undermine traditional handicraft production, leading to a decline in that sector (Çelik et al., 2018; Yücel, 2023).

The Tanzimat reforms had a significant impact on local merchants and weakened the economy of the Ottoman Empire. The Balta Port Trade Agreement, signed with England on August 16, 1838, marked a crucial turning point in Ottoman trade relations with Western industrialized nations. At that time, the Ottoman Empire faced significant political and financial challenges. This agreement marked the abolition of the monopoly system and additional taxes that had previously protected local merchants, highlighting the unequal relationship between the Ottoman Empire and England (Çelik et al., 2018).

In 1876, the Ottoman Empire was unable to pay its debts. The Ottoman-Russian War hindered the establishment of the Public Debt Administration, which was finally founded in 1881. This institution was managed by Western creditors, and several of the Ottoman Empire's primary sources of revenue were handed over to them (Çelik et al., 2018; Fromkin, 2001; Genç, 2014).

b. Industrial development and activity in the Ottoman period

Before joint-stock companies (*Anonim Şirketi*) were created and developed in the Ottoman Empire, during the 16th century, the government and society used waqf money (*charitable endowments*) to finance trade activities and support the state's economy (Çelik et al., 2018). These foundations had existed since the classical period, with the goal of protecting private and collective property, gradually converting this ownership for the public benefit by transferring its control (Akyildiz & Abay, 2017). The first company (*Anonim Şirketi*) in the Ottoman Empire was *Şirket-i Hayriye*. This company was established with the primary objective of accumulating economic activities centered around Western capitalism, specifically through capital accumulation and financial financing (Toraman & Taştan, 2021).

At that time, two terms also emerged, government-owned companies, which required large capital investments, and private companies with small-scale economic activities in the form of small capital companies. The industrialization process in the Ottoman period began with the establishment of large companies, predominantly focused on infrastructure, such as bridge construction, railways, and tunnels (Toraman & Taştan, 2021). According to records from that period, there were still very few large companies controlled by the Ottomans. Most of these companies were managed and overseen by Western powers as part of fulfilling the agreements that had been made (Toraman & Taştan, 2021).

After the Tanzimat period, many companies were established in the Ottoman Empire. Even in terms of administration and regulation, the government adopted several rules to meet the needs of trade at the time. Through *the Vala-I Council* and with the support of some clerics, the government formulated regulations to maintain order in trade, the establishment of companies, the collection of taxes and customs duties, and alignment with Islamic law (Bilicioğlu, 2023). These regulations were adopted from the "*French Commercial Code*," and through the *Vala-I Council*, a new legal framework was created and submitted to the Sultan for approval. Although some clerics opposed it at the time due to concerns about it conflicting with religious principles and Sharia law, the Sultan still opened the door for revising the laws, seeing the potential increase in revenue from an economic perspective (Bilicioğlu, 2023).

The companies established during that time were under the control of Western powers due to the influence of foreign capital received within the country. The provision of financing from foreign banks and new companies triggered instability in financial management during that period (Ş. Pamuk, 2018b; Quataert, 2005).

Companies such as *Şirket-i Hayriye*, initially had strong economic activities, with its primary goal being trade, providing passenger services as a maritime transportation mode, and managing ships entering and leaving the Bosphorus Strait. Additionally, the capital ownership of *Şirket-i Hayriye* was divided into 2,000 equal shares, each valued at 3,000

kuruş, with a total sum of 6,000,000 kuruş. The majority of the shares were purchased by statesmen, bankers, and merchants (Toraman & Taştan, 2021). During that time, there were also many other companies operating in sectors such as raw materials, textiles, food, weaving machines, agricultural tools, shoes, silk, electricity, mining machinery, and others (Erdem, 2016).

The increase in foreign capital in Türkiye led to corporatization. Western capital, which had entered the Ottoman Empire in the form of foreign investments, became more intensive as the century drew to a close. The intensification of Western capital through corporatization first occurred in the banking sector and later extended to the private sector. The primary reason for this was their focus on railway investments. To oversee and regulate industrialization at the time, the Ottoman Empire established the *Sanayi Islah Komisyonu* (Industrial Reform Commission), whose main objective was to organize shrinking industries into corporations (Toraman & Taştan, 2021).

In addition to large corporations playing a significant role in the economic growth of the Ottoman Empire, the flow of foreign funds through financial institutions was also a crucial factor. Banking institutions supported industrial and commercial activities through financing, with capital from foreign sources, and served foreign companies (Ş. Pamuk, 2018b). At the same time, the Ottoman Empire established many banks under the influence of its constitutional monarchy. These banks were managed by foreigners, with very few locals involved in the management in Istanbul. However, some of them were public and private companies, such as Ziraat Bank (Erdem, 2016; Toraman & Taştan, 2021).

c. The Impact of Corporatization on the Ottoman empire's Economy After the Reforms

The impact of corporations on the economy of the Ottoman Empire in the 19th century was significant, particularly in terms of the social and economic changes resulting from its relationships with Western powers. First, Increased Economic Dependence. In the 19th century, the Ottoman Empire became increasingly dependent on foreign investment and loans from Western countries. This occurred primarily due to the need to finance military and administrative reforms essential for maintaining power. Foreign corporations began to enter and dominate key sectors, transforming the Ottoman economic structure into one that was more integrated with the global economy (Fromkin, 2001)

Second, Changes in Trade Structure. Foreign corporations, particularly from Britain and France, played a major role in Ottoman foreign trade. They brought manufactured goods that competed with local products, leading to a decline in traditional handicraft production. Items like textiles and machinery began to dominate the market, while local products, especially agricultural goods, were increasingly exported (S. Pamuk, 2003; Ş. Pamuk, 2018a). Third, Administrative and Economic Reforms. In response to the dominance of foreign corporations, reform movements, including Tanzimat, were initiated with the aim of modernization and centralization. These reforms included the establishment of a Ministry of Commerce, the adoption of commercial codes based on Western systems, and the removal of some trade restrictions. However, these efforts often led to increased economic and social dependence on foreign powers (Seyitdanlioğlu, 2009).

Fourth, Degradation of the Local Economy. Despite the increase in trade volume, the dominance of foreign corporations often resulted in the degradation of the local economy (Worringer, 2021). Farmers and traditional craftsmen were unable to compete with cheap goods from the West. Policies supporting foreign corporations often harmed small farmers and local businesses, creating instability in the agricultural sector and local industries. Fifth, Expansion of Infrastructure. Foreign corporations also invested in infrastructure development, such as railways and ports, which facilitated trade. However, this infrastructure often favored foreign interests rather than local ones, focusing more on transporting goods than on developing sustainable economic growth for the Ottoman Empire (Ş. Pamuk, 2009).

Sixth, Social and Political Conflict. The increasing dependence on foreign corporations and the social changes they brought impacted political stability. The rise of nationalism among various ethnic and religious groups was often fueled by dissatisfaction with foreign dominance. This created tensions that led to social conflicts, further weakening the power of the Ottoman Empire (Erdem, 2016).

3. CONCLUSION

The economic dependence during this period had significant impacts on the Ottoman economy. The sultan, who initiated modernization during this era, aimed for the country to benefit from improvements in infrastructure and social welfare. However, this resulted in negative political consequences for the country, as there were suspicions of a Western agenda to dominate the economy through the provision of foreign loans or capital.

On the other hand, there were also positive aspects, particularly in the post-Tanzimat economic development. Investment in infrastructure and transportation increased, with the construction of railways and numerous shipyards around Istanbul and Bursa. The opening of factories that boosted the real economy also provided opportunities for local citizens to work. However, many human resources were still not sufficiently skilled in using advanced technology.

Another issue, however, was that the administration and organizational management did not show long-term improvements. As a result, many problems became intertwined during this period. The financial impact of industrialization also became evident, as organizations and financial institutions were still largely controlled by the West, such as joint-stock companies (*Anonim Şirketi*) and several banks at the time being under Western control.

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