

— Roger Owen —
*The Middle East in the
World Economy
1800–1914*



*The Middle East
in the World Economy
1800–1914*

Roger Owen

*Methuen
London and New York*

*First published in 1981 by
Methuen & Co. Ltd
11 New Fetter Lane, London EC4P 4EE*

*Published in the USA by
Methuen & Co.
in association with Methuen, Inc.
733 Third Avenue, New York, NY 10017*

© 1981 Roger Owen

*Typeset by Scarborough Typesetting Services
and printed in Great Britain at the
University Press, Cambridge*

*All rights reserved. No part of this book may be reprinted
or reproduced or utilized in any form or by any electronic,
mechanical or other means, now known or hereafter invented,
including photocopying and recording, or in any information
storage or retrieval system, without permission in writing
from the publishers.*

*British Library Cataloguing in Publication Data
Owen, Roger 1935–*

The Middle East in the world economy 1800–1914.

1. Near East — Economic conditions

I. Title

330.956 HC410.7 80-42030

ISBN 0 416 14270 2

Preface

Anyone attempting to write about the nineteenth-century economic history of the Middle East is at once brought face to face with a number of difficult problems. One is the question of defining the region itself. In recent years many historical works have tended to see the Middle East in large terms and as comprising a group of lands running all the way from Persia in the east to Egypt (or perhaps even Morocco) in the west, and from Turkey in the north to the Sudan in the south. But this is to produce a region which is much too vast and various for general analysis. It also encourages the imposition of a misleading homogeneity and spurious historical particularity based on unifying definitions couched in either religious/cultural or geographical/climatic terms. Thus for some the Middle East is a region inhabited primarily by Muslims; for others it is an arid, desert band of territory in which economic and political organization is determined by the need to control access to water. In either case, analysis of historical change relies heavily on those few defining factors which are supposed to give the Middle East its unity to the neglect of those many features which it shares with other parts of the non-European world.

For my purpose I propose to deal with a much smaller geographical unit. As far as the present work is concerned, the Middle East is taken to mean the region comprising present-day Turkey (that is Anatolia and the Istanbul district), Egypt, Iraq and what is sometimes called Greater Syria (the area which now includes Syria, Lebanon, Israel and Jordan). This has the advantage of focusing on lands which, at the beginning of the nineteenth century, were all part of the Ottoman Empire, which all possessed roughly similar economic structures and which all underwent roughly similar processes of transformation as the century progressed. It has an additional advantage in that it allows the region to be split up into provinces or groups of provinces for the purpose of historical treatment, that is, into entities which, if not single markets in the strict economic sense, at least possessed enough of a common political and administrative structure to allow them to be regarded as a single unit.

A second problem stems from the lack of specialist studies on many important aspects of Middle Eastern economic life. In spite of the work of writers like Charles Issawi, André Raymond, Dominique Chevalier,

Muhammad Salman Hasan, Halil Inalcik and others there are still a great many yawning gaps in present-day knowledge of the region's history. To speak very generally, the study of the economic history of the Middle East — Egypt apart — remains underdeveloped compared with that of many other parts of the non-European world. More so than elsewhere, much of what is being written about the region has to be regarded as introductory or only provisional.

A final problem, not surprisingly, concerns the scarcity of reliable statistics. This is not to say that figures do not exist for all kinds of activity, rather that they can easily appear as what Emmanuel Le Roy Ladurie has called a *mirage chiffré* enticing the economic historian into believing that he is able to know, or to quantify, much more than he safely can.¹ Before using any set of figures a vital preliminary is to ask how they might have been collected. Here, for example, is the British Consul, Dennis, at Izmir in 1883 explaining how he went about estimating the value of the city's imports and exports for report to Britain:

In drawing up the following notices of the trade and commerce of Smyrna for the last five years . . . I have had to depend wholly on such information as I could obtain from private sources, seeing that no statistics are published by the Government or obtainable from the customs house. In such a case it is evident that the figures cannot lay strict claim to accuracy, either as regards the value or of the quantities . . . of the merchandise shipped or landed. The figures, therefore, given in the sub-joined tables, can be regarded only as approximate to the truth but with what margin of deficit in each particular instance it is beyond my power to hazard a conjecture. (CR (UK), Smyrna, 1877–81, PP, 1883, LXXIII, 329)

With such warnings in hand it is vital to get away from a state of mind which sees any figure, however unreliable, as better than none at all. It is also necessary to admit that, with the exception of some of the statistics collected during the British occupation of Egypt after 1882 or some relating to the economic activities of specific institutions like banks and railways, there are none for the nineteenth-century Middle East which will bear the weight of anything more than the simplest methods of analysis.

For all these reasons I cannot pretend that what is offered here is a comprehensive, systematic survey of the subject. It is more like a collection of essays organized round two major themes. The first is the uneven impact on various parts of the Middle East economy of two sets of stimuli: the centralizing policies of the rulers of Egypt and the Ottoman Empire and the growing commercial, financial, and finally political penetration of the region by an expanding Europe. The second is the belief that the nature of this impact can only be properly understood by an examination of a complex set of interactions between outside influences and local economic and social forms. In all this it is my hope that what is being revealed is seen not simply as dead history but as the early stages of a process which

continues to have an enormous effect in shaping the structures of present-day Middle Eastern economies.

The book has been so long in the writing that I have, inevitably, incurred more than usually large debts to numerous friends, colleagues and students with whom I have either discussed many of the topics presented here or from whose written works I have learned much. I hope that they will forgive me if I simply list their names: Talal Asad, Terry Burke, Yaacov Firestone, Muhammad Salman Hasan, Bent Hansen, Albert Hourani, Robert Hunter, Huri Islamöglü, Rick Joseph, Çağlar Keydar, Robert Mabro, Donald Quataert, Samir Radwan, André Raymond, Paul Saba, Linda Schatkowski-Schilcher, Alexander Schölch, Yahya Tezel and Sami Zubaida. I would also like to give special mention to Charles Issawi whose pioneering works on the economic history of the Middle East have been a constant source of encouragement.

Roger Owen

Oxford, Autumn 1979

A note on transliteration

The system of transliterating Arabic and Turkish words and proper names has been kept as simple as possible. No diacritical marks have been used in the text and only *ayns* and *hamzas* in the references. Where Arabic or Turkish terms can be found in the *Shorter Oxford Dictionary* (e.g. feddan, agha) this spelling has been used. Otherwise they have been transliterated according to the system employed in Wehr's *Dictionary* and (for Turkish) by the one used by the *International Journal of Middle Eastern Studies*. Where the same term is transliterated differently in Turkish and Arabic (for example *vakf/waqf*) the Turkish term has been given first. Place-names which can be found in the *Oxford Regional Economic Atlas: The Middle East and North Africa* (2nd edn, Oxford, 1964) have been given in this form. The remainder have been given, where possible, in the form in which they appear in official government maps or lists of place-names of the inter-war period.

A note on weights, measures and currency

The situation with regard to Middle Eastern weights and measures in the nineteenth century is one of the greatest complexity. Both varied greatly from area to area and from one period to the next. Even after both the Ottoman and Egyptian governments had attempted to introduce the metric system in the second half of the century there was only a limited improvement, as a contemporary report noted of rural Iraq: 'Almost every village has its own standard stones, no two of which are exactly alike; and the merchants of the towns and cities buy with one system of weights and measures and sell with another and smaller system.'^{*} In these circumstances it would be misleading to provide a precise set of equivalents for the *ardabb*, *cantar*, *kilé* and *oke*, the main units used in measuring the volume of agricultural produce, and I have simply defined these anew on each occasion I have used them. The same applies to European measures like the 'bale' which also varied from time to time and crop to crop.

Measures of land area were equally unstandardized. However, as the majority of the references to these come from the end of the nineteenth century I have felt able to use the following equivalents:

1 feddan = 1.038 acres

1 dunum (Palestine) = 1000 square metres (or about $\frac{1}{4}$ acre)

As far as European measures are concerned 1 hectare = 2.471 acres.

Units of currency present another difficult problem. A bewildering variety of coins were in use in the Middle East throughout the period, and in most cases their relative values were constantly changing. As a rule I have provided a sterling equivalent. But as far as the Turkish gold pound and the Egyptian pound were concerned I have assumed the following value throughout:

£T (gold) = 100 kuruş/piastres = £0.909

£E = 100 piastres = £1. 0s. 6d.

For further discussion see C. Issawi, ed., *The Economic History of the Middle East, 1800–1914* (Chicago, 1966), 517–24; E. R. J. Owen, *Cotton and the Egyptian Economy 1820–1914* (Oxford, 1969), 381–5.

^{*} W. H. Hall (ed.), *Reconstruction in Turkey* (n.p., 1918), 241.

List of abbreviations

AA	Austrian Archives (Consular Reports from Egypt, copies of which were found in the Abdin Palace, Cairo)
AAS	<i>African and Asian Studies</i>
AF	<i>L'Asie Française</i>
AJSLL	<i>American Journal of Semitic Languages and Literature</i>
AO	<i>Archivum Ottomanicum</i>
ASQ	<i>Arab Studies Quarterly</i>
BEO	<i>Bulletin d'Etudes Orientales</i>
BIE	<i>Bulletin de l'Institut égyptien</i>
BJS	<i>British Journal of Sociology</i>
BSOAS	<i>Bulletin of the School of Oriental and African Studies</i>
BUSAE	<i>Bulletin d'Union syndicale des Agriculteurs d'Egypte</i>
CHI	<i>Cambridge History of Islam</i>
CO	Colonial Office (London)
CR	<i>Commercial Report</i>
CSJ	<i>Cairo Scientific Journal</i>
CSSH	<i>Comparative Studies in Society and History</i>
DE ¹ and DE ²	<i>Description de l'Egypte</i> , 1st and 2nd edns (Paris)
EC	<i>L'Egypte Contemporaine</i>
EHR	<i>The Economic History Review</i>
ES	<i>Economy and Society</i>
FO	Foreign Office (London)
HJ	<i>Historical Journal</i>
HP	<i>Hekekyan Papers</i> (British Museum)
IBRD	International Bank for Reconstruction and Development
IEJ	<i>Israeli Exploration Journal</i>
IJMES	<i>International Journal of Middle East Studies</i>
ISS	Institute of Social Studies (The Hague)
JA	<i>Journal Asiatique</i>
JCA	<i>Journal of Contemporary Asia</i>
JCAS	<i>Journal of the Central Asian Society</i>
JESHO	<i>Journal of the Economic and Social History of the Orient</i>
JMH	<i>Journal of Modern History</i>
JEH	<i>Journal of Economic History</i>

<i>JPOS</i>	<i>Journal of the Palestine Oriental Society</i>
<i>JPS</i>	<i>Journal of Peasant Studies</i>
<i>MEJ</i>	<i>Middle East Journal</i>
<i>MES</i>	<i>Middle Eastern Studies</i>
<i>MIE</i>	<i>Mémoires présentés à l'Institut égyptien</i>
<i>MTIE</i>	<i>Mémoires et Travaux originaux présentés et lus à l'Institut égyptien</i>
<i>NLR</i>	<i>New Left Review</i> (London)
<i>PDA</i>	Public Debt Administration
<i>PEF</i>	Palestine Exploration Fund (London)
<i>PP</i>	<i>Parliamentary Papers</i> (Accounts and Papers) (London)
<i>PRO</i>	Public Record Office (London)
<i>QR</i>	<i>Quarterly Review</i>
<i>RC</i>	<i>Receuil Consulaire</i> (Brussels)
<i>RDM</i>	<i>Revue des Deux Mondes</i>
<i>REI</i>	<i>Revue des Etudes Islamiques</i>
<i>RH</i>	<i>Revue Historique</i>
<i>RHC</i>	<i>Revue d'Histoire des Colonies</i>
<i>RI</i>	<i>Revue d'Islam</i>
<i>RMM</i>	<i>Revue de Monde Musulman</i>
<i>RO</i>	<i>Revue de l'Orient</i>
<i>ROMES</i>	<i>Review of Middle East Studies</i>
<i>SAPP</i>	<i>St. Antony's Private Papers</i>
<i>SH</i>	<i>Scripta Hierosolymitana</i>
<i>SRO</i>	Scottish Record Office (Edinburgh)
<i>UK IO</i>	India Office (London)
<i>WI</i>	<i>Die Welt des Islams</i>

List of tables

- 1 English and French imports from the Middle East during the seven-teenth and eighteenth centuries 6
- 2 French imports of Levant cotton during the eighteenth century 7
- 3 Estimates of the cost of production, value and profit of various Egyptian crops – c.1800 31
- 4 Estimates of the volume and value of Egyptian cotton exports, 1821–49 67
- 5 Importance of the land tax and of profits from cotton in total Egyptian government revenues, 1821–38 68
- 6 British exports to the eastern Mediterranean, 1814–50 85
- 7 British exports of cotton goods to the eastern Mediterranean, 1824–50 85
- 8 French trade with the eastern Mediterranean, 1790–1856 87
- 9 Estimates of the numbers of looms at work in Aleppo and Damascus, 1825–60 94
- 10 Estimates of the value of trade between Egypt and Syria/Palestine and various European and Middle Eastern sources, 1836–9 96
- 11 The nationality and tonnage of shipping arriving at various Mediter-ranean and Black Sea ports in the 1840s 97
- 12 Ottoman foreign loans, 1854–79 104
- 13 Ottoman revenues and expenditure, 1860/1–1880/1 106
- 14 Estimates of the value of the principal agricultural exports from Izmir, 1863–79 111
- 15 Estimates of the export of Anatolian cotton by volume, 1860–79 112
- 16 Estimates of the value of the sea-borne trade of Izmir, Trabzon and Mersin, 1850–79 114
- 17 The production of silk thread in the Bursa district, 1850–79 115
- 18 Estimates of Egyptian government revenues and expenditures, 1852–79 124
- 19 Egypt's foreign loans, 1862–73 127
- 20 Estimates of the area of *kharajiya* and *ushuriya* land in Egypt, 1863–77 130
- 21 Estimates of the amount of money spent on Egyptian public works 131

- 22 Export of Egypt's principal crops, 1850-79 136
- 23 The Egyptian industrial sector in 1873 149
- 24 Egypt's import of selected manufactured goods via Alexandria, 1866-79 150
- 25 Egypt's trade in sugar, 1863-80 (Alexandria only) 151
- 26 The value of silk exports from Beirut and the price of Lebanese cocoons, 1850-9 155
- 27 Syrian silk production, 1861-80 156
- 28 British exports of cotton goods to Syria/Palestine, 1852-72 160
- 29 Estimates of the value of Beirut's sea-borne trade, 1850-78 161
- 30 Exports of cereals from ports on the Syria/Palestine coast 168
- 31 Estimates of the number of textile looms at work in the main Syrian towns, 1861-79 172
- 32 Estimates of the sea-borne trade of Jaffa, 1850-81 176
- 33 Estimates of the volume of agricultural exports from Jaffa, Haifa and Acre, 1857-80 177
- 34 The growth in Iraq's foreign trade, 1864-80 182
- 35 Turkey's foreign trade, 1880-1913 191
- 36 Revenues ceded to the Ottoman PDA, 1882/3-1912/13 193
- 37 The Ottoman Empire's revenues and expenditures, 1887/8-1911/12 197
- 38 The proportion of land devoted to crops of various types in the provinces and sanjaks of Anatolia, 1909/10 200
- 39 The value and volume of some of Izmir's major agricultural exports, 1880-1912 201
- 40 Exports of cereals from Anatolia, 1881-1911 202
- 41 The production and export of tobacco, silk and cotton from certain districts of Anatolia, 1881-1914 203
- 42 Changes in the average annual price of major Anatolian crops at Istanbul, 1881-1908 204
- 43 The proportion of agricultural land in Anatolia held in properties of various sizes, 1909/10 207
- 44 The Turkish industrial censuses of 1915 and 1921 210
- 45 The production of minerals in Anatolia, 1909-10 213
- 46 The amount paid by the Ottoman government in kilometric guarantees to foreign railway companies 214
- 47 Egypt's population and cultivated land, 1882-1917 217
- 48 The distribution of Egypt's agricultural land in properties of various sizes, 1894-1913 218
- 49 Areas devoted to seven major Egyptian crops, 1886/7 and 1893/4-1912/13 218
- 50 Egyptian government revenues and expenditures, 1881-1913 223
- 51 Egyptian agricultural production: quantity indexes of major field

- crops and all field crops, 1887–1914 227
- 52 The distribution of Egyptian medium and small landed property into plots of various sizes in 1913 229
- 53 The state of indebtedness of Egyptian owners of 5 feddans or less, by province, 1913 232
- 54 Paid-up capital and debentures of companies operating in Egypt showing amount held abroad and amount held in Egypt, 1883–1914 234
- 55 Companies in the Egyptian modern industrial sector, 1901 and 1911 236
- 56 Workers in the Egyptian industrial and craft-industrial sector, 1897, 1907 and 1917 240
- 57 Egypt's foreign trade, 1885–1913 241
- 58 Egypt's balance of payments, 1884–1914 242
- 59 Ottoman census figures for the populations of the three provinces of Aleppo, Beirut and Damascus and the *mutasarriflik* of Jerusalem, 1885–1914 244
- 60 Goods traffic carried on the Syrian railways, 1899–1911 246
- 61 Estimates of the trade at Syria/Palestine's seven principal ports (Iskanderun, Latakia, Tripoli, Beirut, Acre/Haifa, Jaffa and Gaza), 1883 to 1913 247
- 62 Estimates of the composition of exports at Syria/Palestine's seven principal ports, 1883 to 1913 247
- 63 Eastern Mediterranean sea-borne trade: the trade of Iskanderun, Beirut and Jaffa with Egypt and Turkey, 1910–12 248
- 64 Production of Syrian silk, 1880–1913 250
- 65 Volume and price of Beirut's exports of silk thread and value of Syria/Palestine's silk exports, 1881–1913 250
- 66 Estimates of the volume of exports of certain important agricultural products from Syrian/Palestinian ports, 1881 to 1913 260
- 67 Estimates of the numbers of looms and textile workers in Syria's major towns, 1890–1912 261
- 68 The foreign trade of Palestine, 1883–1913 265
- 69 The value of Iraq's sea-borne trade, 1880–1913 275
- 70 The volume and price of Iraq's principal sea-borne exports, 1880–1913 275

List of maps

- 1 The Middle East: major geographical and climatic features 27
- 2 Middle Eastern caravan routes 48
- 3 The provinces of Egypt and the Ottoman Empire in Asia at the end of the nineteenth century 190
- 4 Middle Eastern railway systems, c.1914 288

Contents

Preface	ix
A note on transliteration	xii
A note on weights, measures and currency	xiii
List of abbreviations	xiv
List of tables	xvi
List of maps	xix
<i>Introduction: The Middle East economy in the period of so-called “decline”, 1500–1800</i>	1
The Middle East economy during the first three Ottoman centuries	2
The structure of Ottoman administration and the appropriation of the surplus from agriculture, the craft industry and trade	10
<i>1 The Middle East economy in 1800</i>	24
Rural economic activity	25
Urban economic activity	45
Regional and international trade	50
Conclusion	56
<i>2 The economic consequences of the age of reforms, 1800–1850</i>	57
The Ottoman reforms	58
Egypt	64
The Syrian provinces	76
The Iraqi provinces	82
<i>3 The expansion of trade with Europe, 1800–1850</i>	83
The expansion of trade between the Middle East and Europe	84
The institutional support for the expansion of European trade	88
The economic effects of the expansion of trade with Europe	91

4	<i>The Ottoman road to bankruptcy and the Anatolian economy, 1850–1881</i>	100
	The growth of the Ottoman public debt, 1854–75	100
	Bankruptcy and after, 1875–81	108
	Foreign trade : the irregular growth of agricultural exports to Europe	110
	The state and the Anatolian economy	116
5	<i>Egypt, 1850–1882 : from foreign borrowing to bankruptcy and occupation</i>	122
	The growth of the public debt : the financial policies of Abbas, Said and Ismail	122
	Egypt and its creditors : the financial arrangements of 1876–80 and their consequences	130
	The agricultural sector of the economy	135
	Industry	148
6	<i>The provinces of Greater Syria, 1850–1880 : the economic and social tensions of the 1850s and their consequences</i>	153
	Beirut and Mount Lebanon	154
	The Syrian interior	167
	Palestine	173
7	<i>The Iraqi provinces, 1850–1880</i>	180
	The development of Iraq's sea-borne trade	180
	Ottoman policy towards the agricultural sector	183
8	<i>Anatolia and Istanbul, 1881–1914</i>	189
	The pattern of foreign financial control	191
	The agricultural sector	200
	Industry and mining	209
	Trade and payments	213
9	<i>The Egyptian economy, 1882–1914</i>	216
	The pattern of British control over the Egyptian economy	220
	The agricultural sector	226
	Industry, commerce and banking	233
	Trade and payments	240
10	<i>Mount Lebanon, Syria and Palestine, 1880–1914</i>	244
	Mount Lebanon and Beirut	249
	The Syrian interior	253
	Palestine	264
11	<i>The Iraqi provinces, 1880–1914</i>	273
	Transport and trade	274
	Agriculture and government policy towards the land	279
	Industry	285

Contents

vii

12 A century of economic growth and transformation : conclusion 287

Notes 294

Bibliography of references cited 346

Index 371