



# Costas Lapavitsas and Pınar Çakıroğlu, *Capitalism in the Ottoman Balkans: Industrialisation and Modernity in Macedonia*

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**Reviewer:** Mustafa Sacid Öztürk

The work by Costas Lapavitsas and Pınar Çakıroğlu, *Capitalism in the Ottoman Balkans: Industrialisation and Modernity in Macedonia*, emerges as a study that examines the capitalist transformation in the Balkans during the late Ottoman Empire, specifically through the lens of industrialization and modernization practices in the Macedonian region (Lapavitsas and Çakıroğlu, 2019, 1-4). This book, published by I.B. Tauris in 2019, focuses on analyses related to Ottoman economic history and, more broadly, the historical development processes of capitalism. The book particularly concentrates on the development of the



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textile industry around Thessaloniki and Mount Vermion (the region including the towns of Karaferye, Naoussa/Ağustos, and Edhessa/Vodina) (pp. 29-34 and Chapter 6), scrutinizing the local dynamics of this process, the social structure, intra-communal dynamics (Chapter 8), and the role of the Ottoman state in the process (Chapter 7).

Lapavitsas and Çakıroğlu structure their work around nine main chapters. The fundamental thesis of the book is that in Macedonia, particularly in the Mount Vermion region west of Thessaloniki, a spontaneous industrialization process, led by specific capitalist individuals and groups, took place from the latter half of the 19th century until 1912 (pp. 2-3). This industrialization predominantly began in the field of cotton spinning and was nurtured by local conditions, global trends, and supportive policies of the Ottoman state (p. 3). The authors emphasize that this process challenges the “decline” narratives of the Ottoman Empire and signifies a noteworthy economic dynamism in the Empire’s final period (pp. 19-20).

One of the significant arguments of the work is the observation that while industrialization emerged in the mountainous parts of an agricultural region, agriculture itself did not undergo a capitalist transformation and was dominated by small landholdings and large farms based on sharecropping (p. 3 and Chapter 4). This situation indicates that traces of agrarian capitalism were not found in Ottoman Macedonia. It is stated that the capitalists who pioneered industrialization were mostly merchants who had accumulated capital through trade in locally produced woolen fabrics, and these merchant-capitalists also controlled a large part of woolen fabric production. It is also a notable finding that although many of these merchants and industrialists acquired significant lands on the Macedonian plain, they did not transform these lands into capitalist farms (p. 3 and Chapter 5).

The book also sheds light on the differences in capitalist development between the predominantly Christian Greek industrialists in Mount Vermion and the dominant Jewish merchants and industrialists in Thessaloniki (pp. 4, 130-137). These differences partly stem from the distinct social origins, internal organizations, and cultural perspectives of the Christian Greek and Jewish communities

(pp. 4, 207-209). The framework in which industrialization occurred reflects a long history of inter-communal separation and discrimination within the Ottoman Empire (p. 4) and also sowed the seeds of violent nationalism (pp. 235-255).

While analyzing Ottoman capitalism, the authors engage in a dialogue with existing theoretical frameworks such as Max Weber's "patrimonialism" (pp. 24-25), the Marxist "Asiatic mode of production" (p. 25), or Wallerstein's "World-Systems Analysis" (pp. 25-26), but they also point out the limitations of these approaches in the Ottoman context. Instead, they prefer to focus on the internal processes of Ottoman society, particularly the roles of the state, communities, and religion in the emergence of Ottoman capitalism (pp. 24-29). The book also elaborately discusses the Ottoman State's efforts to create a framework for industrialization (Chapter 7). However, despite all these developments, the authors underline the "precarious" nature of this capitalism (Chapter 9).

Lapavitsas and Çakıroğlu base their arguments on primary sources such as the Ottoman Archives of the Prime Ministry (*BOA*) and the Thessaloniki Provincial Yearbooks (*Salnameler*), as well as reports from Greek state officials of the period and field studies. The use of Ottoman archival sources, along with the inclusion of Greek sources and the role of field studies in the construction of the work, not only strengthens the book's empirical foundation but also enhances its contribution to studies of both the period and the region.

*Capitalism in the Ottoman Balkans* is important for filling a significant gap in Ottoman economic history and European economic development studies. One of the strengths of the work is its focus on provincial industrialization in Mount Vermion, a region generally neglected in the literature (pp. 2-4). This micro-historical approach reveals the complexity and regional variations of Ottoman modernization and capitalist transformation. As the authors state, an analysis of the economic history of Mount Vermion has the potential to present the economic, social, political, and historical characteristics of Ottoman capitalism in a concentrated manner (p. 4).

Another important contribution of the book to the literature is its reliance on primary sources, especially Ottoman archival documents and provincial yearbooks. The fact that these sources, as emphasized by the authors, had not been

previously researched in such depth from the perspective of Macedonian industrialization (pp. 34-35) adds a unique empirical richness to the work. Using these sources, the authors meticulously reveal the administrative structures in the province of Thessaloniki (Chapter 3), population dynamics (pp. 51-61), the structure of farm agriculture (Chapter 4), commercial networks (Chapter 5), and the establishment and development processes of industrial enterprises (especially textiles) (Chapter 6).

The work offers a noteworthy perspective at the macro level with reference to the Ottoman State's role in the process, particularly attempting to develop an antithesis to stereotypical narratives such as "decline" and "sick man" concerning the economic vitality and modernization efforts in the late Ottoman Empire. By rejecting the classic "decline" paradigm (pp. 19-24), it shows that the state, on the contrary, especially in the post-Tanzimat period, played a complex role as an actor that encouraged, regulated, and provided a framework for industrialization (Chapter 7). The state's efforts to encourage private industrial investments, support domestic producers through customs duties and privileges, and establish regular relations with industrialists are explained with examples (pp. 182-200). Thus, the book attempts to show that industrialization did not solely follow a path unique to Western Europe but could take original forms in different historical and social contexts.

Lapavitsas and Çakıroğlu's emphasis on communal (especially Christian Greek and Jewish) dynamics and the economic roles of these communities is also one of the work's strengths (pp. 27-28, 207-217). The competition and different development paths between the Jewish bourgeoisie in Thessaloniki and the Christian Greek entrepreneurs in Mount Vermion (pp. 130-137) are critically important for understanding the multi-layered structure of Ottoman society and its economic consequences. The impact of ethnic and religious identities on capital accumulation, entrepreneurial practices, and relations with the state is also carefully analyzed in the work (pp. 209-217).

On the other hand, the book also offers an important case study for ongoing debates on theories of transition to capitalism. Significant inferences are made through the Macedonian example on issues such as the evolution of merchant

capitalism into industrial capitalism (Chapter 5), industrialization in the absence of agrarian capitalism (pp. 94-95), the role of the state (Chapter 7), and the dynamics of capitalist development in peripheral economies.

Looking at its engagement with the literature, it can be said that the work considers the existing literature in the field of Ottoman economic history and tries to develop this literature. Although prominent economic historians like Donald Quataert had previously drawn attention to developments in the Mount Vermion region, Lapavitsas and Çakıroğlu's study can be described as the first monograph to comprehensively address this topic. Furthermore, it can be said that the book adds an important case study specific to Macedonia to the general assessments made by figures such as Şevket Pamuk and Halil İnalcık on the Ottoman economy and industry.

*Capitalism in the Ottoman Balkans* has the potential to open new windows for future research on topics such as Ottoman provincial economies, inter-communal economic relations, the role of local elites, and state-capital relations. It once again emphasizes the importance of micro-historical studies and the use of local sources (pp. 34-37).

*Capitalism in the Ottoman Balkans* also presents some debatable points and areas that could be further deepened. Although the authors present the Mount Vermion case as an example that condenses the characteristics of late Ottoman capitalism, the question arises as to what extent this specified process can be generalized to other Ottoman regions. It remains somewhat unclear whether the authors intend for the book's focus on the unique conditions in Macedonia to form a basis for broader discourses on other Balkan industrial centers or industrialization attempts in Anatolia. The need for more comprehensive comparative analyses in this direction remains.

The authors draw attention to the "precarious" nature of this capitalism. Beyond the impending collapse of the Empire, there seems to be a need to further emphasize the deeper structural reasons for this precariousness – for example, the long-term effects of the agricultural sector's failure to transform (pp. 259-260), the shallowness of capital markets, or technological dependence (p. 260). While the book emphasizes local dynamics and "internal resources", the extent

to which European imperialism and global economic powers shaped this form of capitalism could also have been discussed **in greater detail, even though** the authors acknowledge that this influence determined its parameters (pp. 23-24).

Providing more information about other industrial sectors in Macedonia (e.g., food processing, mining, etc.) besides the textile industry, on which the work focuses, could have enriched the general picture of industrialization in the region. However, the authors' preference for presenting an in-depth analysis by focusing on the textile sector is understandable, as textiles, according to the authors, were the locomotive of industrialization in the region.

Costas Lapavitsas and Pınar Çakıroğlu's work, *Capitalism in the Ottoman Balkans: Industrialisation and Modernity in Macedonia*, makes a significant contribution to Ottoman economic history and studies of capitalist development by centering on the industrialization process in Ottoman Macedonia, particularly the under-discussed Mount Vermion region in the literature. The work seeks to reveal the economic dynamism in the late Ottoman period, the complex role of the state, and the effects of socio-communal structures on economic transformation.

It can be said that the book will be one of the reference sources for Ottoman economic historians, economic historians in general, Balkan studies specialists, and academics and students interested in the historical development processes of capitalism. Its conclusions and the methodological approach it presents have the potential to enrich discussions in its field and open up avenues for new research.