

**Costas Lapavitsas, Pinar Cakiroglu, *Capitalism in the Ottoman Balkans: Industrialisation and Modernity in Macedonia*, I.B. Tauris, London 2019, pp. 312.**

Lapavitsas and Cakiroglu's book analyses the evolution of capitalism in late Ottoman Macedonia. The modernization under way since the 1830s had been transforming the economy and the society of the entire Ottoman Empire, including, of course, the Balkan region. Meanwhile, the progressive integration of the capitalist world economy was profoundly reshaping the Ottoman economy. Business competition on a global scale and domestically-driven reform programs required socio-economic changes in the economy of the Empire.

The 1838 Free Trade Treaty with Great Britain imposed a forced integration of the Empire into the capitalist world economy. British manufactured goods poured into the Empire, triggering a contraction in domestic manufacturing, especially in the main cities, although some manufacturing firms, principally textile producers, survived in the hinterland.

Macedonia, among the Ottoman Empire's richest regions, became a manufacturing and commercial leader and the centre of Ottoman industrial capitalism. The city of Thessaloniki, the region's *de facto* capital, played a leading role in this transformation. The city was the hub for European trade routes and generally for commerce with the advanced northern economies. Thessaloniki was, in fact, the largest and most advanced city of the Balkans and of the entire Empire, after Constantinople.

According to the authors, the first industrialization occurred voluntarily

“in the spinning of cotton yarn, led by private capitalists who took advantage of local conditions, global trends and favourable policies by the Ottoman state” (p. 3) While textile manufacturing thrived, the agricultural economy languished. Agricultural capitalism did not develop in the region, hampering primitive capital formation. Savings are pivotal for launching capitalist industrial-driven economic growth. Available capital supply came from merchant-capitalists who “accumulated capital by trading in domestically produced woollen cloth” (p. 3).

Broadly, the authors describe how the foreign-influenced capitalist model affected local social and economic transformation. While the rise of Ottoman capitalism was related to European imperialism, some of its particular features reflected the nature of the religious and ethnic communities that composed Ottoman society. For instance, Jewish and Greek communities furnished most of the entrepreneurs and know-how. Ottoman capitalism emerged with distinctive traits compared with the prevailing model in Europe.

In detail, the authors show that private industrial capitalism emerged in the region chiefly in textiles but also arose in the food products sector. The period of strong commercial expansion between the 1830s and the 1870s was pivotal for the creation of private industrial capitalism in the years up to the Great War. Savings were invested in the developing capitalist industrial sector. Still, the local economy remained primarily agrarian to the end of Ottoman sovereignty in 1912.

What role did the state play? Ottoman governments had inverted *laissez-faire* policy since 1870s, seeking to promote industrial capitalism, but the creation of state-owned mills sputtered and generally the Ottoman state “was incapable of compelling society to move in the required direction”. The state failed to stimulate the ascent of a general capitalistic class capable of changing the social order. Overall, therefore, Ottoman industrial capitalism was destined to be considered a *révolution manquée*.

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