

Şevket Pamuk, *Uneven Centuries. Economic Development of Turkey since 1820*, Princeton University Press, Princeton-Oxford 2018, pp. 352.

Sevket Pamuk's outstanding book examines economic growth and human development in the late Ottoman Empire and modern Turkey from a comparative global perspective. The extensive use of data serves for deeper analysis of the essential forces that shaped Turkey's development.

The thirteen chapters (plus introduction and conclusion) supply an in-depth chronological analysis from the 1820s to 2015. The book addresses the principal stages in Turkey's economic history, state-building formation, institutional change and economic transformation, with special consideration of formal and informal institutions.

In the author's view, the wide gap in per capita income between Turkey and the most industrialized countries was mainly the product of differences in the adoption of modern technologies and know-how. Agriculture, which long remained the dominant sector of the Turkish economy, suffered from the lack of technological development that could increase productivity. One of the causes of Turkey's protracted period of rapid growth after World War II was intensive urbanization, which required a shift of the labour force from agriculture to the urban and industrial economy. Pamuk points out that one third of the increase in labour productivity was due to the transfer of labour from the underdeveloped and backward agricultural sector to the more productive and forward-looking urban economy. As in many industrialized countries, since the 1990s the share of GDP accounted for by services has been rising, while that of manufacturing industry has stopped increasing.

A very interesting point in Pamuk's research concerns the role of institutions. In the last two centuries Turkey has undergone profound top-down change, influenced also by local modernizing elites. Without suffering direct colonial rule (save for a couple of years in the aftermath

of World War I), Turkey has been a developing nation since the foundation of the Republic in 1923. Formal and informal institutions played a leading role in shaping modern Turkey. Global rules (such as free trade), the gold standard, the Bretton Woods system of rules and organizations, and the Washington Consensus directly affected formal economic institutions in Turkey. Rooted in the Ottoman past, top-down institutional change continued after World War I. At first the Ottoman ruling elite undertook profound reforms and a program of institutional change in response to the European powers' increasing military, political and economic influence. In order to obtain European support and endorsement for the reforms, the Empire agreed to introduce laissez-faire policies and maintain an open economy. Following the signing of economic and commercial agreements with the industrialized European powers beginning in 1838, customs duties were kept low and fixed. This was a setback for national sovereignty and confined the Empire to a marginal position in world manufacturing.

The nineteenth-century reforms were mainly supported by the State elites, non-Muslim merchants, and the European states interested in keeping the Turkish economy open to their exports and capital investment. Unfortunately, the centralizing reforms caused internal cleavages within Ottoman society. Many urban and provincial elites opposed the reforms, which steadily reduced their control over tax revenues and their political influence. And the reforms provoked resentment among the Muslims who controlled the mainly agricultural inland towns. Pamuk highlights a turning point: "The Muslims in the interior began to unite in response to the growing economic cleavages, often by making use of religious networks and other informal institutions" (p. 331). The creation of this identity was the consequence of an unfair process of globalization that caused divisions within Ottoman society as well as new economic inequalities. Informal institutions emerged as alternative forces to counterbalance the main economic and political changes.

Turkey continued to feel the influence of international economic and

political changes on its domestic institutions. From the interwar period to the 1970s Turkey created its national economy and adopted inward-looking policies for industrialization. From the 1980s on, the principles of the Washington Consensus have supplanted such nationally oriented policies. Market liberalization and privatization are the landmarks of the new economic policy. In the meantime Turkey sought admission to the European Union, undertaking political and economic reforms. The achievement of a customs agreement in 1994 was not enough to gain membership in the face of French and German hostility. The struggle between opposing elite groups and informal institutions continued. The military coups of 1960, 1971 and 1980 demonstrate that conflicts among ruling groups – essentially between the secular urban and conservative rural elites – did not cease in modern Turkey.

Sevket Pamuk's book shows that Turkish economic outcomes were the result of ongoing interaction with local and global institutions. Formal institutions, which represented State elite and global powers/agencies, were not in complete control of the State decision-making process. Grasping their interaction with informal institutions is essential if we are to understand the historical development of the Turkish economy. In conclusion, Sevket Pamuk's engaging book frames the evolution of the Turkish economy over two centuries, showing that historical developments under the Ottomans constitute an essential key to comprehending the path taken by modern Turkey.

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