DISTORTED AND LOWER FORMS OF CAPITALIST INDUSTRIAL PRODUCTION IN UNDERDEVELOPED COUNTRIES: Contemporary Artisan Shops And Workshops In Eskişehir And Gaziantep, Turkey

by
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To my Mother,

and to the memory of my Father
ABSTRACT

Title of the thesis: DISTORTED AND LOWER FORMS OF CAPITALIST INDUSTRIAL PRODUCTION IN UNDERDEVELOPED COUNTRIES: Contemporary Artisan Shops and Workshops in Eskişehir and Gaziantep, Turkey.

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The focus of the study is on petty industrial establishments, i.e., artisan shops and workshops, observed in two Turkish cities. Petty industrial firms, that are also referred to as the "small-scale," "informal," "traditional," and "marginal" industries in the literature, are seen as "non-factories" constituting the "lower" forms of capitalist industrial production. The following questions are considered:

- How can we distinguish between the "higher" and "lower" forms of capitalist industrial production?
- How did the "factory" and "non-factory" split of Turkish industries emerge and evolve?
- What is the nature of artisan shops and workshops observed in Eskişehir and Gaziantep in 1975?
- How does the "non-factory" sector of industries, i.e., the domain of petty production activities, function in underdeveloped countries?
- What are the functions performed by the "non-factory" sector of industries in underdevelopment?
- What are the important problems and questions concerning the "non-factory" sector of industries in underdeveloped countries such as Turkey?

The basic theme of the study is that in underdeveloped countries such as Turkey, the continuity of the process of progressive capitalist industrial transformation has been interrupted. The "lower" and "higher" forms of capitalist industrial production exist side by side as if they are separated by a "glass-wall." "Non-factories," i.e., artisan shops and workshops, do not transform into "factories," and the latter tend neither to replace, nor to subordinate the former. The presence of such an industrial landscape is due to the dependent nature of the "factory" sector in underdeveloped countries.

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* All the data mentioned in chapters XIII and XIV are derived from the results of the stratified random sample survey conducted among petty producers in Eskişehir and Gaziantep. For the details of this survey, see: Appendix IV. For the data organized into tables for easier reference, see Appendix V.
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In the cities of underdeveloped countries "petty production" emerges as an important component of the urban economy. There seems to be a consensus on this point. But when it comes to assessing the nature of "petty production," its history, and its present and future roles within the economy at large, views begin to diverge. For the most part, however, differences in opinion do not stem from factual evidence gathered through in-depth studies of the modes of contemporary industrial production in underdeveloped countries. The related literature abounds with guesses, accounts of and generalizations upon almost casual observations, re-tabulations of already existing and often unreliable statistical information on the industrial performances of underdeveloped countries, arguments built upon inferences drawn from the body of economic growth and development theories that are modeled after the experiences of developed countries, and some new efforts to tailor concepts so as to be able to operate within this relatively recent area of concern. In short, what we have can best be described as a set of phenomena of which little is known, but a lot said.

As it stands, the mushrooming petty industrial establishments in underdeveloped countries have been ignored, in contrast to the parallel development of squatter settlements in the same countries. This is not accidental. Industrialization is taken to mean an increase in the stock of "factory" type capitalist industrial enterprises and an increase in the share of such establishments in the GNP, while "non-factory" types of capitalist industrial production are believed to eventually decline and
But the processes of industrialization in underdeveloped countries held a surprise for the proponents of this view. The rise of capitalism under imperialism led to a different situation. As small pockets of "factories" were established and grew, petty industrial firms, i.e., "non-factories," proliferated by their side.

A consequence was the need to reassess paradigms of economic growth and development in underdeveloped countries, and industrialization policies. In relation to such developments a set of new research questions emerged. What was the exact nature of contemporary "petty production" activities in underdeveloped countries? How did it differ from "factory" types of capitalist industrial production? Did these different categories of industrial production signal the existence of what can be termed a "dual economy," and to pursue the speculation further, a "dual society"? And finally, how would the co-existence and co-development of different forms of productive activity influence policies of industrialization and urban and regional development in underdeveloped countries? Answers to these and other similar questions were filed. Discussions and further elaborations upon the answers soon followed. The result was not only a confusion in concepts, theories and methods to be employed, but also a pronounced need for new information and fresh starts.

This study falls within this rather unsettled domain of inquiry. I intend to study the sphere of "petty production" activities in two Turkish cities, Eskişehir and Gaziantep, with an eye on the possible implications for policy. But the nature of the area of concern is such that, I can neither be directly concerned with how accurate facts can
be obtained, and how a particular theory or a hypothesis thereby be more rigorously tested, nor be directly involved in evaluating and designing policies, plans, programs and strategies. Therefore, I must address myself to another equally important task: "the discovery of theory from data systematically obtained from social research."^2

There are numerous sets of categories used to characterize the structure of industrial production activities. For example, industries in an underdeveloped country such as Turkey can be studied by using distinctions such as "State" and "private" industries, "capital-intensive" and "labor-intensive" industries, "consumer goods," "intermediary goods" and "capital goods" industries, "metal," "wood," "leather," "chemical," and the like industries, "heavy" and "light" industries, "small" and "large" industries, "modern" and "traditional" industries, and "formal" and "informal" industries. Indeed, one of the first problems is to find the set of categories that will best suit the purpose of the intended research. Although quite different from each other, all of the sets of categories noted above have a very important common feature. They all indirectly suggest that there exists only one mode of industrial production by not specifying otherwise. In the Marxist literature on capitalist development, however, the focus is on transformations from one mode of industrial production to another. In other words, the simultaneous existence of more than one mode of industrial production not only appears as a clear hypothesis, but also becomes the subject matter for inquiries. Yet, although the "feudal" and "capitalist" modes of industrial production are operationally distinguished from each other, the "lower" and "higher" forms of capitalist industrial production are not. Thus, an important
problem materializes from the outset. If in an underdeveloped country such as Turkey we can observe the simultaneous existence of more than one mode of industrial production, and if we do not have the conceptual tools to operationally distinguish them from each other, then how can we systematically collect data in search of a grounded theory?

Hence, in the first section of this study I will try to define the "higher" and "lower" forms of capitalist industrial production as it is observed in underdeveloped countries with reference to the "factory" and "non-factory" distinction of industries.

Factories and mills are the "higher" forms of capitalist industrial production. Petty industrial firms that are referred to as the "small-scale," "traditional," "informal" and "marginal" industries in the literature are "non-factories," and they constitute the "lower" forms of capitalist industrial production. Indeed, the "non-factory" sector of industries is not homogeneous insofar as modes of production are concerned. There are artisan shops and workshops, and the former display what I prefer to call a "distorted-lower" form of capitalist industrial production. In the sections to follow, I will demonstrate how these categories can be used in collecting data on contemporary "petty production" activities in Turkey, and in interpreting the available historical documentation on Ottoman and Turkish industries.

The basic theme of this study is that in underdeveloped countries such as Turkey the historically antagonistic modes of capitalist industrial production exist side by side as if separated by a "glass-wall." In other words, the continuity of the process of progressive capitalist industrial transformation has been interrupted. Indeed, this does not mean that
the "factory" and "non-factory" sectors are independent of each other. On the contrary, there is a kind of symbiotic relationship between them. "Higher" forms of capitalist industrial production, i.e., "factories," neither tend to replace artisan shops and workshops, nor establish sub-contracting links with and subordinate them. I attribute the presence of such a situation to the peculiar nature of the "factory" sector of industries which is "dependent" in nature, "inadequate" in scope and "distorted" in outlook.

The rest of the study consists of elaborations on how and why such a situation emerges, how the "factory" and "non-factory" sectors interact, and how and why the two-fold outlook of Turkish industries is reproduced. Details of the field-surveys conducted in Eskişehir and Gaziantep, some observations on method, and certain considerations on the problems of obtaining reliable data on "petty production" activities in Turkey will be presented as appendices to the text.
WHAT IS A FACTORY, AND WHAT IS NOT?

"It should be known that among other things that are harmful to the human quest for knowledge and to the attainment of a thorough scholarship are the great number of works available, the large variety in technical terminology, and the numerous methods."

CHAPTER I

INTRODUCTION TO SECTION ONE

1. Some Aspects Of The Industrial Landscape In Underdeveloped Countries

Even a casual observer would note the existence of a two-fold phenomena in the sphere of industrial production in underdeveloped countries like Turkey. On the one hand there are few factories and mills, and on the other there are numerous artisan-shops and workshops of all sizes, i.e., petty industrial firms, that do not look like small factories. When studied closer the picture becomes rather intriguing.

As a rule, factories and mills use modern technologies, have large capital outlays, employ more workers per firm than the larger petty industrial establishments, operate with high capital/labor ratios and profit margins, and mass-produce. But artisan-shops and workshops use obsolete technologies, have small capital outlays, employ fewer workers, operate with low capital/labor ratios and profit margins, and do not necessarily mass-produce. Often, factories and petty industrial firms partition the consumer markets rather than compete against each other. While the former tends to produce better quality goods for the relatively well-to-do and the export markets, the latter makes lower quality goods for the poor. In outlook, the factory owner is a different type of industrial entrepreneur than the owner-operator of petty firms, i.e., the petty producers. Usually, petty producers work just like other laborers
in their own establishments. Also, unlike factory owners, their capital and profits are small, and their access to credits is restricted. Furthermore, factory workers are unionized but workers in petty firms are not. Thus, while the former enjoy better working conditions and benefits from social security programs, the latter receive wages that are far below the official minimum rates and are hired and fired at the whim of the petty producers. Last but not least, the nature and organization of work in factories is quite different than in petty firms.

Such offhand observations indicate clearly that there exist two qualitatively distinct spheres of industrial production in underdeveloped countries like Turkey. It is as if two different worlds of industrial production exist side by side. This is the starting point of the present study.

2. A Question Of Approach: How To Define The Two-Fold Nature Of Industrial Production In Underdeveloped Countries Like Turkey?

The literature on social and economic development contains numerous attempts to define and explain underdeveloped societies in terms of dichotomies. But the two-fold nature of the domain of industrial production activities has only recently started to attract attention. As the number of studies focusing on the dual structure of industry in underdeveloped countries increased, the question of how to distinguish the two qualitatively distinct sectors of industry from each other assumed significant importance.

The answers to this question are of two types. In one group of studies the emphasis is put upon the quantifiable aspects of the differences
among industrial establishments. In the other, the emphasis is shifted to qualitative differences.

Quantitative distinctions stress criteria such as the "size of the labor force," the "size of the capital outlay," and the "level of utilization of inorganic energy (measured in terms of horse-power)." Writers who use these criteria end up dividing the sphere of industrial production into two sectors: "medium and large" and "small" industries. The paradox underlying this type of approach, however, is as obvious as the operational convinience of the criteria used. Two qualitatively different things cannot be distinguished quantitatively. That is, we can not tell an apple from an orange by measurements alone. Thus, in short, the "medium and large" and "small" industries division falls short of capturing the gist of the dichotomy that is observed readily in the sphere of industrial production in underdeveloped countries like Turkey³.

When the emphasis is shifted to qualitative dimensions, however, a series of unoperational and controversial criteria come to play. Dichotomies defined with reference to them take dubious forms like "modern" and "traditional," "capitalist" and "pre-capitalist or non-capitalist," "organized" and "unorganized," "formal" and "informal," and "central or essential" and "marginal." Such divisions are not only difficult to define operationally, but irrelevant if the real life situations in underdeveloped countries are studied a bit further. Indeed, there exist qualitative differences between a factory (for example a textile mill) and a workshop (for example a 'kilim' or towel maker's shop). The textile mill may be labelled as a "modern," "capitalist," "organized," and even "formal" industrial firm. The 'kilim' maker's shop, however, may not be called "traditional,"
"pre-capitalist or non-capitalist," "unorganized," or "informal". At least in Turkey, to be more specific, in Gaziantep, 'kilim' makers use obsolete but not traditional technology. They produce for markets, and exist within the web of capitalist institutions that are peculiar to underdeveloped countries. The traditional corporate body (the Weavers' Guild) that regulated weaving industries disappeared along with other guilds as early as in the second half of the nineteenth century, and was replaced by the voluntary Weavers's Association. Their work is "organized" in the sense that there exists a definite division of labor and hierarchy of jobs within the production unit, the petty firm. Furthermore, to my knowledge, they are extremely "formal" both at their place of work and at home. They pay taxes, are eligible to receive credits, register at the Petty Traders and Producers's Associations (Esnaf ve Sanatkar Dernekleri), vote, and are subject to all effective laws of the Republic.

In summary, there are two methods used to define the two-fold nature of the domain of industrial production activities in underdeveloped countries. One emphasizes quantitative criteria and distorts the qualitative differences between the two sectors of industry. The other emphasizes qualitative criteria but ends up as unoperational, vague and often irrelevant. Thus the question remains. How are we to define the two-fold nature of industrial production in underdeveloped countries without either distorting the qualitative differences between the two worlds of production, or ending up as unoperational, vague, and irrelevant?

I begin with the proposition that there exist two qualitatively distinct spheres of industrial production activities in underdeveloped economies. I intend to study the nature, role, and future of the domain of
production activities that is often referred to as the "traditional," "pre-capitalist or non-capitalist," "unorganized," "informal," "marginal," or "small-industries" sector. But the existing literature does not suggest a relevant operational definition of the chosen domain of inquiry upon which to base research. In other words, there are the naked observations and a "dualist" proposition to start from, and a grounded theory yet to be formed.

The "dualist" proposition that there exist two qualitatively distinct spheres of industrial production in underdeveloped countries is based upon the observation that not all firms are organized and operate on the same basis. A few may be called factories, but the rest, a large panoply of artisan shops and workshops, are of a different nature. This crude characterization of the industrial landscape in underdeveloped countries rests upon a vague distinction of how industrial production occurs. It is precisely this distinction that I intend to sharpen, qualify, and use as a conceptual tool in defining the two qualitatively distinct worlds of industrial production: the "factory" and "non-factory" sectors of industry.
CHAPTER II

DISTINGUISHING THE LOWER FORMS
OF CAPITALIST INDUSTRIAL
PRODUCTION

1. Towards A New Framework: "Factory" and "Non-factory" modes
of capitalist industrial production

In every labor process there are three elements: the labor, the
means of production, and the raw materials. In the model "capitalist form"
of industrial production, the entrepreneur (the capitalist) purchases these
tree elements through the markets, and puts them together into a productive
mechanism under his control. In other words, the capitalist owns the means
of production, the raw materials, and the final products. He organizes the
work, and controls the laborers. But the productive work is performed by
unskilled laborers who sell their labor power to the capitalist for a wage.¹

Thus, an essential feature of the model "capitalist form" of industrial production
is the presence of a capitalist on the one hand, and unskilled wage laborers
on the other.² The former is not involved in the productive work, but controls
both the process of production and the product. The latter is alienated
from the productive work but performs it, and controls neither the process
of production nor the product.

This model "capitalist form," however, characterizes mostly how
production occurs in factories, but not in the artisan shops and workshops
that we observe in underdeveloped countries like Turkey. In artisan shops
and workshops we find workers who have not yet lost autonomy over their
own productive work, capitalists who are involved in the productive work, and capitalists who have lost their control over the product. In other words, in non-factories workers are not yet fully "proleterinized," and capitalists are not yet clearly the "model capitalists."

Logically, therefore, if the labor processes in factories are called the model "capitalist forms," then the labor processes observed in artisan-shops and workshops, i.e., the petty industrial firms or the non-factories, are "transitory capitalist forms." Furthermore, since artisan-shops and workshops appeared on the scene earlier than factories, and since the latter are regarded as a more developed form of industrial enterprise, then it is possible to call the labor processes observed in artisan-shops and workshops the "lower," "less developed," or "incomplete" capitalist forms. Thus, the concepts "non-factory modes of capitalist industrial production," "petty industrial production," and "lower-transitory-incomplete-less developed capitalist forms of industrial production" are synonymous.

2. Differences Between "Factory" And "Non-Factory" Modes Of Industrial Production

The crux of the difference between "factory" and "non-factory" types of industrial production is the respective nature and organization of the productive work. But to grasp the differences between "factory" and "non-factory" work, the technical base for production in factories and petty industrial establishments, i.e., the artisan shops and workshops, ought to be set apart from each other.

In general, the body of a factory can be characterized as "machinery
organized into a system,"7 where production is carried out either by a 
"single machine which performs all the various operations previously done 
by one handicraftsman with his tools,"8 or by a "conglomeration of similar 
and simultaneously acting machines,"9 or by a "chain of machines of various 
kinds, the one supplementing the other."10 Thus, as a rule, factories display 
a technical oneness either because "all machines (are) receiving their 
impulse simultaneously, and in an equal degree, from the pulsations of the 
common prime mover, by the intermediary of the transmitting mechanism,"11 
or because various machines operate together where, in a way, one employs 
the other.12

As the system of machinery becomes more and more perfect, "the 
process (of production) as a whole becomes a continuous one, i.e., the 
less the raw material is interrupted in its passage from its first phase 
to its last."13 In other words, the more developed the technical base of 
factory type production is, the less significant becomes the role played 
by the "hand of man."

So far as the technical base of production is considered, the 
most developed forms of factories are those which use no manual operations. 
A large number of modern industries -- food, textiles, paper, leather, 
construction materials, primary metal, fabricated metal, machinery -- 
are of this sort. Commodities are standardized and mass produced. In a 
sense, it is the "machinery organized into a system" that carries out 
the production. Workers simply attend machinery; machines are the 
backbone of factory type production. In industrial-chemical plants 
such as petroleum refineries, and alkali and chlorine factories 
the processes are entirely automated and continuous; the job of the
relatively few workers is to monitor instruments indirectly on panel boards.

What Marx saw as the emerging automaton, the technical monster of nineteenth century England, has become almost the rule in modern industries. But in certain industrial branches the nature of the product can limit the use of complex machine processes, and thus make certain manual operations necessary. In modern industries such as motor transportation equipment (automobiles, motorcycles), electrical and electronic machinery, equipment and supplies (televisions, hand computers, household appliances), where the products are standardized but made up of a number of separate parts, some sort of an assembly production becomes necessary. It is true that such industries do not have completely mechanized production processes as in the model developed factory, the automaton. We come across manual labor and "detail-work." But it is also true that, for the most part, these modern industries display neither the "craft-work" nor the "detail-work" that we observe in "non-factories." What then, is the nature of the "detail-work" in factories? In industries using conveyor-belt assembly lines, for instance, the tasks are divided in such a way that it requires from the laborers neither an understanding of the total productive process as in artisan shops, nor meaningful skills as in workshops. The manual work on the assembly line, therefore, is different from the "detail-work" that typifies workshops, and the "craft-work" of artisan shops. It is "unskilled detail-work" where the laborer loses control over his own productive work. Indeed, in such instances, the factory workers are not merely machine attendants, nor do they monitor machinery indirectly on panel boards, but they themselves function as human "detail-machines" integrated to each other as well as to the backbone of machinery by the conveyor-belt, itself a machine.
If the body of a factory is "machinery organized into a system," then the body of a "non-factory" can be summarized best as a "productive mechanism whose parts are human beings."\(^{16}\) In the case of artisan shops and workshops the instruments of production are either exclusively simple hand tools, or some kind of a combination of simple hand tools with machine powered tools like electrical drills, saws, presses, and independently standing detail-machines like lathes. What counts in the "non-factory" type of industrial production is the skill and control of individual "craft" or "detail" laborers in manipulating the technical base, and their cooperation through division of labor. In other words, unlike the factories, in "non-factories" the technical base does not display a technical unity. The simple hand tools, power tools, independently standing detail-machines and even the extremely sophisticated paraphernalia are not the basis of the productive system. They are integrated indirectly in the labor process, via the division of labor in the firm. In short, while in factories technical cooperation among machines is the basis of the labor process, in "non-factories" social cooperation among laborers is the foundation of production. Thus, as a rule, in factories workers are subordinated to the technical base, i.e., the machinery organized into a system. But in "non-factories," the technical base is subservient to the workers.

The technical unity of factory type production creates an entirely different pace of work and division of labor, and it also excludes factory workers from any control whatsoever over their own productive work and the process of production. The worker is reduced to a machine attendant, an organic detail-machine at the assembly line. Thus, the
capitlist gains control and enhanced power to discipline workers. On the one hand, the "alienation" of the worker from his own productive work and the process of production facilitates the establishment and maintenance of a job and wage hierarchy within the firm. On the other hand, as the "unskilled detail-work" in factories does neither require nor build meaningful skills, the capitalist finds himself in a better position to hire and fire workers without disrupting the labor process. This, of course, is subject to the conditions that the workers are not organized well, and that there is a reserve army of the unemployed.

The absence of a comparable technical unity of the capital goods at the base of "non-factory" types of production makes it possible for workers to retain some control over their own productive work. This makes the control and disciplining of "craft" and "detail" laborers in artisan shops and workshops by the capitalist much more difficult.

3. Differences Among "non-Factory" Types Of Industrial Production

In principle, the stocks of capital goods in "non-factories" do not exhibit a technical unity. It is only in this respect that the technical base of "non-factories" can be called similar, for when examined more closely the different "non-factories" display variations in the degree and mix of technology embedded in the capital goods. Also, the sizes of the labor force and the capital outlay in "non-factories" are varied. But these characteristics will not identify the different types of "non-factories." The nature and organization of work in "non-factories" must be considered. Indeed, in principle, the social cooperation among laborers is the foundation of production in "non-factories." But there are further peculiarities among
"non-factory" types of work that distinguish the different modes of petty industrial production from one other. In brief, I distinguish two types of "non-factory work": "craft" and "detail" work, and thus, two model "non-factories": artisan shops with "craft work" and workshops with "detail work."

In the artisan shop, as a rule, the technical hardware consists primarily of simple hand and power tools. The typical medieval European, or Ottoman, master handicraftsmen worked with such tools as hammers, chisels, hand looms, knives, i.e., the simple handicraft tools. Today in underdeveloped countries like Turkey some iron-smiths, copper-smiths, carpenters, and shoe makers still use only simple hand tools. But in many artisan shops not only power tools (machine powered but hand applied tools) like electric drills and saws, oxygen torches, spray guns, and presses, but also detail-machines (machine powered and machine operated tools) like lathes, sewing machines and machine-looms are used. But what makes an artisan shop is the presence of "craft-work," and "craft-work" is often associated with hand and power tools rather than detail-machines. This is an important point to consider, for it bears upon the issue of whether or not the technical base for production determines the organization of work. Do "non-factories" with detail-machines necessarily display "detail-work"? Conversely, do "non-factories" without detail-machines necessarily display "craft-work"?

Some examples from Turkey will clarify this point. In Eskisehir and Gaziantep I have observed many lathe shops where detail-machines constitute the bulk of the capital equipment, yet the nature of work is best described as "craft" rather than "detail." In such lathe shops two to three workers (apprentices) are usually employed, and there is not much work besides occasional repairs and machine parts duplications. Either the owner of the shop or one of the workers performs in succession
all the necessary operations to complete a job. It is only when the number of a particular machine part duplication order increases that dividing the job into its detail components and assigning each to a worker becomes necessary. Thus, there are shops with detail-machines that do not display "detail-work."

The horse wagon makers ('At Arabasi Imalcileri') in Eskisehir, on the other hand, do not use a single power tool or a detail-machine. They work with simple hand tools. But the work is divided into its detail components, and each is assigned to a worker. Iron-smiths produce the metal parts of the wagon, there is a wheel-maker, a wheel-fitter, and various carpenters who produce different wooden parts of the wagon. All this takes place in one shop. Now, is this shop an artisan shop? No, it is a workshop or an atelier, or to recall a term that was much in use in the beginnings of industrialization in England, it is a "manufactory." Thus, shops without detail-machines will not necessarily display "craft work."

What makes a workshop is the presence of "detail work." In artisan shops workers perform in succession all the necessary operations to produce a commodity, and acquire "composite-skills." But in workshops, each worker is assigned to a particular component of the productive work necessary to make a commodity. In other words, in workshops workers are specialized in "detail work." Each worker repeats a particular operation day after day. It is in this connection that the presence of "detail work" in workshops breeds a distinct type of worker: the "detail-worker" with "specialized-skills." Indeed, both the "craft-worker" in artisan shops and the "detail-worker" in workshops have control over their own productive work. But the latter has less control over the productive work performed in the firm. The "detail-worker" controls the productive work as much as
his "detail-work" and "specialized-skills" permit. This is important, for here lies the reason why the "detail-worker" may not transcend his status as a worker. Unless employed in a workshop, or unless his labor is first purchased and then integrated with those of other detail-laborers into a productive mechanism by the capitalist, the specialized skills of a detail-worker do not carry significance in and of themselves at the market place. Thus, unlike the "craft-worker" who may establish his own business, the "detail-worker" is destined to look for employment by a capitalist.

As the detail-workers lose control over the unity of the productive work, a discrete function emerges: the coordination of "detail-work." But who is going to assume this new function: the person who forwards the capital to put together the means of production, the laborers, and the raw materials with the purpose of making profits, i.e., the capitalist, or his workers? This is an important question, for whoever coordinates the productive work gains a certain power in the firm. We know that the detail-work does not appear out of the blue. It is the capitalist who divides the productive work in order to increase his profits. But without disciplined detail-workers it is difficult to increase profits, and by letting the detail-workers gain control over the unity of the productive work, i.e., gain power in the firm, it is difficult to discipline them. Thus, the capitalist does not only divide the productive work but also assumes the new function of coordinating detail-work.

Both the artisan and the workshop operator (the boss) are capitalists. They control the production process and the product. But in principle, the artisan is directly involved in the productive work. He performs in succession all the necessary operations to produce a commodity in front
of and with the aid of his workers. In a sense he teaches the productive work, i.e., the craft, to his workers. As such, the craft work in artisan shops is not divided (detail-work does not exist), and craft-workers retain control over the unity of the productive work. But in workshops the picture is quite different. The workshop operator is not directly involved in the productive work. He does not dirty his hands, but divides the productive work and assigns a task to each detail-worker. Unlike the artisan, therefore, he alienates his workers from the unity of the productive work. This increases his powers in the firm, and together with his powers his profits increase. In short, the workshop operator is a capitalist specialized in managing the process of production, in controlling the product, and in supervising the productive work.

The division of labor in workshops is associated with the emergence of detail-workers as wage earners on the one hand, and petty producers as capitalist entrepreneurs on the other. In this connection, if the workshop operator stands as an "industrial capitalist," then the artisan is an "almost industrial capitalist." Similarly, if the detail-worker is taken as an "industrial wage earner," then the craft-worker is an "almost industrial wage earner," for he learns a "trade" over and above receiving wages. Consequently, if the workshop is considered as a "capitalist industrial firm," then the artisan shop is an "almost capitalist industrial firm." In other words, the labor process in workshops marks the beginning of capitalist industrial production in the true sense of the word. As Marx puts it,

"Capitalist production...really begins,..., when each individual capital employs simultaneously a comparatively large number of laborers; when
consequently the labor process is carried on an extensive scale and yields, relatively, large quantities of products. A greater number of laborers working together, at the same time, in one place (or, if you will, in the same field of labor), in order to produce the same sort of commodity under the mastership of one capitalist, constitutes, both historically and logically, the starting point of capitalist production." 24

Before elaborating upon the model classic and contemporary artisan shops and workshops a point needs to be dealt with. If workshops are taken to mark the first step of capitalist production in the true sense of the word, then how are we to view the contemporary artisan shops in underdeveloped countries like Turkey? Are they, "pre-capitalist" or "non-capitalist" forms of industrial firms? If we use logic alone, and do not refer to the reality itself, the the answer to this question ought to be 'yes'. But we have on our hands a rather unique situation.

The artisan is not a typical capitalist. He is an "almost capitalist." He is involved with manual labor in his own establishment, and shares the control and responsibility over the productive work with his workers. Furthermore, his workers are not the typical simple wage earners. Thus, the artisan shop with craft-work may not be called a clearly capitalist firm in and of itself. Yet it exists within the web of capitalist institutions. In other words, although the organization of work within the contemporary artisan shops is not clearly capitalist, the institutional web within which the artisan shop exists is clearly capitalist. There are no Guild regulations to tie the craft-worker to the artisan shop, to constrict competition, to limit the number of new entries into the business, to regulate the relations between artisans and merchants, or to control the quality and price of the commodities. All such matters are determined at the market place. Furthermore,
the Guild credit mechanism ('sandik' as it was called in the Ottoman Guilds) is replaced by banks, and the social security functions performed by the Guilds are either assumed by the State (like BAG-KUR in the Turkish case), or simply allowed to deteriorate. The contemporary craft production as it takes place in artisan shops, therefore, is neither "capitalist" nor "non-capitalist." It is something in between. Here, at this point, we have to remember that the labor processes observed in artisan shops and workshops, i.e., the "non-factories," are the "lower capitalist" forms when compared to the model "capitalist" form observed in factories. Thus, it become clear that, while the workshops mark the first complete but lower form of capitalist industrial production, the artisan shops signal the presence of a distorted lower form.
CHAPTER III

ARTISAN SHOPS

1. The Model Classic Artisan Shop: The "Pre-Capitalist"

Form Of Industrial Production

The model classic (the typical medieval European, or Ottoman) artisan shop existed within a "pre-capitalist" economy. Thus, it marks a clearly "pre-capitalist" mode of industrial production. In principle, the artisan and his workers, i.e., the journeymen and apprentices (called in Turkish 'kalfa' and 'çirak' respectively), used simple hand tools, and the size of the artisanal production was limited. Doubtless, the production was oriented towards consumer markets. But the markets, the relations of production within the artisan shop, and the relations among the artisans were regulated by the citizen craft corporations, i.e., the guilds (called in Turkish 'asnaf', 'esnaf').

The organization of work in the model classic artisan shop is clear. A master handicraftsman (called in Turkish 'usta') makes the entire product using simple hand tools. He performs, in succession, all the operations necessary for the production of the commodity, i.e., the craft (called in Turkish 'zenaat', 'sanat'), together with, and assisted by his workers. Indeed, the artisan has full control over both the process of production and the product itself. But he shares some control and responsibility over the productive work with his workers, allowing them not only to learn but also to perform the "craft" under his supervision. This aspect of "craft work" stands in sharp contrast with "detail work" in workshops on the one hand,
and "factory work" in factories on the other. Subject to the approval of the guild, workers progress from apprenticeship to journeyman status, finally becoming masters capable of opening their own shops. That is, upon acquiring the necessary skills to perform the "craft", the workers can become employers instead of being employed all their lives. Work experience for the craft worker is an investment, much like that of a student's internship labor. It is true that he is not paid the value of his labor power, but it is equally true that he gains experience over and above his wages. Since in the process of selling his labor power to a master he acquires those qualities which will later on, enable him to buy labor power (he learns not only how to produce a commodity but also to run a business), he is not a simple wage earner.

2. The Model Contemporary Artisan Shop in Underdeveloped Countries: The "Distorted-Lower Capitalist" Form Of Industrial Production

The organization of work in the contemporary artisan shop in underdeveloped countries is much like the classic model, but there are a few significant differences. In underdeveloped countries like Turkey with a long history of non-factory types of production, the institutional net surrounding the artisan shop has changed radically. Formerly, guilds regulated and reinforced not only the relations among artisans and between artisans and merchants, but also the organization of "craft work" within the firm and the relations between the master handicraftsmen and their workers. Today, market relations modified by labor laws provide the institutional framework. Unlike the guild framework, the new institutional
set-up around the artisan shop neither regulates nor reinforces any particular form of organization of work within the firm. It may, therefore, appear that upon the erosion of the guild regulations, the organization of work within artisan shops became voluntary. In other words, if an artisan is willing and able to reorganize the cooperation of labor in his shop, he may do it in any way he sees fit. There would be no institutional barriers in his way. Yet, it is common knowledge that not only in the comparatively older artisan shops, but in those that are newly established, in increasing numbers, "craft work" remains the principal framework for cooperation of labor. This is neither due to the absence of motivation on the part of the artisan to remodel the division of labor in his establishment, nor to the lack of alternative organizational models. It is either due to the shrinking markets for traditional commodities, or, more important, to the lack of capital. Assuming that the demand for a particular commodity does not decline, an artisan producing that commodity would at first need to increase the number of his workers, provide detail machines, and probably move into a larger space to accommodate these changes. He would then organize a division of labor different from cooperation of labor in "craft work", and start worrying about acquiring raw materials, standardizing and diversifying production, and increasing sales. All this, we know, requires capital and risk taking. But how is an artisan going to collect the necessary capital, even if he were willing to take risks, to finance all the necessary changes involved in shifting into a qualitatively distinct organization of work? In other words, how is he going to finance the transformation of his artisan shop into a workshop, let alone into a factory? To start with, artisanal production is limited in scale, and artisanal capital accumulates
slowly. Furthermore there are the competition from other artisan shops, and the rapid increase in the number of artisan shops. All the artisans I came to know are fully aware of this situation. It is for the benefit of those optimists who insist that there exist some avenues of success which artisans are somehow unable to travel upon, that I outline the impasse in contemporary Turkey.

Take the example of the artisan, an anachronistic master handicraftsman, who makes the entire product using power tools, and even one or two detail machines, besides simple hand tools. Working with his one or two employees in a small shop, he usually makes enough money, and that is by underpaying his workers, just to keep the business going. As a rule, it is impossible for him to accumulate capital: within the artisanal sector the merchants seem to be most capable of amassing capital. It is true that such an artisan would be held eligible for credits distributed by the People's Bank (Türkiye Halk Bankası), if he is registered at a Petty Producers's Association (Esnaf ve Sanatkârlar Derneği) and the Petty Producers's Credit Cooperative (Esnaf Kefalet Kooperatif). But it is also true that the credit he could receive, after much paper work, would not exceed $400-500 (5000 TL.). To receive more he would have to show an equity either in the form of capital goods, or land. In other words, he can not receive credit to radically transform his business because he does not have much capital to start with. Faced with this paradox of the credit distribution policy of the People's Bank, which was established with the purpose of helping artisans like himself, what can he do? Sell his land? Sell his wife's jewellery? Sell his labor?

In Turkey, as a rule, when a new artisan shop is opened it is built
upon the previous savings of the family plus all their valuables, like jewellery, land, &c., transformed into cash. Thus, a typical artisan would start his career as a "poor artisan", and struggle to remain in business as a "poor artisan". If he had the opportunity to sell his labor, or if he could find a stable job, he would perhaps choose to try that avenue. But such opportunities are rare. Therefore, when he wants to transform the organization of work in his shop, he finds himself facing the dilemma of transforming his artisan shop into a workshop altogether. This requires far more initial capital outlay than he can forward. Unable to finance any radical transformation in his business, he stands bitter yet thankful, in his eastern frame of mind, that he is able to reproduce the vicious cycle that he entered as a "poor artisan." Similar accounts of the impasse that artisans find themselves in, may be provided from other underdeveloped countries as well. But the picture is rather clear: the organization of work in contemporary artisan shops along "craft" lines is a predicament, not a choice.

In the model contemporary artisan shop in underdeveloped countries the cooperation of labor along "craft work" guidelines, therefore, is not imposed upon by the external institutional set-up, as is the case in the classic model, but simply becomes the only possible solution given the conditions under which the artisan shop exists and operates. This is, however, not the only difference between the classic and contemporary models of artisan shops. There is another twist to the picture: the contemporary artisan may be best described as an anachronistic master handicraftsman. In outlook, he is almost like an industrial entrepreneur. He operates within an environment that may be characterized as a poorly
regulated market set-up. He puts together under one roof, upon purchases from their respective markets, the raw materials, the necessary tools, equipment, and machinery, and the labor. He manages and supervises the entire production with the purpose of making profits. Yet, he does one thing too much. He, himself is involved in manual labor. In other words, he not only forwards capital, but also his labor. Just like the master handicraftsman in the classic model, he performs in succession all the operations necessary for the production of a certain commodity, beside and with the help of his few workers. Thus, the cooperation of labor in his shop is necessarily such that his workers gradually acquire his composite skills and knowledge not only to produce commodities, but to run a business. On the one hand, he uses this as an excuse to underpay the value of labor put into production by his "craft workers." But on the other hand, he complains about it. In the absence of guild regulations, his workers, whenever they develop confidence in themselves, that is—when the artisan can get most out of them—, may open up similar artisan shops and become his competitors, without being subjected to any regulation whatsoever.

This situation causes a rapid turnover of labor, and accounts for the large number of new artisan shops which continually open. In short, the contemporary artisan, in the process of production ends up with a unique by-product: "craft workers" who are in fact his potential competitors. It is this aspect of the organization of work within the artisan shop that compels the contemporary artisan to consider doing something about it. Like all producers who forward capital with an eye on profits, the artisan would very much like to enhance his control over his workers, so that he may squeeze more out of their accumulated skill. To achieve this the artisan
has to do either of two things: change the cooperation of labor and divide the work such that his workers become "detail laborers" and cannot learn the "craft", i.e., develop 'specialized skills' instead of "composite skills," or stop his journeymen and apprentices from leaving the shop by employing other methods. In certain cases, developing a strong friendship and respect may prove operational. But in the absence of strong institutional ties, such personal loyalties are volatile. Furthermore, the rapid social transformations that underdeveloped countries display make personal loyalties appear more and more archaic. Impersonal relations and abstract corporate loyalties are in the rise. Scholars find this necessary to prove; but it is part and parcel of the everyday life consciousness of the common people in underdeveloped countries. The artisan, therefore, wants to try to change the organization of work in his shop. Yet since he is unable to radically alter the situation, the artisan either eventually falls back into eastern "fatalism", or he becomes an ardent reactionary, wanting to turn back the wheels of history into the past when "an artisan was really a masterhandicraftsman."

3. The Model Contemporary Artisan Shop in Developed Countries:

The Continuing "Lower Capitalist" Form Of Industrial Production

In developed countries we also find artisan shops, artisans, "craft work," and "craft workers," similar to the contemporary artisan shops in underdeveloped countries. But they are of a different stock. First, while the artisan shops in underdeveloped countries address themselves predominantly to the "poor", in the case of developed countries it is
either the "rich," or the "more conscientious" who constitute the markets for "craft work." For instance, in Cambridge, USA, it costs more to wear a hand-made belt or shoe than the domestic or imported, but factory-made ones. In underdeveloped countries, however, the case is just the reverse. And, while for the artisans and "craft workers" of the developed countries, making a living from crafts stands more as an "interesting alternative life-style," or a choice, for their counterparts in the underdeveloped countries it is a trap they are born into. In other words, in developed economies "craft work" appears as an escape, a relief, or a holiday away from factory type work, whereas in underdeveloped countries factory work stands as a relief from "craft work" both for the artisans and craft workers, that is if they can ever get a job at the factory. Finally, the relative importance of artisan shops, and "craft work" in the industrial landscape of underdeveloped economies is similar to that of factories and factory type work in developed economies. Thus, while any attempt to equate artisan shops in developed countries with those in underdeveloped economies is simply wrong, their critical comparisons may open up new research avenues.
CHAPTER IV

WORKSHOPS

1. The Model Classic Workshop: The First "Complete Capitalist" Form Of Industrial Production

The model classic workshop is the earliest "complete capitalist" industrial firm, where not only the cooperation of labor through division of work, i.e., "detail work," and "detail laborers" as simple wage earners, but also the capitalist entrepreneur, increased output and large scale profits appear on the scene. Indeed, it is difficult to distinguish the early workshops from artisan-shops. The former appear as simply enlarged versions of the latter. Except for the increased outputs and the higher numbers of the simultaneously employed workers not much seems to have been changed. Yet upon closer studies of the organization of work within the workshops, it becomes evident that a major transformation has already set in. Instead of "craft work," now there is "detail work" with a clear and pronounced division of labor. All the operations necessary for the production of a commodity are no longer performed in succession by the same worker. The productive work is divided into its components, and each is assigned to a detail worker. The detail worker is, therefore, specialized in performing a discrete task in and of itself. He works next to other detail workers who perform different operations but labor simultaneously. The literature is full of descriptions and analyses of
this form of cooperation of labor, i.e., the division of labor that first emerges in workshops, and how it results in increased output. Adam Smith's description of the division of labor in a pin manufactory in the Eighteenth Century is the best known example:

A workman not educated to his business (which the division of labor has rendered a distinct trade), nor acquainted with the use of the machinery employed in it (to the invention of which the same division of labor has probably given occasion), should scarce, perhaps, with his utmost industry, make one pin a day, and certainly could not make twenty. But in the way in which this business is now carried on, not only the whole work is a peculiar trade, but it is divided into a number of branches, of which the greater part are likewise peculiar trades. One man draws out the wire; another straightens it; a third cuts it; a fourth points it; a fifth grinds it at the top for receiving the head; to make the head requires two or three distinct operations; to put it on is a peculiar business; to whiten the pin is another; it is even a trade by itself to put them into the paper; and the important business of making a pin is in this manner divided into about eighteen distinct operations, which, in some manufactories, are all performed by distinct hands, though in others the same man will sometimes perform two or three of them. I have seen a small manufactory of this kind, where ten men only were employed, and where some of them, consequently, performed two or three distinct operations. But though they were poor, and, therefore, but indifferently accommodated with the necessary machinery, they could, when they exerted themselves, make among them about twelve pounds of pins a day. There are in a pound upwards of four thousand pins of a middling size. Ten persons, therefore could make among them upwards of forty-eight thousand pins a day...

This type of division of labor, where one and the same thing is gradually transformed through a succession of distinct operations performed by different detail laborers, i.e., "serial manufacture," however, is merely one of the two forms in which cooperation of labor takes place in workshops. The other is when each detail worker produces a complete part of the commodity which then has to be fitted to other parts, i.e.,
"heterogeneous manufacture." In other words, in the first case the "craft work" is merely redistributed among the detail workers, but in the latter case different types of "craft work" are assembled in one workshop to produce a commodity, reducing the previously independent crafts into detail components of the workshop. Marx supplies us with an example of the second form of division of labor:

A carriage, for example, was formerly the product of the labor of a great number of independent artificers, such as wheelwrights, harness-makers, tailors, locksmiths, upholsterers, turners, fringe-makers, glaziers, painters, polishers, gilders, &c. In the manufacture of carriages, however, all these different artificers are assembled in one building where they work into one another's hands. It is true that a carriage cannot be gilt before it has been made. But if a number of carriages are being made simultaneously, some may be in the hands of the gilders while others are going through an earlier process. So far, we are still in the domain of simple co-operation, which finds its materials ready to hand in the shape of men and things. But very soon an important change takes place. The tailor, the locksmith and the other artificers, being now exclusively occupied in carriage-making, each gradually loses, through want of practice, the ability to carry on, to its full extent, his old handicraft. But, on the other hand, his activity now confined in one groove, assumes the form best adapted to the narrowed sphere of action. At first, carriage manufacture is a combination of various handicrafts. By degrees, it becomes the splitting up of carriage-making into its various detail processes, each of which crystallizes into the exclusive function of a particular workman, the manufacture, as a whole, being carried out by the men in conjunction...

Examples of this sort may be increased easily in number. Cloth and clock workshops, among many others, display a similar form of division of labor where different and previously independent handicrafts are combined together under one roof and under the control of a single capitalist entrepreneur. Division of labor, as a whole, is such a well studied field of inquiry that, as Mantoux puts it, "it is hardly necessary to add anything more." A final note, however, is necessary. Division
of labor and its obvious significance in the sphere of production as
displayed by the accuracy and quickness attained by detail workers and
the consequent rise in output have been acknowledged and noted much
earlier than the Classical Economists like Adam Smith and Karl Marx
themselves. Mantoux notes the following on this score:

Before Adam Smith, before even the author of Considerations
Upon East-India Trade, they had observed that "the
greater the Order and Regularity of every Work, the
same must needs be done in less time, the Labor must
be less, and consequently the price of Labor less,
 tho' Wages shou'd not be abated."

In earlier versions of the model classic workshops, the technical
base for production appears similar to that of the artisan shops. But
as the workshop type of non-factory production matures with its peculiar
cooperation of labor, there emerges a concomitant refinement in the
implements of labor. In other words, together with the rise of detail
work there appear developments in the stock of tools used in production.
This is not accidental. As the detail worker specializes in a particular
operation, simple craft tools at his hand, such as knives, drills, hammers,
&c., which were employed in craft work for various different operations,
and hence were, so to say, multi-purpose tools, are applied exclusively
to one and the same detail work, and therefore are reduced, in effect,
to single-purpose tools. In brief, as detail workers are tied to discrete
operations throughout the working day, it becomes obvious that craft tools
are not the most suitable form of implements for detail labour. Since
the fit between implements of labor and the kind of work bear directly
upon labor productivity and profits, the development of a technical base
that is more suitable for detail work becomes a necessity. If a detail
worker handles special tools fashioned exclusively for one operation,
then the time and energy he puts into the required set of movements to perform an operation decreases. And, since by design, he has to repeat one and the same operation over and over again throughout the work day, his output may increase if he is properly supervised. This is important. For, on the one hand, it shows that the organization of work makes necessary the transformation of the technical base for production, and not vice versa. And on the other hand, it suggests that neither the organization of work and the transformation of the technical base alone, nor both may automatically increase the output and profits: the supervision of workers remains a crucial factor.

Nevertheless, the refinements of the implements of labor are part and parcel of the capitalist's efforts to increase his profits. In workshops, this, at first, occurs by adapting simple craft tools for detail work. For instance, Marx notes the following:

In Birmingham alone (in the Nineteenth Century) 500 varieties of hammers are produced, and not only each is adapted to one particular process, but several varieties often serve exclusively for the different operations in one and the same process...

But later, the new-hand tools, and finally, the detail-machines follow. Thus, in a sense, the technological changes during the manufacturing period in Europe were generated from within the domain of workshops, i.e., the non-factories. The implements of craft labor were refined and new detail tools were added to the rapidly enlarging stock of technical hardware. All this, on the one hand, generated "one of the material conditions for the existence of machinery", which paved the way for factory type industrial production, and on the other hand, demonstrated how technological innovations may yield increased labor productivity.
and output, and larger profit margins if the workers are disciplined. In summary, then, in the case of the model classic workshop, the cooperation of labor through division of work is rationalized by refinements of the technical base for production, and consequently (provided that the workers are disciplined) the productivity of detail labor is furthered and the capital accumulation process hastened.

As noted above, the perfection of the implements of labor is neither the only, nor the most crucial factor in accounting for the increased labor productivity in workshops. Basically, the division of work into its detail components, and the close supervision and control of the workers explain why the productivity of labor is far greater in workshops than in artisan shops. Technological adjustments appear later, and stand as complementary to the mainstream of the capitalist's efforts to increase his profits. In other words, it is with the advent of detail work that the labor productivity, i.e., workers's output per work day, increases.

When the worker is tied to one and the same detail work throughout the work day, the flow of his labor tends to be interrupted less and less than it would be if shifts of place, tools, and pace of work were necessary. That is, since the detail worker does not perform different operations in succession like the craft worker, he does not have to change his location and tools, and interrupt the pace of his work as he stops one operation and starts another. Thus, both the concentration of the detail worker upon his work, and the flow of his labor exhibit fewer gaps. In the meanwhile, the detail worker develops a particular skill into perfection upon the sheer inertia of countless repetitions of an operation throughout the work day.
Put in order to realize an increased output per work day, the
detail worker has to exert himself in his share of the productive work,
and more important, his detail work ought to be complemented by the
labor of others. The capitalist realizes these two conditions. On the
one hand, he increases the number of the simultaneously employed detail
workers while organizing the productive work such that the detail labor
of each worker complements the others'. And on the other hand, he forces
the workers, either by incentives or threats and controls, to exert
themselves in their respective detail work as much as possible. Thus,
the capitalist does not only create a new form of a "productive mechanism",
but also disciplines the workers.

Whether embedded in the forms of "serial" or "heterogeneous"
manufacture, detail work necessitates an increase in the number of the
simultaneously employed workers. This, together with the developments
in the technical base for production account for a need to increase the
capital outlay. Increases in the number of workers and in the size of the
capital outlay, coupled with the increased productivity of detail labor
yield larger outputs. But when the outputs are marketed and turned into
money, the wages do not necessarily increase. Hence, the returns from
increased labor productivity remain in the capitalist's hand as profits.
This is, in brief, how and why the accumulation of capital gains momentum
in the case of the model classic workshop.

The detail workers, specialized in one, or perhaps, two operations,
are not like craft workers who perform all the necessary operations in
succession. This accounts for the status of detail workers in the labor
market as simple wage earners. But, not every detail worker is the same
and has the same status in the labor market. Indeed in the case of
"serial" manufacture, where a certain craft work is redistributed among
the detail workers, the individual worker becomes a simple wage earner
unable to perform the "craft" in its entirety. But in the case of
"heterogeneous" manufacture, where different crafts are assembled under
one roof and under the control of a capitalist, the picture gets complicated.
The example of a previously independent iron-smith who is employed at a
carriage-maker's workshop hammering the metal joints and the wheel frames
will clarify this point. The previously independent iron-smith, the
handicraftsman, is only a detail worker in the workshop, for his work
is a detail component of carriage making. Eventually, upon the inertia of
fashioning a limited set of metal parts for carriages full time, he may
become a specialized iron smith. In the meanwhile, however, his detail
work retains its craft character, and so long as this condition holds,
the handicraftsman turned detail worker will retain a craft worker identity.

In the case of "serial" manufacture the detail workers' control over
the productive work is limited, if not extinct as in the case of factory
workers. It covers only one or two discrete operations. In the case of
"heterogeneous" manufacture, on the other hand, most detail work retains
an explicit craft nature. Thus, the craftsmen turned detail workers' control
over the productive work assumes greater importance, and increases the
detail workers' influence within the firm. This bears upon the bargaining power
of detail workers, and hence to their disciplining by the capitalist. As
a rule, the more control a worker enjoys over the productive work, the
more important is his detail labor, and the greater is his bargaining power.
This makes it more difficult for the capitalist not only to discipline but
also to replace him. With the increased bargaining power of the workers come demands for wage increases, and hence a concomitant pressure upon profits. Thus, in the model classic workshop we confront two types of detail workers: those who retain their craft worker identity and enjoy a stronger bargaining power, and those who do not, and a motivation for the capitalist to subdivide the productive work such that no detail work has a craft outlook.

The above noted distinction among detail workers is not the only one that deserves attention. Through the workshop type non-factory production yet another category of workers comes into being: the "unskilled detail workers." It is true that when a craft work is divided into its components and redistributed among various detail workers, the application and building up of specialized skills become necessary. But it is also true that this yields a stock of detail work that neither requires nor builds specialized skills. Similarly, when various craft work are assembled under one roof as detail components of a particular workshop production, there appears a group of detail work that does not require specialized skills. For instance, in both the pin manufactory described by Adam Smith, and the carriage-maker's workshop described by Marx, a set of detail work ranging from carrying tools, raw materials, and outputs to and from the detail workers, and cleaning the workshop to performing extremely simple operations like sorting out the raw materials, cutting, polishing, &c., stand in sharp contrast to other skill-demanding and skill-building detail work like wire-drawing, pin head-making, wheel-making, and harness-making. Such differences among the types of detail work in the workshop aid the capitalist in building up a job hierarchy and a parallel wage structure.
The division of work, therefore, makes possible the establishment of a job and wage hierarchy in the workshop, which in turn becomes a tool for the capitalist to discipline his workers. At the bottom of the job and wage pyramid within the firm, we confront a set of detail work that neither requires nor builds skills, and pays the least. Such detail work breeds a group of unskilled detail workers who may be easily replaced by the capitalist. These workers enjoy no bargaining power unless they join together. Often, they are "hired last but fired first." As such, they stand in contrast to the detail workers who are relatively skilled and the detail workers whose work retains a craft outlook. The last two groups of detail workers are placed higher up in the job and wage hierarchy of the firm, and enjoy a certain, though minimal, job security. Thus in brief, in the model classic workshop we confront a job and wage hierarchy determined by the capitalist, and a new category of detail workers: the "unskilled detail workers," or to be precise the first true members of the industrial proletariat.

In artisan shops, the apprentices and journeymen are younger people, almost like students looking for a school, willing to stay in one job and with one master in order to learn a "craft" in its entirety and develop the "composite skills" necessary to start an independent business. They envisage that low wages now will be compensated for by profits tomorrow. To carry the analogy a bit further, their wages are like what a scholarship is to a student. In short, for them, craft work is a way of life rather than a means for life. But the same can not be said for the workers in workshops. As a rule, the detail workers are out in the labor market to sell their labor power in view of satisfying their immediate needs
rather than in view of their future benefits. It is in this connection that when the artisan shops and workshops are taken together, we may consider a sort of partitioning in the labor market. Indeed, this is a labor market segmentation within the domain of non-factory types of industrial production. In nineteenth century Europe, this division was superseded by a more pronounced labor market segmentation with the development of factory systems: the factory and non-factory connected labor markets. In contemporary underdeveloped countries like Turkey, however, the split of the non-factory connected labor markets into their craft and detail work components, is as important as the labor market segmentation along the factory and non-factory type of industrial production division.

The typical workshop owner is quite different from the master handicraftsman. He is a prototype capitalist industrial entrepreneur. We know that not only the increased number of workers in the workshop, but also the necessarily larger stocks of raw materials and the increased number of capital goods force him to provide larger amounts of fixed and variable capital than the artisan. The division of labor, on the other hand, enables him to control the productive work and discipline his workers. The workshop owner buys the necessary raw materials, provides the implements of labor, divides and coordinates the productive work, establishes a job and wage hierarchy within the firm, supervises the workers, worries about the nature and the quality of the final product, and finally, upon marketing the output incurs the costs of production for the round to follow so to increase his personal wealth through larger profits and increased investments. If he is an artisan turned capitalist, at first, he himself would be involved
in detail work, i.e., a component of the productive work. But eventually, upon assuming the entrepreneurial role in the full, he resigns from manual work altogether and specializes in capitalist's work, i.e., coordinating the productive work, and controlling both the process of production and the product. If, on the other hand, he is a merchant turned workshop operator, he would be divorced from the productive work at the outset.

Usually, workshop production occurs under one roof. But there is yet another form of workshop production along the vein of "heterogenous manufacture" which happens not under one but several roofs: the "putting-out system." Briefly, in this case what we have at hand is a merchant who supplies the necessary raw materials to various independent standing artisan shops, and therefore, controls their respective products. In this system the artisan loses his control over the product to the merchant. That is to say, he is no longer independent. He can not market his product. He works for the merchant. Thus, the merchant takes advantage of the existing social cooperation among different crafts. He reduces each artisan shop into a cell where a detail work of his "wide-spread workshop" is done. In seventeenth and eighteenth centuries Europe various putting-out systems flourished in silk and wool spinning and weaving, but they were superseded both by the workshops and the factories. The major reason for the disappearance, or rather the transformation, of the putting-out system was the difficulty of controlling and disciplining workers. In contemporary underdeveloped countries, to be more specific in Gaziantep, Turkey, however, variations of putting-out systems in shoe-making, silk, 'kilim' and carpet weaving, &c., where free standing spinners, dyers, pattern makers, &c., are simultaneously employed by one and the same merchant, still exist.
2. The Model Classic Workshop: Some Differences Between

The European And Ottoman Versions

As a rule, the classic model of workshops is derived from the
"manufacturing period" in England, which roughly extends from the middle
of the Sixteenth to the last third of the Eighteenth Century, in
particular, and the post-medieval period in Europe, in general. The
scarcity of historical documentation on workshops in Japan, India, China
and the Middle East (the Ottoman Empire) does not reflect the absence of
workshop type industrial production in the East. Indeed, the emergence
of workshops in the East may have predated the "manufacturing period" in
Europe. This remains to be shown. A more interesting question, however,
concerns the nature of the differences between the Eastern, Ottoman in
particular, and the Western versions of workshops.

Almost all the critical features of the Ottoman and European
workshops are similar. In both cases we confront an organization of
work through division of labor, and consequently, "detail labor" and
"detail workers". For instance, Evliya Çelebi, a Turkish traveller in
the Seventeenth Century, notes the following in reference to the great
mint near the mosque of Sultan Beyazit-II in Istanbul,

The men employed at the mint are joiners, wire-makers,
coiners, weighers, melters, changers, guards; in short
from the Imams and Moezzins, down to the porters, more
than seventy different sorts of people;... It is a great
and wonderful fabric, and those who have not seen it have
seen nothing in the world. The mint is the glory and honour
of the Ottoman family. 17

Until the beginning of the Eighteenth Century, the technical base of the
Ottoman workshop production was hardly distinguishable from that of its European counterparts. Furthermore, both in Europe and the Ottoman Empire, not only the number of workers simultaneously employed under one roof, and the size of the necessary capital to secure larger stocks of capital equipment and raw materials in workshops, but also the volume of workshop production increases. In short, it is not until the workshop operator himself is considered that a division between the European and Ottoman workshops may be suggested. In the case of the European workshops, the owner is clearly a capitalist. He forwards the necessary capital, and controls the process of production with the purpose of making profits. In other words, be him an ex-artisan or an ex-merchant, the capitalist, having somehow accumulated enough wealth in his hands, incurs the costs and takes the risks of running a workshop provided that he gets richer. Yet, whatever is the rule in Europe on this score, tends to be an exception in the Ottoman Empire. Indeed, workshops run by capitalists do come into being. But they seem to carry less weight in the sphere of industrial production than their European counterparts. In the Ottoman Empire, the "imperial manufactories" and the "state subsidized but privately run workshops" assume far greater importance than in Europe. This observation bears upon the nature of the Ottoman state and society, in general, and the obstacles for the development of industrial capitalism in the Empire, in particular. Thus, a brief digression into the Ottoman social order becomes indispensable.

The social order of the Ottoman Empire was derived from a traditional view of state and society that prevailed in the empires of the Middle-East, Iran and Central-Asia. In brief, all institutions and all members of the society, hence all sources of wealth, were not only held obliged to
reproduce, but also were made subservient to the power of the ruler: the Sultan, who, by the Sixteenth Century came to represent both the spiritual and political functions of the state in his person. It is in this sense that, roughly speaking, the Ottoman society was divided into two broad groups: those who represented the authority of the Sultan or those who partook in the ruling establishment, and those who were ruled. The power of the ruling establishment, the state, was (as is the case with all political power) directly proportional to the size of the "surplus wealth" that it could control. The reproduction of the central authority as the ruling caste, therefore, meant to operate, maintain, and refine (reform) institutional mechanisms like the tax system, customs, and the collection of other dues through which the surplus generated in agriculture, commerce, and industry were being appropriated on the one hand, and to crush the independent political power that flourished upon the control of the pools of surplus wealth which were somehow retained away from appropriation by the Sultan and his men on the other. Thus, in this connection, the 700 year long history of the Ottoman Empire, like all the empires in the East, may be seen as a continuing struggle on the part of the ruling caste to maintain and enlarge its control over the surplus wealth, against the resistances of, and tendencies to carve independent power bases. In summary, then, the Ottoman situation differed radically from that of medieval and post-medieval Europe. In the absence of a comparable dominance of a despotic central state in Europe, not only the cities, church, and landed gentry carved for themselves independent domains of power, but also prevented the early emergence of a centralized and absolute rule by the state. Therefore, unlike the Ottoman Empire, European merchants, artisans, and landlords
could accumulate and easily hold on to their respective pools of surplus. This paved the way for the early emergence and building up of a group of potential industrial capitalists in Europe. Thus, in general, it may be asserted that in the political and institutional organization of the Ottoman Empire, with a despotic and all mighty central authority (or, a state best described as a highly centralized surplus expropriating mechanism), wealth tended to accumulate in the hands of the state, the ruling caste, rather than staying with the members of the "ruled groups," like the peasants, artisans, and merchants. This may account for the relative insignificance of private initiative in craft and workshop types of industrial production. When the cases for private initiatives in agricultural and commercial pursuits are considered, however, the above noted generalizations need to be qualified. For one thing, as the authority of the state declined in the Eighteenth and Nineteenth Centuries, not only some foreign affiliated merchants, but also some large land-holders who took to cash-cropping managed to prevent their surpluses from being appropriated by the state, and hence, accumulated wealth while necessarily reducing the already declining state revenues. With prospects of enlargening its territories gone, and a gradual erosion of imperial territory on its way, not only the revenues, but also the authority of the Ottoman state started to weaken. With the decline of the central authority came the rise in tendencies to prevent some of the surplus from being appropriated. This hastened the erosion of state revenues, which in turn fed the impotency of the state. Thus, by the beginning of the twentieth century, the mighty Ottoman state of the sixteenth and seventeenth centuries was transformed into the "sick man of Europe." The artisans organized into guilds; peasants and small traders, however, could not manage what the large land holders
and the foreign affiliated merchants did. They remained subservient to
the state even when its powers declined. The rise of the foreign affiliated
merchants meant the flooding of the domestic markets with European workshop
and factory products, and hence a decline in the well being of small traders,
artisans and peasants. As if the decline of Ottoman industries was
not enough, the state, with few other sources to squeeze surplus from, came
to ask for more and more from the artisans in terms of taxes. The peasants
under tax-farming and the small traders facing increased internal customs
duties experienced a similar problem. In brief, all this on the one hand
accounts for the flimsy existence, and later, the deterioration of
the group of potential industrial capitalists in the Empire, and on the
other hand, sheds light upon the unwillingness of the foreign affiliated merchant
and large land holder to transform their wealth into industrial capital.

Given the nature of the state, the scope and importance of the
imperial workshops in the Ottoman economy become clear. For instance,
in the Seventeenth Century, in Istanbul, the seat of the Ottoman ruling caste,
there existed numerous imperial establishments, many in the form of workshops.
There was an imperial wax house where 1000 men were employed to make candles
for the Sultan, the 'vezirs' and the great men of Istanbul. Furthermore,
there were two imperial establishments for tailors, with 500 men in each,
an imperial gold-wire manufactory with 400 men, five gun-powder houses,
a coffee grinding establishment with 300 men, a paper manufactory at Battal,
besides imperial butter and cloth magazines, fisheries, a slave market,
confectioners, &c. Among the workshops run by the state, the imperial
mint ('arbhan') was the largest. Also, we have to consider the vast imperial
projects ranging from the construction and repair of fortifications, water
works, cisterns, mosques, medreses, fountains, caravan sarays, bridges, hans, and baths to the construction of roads and gardens. In brief, there were a large number of state employed detail-workers in construction works which were carried out on a workshop basis. For instance, in the Seventeenth Century, in Istanbul alone, there were 4000 carpenters, 3000 builders, 1005 wood cutlers with 99 shops, 1000 'lokumcu' (makers of the glue called 'lokum' for the water works), 1000 makers of the unburnt straw-bricks, 800 pavers ('kaldırımçı'), 1000 stone cutlers, 1000 stone draggers and others with lesser numbers.

It may be concluded that the Ottoman state had been actively involved with workshop type industrial production. Bonné makes a similar observation:

In addition to the artisan, the State, through its own factories played from time to time an important role as industrial producer, particularly in silk weaving, sugar and arms industries. The continuing military enterprises undertaken by the Turkish rulers secured for the Army Factories in Turkey in the seventeenth and eighteenth centuries a leading position in the industrial sector of the country. Cannon foundries, canvas looms, dockyards as well as factories making goods for indirect war needs (paper, leather, textiles) were run by the Government, and from their surpluses the civil population also was supplied.

Some of what Bonné mentions, however, needs critical scrutiny. In the seventeenth and eighteenth centuries, not only in the Ottoman Empire but also in Europe there were no factories. He must be referring to workshops. Also, every war related production, be it craft or workshop type, was not necessarily organized into an Imperial Establishment. Historical evidence signals the existence of craft guilds involved in the war industry of the times, which were not directly run by the State. There were the sword cutlers, musket makers, pistol makers, and many more who made lances, daggers, scabbords, bows, arrows, cross-bows, slings, bow-rings, &c., but
in seventeenth century Istanbul, the most important were the saddlers ('sarrâçlar') with 5000 men and 1084 shops, and the tanners ('dabbağlar') with 3000 men and 700 tanneries. The State had a difficult time keeping these men in line let alone organizing them into Imperial Establishments. On this, Evliya Çelebi notes the following:

These tanners were a wild and savage set of men, and were the cause of the late Melek Ahmed Pasha losing the place of Grand Vizier; they are so riotous and unruly that if assembled together, they would be capable of deposing the Emperor.

Later in the eighteenth and nineteenth centuries, while in Europe the privately run workshops paved the way for the privately run factories, in the Ottoman Empire, the State-run workshops simply declined and were replaced by a new generation of State-run factories. Concerning this peculiar transformation in the Ottoman Empire, Bonne notes the following:

These concerns (State-run enterprises), after their decline in the eighteenth century, experienced a revival under Selim III in Turkey and Mohammed Ali in Egypt. It was then a case of larger establishments run under the supervision of government-paid experts and involving considerable capital investment.

Some of these new State-enterprises were set up to run the gas, electricity, railway, telegraph, and port facilities of the Empire. The rest, however, were unsuccessful factory transplants into the economy. The Sultan financed these projects, which were modelled after the European examples, designed and built by foreign companies, equipped with imported machinery, managed by the Armenian or Greek minorities of the Empire, and operated the technical assistance of foreign experts. Even the workers were recruited from among the minorities.

An essential feature of the Ottoman State-run workshops in the
seventeenth century was the absence from the picture of the capitalist entrepreneur motivated by personal gain. The State, the Sultan, provided the capital. But this was not enough to make the State assume the role of a capitalist. The profit motive was not there. In other words, the State was involved in workshop type production not because it wanted or needed profits, but because it required large amounts of goods and services to keep its authority going. It needed canvas for the ships, and dock-yards to build a strong fleet in order to control the seas and assert authority over far away lands. It needed cannons, gun-powder, leather goods, and textiles to supply the standing armies with which it secured the flow of taxes and other revenues into the royal purse, and acquired control over new territories. In brief, the Ottoman State had its eyes set upon the surplus generated by others on land, in industry, and through commerce, rather than the wealth generated in its own industrial establishments. The latter was necessary to acquire and preserve control over the former. Those who controlled the process of production in the Ottoman State-run workshops, on the other hand, were government employees. They were salaried and had no control whatsoever over the product itself. Thus, in the case of the State-run workshops there was the cart and the donkey, but the carrot, i.e., the profit motive, was missing. It was the whip of the driver that made the donkey pull the cart, and the whip of the Sultan that made the driver keep the cart on the road. This is important. For, it bears upon the inertia that kept the Ottoman State-run workshops from yielding transformations similar to those that occurred in Europe in the "manufacturing period" and eventually culminated in the rise of a grass-roots factory type development, i.e., the industrial revolution.
Another form of workshop in the Ottoman Empire was the State-subsidized but privately run firm. These workshops were not directly organized into Imperial Manufactories, but were exclusively appropriated to the needs of the State. For instance, in seventeenth century Istanbul, the standing army amounted to 80,000 men with 166 barracks, and there were more than 1000 cuirass makers who worked exclusively for the army in the camp, while in the city there were about 40 men with 4 shops involved in this craft. Also, the powder manufactory at At Meydani, and the musket manufactory were essentially appropriated to the Janissaries: the standing army. There were the bakers, amounting to 300 men, and the cooks of the Janissaries who cooked and baked only for the army, while the candlers of At Meydani, 75 in number, were also appropriated to the corps of Janissaries. The candlers were subsidized by the State. Furthermore, about 1000 men worked in the sheep-walks ('mandras') of the army. In the case of such workshops we find entrepreneurs who are in charge of the process of production but are obliged to sell their produce to the State at a fixed rate.

Thus, in both the State-run and State-subsidized or State-appropriated but privately run workshops, we confront qualitatively distinct forms of industrial production. In other words, the workshop type production emerges with detail work and detail labor. But unlike Europe, it does not assume a complete capitalist character. The capitalist who is in charge of both the entire process of production and the product itself, and who is motivated by eventual personal gains, is either replaced by a person who forwards the necessary capital, controls the entire process of production but is obliged to sell his produce to the State, or by a State-employee
who runs the show in order to provide the goods and services for the
State. The presence of these types of workshops, however, does not imply
the absence of privately run workshops. It merely accounts for the
diminished role of capitalist workshop production in the Ottoman
economy, and the much acclaimed lack of an industrial capitalist group
in the Empire.

3. The Model Contemporary Workshop In Underdeveloped
Countries: The "Lower-Capitalist" Form of Industrial
Production

In essence, the model contemporary workshop in underdeveloped
countries like Turkey is similar to the classic model. The cooperation
of labor through division of work, the detail workers, increased productivity,
larger outputs, as well as the prototype capitalist, greater capital
outlays, and wider profit margins together with the need for, and the
problems of, controlling and disciplining workers, are all present. Even
the various versions of the putting out system may be observed. Yet, no
matter how overwhelming the number of parallels between the classic and
contemporary models of workshops are, the two may not be equated. The
social and institutional webs within which these two models evolve and
operate are radically different. Indeed, we may draw many parallels
between eighteenth and nineteenth century Europe and contemporary
underdeveloped countries, but it is impossible to maintain that the
former was what the latter is now.

For one thing, the industrialization process in Europe started with
developments in the domain of non-factory types of industrial production,
and resulted in the replacement of non-factories in the mainstream of industrial activities by factories. The industrialization processes in underdeveloped countries, however, started with developments outside the domain of non-factory types of industrial production, and factories did not eclipse the importance of non-factories in the economy. Thus, it is only in the light of the differences between these two industrialization processes, which have been shaped under historically unique sets of factors, that the differences between the classic and contemporary models of workshops become meaningful.

In the model contemporary workshop in underdeveloped countries, the technical base for production is more "modern" and "sophisticated" in outlook than in the classic model. This hardly needs explanation. It is a matter of simple observation to note that in nearly every workshop in underdeveloped countries there are modern power-tools and detail-machines besides the modern and traditional hand-tools. Yet, unlike the classic model, the technical base for workshop production, and embedded in it the technology, are neither generated nor developed from within the domain of domestic non-factory types of industrial production activities. It is borrowed. This is where the two models begin to diverge. In other words, in underdeveloped countries, the origins and the process of developing the instruments of labor to suit detail work, in and of themselves, are external to workshops in particular, and to non-factories in general. None, if not a negligible portion, of the collection of modern power-tools, detail-machines, and modern hand tools in non-factories, are fashioned in the domestic workshops and artisan shops. As a rule, lathes, electric motors, power drills, power saws, mechanical presses, &c., are produced.
in factories, and to a large extent, are imported. This much may account for the relatively sophisticated and modern outlook of the technical base of contemporary workshops in underdeveloped countries. Also, it sheds light upon a more important issue: the dependency of workshops on domestic and foreign factories.

In the "manufacturing period" in Europe, the developments rooted in the needs of, and generated from within the domain of non-factory types of industrial production, prepared the material conditions for the emergence of factories. Put in other words, in the classic model, technological adjustments have followed the division of work in workshops, and helped the capitalist to increase his profits by rationalizing detail work and the job and wage hierarchy within the firm. With larger profit margins workshops not only increased in size, but also multiplied in number eventually yielding four important conditions which made factories a reality: increased rates of industrial capital accumulation, growing stocks of entrepreneurial experience, widening markets, and machinery that could be organized into a system. In Europe it was the workshop type production that nursed the factory system into maturity, and in turn, was superseded by it. In the case of contemporary underdeveloped countries, however, the picture is rather different. The factory system was neither originated within the sphere of domestic workshop production, nor was it nursed by it. The factory system was imported, in its maturity, from the industrialized societies. It is in this sense, therefore, that the factory system stands as a transplant to, rather than a product of the underdeveloped economies.

With its roots abroad, the factory system in underdeveloped
countries did not supersede domestic workshop production. In turn, the workshops came to depend upon the factories (be them domestic or foreign), for both raw materials and technology. Thus, in the model contemporary workshops in underdeveloped countries, what we have at hand is a market for the factory produced implements of labor and intermediate goods, rather than a challenge to, or a competitor for, factories.

But why did not the factories in underdeveloped countries supersede the domestic workshop production? The second major difference between the classic and contemporary models of workshops revolves around this question. The workshops that we confront in underdeveloped countries, like their classic counterparts, at one time or the other, confront factories in their lines of production. Yet unlike the model classic workshop, they do not necessarily disappear from the picture all that easily. On the contrary, they proliferate. This is neither due to the "efficiency" of workshop production, which is supposed to occur because of its scale, nor due to the "inefficiency" of factories. When studied more closely, it becomes clear that in underdeveloped economies the confrontation of factories and workshops in a particular line of production does not necessarily take the form of actual competition. It is here that many fail to grasp the unique nature of the underdeveloped industrial landscape. Indeed, in some lines of production, truly competitive situations arise between factories and workshops to the extent that the latter disappear. But such instances are rare. In other words, in contemporary underdeveloped economies, competition between factories and workshops stands as an exception rather than as a rule. Thus, what we have is a unique case. As a rule, in underdeveloped countries, factories
and workshops confront each other in the same line of industrial production, but not in the same markets, because the consumer markets themselves are partitioned. Thus, instead of competition between workshops and factories, a sort of an "unnegotiated peace," a de facto detente, is established. This observation marks another aspect of the process of "underdeveloped industrialization," and needs closer scrutiny.

Indeed, in nineteenth century Europe, factories and workshops often operated in the same lines of production, and the former turned out cheaper products that were similar in nature and quality to those produced by the latter. This competitive set-up, we know, was the rule, and worked to the detriment of workshops. Eventually, factories wrested away the control of many consumer markets. But, we also know that factories did not replace all workshops in all lines of industrial production. Whenever it was not possible to introduce factories into a certain line of production workshops remained in business and even flourished. Sometimes the nature of the product prevented the introduction of factories (as in the cases of construction works, garment and furniture industries, and cheese, beer, wine, and pipe-making), and sometimes the nature of the demand and the unusually high costs of factory type production dimmed the prospects for above-average profit rates. In either case, factories and workshops did not confront each other in the same line of production, and for that reason the latter persisted unchecked. Nevertheless, there emerged another pattern of a non-competitive situation between factories and workshops in industrialized countries which is quite different from the "unnegotiated peace" in underdeveloped countries: the "negotiated peace" between factories and workshops, or better the "sub-contracts." In this case, factories breed
and feed workshop production through sub-contracting mechanisms, where the latter is subordinated by the former. The automotive industries are good examples along this vein.

The "negotiated peace" between factories and workshops is a new phenomenon in underdeveloped countries like Turkey, and remains as a series of rare and isolated events in metropolitan areas and in few branches of industry. Certainly, it offers an important and fruitful avenue for future research. What appears as a rule in the process of "underdeveloped industrialization," however, is the "unnegotiated peace" between workshops and factories. As I have noted, in underdeveloped countries factories and workshops operating in the same lines of industry do not confront each other, simply because they do not produce the same products. To make this important point clear, let us consider the case of towel production in Turkey.

Both in İstanbul and Bursa, cities in the relatively more developed Western Anatolia, there are factories which produce towels. But, on the other hand, in Gaziantep which is located in the less developed Eastern Anatolia, we observe wide-spread towel production carried out in numerous workshops of all sizes. Both the factories and workshops do good business. While the towels produced in İstanbul and Bursa are sold in Gaziantep, Gaziantep towels find markets in İstanbul and Bursa. The reason for this unusual situation is simple: the factory produced towels are not the same as the ones produced in workshops. They are of higher quality. As a rule, the towels produced in factories are made of better quality cotton, and therefore, are more absorbant. They are dyed with better quality dyes, so the colors do not fade out when washed. Furthermore,
they not only have more sophisticated patterns, but are also thicker, heavier, and better woven than the ones produced in workshops. Consequently, although the factory and workshop towels have similar use-values, their exchange-values differ. In other words, the workshop towels are much cheaper than the ones produced in factories, both in market value and quality. The towel factories with their integrated systems of machinery, have far greater capital outlays, operate with low labor/capital ratios, and mass produce high quality towels. The towel workshops, on the other hand, with their independent standing and relatively old but well maintained power-looms, have small capital outlays, operate with high labor/capital ratios, and produce "cheap" quality towels. The labor intensive and technologically outdated workshops would not, can not, and do not compete with towel factories. In other words, workshops simply can not produce cheaper, better quality towels than factories. If the opposite were true, then we would have to rewrite the entire history of capitalist industrial development.

But, then, why do not factories mass produce cheaper, lower quality towels? Indeed, if they did, an actual competition with workshops would occur, and consequently, as in nineteenth century Europe, the workshops, one after the other, would go out of business. But factories do not tend to produce the kind of towels workshops turn out. The reason for this is obvious. There is neither much profit, if any, in the production of low quality towels, and the prospect of expanding markets for them is very limited. It is only the "poor", who buy low quality towels. The "poor" buy low quality towels not because they
prefer them, but because they can not afford anything better given their income levels. In other words, if and when their incomes increase, they shift to better quality towels. Furthermore, there is hardly any demand for low quality towels in the international markets. All this makes two points clear. First, to address the "poor", factories have to produce low quality towels at extremely low prices, and therefore, end up operating at minimal profit margins, if not at a loss, despite their large capital outlays. Second, since the markets for low quality towels are bound to be domestic, and they expand only when the number of the "poor", i.e., "poverty", increases, for the factories to make profits it would become necessary to deepen capital, if not to lower wages, or to use the worst and cheapest raw materials available, and at the same time hope that "poverty" will spread and enlarge the markets. But, neither has there been such a regressive capitalist development, nor can it be seriously considered. To explain better why towel factories would not and can not mass produce low quality towels at very low prices, and therefore, can not address themselves to the needs of the "poor", let us analyze how the workshops manage to meet the low levels of effective demand for "cheap" towels.

Towel workshops operate with high labor/capital ratios. In other words, it takes more labor to produce a towel in a workshop than in a factory, where the productivity of labor is higher. But, in workshops labor is paid far below the official minimum wage rate. Also, extended work-days (over and above ten hours), and right out of the nineteenth century working conditions are usual. The low wage rates in towel workshops may be explained as a necessary outcome of the prevailing low.
levels of labor productivity, which stem from the nature of the technical base for production. In a typical towel workshop a few technologically outdated power-looms constitute the bulk of the fixed capital investments. When compared to the integrated machine systems in towel factories, the outdated and independently standing detail machines clarify the essential differences between factory and workshop capital: the fixed capital outlay in workshops is not only small in size, but also embedded in obsolete technology. In conclusion, small capital outlay embedded in obsolete technology, low labor productivity, and low wages mark the production of towels in workshops. Furthermore, as a rule, the capital returns of contemporary workshops in underdeveloped countries precipitate at lower levels than the average returns of factory capital.

Indeed, workers in workshops are overworked and poorly paid. But this is not enough to generate average or above-average workshop profit rates. It becomes necessary not only to use low quality, and hence cheaper, raw materials, but also to skimp on them. In brief, therefore, it takes a "distorted" process of capitalist production with low profit margins, low wages, obsolete technology, and low quality raw materials, to turn out "cheap" outputs for the inelastic demand of the urban and rural "poor."

Towel production is but an example. Other examples similar to the one sketched above, where factories exist side by side with workshops (and artisan shops for that matter), i.e., non-factories, in the same line of production without direct competition, may be provided when the production of tricots, socks, shoes, kitchen wares, &c., are studied.

The "cheap" outputs from the workshops which operate side by side with factories in the same line of production are addressed exclusively to the "poor":
those who need and want, but can not afford the factory produced (or imported) better quality goods. Thus in a sense, the "unnegotiated peace" between factories and workshops is rooted in the segmentation of the consumer markets. This segmentation, however, ought to be seen in conjunction with the segmentations of the labor and capital markets.

When non-factories (workshops and artisan shops) exist and even proliferate next to factories in the same lines of production, neither the workshop operators and their workers, nor the consumers are better off. Workers are overworked and underpayed. The capitalist's profits are far below the prevailing average returns of "factory" and "big merchant" capital. The consumers, i.e., the "poor," on the other hand, end up satisfied but with low quality goods. All this make clear that there is nothing romantic, or indeed hopeful, about non-factories co-existing with factories in certain lines of industrial production. Non-factories are neither alternatives to factory production, nor may their persistance be attributed to a much acclaimed "efficiency" tested through competition with factories. They stand as part and parcel of the production of poverty, and the poverty of production in the contemporary underdeveloped countries.

The third major difference between the classic and contemporary models of workshops concerns the inability of the latter to transform into factories. This is very important, for it marks the principle distinguishing feature of the process of "underdeveloped industrialization". The path for the progressive transformation of the capitalist forms of industrial production is blocked. The lower forms do not evolve into higher forms on their own. It is as if a glass wall separates the lower and the higher forms of capitalist industrial production.
In the model contemporary workshop in underdeveloped countries, the technical base for production is supplied by factories, but does not display an up-to-date technology. In other words, unlike the classic model, the bulk of contemporary workshop capital is embedded in relatively modern but obsolete technology. It is true that in the capital goods markets there are large collections of implements of labor which may serve one and the same function at different levels of technological sophistication. Also, as the technology embedded in a capital good gets sophisticated, the more efficient becomes the implement of labor in the sense that it increases the productivity of labor, and the higher is the price of the capital good. Thus, conversely, the cheaper a capital good, the less sophisticated is the technology embedded in it, and the lower is the productivity of labor. As a rule, workshops are established by capitalists who have limited initial capital, and since the chances of receiving large credits at the outset are poor, the capitalist does not have the choice of purchasing an expensive, technologically sophisticated, and hence more efficient set of capital goods. Instead, he is bound to make do with the best he can afford: the cheaper. More specifically, in those lines of industrial production where factories operate, the would-be entrepreneur, by definition, can not afford the integrated systems of machinery. In other words, the capitalist with small initial capital and limited chances to receive credits is destined, at best, to become a workshop operator, and not a factory owner. Thus, if and when workshops are established in lines of production where factories operate, and the demand of the "poor" remains unanswered as in the case of towel production in Turkey, a vicious-cycle of workshop capital begins. The workshop operator starts by purchasing cheaper
implements of labor, and thus indirectly invests in labor with low productivity. In his workshop it takes more labor with low productivity, and less capital embedded in obsolete technology to produce a unit of output, which in factories is produced with less labor with high productivity, and more capital embedded in a system of machinery displaying sophisticated technology. His establishment stands as "labor intensive."

But since the productivity of labor in his firm is lower than in factories, the workshop operator realizes that it is impossible to compete with factories on their own terms. There remains only one alternative; to meet the demands of the "poor." This, however, requires that he not only underpay and overwork his employees, but also use low quality raw materials and lower his profit margins. His tight profit margins, on the other hand, especially when coupled with factory production paced inflation, make it impossible for him to accumulate enough capital to radically change the technical base for production. In other words, the accumulation of capital does not enable the workshop operator to adopt a capital deepening path for expansion. If and when the workshop operator wants to expand his business, he can only do so by widening his capital. He increases the number of detail-machines in his workshop, and together with them grows the number of his workers. Yet, the productivity of labor and the quality of the technical base for production remain unchanged. In short, then, the workshop operator cannot accumulate enough capital to transform his business into a factory. Thus, when we consider those lines of industrial production where workshops and factories co-exist, we observe two immutable categories of capital: the workshop and factory. Factory capital is embedded in more up-to-date technology, operates with higher labor productivity, generates higher profits, and accumulates faster
than workshop capital.

This cycle of workshop capital which feeds the above noted segmentation in capital markets, however, does not apply to all workshops in all lines of industrial production. In certain lines of production like steel-safe making, stove making, and agricultural equipments making, where factory type production is possible, but does not exist, and in other lines of production like meerschaum products making, where factory type production may not be introduced due to the nature of the product (or the process of production) itself, contemporary workshop capital in underdeveloped countries tends to yield returns that are comparable to the average returns of factory capital. Yet, in the former case, the contemporary workshop operator faces a dilemma which his classical counterparts did not and could not: whether to continue the business as a workshop or to transform it into a factory. High profit margins for workshop capital in lines of industrial production where factories have not yet emerged is largely due to the lower wages in the non-factory connected labor markets, and the size of the domestic demand. Transforming the business into a factory would certainly mean even higher profit rates, provided that the domestic markets enlarge behind protective tariffs, and that later export markets are secured. But, in the meanwhile, it would not be possible to bypass the labor and tax regulations. Furthermore, in order to set up a factory the capitalist would need larger capital, a change in location, a new building, a new administration, sophisticated managerial, technical and entrepreneurial skills. In brief, greater investments and qualitative changes in almost every aspect of the process of production are required to transform a workshop into a factory. For the contemporary workshop
operator, therefore, to transform his business into a factory is not the same step that his classic counterparts in nineteenth century Europe took. Indeed, factory production is the logical but not quite the natural extension of the lower forms of capitalist industrial production in underdeveloped countries. Given all this, why should the workshop operator transform his business on his own, when he may continue to enjoy high enough profits without increasing his troubles? In the latter case where the nature of the product, the process of production, or the consumer demand make the introduction of factory type production impossible, on the other hand, workshops proliferate like their classic counterparts and workshops in developed economies. The workshops which function in such lines of production as meerschaum products making, wine-making, 'baklava' making, &c., continue to enjoy high profit rates and faster capital accumulation due to the low wages that prevail in the non-factory connected labor markets and the absence of competition from factories, and therefore do not transform into factories.

4. The Model Contemporary Workshops in Developed Countries

In developed countries workshops seem to prevail in a limited set of industries. For example, in wine, beer, ice-cream, and cheese-making, &c., in fish-smoking, auto repairing, dry cleaning, xeroxing and printing, and in construction works, coffeehouses, restaurants, pizza and other quick food businesses, in prototype equipment, and machinery making, &c., and in fashion or garment making what we have are workshops which stand as "productive mechanisms whose parts are human beings." In other words, the non-factory portion of "small industries" or "small businesses"
display a collection of workshops where independent standing detail machines, power-tools, and hand-tools comprise the technical base for production. As in the classic model of workshops, contemporary workshops in developed countries exhibit detail-work and detail-workers. Yet what makes the model contemporary workshop in developed countries unique is the status of workshops within the economy rather than the organization of work within them.

In developed countries such as the USA, workshops are more common in services than in consumer goods industries, and they neither co-exist nor compete with factories in the same lines of production. Indeed, factories have replaced workshops in all lines of industrial production where above-average or average factory profits could be realized. Yet, this is not to say that there are no exceptions to the rule. In other words, antagonisms between the workshop and factory forms of capitalist industrial production have not ceased altogether. For instance, in the USA, we still hear about the ongoing competition between workshop and factory types of production in beer making and fish-smoking. In such rare instances, it is the particular quality of the product when produced in a non-factory that makes workshop type production survive the tide of factory production.

As a rule, workshop type production continues to exist in certain branches of industry not because it is more "efficient" than factory type production, but because the introduction of factory type production into those branches of industry is technically impossible. When we consider the sub-contracting processes between workshops and factories in developed economies, we face a certain ambiguity. It is clear from the literature that "small industries" sub-contract from larger factories in certain branches
of industry. But we know that workshops are not "small factories", and that not every "small industry" or "small business" is a workshop. Thus, it is difficult to determine from the literature the importance of sub-contracts between workshops and factories. This is an important point which deserves closer attention and detailed research. Nevertheless, even if we assume that in developed countries an important portion of workshops do sub-contract from factories, the main argument holds: workshops neither co-exist nor compete with factories in the same lines of production, they are either replaced by or subordinated to factories.

Of necessity, the production of prototype equipments, machinery, and consumer goods, and repairs of capital goods are carried out in workshops. In underdeveloped countries examples of workshops nursing factories in this manner are extremely rare, if they exist at all. In developed countries, on the other hand, this is an important feature of the industrial landscape. But there is a twist to the picture. This type of workshop production is embedded within factories and corporations. In other words, as far as the production of prototype goods, and the repair of capital goods are concerned, workshops no longer stand as independent businesses in the way they did in nineteenth century Europe. Large factories have their own research laboratories and workshops to design, make, and test prototype goods as well as their own machine shops for repairs.

As in underdeveloped countries, workshops proliferate in branches of industry where the introduction of factory type production is impossible. But the profits in workshops remain rooted in the lower wages that mark the non-union, hired last but fired first, part time, minorities based, and transient sections of the labor market, in the same way that the technical
The base for workshop production remains unchanged. The connection of workshop type production with the "secondary labor markets" is not accidental. Workshop capital is small to start with. Furthermore, it is linked to a technical base that yields lower than average labor productivity when compared to factory labor. Since, by way of definition, it is impossible to transform workshops into factories in the branches of industry under consideration, or in other words, since it is impossible to follow a far reaching "capital deepening" path, the competition among workshops takes a peculiar form. Unlike factories, no workshop operator can significantly cut the price of his outputs by increasing the productivity of labor. Nevertheless, workshop operators try to cut costs. But, both the cost of capital and material inputs are factory determined, external, and hence difficult to alter in the short term. This leaves one real alternative for the capitalist to survive the competition offered by other workshops: to either underpay or overwork his employees, or both. In brief, the competition among workshops, especially in the short term, is made possible by, and in turn, feeds the segmentation of labor markets into two distinct compartments: workshop, or in general, "non-factory" and "factory" connected labor pools.

Rationalization of the labor market segmentation, however, is not the only outcome of the competition among workshops. While some workshops disappear, others manage to stay in business or even accumulate capital and secure credits to finance a concomittant growth in size. Together with larger capital outlays, the number of workers and the size of the output increase. This facilitates larger material purchases at lower prices, aids in the development of better credit ratings and, provided that wages
do not increase and markets remain in control, yields larger profit rates. Larger profit margins feed the accumulation of capital, and thus the workshop completes a cycle in the "capital widening" path for growth: the only option open for workshop type production in developed countries. In certain lines of services production, the "capital widening" path for the growth of workshop type of production, on the other hand, yields a unique phenomenon which is very foreign to underdeveloped economies: the national or international chains of workshops supported by diversified basic materials factory production. Mc. Donald's Co., Kentucky Fried Chicken Inc. Co., Brigham's Inc. Co., and Dunkin' Doughnuts Co., are examples of the above mentioned phenomenon where the faster accumulation of workshop capital leads to the widening of workshop production on the one hand, and the spreading of capital into certain branches of industry in the form of factory production on the other. These observations concerning the peculiar aspects of workshop production in developed countries suggest the need for detailed analyses and elaborations upon workshop production in its own right.
CHAPTER V

SOME OBSERVATIONS

1. The Institutional Web Around "Factories" and "Non-factories":
Underdeveloped Economies And The "Dualist" Proposition

In underdeveloped countries like Turkey, the sphere of industrial production may be divided into two sectors: "factory" and "non-factory."

In essence, this is a distinction between the "lower" and "higher" forms of capitalist industrial production. The crux of the difference between "factory" and "non-factory" types of industrial production is the nature and organization of the productive work.

Once the "lower", i.e., "non-factory," forms of capitalist industrial production are isolated, their peculiarities can be studied. In brief, I argue that there are two distinct categories of "non-factories": artisan shops and workshops. While the former signals the presence of a "distorted lower" form, the latter is the "complete but lower" form of capitalist industrial production. The dividing criterion of the "non-factory" types is, again, the nature and organization of work.

I have discussed at length how and why the artisan shops and workshops observed in underdeveloped countries like Turkey differ from their counterparts in contemporary industrialized societies on the one hand, and in eighteenth and nineteenth century Europe on the other. Now let us reconsider the proposition that in underdeveloped countries there are two qualitatively distinct spheres of industrial production in view of the "factory" and "non-factory" division.
The social-institutional web which surrounds the "non-factories" is a qualitatively distinct collection of phenomena from that which engulfs the factories. In other words, the two-fold division in the sphere of industrial production extends to other realms of the economy and even the social order. It is in this connection that the "dualist" proposition assumes philosophical significance. Underdeveloped countries like Turkey can be appropriately referred to as displaying a "dual social and economic order." Over and above the division among the industrial firms, i.e., "factories" and "non-factories," we note a series of segmentations of capital and capital markets, labor and labor markets, and finally, products and consumer markets in view of their connections with either the "lower" or the "higher" forms of capitalist industrial production.

There is a division between "non-factory" and "factory" types of industrial production connected capital. Instead of a single governing average industrial profit rate, there are two: one for "factory" capital, and the other for "non-factory" capital. Indeed, the two-fold nature of the returns of capital stems from the two-fold nature of the technology employed in industrial production in underdeveloped countries. In other words, there are two categories of industrial technology: the sophisticated and expensive but up-to-date imported technology, and the simple, cheaper, and modern but obsolete technology. The former is employed in factories, and the latter in "non-factories." Connected to this segmentation in the nature of capital, there occur radical differences in the conditions for and in the mechanisms and sources of the supply of industrial credits. Furthermore, the average amount of "non-factory" capital is far smaller than
"factory" capital. Thus eventually, there evolves a two-fold phenomenon in the process of capital accumulation. In "non-factories," capital accumulates more slowly and reaches smaller amounts than in "factories."

As in the case for average returns of capital, there are two averages of the rate of labor productivity. This is reflected in the wage structure. There is the category of factory labor where minimum and above-minimum wages are paid, next to the category of labor employed in "non-factories" where, as a rule, below the minimum wages are paid. Furthermore, "factory" labor is organized into unions. "Non-factory" labor is not. Consequently, the latter is subject to longer working hours, poorer working conditions, less job security, higher turnover, and lack of social security over and above lower wages.

Whenever factories and "non-factories" are found operating in the same lines of industrial production, as a rule, the "non-factory" produced commodities are inferior in quality and are cheaper than those produced in "factories." In this connection, "non-factories" address themselves to the needs of the "poor," whereas "factories" supply the "rich" and export.

Finally, all laws and regulations concerning "factories" and "non-factories" are separate. Indeed, in Turkey there is an exception. The same "Labor Law" is enforced upon "factories" and "non-factories" without distinction. Yet, since 1967, attempts are being made to alter the situation. As a rule, there are separate provisions for "non-factories" in the "Commercial Law," the "Petty Producers' Law" which lays the foundations for the "Petty Producers' Associations" and their "Confederation," the "People's Bank" and the "Petty Producers' Credit Cooperatives" Law, and the "Petty Production Department" of the Ministry of Technology.
and Industry.

In view of all this, therefore, it can be safely concluded that in underdeveloped countries like Turkey, there is a "dual" capitalist industrial (and even socio-economic) structure.

2. The "Higher" Forms Of Capitalist Industrial Production i.e., "Factories," As Transplants To, And The "Lower" Forms, i.e., "Non-Factories," As The Grass-Root Developments Of The Underdeveloped Economies

Contemporary underdeveloped countries are qualitatively distinct from eighteenth and nineteenth century Europe on the one hand, and contemporary industrialized societies on the other. To clarify this general observation, there is the need to compare the essential features of the capitalist industrial situation in underdeveloped countries with the well known classic path for capitalist development.

In industrialized societies the conditions for the emergence of "higher" forms of capitalist industrial production were ripened through a period of proliferation of "non-factory" types of production. "Manufacture produced the machinery" says Marx, "by means of which Modern Industry abolished the handicraft and manufacturing systems in those spheres of production that it first seized upon." But this was not all. Manufacture also produced the necessary capital, entrepreneurial skills, the wage-laborers, and the markets necessary for "factory" type production, through the faster processes of capital accumulation, proleterization of labor, and markets enlargement.

In the beginning, in all industrialized societies, the "factory system"
was, in a way, nursed by "non-factory" types of production. For one thing, factories depended upon the artisan shops and workshops for the production of their technical base, i.e., the integrated machine systems. It was only after machines could be produced in factories that the factory system stood by itself, and reproduced itself. Examples of this from the industrialized societies could fill volumes. Yet, this sort of industrial transformation did not occur in underdeveloped countries. Factories were, and still are introduced from the outside. As a rule, in underdeveloped countries the factory system does not stand by itself, and reproduce itself. But is it then, as happened in almost all developed countries at one point or the other, that the domestic "non-factory" type production is nursing the factory proper? In other words, is it that the classic capitalist industrial transformation will occur, but a bit late? Unfortunately, the answers to such questions are negative.

In underdeveloped countries, the factory system is imported, and it is dependent upon the foreign production of machinery. There are steel mills, sugar, cement, Coca Cola, and textile factories, and automobile assembly plants, but there are no capital goods industries. Most of the technical base for factory type production, and in some cases as in steel mills, the entire system of machinery has to be imported. Furthermore, the processes of industrial capital accumulation, proleterization of labor, and markets enlargement are distorted. The capital accumulated in the domain of "lower" forms of capitalist industrial production does not flow into the factory proper. The "non-factory" connected labor pools swell but do not impinge upon the markets for factory labor. And finally, in some cases, even the consumer markets are partitioned between the "lower" and "higher" forms of capitalist
industrial production.

In contemporary underdeveloped countries, therefore, the development of the factory system is not rooted in the domain of "lower" forms of capitalist production. Thus, being imported (dependent) and divorced from the grass-roots capitalist transformations, the factory system could not acquire a prominent role in the sphere of industrial production. It exists side by side with the "lower" forms, and does not hinder the proliferation of the latter. These are, in outline form, the basic features of the historically unique capitalist industrialization process under imperialism. The underdeveloped economy, if not the society, is partitioned into two spheres.

It may be pointed that during and after the respective industrialization processes of developed countries, there existed (and still exists) a sort of "dualism" similar to the one observed in contemporary underdeveloped countries: the simultaneous existence of the "lower" and "higher" forms of capitalist industrial production. But it is obvious that such a similarity pertains to the appearance rather than the essence of the process of industrialization in underdeveloped countries. Unlike the factory system that is rooted in the domain of "lower" forms of capitalist industrial production, and later supersedes "non-factories," in underdeveloped countries like Turkey, what we have is a factory system which is a foreign extension and co-exists with the "lower" capitalist forms. Indeed, in industrialized societies, the growth of the factory system meant the decline of the "non-factories". But, in underdeveloped countries, the growth of the factory system does not mean the decline in the overall importance of the "lower" forms of capitalist industrial production in the economy. The two
distinct and historically antagonistic modes of capitalist industrial production seem to proliferate side by side in their respective niches of the economy. It is as if there is some kind of an unnegotiated peace, a "glass-wall", between them. In other words, in the case of the developed, industrialized, countries there occurred a process of industrial development which had a "dual" appearance, but a "dialectical" essence. In the case of contemporary underdeveloped countries like Turkey, however, we are witnessing a process of industrial growth which not only has a "dual" appearance, but also a "dual" essence.
SECTION

2

HOW DID THE "FACTORY" AND "NON-FACTORY"
SPLIT OF TURKISH INDUSTRIES EMERGE AND
EVOLVE?

"...Siz sanatkârların ufak dükkanlarınız
yerine muhteşem fabrikalar yapıldığını
 gordüğüm gün (memnuniyet ve saadetim) en
hakiki ve en yüksek derecesini bulacaktır."

("...artisan, petty producers- when I
witness the emergence of spectacular
factories in place of your small shops
my satisfaction and happiness will reach
its ultimate degree.")

M. KEMAL ATATURK, addressing the petty
producers in Adana, 16 March 1923.
CHAPTER VI

INTRODUCTION TO SECTION TWO

1. What Is This Section About?

The number of studies on Ottoman and Turkish economic history grows as debates on current economic policies intensify. This is not accidental, for in order to grasp the special character of Turkish Capitalism it is necessary to investigate the process of its formation and development.

In this section an account of the history of Turkish industrial capitalism will be provided in order to clarify the underlying character of the contemporary industrial situation in Turkey. But an unorthodox method will be followed, and an often ignored issue will be focused upon: the nature of the transformations in the modes of capitalist industrial production, or, in other words, the "factory" and "non-factory" sectors of industrial production.

I will argue that the special characteristics of Turkish industrialization have been two-fold: the inability of the "lower" forms of capitalist industrial production, i.e., "non-factories," to transform themselves into "higher" forms, i.e., "factories"; and the inability of the "imported and transplanted" "higher" forms to connect with and replace or dominate the "lower" forms. I will demonstrate that these characteristics can be traced from the moment the first Ottoman "factory" appeared up until the present. In other words, the available historical documentation on Ottoman and Turkish industries will be reorganized in view of a new paradigm: the nature of Turkish
industrial development is such that the historically antagonistic forms of production, i.e., "factories" and "non-factories", exist side by side as if they are separated by a "glass-wall." In outlook, therefore, the survey of Turkish industrialization provided in this section will neither be an attempt to test hypotheses, nor an effort to shed light upon hitherto unknown sources. It will only be an attempt to articulate a "dual" industrial structure paradigm, or an effort to prepare the groundwork for future research. Thus follows the need to adapt an unorthodox method.

2. The Special Character Of Turkish Industrial Capitalism:

"Dualist" Growth Rather Than "Dialectical" Transformation

I define industrial "dualism" as the co-existence of "factory" and "non-factory" types of capitalist industrial production while the growth and development paths of one do not cross over the other's. This situation, however, is not a recent phenomenon. If anything, the interest in "dualism" is recent. The study of the Turkish industrialization process sheds light upon this point. In Turkey, industrial "dualism", as a condition, began with the establishment of the first Ottoman "factory" and has continued up to the present. In brief, "dual" capitalist industrial growth was, and still is, the striking feature of Turkish industries.

Under the Ottomans industrial "dualism" had a "non-market," "non-capitalist" outlook. It flourished within the "State" and "Populace", or the "ruler" and "ruled" division of a deteriorating social system which is often referred to as the "despotic" or "Asiatic" form that did not permit "grass-roots" capitalist industrial development. There was a decaying stock of "non-factories," i.e., artisan-shops and workshops, which tried to cater to
the reeds of the "ruled," next to a peculiar stock of "imported and transplanted factories" which were designed to meet the demands of the "ruling establishment."

With the collapse of the Ottoman Empire, the industrial "dualism" observed in Turkey assumed a capitalist outlook. In the model of Turkish "dualism" there exists a recovering and growing stock of "non-factories" next to a simultaneously expanding collection of "factories," and there are connections between the two sectors of industry. Yet, the nature of the "factory" sector and its connections with "non-factories" are such that "factories" neither replace nor dominate the lower forms of capitalist industrial production, and "non-factories" flourish without transforming themselves into higher forms. Indeed, in a sense, "dualism" was a condition inherited from the Empire. But from the 1920's on the setting for industrial change attained a clear capitalistic nature. The young Turkish Republic was in the process of developing a market society. In brief, Turkish "dualism" was different from Ottoman, and it displayed three distinct phases of development: (1) reconstruction, (2) entrenchment and (3) proliferation.

Under the "liberal" economic policies of the 1920's "dualism" was reconstructed as a capitalistic condition. The State took over the project of establishing the stage for capitalist industrial development. Yet, the actors, i.e., the Turkish petty producers, merchants and large-land owners, could not and did not play their parts as depicted in the classic script. Private industrial initiative proved to be too weak on the "factory" type of industrial production front. Even with government assistance it failed to increase the number of "factories." Thus, the State had to assume the role of industrial entrepreneurship as well. In the meanwhile, however, the
number of "non-factories" increased.

In the 1930-50 period, "dualism" became entrenched in the industrial landscape. The major factor was the "etatist" industrial policy. On the one hand, the weak industrial initiative affiliated with "lower" forms of production was encouraged, and on the other hand, the State-run "factory" sector supported rather than replacing or subordinating "non-factories."

Thus in 1950, there were about 155 factories, most of which were State-run, next to a collection of about 85,000 artisan-shops and workshops. While "factories" employed about 90,000 workers, "non-factories" employed almost three times as many. Indeed, the "etatist" industrial policy had fertilized both the State-run "factory" and private "non-factory" sectors of industry.

In the 1950's, Turkish "dualism" took a new turn with "liberal" policies and weak capitalist industrial initiative on the one hand, and the penetration of foreign industrial capital on the other. Foreign industrialists carved a "neo-industrialist" group affiliated with "factory" type production from among the "non-industrial" capitalist elite, and by-passed the "non-factory" affiliated "grass-roots" industrial potential. In the 1960's the "neo-industrialist" group took over the lead in "factory" building from the State, and the number of private "factories" increased. But, they too left the domain of lower forms of capitalist industrial production alone. The result was the same: a side by side proliferation of the historically antagonistic forms of capitalist industrial production. "Non-factories" multiplied in numbers, but the "non-factory" sector failed to generate "factories" from within itself; and, the "imported and
transplanted factories" remained dependent upon foreign capital and know-how, and neither replaced nor subordinated the "lower" forms.

The rule of Turkish industrialization is clear. "Factories" are "imported and transplanted" and they do not tend to replace or subordinate "non-factories," and the "non-factory" sector fails to generate "factories" from within. This split in the modes of industrial production is important for another reason. It generates further repercussions in the social order. The consumer, capital and labor markets split into two as well. In other words, with its roots in the sphere of industrial production, "dualism" spreads into the rest of the social system. As one portion of the Turkish society grows richer and more "modern" with its "factory" affiliations, the other appears relatively poorer and slower to "modernize" with its "non-factory" affiliations. In brief, it seems that the "non-factory" sector of industries performs an historic mission. It rationalizes the unevenness of dependent capitalist development in an underdeveloped setting.  

As such, the Turkish "dualist" path for capitalist industrial development contrasts sharply with the classic English and the classic "late-comer" models. Instead of "factories" emerging from within the domain of "non-factory" types of industrial production and superseding them as in nineteenth century England, or factories, after being transplanted, connecting with the domain of petty production and transforming it as in Japan, Turkish "factories" remain as transplants and neither replace nor dominate the "grass-roots" capitalist initiative. As a rule, "factory" capital does not accumulate in the domain of petty production, "factories" do not compete with petty firms, petty firms do not sub-contract from "factories."
and "factories" sell to but do not purchase from petty firms. In short, in Turkey we have a "glass-wall" between the two historically antagonistic forms of capitalist industrial production. Today, in the 1970's, the "dual" structure of the Turkish industrial landscape is undeniable. Yet, this is not to say that the "glass-wall" is there to stay forever. Indeed, there are few examples where "factories" replace or subordinate "non-factories," i.e., where the "glass-wall" thins and melts through direct competition and sub-contracts. Such developments are important and need closer scrutiny. I believe that the clue to the last phase in Turkish "dualism," i.e., its dissolution, lies here. At any rate, however, both the political and economic importance of the long unattended industrial garden below the "glass-wall," i.e., the domain of lower forms of capitalist industrial production, is hard to ignore.
CHAPTER VII

THE EMERGENCE OF INDUSTRIAL DUALISM AS A "NON-MARKET," "NON-CAPITALIST" PHENOMENON UNDER THE OTTOMANS

1. Some Features Of The Ottoman Social Order

To understand the Ottoman industrial measures and the industrial landscape of the Empire in the late eighteenth, nineteenth and early twentieth centuries better, some distinct features of the Ottoman society must be reviewed.¹

The Ottoman society was divided into two broad groups: those who partook in the ruling establishment, and those who were ruled.² The ruling establishment, i.e., the State, was merely a surplus expropriating mechanism which thrived on the wealth generated in the spheres of industrial and agricultural production, and on the capital accumulated through commerce.³ It was not the least interested in how the surplus was produced.⁴ The size of the surplus appropriated by the Ottoman State was directly proportional to its military and political authority.⁵ In this sense, the Ottoman State was despotic.⁶ As its military establishment grew stronger, its domain of surplus collection and its revenues became larger. As its administration became more efficient, the appropriation of surplus, and the distribution of surplus among the Sultan and his "slaves"⁷ (the "men of the pen" and the "men of the sword" who exercised power in his name) became faster and easier.

In order to maintain and strengthen the authority of the ruling
institution, it was necessary to provide a wide range of goods which were not readily available in the markets oriented towards the material needs of those who were "the ruled." The army needed swords, saddles, uniforms, rifles, cannons, gunpowder, &c.; while the Imperial bureaucracy could not do without pen, paper and ink. In other words, the ruling institution had a completely different demand function for industrial goods than the common people. As a consequence of this, there emerged a split in the sphere of Ottoman industrial production which is hard to ignore. On the one hand, there were the State-run and State-appropriated industrial establishments, and on the other hand, there were the privately run but popular demand oriented industrial establishments organized into Guilds. Another important aspect of the Ottoman industrial landscape was that the Ottoman State was there to slow down the spread of "first complete" forms of capitalist industrial production if not to block the path for their emergence.

In view of these general observations, it is possible to formulate a set of working hypotheses to guide a critical inquiry into the nature of the process of industrialization in the Ottoman Empire. First, as long as the Ottoman State existed in the form of a surplus expropriating mechanism, changes in the industrial landscape could not follow a blue-print for the development of capitalism. In the case of the State-run and State-appropriated industries, either the capitalist or the profit motive was missing. In the case of the privately run artisan shops and workshops, on the other hand, both the Guilds and the State and its foreign trade policies were obstacles to the accumulation of domestic industrial capital. Second, since the Ottoman State was concerned with satisfying its own
material needs rather than those of the "ruled," most of the
direct industrial measures had to relate to the State-run and State-
appropriated industries sector rather than the popular sector. Third,
since the "factory" type of industrial production could not have been
a product of the "non-capitalist" Ottoman industrial organization, it must
have been imported by the State for itself. Fourth, thus the "factory" and
"non-factory" duality in the Ottoman industrial landscape was a reflection
of the two-fold nature of the Ottoman society, and had to begin and remain
as a "non-market," "non-capitalist" phenomenon.

2. Attempts To Upgrade Ottoman "Non-Factories" In The
Late Eighteenth Century

The Ottoman efforts to keep up with the industrial developments
registered in Europe may be traced back to the second half of the eighteenth
century. Most importantly, Sultan Selim III introduced contemporary
European processes and equipment for the production of rifles, cannons,
mines, and gunpowder in the 1790's, and had initiated a few State-run
industrial establishments by 1804. Such attempts to upgrade the State-run
"non-factories" of the Empire can be interpreted as the first phase in the
unfolding of the Ottoman industrial policies, for they clearly mark the
"beginning of the end" of the Ottoman "non-factories." In other
words, they stand as one of the first reactions of the ruling institution
to the industrial backwardness of the Empire. Furthermore, they display,
in an embryo form, the "import and transplant" blue-print for the Ottoman
(and later, Turkish) approaches to "factory building."
In the beginning of the nineteenth century there were no factories in the Empire. This may be imputed from the available literature on Ottoman industries. For instance, the Tophane, İstanbul cannon foundry, and the Dolmabahçe, İstanbul musket works were converted from animal to steam-power only in the late 1830's. Again in İstanbul, in the 1800’s, the State constructed ornate buildings to house woolen works, which were mistaken by later travellers for converted palaces. Furthermore, in the late 1830's, it was possible to transform a part of the paper works in Hünkâr Iskelesi, İstanbul to cloth manufacturing. Thus, it is possible to assert that in the late eighteenth century the Ottomans were trying to upgrade and vitalize the existing stock of State-run and State-appropriated "non-factories", rather than start a new generation of State-run factories.

The importing of European "non-factory" connected know-how with the purpose of refining the Ottoman State industries, however, was not an unknown thing. As early as the fifteenth century, Sultan Mehmet II employed Hungarian experts to cast the largest cannons of the times as a part of his preparations for the siege of İstanbul, then called Constantinople. But in the eighteenth century the importing of European know-how had a different significance. Unlike Europe, the technical base for Ottoman "non-factory" types of industrial production had remained practically unchanged since the fifteenth century. The capitalist ferment lacking, the Ottoman ruling institution in the 1790's, was still using rifle, cannons, mines, swords, cloth, paper, &c., which were produced in large Imperial workshops like those described by Evliya Çelebi in the seventeenth century.

In brief, in the late eighteenth century the introduction of contemporary European processes and equipment for the production of military goods meant
the importing of "non-factory" connected know-how in order to catch-up with Europe, not to overwhelm it.

Sultan Selim III is often credited with starting the "westernization" movement in the sphere of Ottoman industrial production. This view is distorted, for the industrial measures of the 1790's and early 1800's have nothing to do with either a "factory" building period, or a concerted push for industrialization. They were part and parcel of a larger set of military reforms conceived to strengthen the central authority, rather than a set of coordinated efforts to "westernize" the Ottoman industrial landscape. They can be attributed, in part, to Sultan Selim III's "intense personal interest." But no matter how the late eighteenth century Ottoman industrial measures are assessed, they do not stand as a clear body of industrial policies in and of themselves. Furthermore, they were restricted in scope to "non-factories," and also ineffective.

3. The General Framework Within Which The "Factory" And "Non-Factory" Split Of The Ottoman Industries Began

Sultan Selim III's military reforms, and included in them his industrial measures, generated reactions among the Janissaries, i.e., the corps of the standing army in Istanbul. The Sultan was deposed in 1807, and until the overthrow of the Janissaries in 1826, little happened on the industrial front. Following this reactionary pause, however, there developed the second stage of Ottoman industrial policies. It was marked by attempts to "import and transplant" European "factory" connected
know-how into the Ottoman industrial landscape (into the Ottoman State-run industries sector in particular) on the one hand, and by efforts to vitalize the Ottoman "non-factories" on the other.

Some of the State-run "factories" established during this period managed to survive with subsidies well into the twentieth century. But in general, the attempts to "import and transplant" "factories" into the Ottoman industrial landscape turned out to be spectacular economic fiascos. Attempts to vitalize the Ottoman "non-factories," on the other hand, followed the initial attempts to build "factories." But again, they were unsuccessful and ended abruptly.

Given the nature of the Ottoman social order, the economic and political superiority of the European powers over the Ottomans, the continuously mounting "factory" competition from abroad, the disarray of the domestic "non-factory" connected capital and technology, \(^\text{19}\) and the inertia of the foreign affiliated Ottoman merchants \(^\text{20}\) and large land-holders \(^\text{21}\) in transforming their wealth into industrial capital, \(^\text{22}\) the success of the Ottoman industrial measures in the nineteenth century would have been a miracle. In brief, keeping up with the capitalist industrial developments in Europe was impossible because it would have required reorganizing the decaying stock of "non-factories" which never assumed a wide-spread capitalist character, and starting a grass-roots "factory" building process through "importing" "factory" connected know-how and "planting" it in Ottoman soil behind protective tariff barriers. \(^\text{23}\) Nevertheless, the industrial measures taken during the nineteenth century bore some fruit. "Factories" appeared next to the decaying stock of "non-factories." This was the beginning of a
"factory" and "non-factory" split in the Ottoman industrial landscape.

Now let us study more closely the industrial measures taken in the nineteenth and early twentieth centuries when the Ottoman Empire was engulfed in political turmoil.

4. Attempts To Revive Ottoman "Non-Factories" In the Nineteenth Century

In 1864 and 1868, two commissions for Industrial Reform were established to revive the Ottoman "non-factories." The first commission failed to accomplish anything except to pave the way for the second, which became instrumental in the formation of seven "non-factory" based Producer Cooperatives in Istanbul. This was the first Ottoman effort ever to directly interfere with privately run "non-factories" outside the domain of State-appropriated artisan shops and workshops. The second such attempt came only after the 1908 Young Turk's coup d'Etat, and consisted of the abolition of the last remnants of the decaying Ottoman Guild system, and the organization of petty producers within voluntary Artisan Societies ('Esnaf Cemiyetleri') in 1909.

The reasons for the divergence from the centuries old Ottoman practice of dealing with the privately run artisan shops and workshops through Guilds outside the domain of the State Industries sector, however, cannot be easily explained with reference to the far-sightedness of the members of the government. We know that they were naive insofar as their economic views were concerned. Their organization of the industrial reform commissions may be partially attributed to the success of isolated
contemporary industrial efforts elsewhere in the Empire. It may also be seen as an imitation of the European cooperative movements. Furthermore, the rapidly mounting complaints of the ruined petty producers, including among them the ex-janissaries, can be considered as decisive. Indeed, the move to establish cooperatives stands as an action designed to muffle a potential popular unrest in İstanbul. Yet, all in all, in the absence of adequate research a plausible explanation for the policy to establish Producer Cooperatives can not be forwarded.

Aside from the petty producers directly involved, the State and some individual donors contributed capital towards the finance of these cooperatives. Various measures for protection and encouragement were impending. Yet, one after another these cooperatives closed down. Consequently, in 1874, the second comission for Industrial Reform was dissolved, and its duties were transferred to the İstanbul Municipal Administration. As with the reasons for the emergence of these cooperatives, however, it is difficult to assess the reasons for their closing.

Establishment of the Industrial Reform Comissions was not the only step taken to deal with the privately run Ottoman "non-factories." In 1862, customs duties were increased from five to eight per cent. In 1863, an Industrial Fair, and in 1867, a school for Industrial Reform were opened in İstanbul. Unfortunately, however, these measures were not only marginal, but also late. They did not alter the conditions which had been paving the way for the collapse of the Ottoman industries since the 1838 Anglo-Turkish Trade Convention. This convention had removed the last Ottoman tariff barriers which obstructed the flow of European goods into the Empire.
Disheartened by the experiments confined to İstanbul, therefore, the 'Tanzimat' Men shelved the plans and measures to reorganize the "non-factories," and left them on their own.

5. Attempts To "Import And Transplant" Factories In The Nineteenth Century

As efforts to revive the decaying stock of privately run Ottoman "non-factories" took shape and failed, the "import and transplant" strategy for "factory" building had already borne some fruit during the 1830-50 period. Indeed, the Ottoman "factory" building attempts began soon after the overthrow of the Janissaries in 1826. By the end of the nineteenth century, the Ottomans had built about 30 or more "factories." The State, however, was not directly involved in the construction of all of them. There were some private "factory" building efforts as well. Yet, let us first make clear the scope and nature of the State's "factory" building projects.

In 1827, a spinning mill was built near Eyüp, İstanbul. In 1826 an order of 50,000 fezes was secured from the 'Beylerbeyi' of Tunis, and in 1835 a fez factory was opened in İstanbul. In the 1830's the Tophane, İstanbul cannon foundry, and the Dolmabahçe, İstanbul musket works were converted from animal to steam power, while a tannery and boot works in Beykoz, İstanbul were improved. In the same period besides two military cloth factories (one in İzmit and the other in İslimiye), a new saw-mill and a copper sheet rolling mill were established in Tophane, İstanbul. These are listed among the early attempts to "import and transplant" European industrial know-how into the Empire. Probably, like the tannery and boot works in Beykoz...
and the saw-mill in Tophane, among these industrial establishments there were many "non-factories." Yet in the absence of adequate information, not much may be argued on this score.

In the following decade, in the 1840's, the State factory building efforts peaked. In the second half of the nineteenth century, however, the pace for factory building slowed and eventually came to a halt as the factories built in the 1830's and 1840's faltered and became a burden on the State.

The seemingly most ambitious among the 1840's generation of factory projects was the İstanbul Complex. In 1842 an agricultural and industrial complex similar to contemporary "industrial parks" was started between Yedikule, İstanbul and Küçük Çekmece. It was spread over a nine-mile long strip of land along the İstanbul-Edirne road. It had two manufacturing centers. The more important core was near Zeytinburnu:

"(It contained) a foundry and machine works designed for the production of iron pipe, steel rails, plows, bits, stirrups, locks, lanceheads, cannon, swords, knives, razors and other forgings and castings of any desired complexity or quantity. One section was built to produce cloth and cotton stockings. Workers were housed in a two-story barracks 650 feet long, and the entire impressive unit was enclosed by walls approximately one-half mile in circumference." 46

The second core was in Bakırköy:

"(It had) a factory to spin, weave and print calicoes, another iron works with a furnace and two forges, a steam-driven machine shop, and a boatyard equipped for the construction of small steamships. The furnace was immediately adjacent to a pre-existing gunpowder works, a fact which prompted more cynical observers to predict an expansive, even explosive future." 47 (Indeed, in 1848, not this one but a similar gunpowder works in Küçük Çekmece, further west, blew up.) 48

All in all, with a model-farm around Yeşilköy, the already existing gunpowder works in Küçük Çekmece (the one that later blew up), and a salt
evaporating basin near Yedikule, Istanbul, this Istanbul Complex "appeared destined to become a Turkish Manchester Leeds, a Turkish Birmingham and Sheffield, all four in one." But by the mid-nineteenth century the project folded. Furthermore, most of the industrial establishments in this complex were not real "factories." This can be imputed from the descriptions. Nevertheless, during the 1840's there were other projects besides the Istanbul Complex. Clark E.C. provides the following account:

"Apparently part of the same governmental program of the 1840's were several more manufacturing facilities... Among these were a tannery set up at Selvi Burnu (Silivri?) in 1841, a wool-weaving section added to the Istanbul Feshane in 1843, a steam-driven stamping machine installed the same year in the Imperial Mint, an iron foundry established north of Istanbul at Besiktas in 1844, and a porcelain factory to be constructed alongside the Bosporus at about the same time. Farther from Istanbul a state factory reportedly produced coarse wool cloth at Balikesir from 1842, a paper factory was established in Izmir by 1844, and measures were taken early in the 1840's to improve cannon-ball casting foundries at Samako in Bulgaria. A new powder mill was built in Baghdat in 1842-7, and toward the end of the decade additional large sums were spent on blast-engines and furnaces for copper smelting at Tokat... Almost certainly this list is yet incomplete."

We may add three other factories to this list: a cloth factory in İzmit, and a cotton mill in Hereke established during the 1840's, and a steam powered silk-reeling mill set up in Bursa in 1850.

Both the realization and management of these projects were assigned to a few Ottoman Christians who were on good terms with the State and had foreign connections. For example, the entire Istanbul Complex, the İzmit cloth factory, and the Hereke cotton mill were set up and managed by one Armenian family: the Dadians. But as the projects which they were entrusted with failed, they were removed from office and their property was seized.
Furthermore, not only all the machinery had to be imported, but also, the factories had to be put together by foreign craftsmen and detail-workers. For example:

"...In Istanbul alone were to be found foreign draftsmen, erectors, fitters, pattern makers, moulders, boilmakers, engine-smiths, coal viewers, steam engineers, blast-furnace keepers, puddlers, bar-iron rollers, smiths, turners, millwrights, plate rollers and ship-builders."60

The nature of the Ottoman markets in "non-factory" labor generated problems in recruiting workers, as well as in employing them "efficiently" in the factories. Another problem was the supply of raw materials, for the raw material sources of the Empire were undeveloped. Thus, again the foreigners had to come to the rescue. In brief, the Ottoman State factories were truly dependent. But of course, this does not mean that these factories were economically feasible. For one thing, they were designed to meet the demand of the ruling institution rather than the demand of the "ruled." The "green-house conditions" to permit these "transplants" to stand on their own feet were absent. In other words, without substantive tariff barriers, a market in factory labor, domestic technology and skills to use in factory building, developed industrial raw material sources, and large markets, the Ottoman State factories were destined to fail. Thus, whenever heavy State subsidies were not forthcoming they either remained idle or closed down.

It is the stock of such State factories, and some privately run factories built before World War I that constituted the factory sector of the Ottoman industries.

If State factories survived the lack of "green-house conditions," they did so because of State subsidies. The privately-run factories of the Empire, however, were to be economically feasible within an environment
impossible for capitalist ventures to survive in; but, how? If private factories were established in the Empire, then what accounts for their economic soundness? Were they miracles put forth by a non-existing strata of Ottoman industrial entrepreneurs? The answer to this seemingly paradoxical situation is simple. The privately-run Ottoman factories did not survive despite the backwardness of the economy, but rather because of it. In brief, they thrived upon the industrial dependency of the Empire. To make this important point clear, we have to put the facts in order.

Almost all the privately-run factories in the Empire were established by foreigners. In 1845, Falkeisen, a Swiss, established the first silk-spinning factory in Bursa. By 1855 there were about ten privately-run silk-spinning factories around it. Paşabahçe, İstanbul candle and stearin factory was a French concern. The Beykoz, İstanbul paper factory was built with English capital. The Kartal, İstanbul canning factory was an Anglo-Swiss joint venture. Furthermore, the new glass factory established in Beykoz, İstanbul in 1890 was also a foreign enterprise.

Another important aspect of these factories was that they were not designed to compete against foreign consumer goods in all markets of the Empire. For instance, the Beykoz paper and glass factories, the Kartal canning establishment, and the Paşabahçe candle and stearin industry addressed themselves primarily to the needs of the members of the ruling establishment and of the State itself. It was a curious situation. The State was going to appropriate the surplus from the populace, and the foreign entrepreneurs were going to profit from the demand created within the ruling institution during and after this process.
Indeed, there were some intermediary-goods-producing industries appearing in raw materials rich regions like Bursa and Adana, and in export ports like İzmir and Beirut. Yet, these privately run factories were designed to undertake the initial processing of the Ottoman raw materials before their export to Europe. For instance, the Bursa silk-spinning factories were not complemented with Ottoman silk-weaving industries. Also, the cotton gins and presses in Adana and İzmir processed cotton for European textile-mills.

6. Attempts To Upgrade Ottoman Industries In The Early Twentieth Century

From the 1850-60's until the 1908 coup d'Etat of the Young Turks, there existed hardly any industrial measures either to support the "factory" building efforts at large, or to reorganize the stock of "non-factories." But from 1908 on (until World War I), some attempts were made to upgrade Ottoman industries in general.

In 1909, the Ottoman Guild System was officially abolished, and in its place the voluntary Artisan Societies ('Esnaf Cemiyetleri') were instituted. The second important industrial measure taken in this period was the issuing of the 1909 and 1913 Laws for the "Encouragement of Industry," which "stipulated facilities for investors as regards acquisition of land and exemptions from taxes and customs duties on imported raw materials, fuel and machinery." Finally, in 1913 and 1915 a census of the Ottoman Industries was taken. Before these efforts could bear fruit, however, the Empire collapsed upon its defeat in the World War.
7. An Evaluation Of Ottoman Industrial Policies In The Nineteenth And Early Twentieth Centuries

The study of Ottoman industrial measures in the nineteenth and early twentieth centuries makes it clear that Ottoman attempts to "import and transplant" "factories" preceded efforts to reorganize the privately run "non-factories" sector of industry. In other words, the Ottomans established "factories" before trying to solve the problems of the privately run artisan shops and workshops which were not only without a sound economic basis, but also without an effective organization. This, however, was neither a question of strategy, nor a matter of choice. It bears directly on the nature of the Ottoman State, and its stubborn struggle to retain itself in whatever guise was available.

Industrial development was never seen, perhaps with the exception of the Young Turks, as a goal in its own right. It remained as a means of supplementing the authority of the ruling institution which thrived upon surplus appropriation. Thus as a rule, the Ottoman State-run "factories" were neither intended to cater to the material needs of the populace, nor designed to break the spell of foreign "factory" competition in the domestic markets of the Empire. In this connection, Clark E.C. observes the following, perhaps with unnecessary caution:

"The bulk of the new Ottoman manufactures of the 1840's was consumed by the military and the palace, and it can be assumed that Ottoman industrial objectives in that decade at least temporarily excluded the civilian market. Nevertheless, some excess silks from Hereke did reach the civilian market through a government store in Istanbul, and fezes from the Feshane were retailed. Also, according to an announcement made in 1845, the new foundries west of Istanbul were so successful that the public was invited to place orders for iron castings, forgings and other metal workings. These civilian sales and services were exceptions,
Ottomans were bound to fail where Muhammed Ali of Egypt had succeeded a decade ago. Under the objective conditions of the Ottoman economy at large, the ruling establishment could not have secured anything close to industrial self-sufficiency for itself, let alone for the Empire as a whole. Already in 1838 the Ottoman State had abandoned most of its monopolies and levelled its tariff barriers. In brief, foreign help which the Ottomans used to contain Muhammed Ali had borne the reasons why they could not possibly repeat the Egyptian example of setting up a network of State-monopolies behind protective tariffs. Consequently, as Clark E.C. sums up,

"Not even Ottoman military self-sufficiency was remotely approached, however, and by 1848 half-completed or idle Ottoman factories and rusting equipment were ominous signs of impending disaster... With the Crimean War came the first European loans and Ottoman indebtedness, and the Porte was forced to abandon the greater part of its industrial program." 79

How are we going to account for the Ottoman attempts to build factories in the nineteenth century? Were they entertainments for the Sultan? Were they a part of an all out attempt to "Westernize" the industrial landscape of the Empire? Or, were they unwitting efforts of the ruling institution, i.e., the State, to sustain an industrial and military self-sufficiency in order to keep the status-quo, i.e., the age old practice of surplus appropriation by force and decree? The pattern suggested by the Ottoman State-factory building practices, the example of Muhammed Ali in setting-up an economically sound network of State-monopolies, the neglect of the domestic popular demand for consumer goods, attempts to build factories before considering the problems of the decaying stock of privately-run artisan shops and workshops, and finally, starting factories without calculating their economic
feasibilities in the absence of tariff protections, developed raw material sources, technical know-how, and a tradition of industrial entrepreneurship, all point to the following assessment of the Ottoman "factory" building attempts in the nineteenth and early twentieth centuries.

The Ottoman State did not care about the collapse of privately run artisan shops and workshops, for it was ambivalent towards foreign competition at home. It was a despotic State. Satisfying the material needs of the populace was not a problem. The problem was to maintain the status-quo, and since the reform of the State-run and State-appropriated "non-factories" proved ineffective, there was only one industrial measure left to supplement the State's authority. The stock of State-run and State-subsidized "non-factories" had to be renewed by "importing and transplanting" "factories." Thus in brief, the Ottoman State was not in "factory" building for profits. The economic feasibility of the projects, plans and programs was not an issue. State subsidies were always there when needed. Finally, the economic impasse of the Empire at large did not weigh heavily as a problem for the State, for its major problem was to arrest the erosion of its authority. As long as the Sultanate survived, the house of Osman remained intact and the State machinery operated, despite the fact that the Empire had turned into an outright colony of Europe and was appropriately called the "sick man of Europe," the Ottomans saw themselves as successful.

In a sense, France, Germany, Italy, Japan, Russia and the Ottoman Empire have all "imported and transplanted" "factory" connected know-how. They were all "late comers." It was only in the Ottoman Empire, however, that "factory"
building was not associated with an accelerated capitalist industrial development process. This is not surprising, for it was only in the Ottoman Empire that the "grass-roots capitalist industrial transformations" were absent. The Ottoman artisan shops and workshops were exposed to foreign competition, and they were not merely declining, they were collapsing. In other words, when in the nineteenth century, the European factory-connected know-how was imported, the Ottoman "non-factories" were in shambles. Thus, in the Ottoman experience of "importing and transplanting" factories, the issue was not how the domestic "non-factory" types of industrial production were going to connect with the imported type. The issue was whether the imports were going to survive in the "non-capitalist" Ottoman industrial landscape or not. Indeed, the necessary conditions for factory type industrial production to take roots were absent. There was strong foreign competition at home from European industries, and it was connected with the interests of an entrenched strata of Ottoman and foreign merchants. Protective tariff barriers were absent, and it was difficult to raise new ones. The capital markets were under foreign controls. The group of potential industrial entrepreneurs among the ranks of Ottoman petty producers and petty traders was as flimsy as the accumulation of industrial capital through productive work could be in an economy that was in absolute shambles. Furthermore, there was the inertia of big merchants and large land-holders to transform their wealth into industrial capital. Ottoman industrial know-how was archaic. Organized labor markets did not exist. The industrial raw material sources of the Empire were either undeveloped, or under foreign control. The transportation and communications networks were inadequate, and were shaped by foreign concerns to facilitate direct exports of industrial raw materials such
as cotton and silk rather than to connect the internal markets of the Empire
to each other. Finally, the social peculiarities of the Ottoman society
as reflected in the formal and informal institutions were antithetical to
the kind of social environment which fertilized the "grass-roots capitalist
industrial development" processes elsewhere in Europe, and there survived
most stubbornly and for a very long time a typical Asiatic form of "despotic"
State.

These conditions, which made it improbable for imported factory
know-how to take roots, were also the conditions which rendered impossible
the beginning of "grass-roots" capitalist transformations from within
the privately run "non-factory" sector of Ottoman industries. In brief,
the "green-house" condition needed to grow the foreign seeds on the
Ottoman soil were absent, and the native plants of the economy were
rotting. Nevertheless, we know that the Ottoman factories emerged next to
a deteriorating stock of "non-factories." The State-run factories turned
out to be economic fiascos, but with the aid of heavy subsidies some
managed to survive and fertilize the twentieth century generation of
Turkish State-run factories. The privately run Ottoman factories, on the
other hand, flourished as the Empire declined, but tended to disappear
from the industrial picture when the Empire gave birth to the Turkish Republic
in the 1920's.

Indeed, the "factories" and "non-factories" of the Empire
constituted a peculiar industrial landscape. They existed side by side
without connections. Now, let us try to estimate the scope of this split
within Ottoman industries.
8. An Estimate Of The Scope Of The "Factory" And "Non-Factory" Split In The Ottoman Industrial Landscape In The Early Twentieth Century -Circa 1915-

According to the 1913-1915 census of Ottoman industries, there were some 282 large industrial establishments employing 14,060 workers in the Western Anatolian provinces of the Empire in 1915. Of this total, however, 18 were auxiliary firms ('tali müessesese' in Turkish); and of the remaining 264, some 249 employed machinery while only 182 were under operating conditions when surveyed. Comparing the 1913-1915 Census with other sources, Eldem V. concludes that the total number of larger industrial establishments in all the provinces of the Empire was about 835 in 1915. According to Eldem V., these establishments employed a total work force of 38,800. If the descriptions of Ottoman industries in general, and the accounts of the factories in particular are considered, however, the total number of factories (as defined in this study) may be put somewhere between 30 and 40. In brief, therefore, not only the descriptions and accounts of the Ottoman industrial situation since the beginning of the nineteenth century, but also the findings of the 1913-1915 Census make it clear that the 282 larger industries surveyed in 1915 comprised many workshops. Consequently, neither the number of factories, nor the size of the factory connected labor force may be documented once and for all. Yet, it may be estimated. All in all, the 30-40 factories combined could not have employed more than 5,000 workers. The number of the "non-factories," i.e., the artisan shops and workshops, and the size of the "non-factory" connected labor force, on the other hand, are neither accounted for in the 1913-1915
Census,103 nor included in the other sources on Ottoman industries. This makes it more difficult to forward an educated guess. On this score, Ravndal G.B., the American Consul General in Istanbul, refers to official statistics for the year 1921, and notes the following:

"...The 1913-1915 Census) evidently takes no account of the thousands of small shops, comparable to the village blacksmith shops in the United States, which are scattered throughout the country and which appear to have been included in the following statistics for Asiatic Turkey (Anatolia) only, prepared by the Ministry of National Economy for the year 1921:

### NUMBER OF INDUSTRIAL ESTABLISHMENTS AND THEIR WORKERS IN ASIATIC TURKEY, 1921

<table>
<thead>
<tr>
<th>Industry</th>
<th>No. of Establishments</th>
<th>Laborers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Textiles</td>
<td>20,057</td>
<td>35,316</td>
</tr>
<tr>
<td>Curing of skins</td>
<td>5,347</td>
<td>17,964</td>
</tr>
<tr>
<td>Metallurgy</td>
<td>3,272</td>
<td>8,021</td>
</tr>
<tr>
<td>Lumber Industry</td>
<td>2,067</td>
<td>6,007</td>
</tr>
<tr>
<td>Food Products</td>
<td>1,274</td>
<td>4,493</td>
</tr>
<tr>
<td>Potteries and Cement</td>
<td>704</td>
<td>3,612</td>
</tr>
</tbody>
</table>

With the exception of certain abortive efforts at manufacturing, made necessary by the World War and the ensuing Turko-Greek War, nothing in the nature of industrial development transpired between 1915 and 1921. On the contrary, military mobilization restricted industry, and the restriction became more severe after 1919 when the Greek occupation of the Smyrna region temporarily severed from Turkey an area rich in developed natural resources and relatively advanced industrially. It is difficult, therefore, to concede that the figures for 1921 represent anything more than very liberal estimates, even after making allowance for the inclusion in them of household spinning, weaving, tanning, tinkering, etc."104

The official statistics to which Ravndal G.B. refers puts the total number of industrial establishments in Turkey at 32,721, and the number of the total active labor force at 75,413 in 1921. Certainly these figures include factories over and above the "non-factories." Furthermore, as cautioned by Ravndal, there are two other points to be considered. First, this 1921 account reflects the impacts of World War I and the Independence
Wars (1919-1923) upon industry. Second, it excludes the Turkish territory occupied not only by the Greeks, but also by the English (the İstanbul-İzmit area and the Dardanellles), the French (the Adana-Antep area), the Italians (the Antalya area), and the Russians and Armenians (the Kars-Ardahan area). Nevertheless, going through the descriptions of Turkish industries in the 1920’s, and keeping in perspective the various indirect accounts referring to Ottoman "non-factories" in the nineteenth century, it can be safe to assume that there must have been more than 40-45,000 artisan shops and workshops employing up to 100,000 workers in the Anatolian provinces of the Empire circa 1915. In summary then, no matter how slight it is, the "factory" and "non-factory" split of Ottoman industries circa 1915 can be estimated.

With liberal allowances, the Ottoman industrial situation circa 1915 can be summarized as follows:

**TABLE 1**

<table>
<thead>
<tr>
<th>Type of Industrial Production</th>
<th>Total Number Of Establishments</th>
<th>Total Number Of Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>FACTORY*</td>
<td>40 (% 0.1)</td>
<td>5,000 (% 4.8)</td>
</tr>
<tr>
<td>NON-FACTORY** (Artisan shop, Workshop)</td>
<td>40,000 (% 99.9)</td>
<td>100,000 (% 95.2)</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>40,040 (% 100.0)</td>
<td>105,000 (% 100.0)</td>
</tr>
</tbody>
</table>


(*) The figures for Ottoman "factories" are the maximum of my estimates
(**) The figures for Ottoman "non-factories" are the minimum of my estimates. Such a distortion is necessary in order to illustrate the "factory" and "non-factory" split of the Ottoman industries better.
CHAPTER VIII

THE RECONSTRUCTION OF INDUSTRIAL DUALISM AS A CAPITALIST PHENOMENON: THE LIBERAL YEARS, 1923-30

1. Changes In The Nature Of The Turkish Ruling Institution

The collapse of Ottoman industries in the nineteenth century was followed by the collapse of the Empire itself in the twentieth. The Turkish nation-state emerged upon the ruins of the Empire in 1923. This was a principal break from the centuries old Ottoman political legacy. The new Turkish State, though still a continuation of the Ottoman ruling institution in certain respects, was quite distinct in outlook. It could no longer be a "despotic surplus expropriating mechanism" as the Ottoman State was. The expansion of the young Republic's state revenues through conquests and heavy taxation without regard to how surplus is produced in agriculture, industry and commerce was impossible. In other words, the Turkish State had to come to terms with the political economic reality of the times: the State has to tend the production of surplus in order to increase its revenues. But it was quite distinct from its European counterparts as well. In Europe, the commercial and industrial interest groups had already assumed the reigns of the government, and they were busy tailoring policies to suit their particular interests by the nineteenth century. In Turkey, however, the government of the 1920's was not formed upon a comparable internal class and interest group struggle. The young Turkish State was a product of the Turkish reaction to the outright colonization attempt of the Europeans. It was an organization of self-assigned and self-selected Turkish nationals.
from a wide range of classes and strata, who had come together to expel the foreign intruders. Thus, in the absence of a clear class base, and with a national emergency at hand, the Turkish government under the leadership of ex-Ottoman officials, functioned as the brain, heart and muscle of the people rather than as the "executive" of a particular class or interest groups.

Given this legacy, once the national sovereignty was secured the initial bureaucrat and technocrat inspired "national front" had either to commit itself to another national emergency, or to assume for itself a clear class base. But in the 1920's the sphere of industrial production did not produce a vociferous group of entrepreneurs. The Turkish industrial entrepreneurs were petty producers who controlled only small and disjointed pools of capital. Similarly, the Turkish merchants were petty traders. In short, there was no strong and organized group of capitalists to either assume the reigns of government, or inspire a new course for government policy. Indeed, the lack of a group of capitalists as such meant the absence of organized labor. Thus, workers' control over the state machinery was out of the question. There was only one group capable of overrunning the bureaucrat and technocrat controlled and inspired government: the land-holders. Yet, they were interested more in keeping their property rights and local influence over the peasantry intact, than gaining control of the State machinery. Since the outside threat upon their land had disappeared, they expected to be left alone and did not want to interfere with others. In short, there was hardly a group willing and capable of taking over the reigns of government from the ex-Ottoman officials.

The pashas, bureaucrats and technocrats who had inspired the
"national front", and came to hold the reigns of government were faced with a dilemma. Either a new ruling establishment similar to the Ottoman State could be formed and imposed upon the populace, or upon securing the tacit approval of the different groups, a State modelled after the European examples could be established. The former appeared possible, but it was unrealistic. The latter, however, was difficult to realize, and there was the need for another national emergency.

With national reconstruction an undeniable problem ahead, and the success of the Turkish independence struggle behind, the bureaucrats and technocrats of the "national front" declared that the "industrialization and Westernization" of Turkey was a national emergency. Thus both their leading role in the Turkish government, and the "populist outlook" of the young State were retained. Insofar as there seemed to be no group or class in the way of another during this new emergency, it was deemed most appropriate to forward a "populist" ideology, and later, to tailor it into "Etatism."

It is important to grasp this change in the character of the ruling institution, for it marks clearly the emergence of a body of industrial measures which were taken with the aim of developing the national economy at large, rather than strengthening the hand of a "despotic surplus expropriating machine." In other words, industrial measures which may be referred to as a definite "industrial policy" emerged, for the first time in Turkish history, as the new Turkish State emerged in the 1920's. Now let us study the unfolding of the Turkish industrial policies, and trace the changing nature of the "factory" and "non-factory" split in the Turkish industrial landscape.
And "Non-Factory" Split Of The Turkish Industries

Assumed a Capitalist Nature

During the 1920's, it was hoped that if the State provided some factory building initiative besides encouraging and protecting industries in general, then the "non-factories" would pick-up and the privately-run factories would emerge on their own. But the necessary conditions to make such a liberal policy successful were absent.

The stock of Turkish "non-factories" was in absolute shambles. The Ottoman Guild system had been abolished in 1909, but the artisan shops and workshops were literally thrown into an undeveloped capitalist industrial situation without either protections or an effective organization. The raw material, labor, and capital markets were small and unorganized. The consumer markets, on the other hand, were flooded with foreign goods. Furthermore, World War I, and the ensuing Turkish mobilization for national sovereignty, together with the exodus of Greek, Jewish and Armenian merchants and petty producers (the entrepreneurial elite of the Empire) had further eroded the stock of Ottoman "non-factories." The number of artisan shops and workshops was at a record low. Also the indigenous technology for "non-factory" types of industrial production had been practically unchanged since the eighteenth century, perhaps with the exception of a limited set of detail-machines imported in the second half of the nineteenth century. In brief, the Turkish "non-factory" connected labor, capital, technical know-how, entrepreneurial skills, raw material and even consumer pools were local in character and almost dry in the early 1920's. Indeed, the Republic had inherited a stock of "non-factories" in ruins. It consisted of artisan shops and workshops
which had managed to survive foreign competition, wars, scarcity of labor, flimsy demand, expensive raw materials, heavy tax burdens and extremely low profit rates. Such were the 32,721 industrial establishments reported by the Ministry of National Economy in 1921.\textsuperscript{11}

The stock of "factories", on the other hand, was not in a better situation. The Turkish government took over six Ottoman State-factories besides the exclusively military works of the Empire.\textsuperscript{12} Some of the privately-run Ottoman factories disappeared together with the Empire\textsuperscript{13}, but the twelve foreign controlled industrial establishments remained.\textsuperscript{14} Indeed, there was a clear need for a new generation of factory building efforts. Yet, the external factors needed to make factory type industrial production feasible were missing, and the Turkish government could not afford economically unsound factory projects. To establish the necessary "green-house conditions" for factory type production to take roots there were many things to accomplish: national industrial credit pools had to be established; industrial legislation had to be prepared and, other institutions conducive for "rapid Westernization" had to be cultivated via in depth social reforms; markets had to be integrated; and, raw material sources had to be developed.

In order to realize the bulk of the technical infrastructure and to build factories, however, not only foreign know-how but capital appeared indispensable. This was another problem, for foreign factory competition and foreign interference in economic policy were not extinct altogether. For example, foreigners controlled 82 companies besides the 12 industrial establishments in 1924.\textsuperscript{15} Protective tariff barriers could not be raised immediately after independence. Also, there was the issue of the Ottoman debts.\textsuperscript{16}

In short, a "laissez-faire" policy could not have generated privately
run "factories" in the 1920's. On the one hand, there was hardly any entrepreneur capable of undertaking large industrial risks under the objective conditions of the times. On the other hand, the conditions needed to make private industrial initiative profitable were absent. Indeed, the government could have started some factory building initiative, which it did, but it was impossible to launch a large scale State factory building program that could have had economic feasibility. There was one obvious reason. The government was busy establishing the necessary infrastructure for factory type industrial production. It could not have built both the factories and the conditions for their success at the time. Consequently, the liberal attitude towards industrialization in the 1920's was destined to mean: "let the petty producers do what they can."

3. Industrial Measures Taken In The 1920's

The major industrial measures which mark the Turkish industrial policy of the 1920's are as follows: organization of a forum to sort out the economic problems of the Republic; some State initiative to build factories in cooperation with industrial entrepreneurs; and, some industrial legislation including a law designed to encourage private industrial initiative.

The 1923 Economic Congress in İzmir was the Forum where the overriding problems of Turkish industrial production were voiced, and suggestions for government action drafted. It laid down the following principles for industrial policy:

"... (a) promotion of legislation for the encouragement of industry, and, in particular, changes in the customs
tariff according to the development needs of national industry; (b) preference rates in land and sea transport for local produce; (c) creation of better credit facilities for industry; (d) technical instruction and education, and training of engineers for industry."18

In 1924, a law "exempted raw materials for export industries from duties."19 In 1925, "new regulations defined the legal status of professional associations of craftsmen (the petty producers), which were henceforth to be under the control of Chambers of Commerce and the Ministry of National Economy."20 In the same year a government decree committed state agencies and enterprises to purchase "local produce if its price did not exceed that of foreign produce by more than 10 per cent."21 Finally in 1927, the summary Law for the Encouragement of Industry was passed.22 This was the most important industrial measure of the decade along with some government attempts to initiate factory building. It stipulated four types of privately-run industrial enterprises:23 (1) firms with at least 10 HP motors, on the average, and 1,500 work-days yearly; (2) firms with less than 10 HP motors, but at least 1,500 work-days yearly, or firms with no motor power but with more than 10 daily workers; (3) firms with less than 10 HP motors but more than 750 work-days yearly; (4) firms employing several workers laboring manually or with mechanical tools under one roof. The first type of firms were to enjoy all the benefits of the law. The remaining three, however, were to be granted only partial privileges.24 Hershlag Z.Y. provides a summary of the facilities granted by this law:

"...: (1) Establishments approved by the Government and recommended by the Ministry of Commerce will be granted land free of charge up to 10 hectares. If need be, land may be expropriated for this purpose by a special law, or compulsorily purchased from another authority, eg. a municipality; (2) Decrees may be issued to exempt enterprises from telegraph or telephone charges on lines between various
buildings of the enterprise, or between them and the outside world; (3) Installation of these lines as well as of motor power throughout State areas will be free of charge; (4) The enterprises, including buildings and land, will be exempt from the following taxes: immovable property tax; land tax; profit tax; surtaxes on all previous taxes due to provinces and municipalities; supplementary personal tax; licence fees due to municipalities for construction, steam engines, motors and stills; (5) Bonds and securities of companies established for industrial entrepreneurship will be free from stamp duties; (6) Materials needed for the construction of the enterprise, and accordingly specified, will attract no customs duties so far as they are unobtainable in the country, or can not be produced locally on an adequate scale. Such machinery, equipment and building materials will also be granted a reduction of 30 per cent on railway transport and shipping. This reduction may also be applied to other products and raw materials by special Government decree; (7) By a special Government decision the industrial enterprise may be granted a subsidy of up to 10 per cent of the value of its annual output; (8) The Government may, upon the recommendation of the Ministry of Commerce, issue permits for reducing the prices of salt, alcohol, and explosive materials, or may grant premiums; (9) Government institutions, municipalities, companies and enterprises benefiting from the law are bound to purchase the products of the encouraged enterprises, if the local quality and quantity are adequate, rather than foreign products, even if the price of the local product is up to 10 per cent higher."  

The general condition of the Turkish industries in the 1920's and the description of the firms held eligible for consideration by this law suggest an important observation: Although private factory building may have been anticipated, the government had indeed set up a framework for the proliferation of "non-factories". For example by 1932, of the 1,473 enterprises which enjoyed the benefits of the 1927 Law, about 44.3 per cent (653) were established after 1927; and it is plausible that most, if not all, were "non-factories". This may be demonstrated with the help of the 1932-1939 annual follow-up surveys carried out among the enterprises which were registered under the 1927 Law. (An account of this will be provided in the following chapter.)
Indeed the 1927 Law was not the only government attempt to encourage private initiative in factory building. In 1923 the Sanayi ve Maadin Bankasi (Industry and Mining Bank) was established. It was going to manage civilian State-factories, and also to help organize and channel local private capital into factory building. The Bank established 16 joint-stock companies. Of these, about 11 were concerned with building factories. A brief survey of these 11 companies will provide further evidence of the weakness of industrial capitalism in Turkey in the 1920's.

In 1923 the Bank established the Uşak Terakkii Ziraat TAŞ (Uşak Agricultural Development Co.) which became instrumental in the construction of the Uşak Sugar Factory, completed in 1926. The Bank's share in this company was initially 30 per cent. But it increased to 50 per cent in 1928, and to 100 per cent in 1931.

In 1924 the Bank established three companies: the Maraq Çeltik Fabrikası TAŞ (Maraş Rice-Mill Co.), the Aksaray Azmi Milli Şirketi (Aksaray National Will Co.), and the Ankara Milli Mensucat AŞ (Ankara National Weaving Co.). Almost the entire capital for the Maraq company was provided by the Bank. Eventually the company managed to put up a rice-mill in Maraş in 1924, and a flour-mill in 1928. In the case of the Aksaray company, the municipality and other government agencies like the Ziraat Bankası (Agricultural Bank) joined the Sanayi ve Maadin Bankası in forwarding the necessary capital. The Aksaray company established a flour-mill in Aksaray, which was transferred to the Sumerbank in the 1930's. The Ankara company, on the other hand, was a failure. The Bank and the Ministry of Commerce provided some capital. The locals were going to raise the rest of the capital necessary to build a textile plant, but they could not, and the company folded.
In 1925 the Bank hastened its pace and established six companies. Of these, the Kayseri-Bünyan Hall İpliği Fabrikası Taş (Kayseri-Bünyan Carpet Fiber Spinning-Mill Co.) made possible the construction of a spinning-mill in Kayseri in 1927. But, as the demand from the carpet weavers was far below the factory capacity, marketing problems increased, and eventually the Bank took over the company. The Isparta İpik Fabrikası Taş (Isparta Fiber Spinning-Mill Co.), on the other hand, failed to raise enough capital from the locals. The spinning-mill which was intended to supply the carpet workshops in Isparta, therefore, could not be realized. Indeed, the Tosya Çeltik Fabrikası Taş (Tosya Rice-Mill Co.) built a factory in 1927. But, only six per cent of the total capital was forwarded by the locals, and there was a need to increase the capital stock. Thus, eventually the Bank took over this company as well. The Kütahya Çini İşleri Taş (Kütahya Pottery Porcelain Works Co.) was realized upon a 50 per cent capital commitment from the Bank. The "non-factory" type production, however, proved to be economically disheartening, and just as the Bank started a drive to build a "factory" instead, the company folded in 1930. The Bank supplied one-third of the initial capital for both the Malatya Teghebbusati Sinaiye Taş (Malatya Industrial Ventures Co.), and the Trabzon Elektrik Taş (Trabzon Electric Co.). Both of these companies managed to construct electric factories (generators), while the former attempted to build a flour-mill as well.

In 1926 the Bank's company building drive slackened. In this year only the Yalvaç Ticaret ve Sanayi Aş (Yalvaç Commerce and Industry Co.) was established. The locals supplied about two-thirds of the capital, but just as the buildings for a leather factory were being erected the company folded for lack of future funds.
The results of the Sanayi ve Maadin Bankası experiments were not spectacular: five food-industries (a sugar factory, two rice-mills, and two flour-mills) and two electric generators. But they demonstrate an important aspect of local Turkish private industrial initiative: its weakness. A more interesting observation, however, is the attempt by the locals in Kayseri and Isparta to set up "factories" (spinning-mills) in order to supply the "non-factories" (carpet workshops). This tendency to establish "factories" in order to "nurse" "non-factories" rather than to "replace" them, will become a pattern in the 1930-50 period.

4. An Evaluation Of The "Factory" And "Non-Factory" Split Of Turkish Industries In The 1920's

Three important developments mark the Turkish industrial picture in the 1920's. First, there was a weak, but undeniable recovery of private industrial initiative in "non-factory" types of industrial production. Second, private industrial initiative, even when supported by the State, had been proven incapable of both establishing and running factories. Third, a core of State-factory building experience was accumulating. These three developments signal a shift in the nature of the "factory" and "non-factory" split of industries as inherited from the Empire.

The petty producers were doing what they could, but not on their own. The industrial measures taken in the 1920's as a whole, did not only place them within a "capitalist frame," but also helped them to make a comeback. The privately-run factories, however, were not forthcoming. Thus, the State's involvement in factory building had to assume a new turn: to help and guide weak local private industrial initiative. This picture of
the Turkish industrial landscape in the 1920's was quite different from that of the Empire. On the one hand, a capitalist frame for industrial production had emerged, and on the other, there was a tendency (however slight it may have been) towards an increased connection between the "factory" and "non-factory" sectors of industry.

As a rule, the connection of the "factory" and "non-factory" sectors of industries in capitalist settings yields a two-fold consequence. First, "factories" replace "non-factories." Second, there emerges a non-competitive (non-antagonistic) rapport between "factories" and "non-factories."

Furthermore, as I have suggested earlier (in chapter V of the first section), the non-competitive rapport between these two sectors of industry may be of two kinds. Either "factories" subordinate "non-factories" through sub-contracts, or co-exist with them.

Probably, with the exception of the privately-run silk-spinning mills in Bursa, the Ottoman "factories" and "non-factories" were not connected to each other. But in the Turkish industrial scene of the 1920's, there occurred both competitive and non-competitive rapports between "factories" and "non-factories." For instance, flour and rice mills replaced the lower forms of industrial production, and carpet fiber-spinning mills supplied carpet workshops without either replacing or subordinating them.

The entrenchment of non-competitive relations between "factories" and "non-factories" took place in the 1930-50 period. The 1920's, therefore, may be considered the period when a transition from the "non-capitalist" industrial dualism of the Empire to the "capitalist" industrial dualism of the Republic occurred.
5. An Estimate Of The Scope Of The "Factory" And "Non-Factory" Split In The Turkish Industrial Landscape In The 1920's -Circa 1927-

According to the 1927 Census of industries, there were 65,245 industrial establishments in Turkey. Approximately 2,060 firms, about 3.2 per cent of the total, were employing more than 10 workers, and of these only 155 had a labor force of 100 or more. Furthermore, only 2,822 firms, about 4.3 per cent of the total, used motors. All in all, there were 4,850 motors of different kinds in Turkey, and their combined power was not more than 163,548 HP. Out of the total industrial work force of 256,855, some 165,886 were connected with the 13,683 industrial establishments employing more than four workers. In other words, 51,562 firms, about 79 per cent of all industries, were employing less than four workers. Of the 165,886 people connected with the firms employing more than four workers, however, 10,941, about 6.6 per cent, were listed as "bosses" (a term covering factory owners as well as petty producers), and 22,684, about 13.7 per cent, were 14 years old or younger. In brief, the results of the 1927 Census clarify further that we have at hand a rather weak collection of industries, but it does not suggest clearly the number of factories. This, I have to estimate.

We know that besides the 12 industrial establishments (all of which may not have been factories) controlled by foreigners, the six State-factories and the exclusively military works inherited from the Empire, and the seven factories built with the Sanayi ve Maadin Bankasi's initiative, there were but a few other factories. Thus, even after allowing for some privately-run factories like flour-mills, which may have been overlooked in the accounts, it is difficult to argue that there were more than 50-70 factories in Turkey.
Indeed the 1927 Census suggests the existence of at least 155 firms employing more than 100 workers. But it is not clear that all of these large firms were "factories." It is very probable that many among them were mining concerns, or carpets putting-out companies employing many "non-factories." Similarly, in the absence of further information, it is impossible to separate the "factories" from among the 2,060 firms which, according to the 1927 Census, employed more than ten workers. In brief, therefore, when trying to assess the scope of the Turkish "factory" and "non-factory" split of industries in the 1920's we seem to have but one choice: to seek refuge in common sense if not ambiguity.

TABLE 2

AN ESTIMATE OF THE NUMBER OF "FACTORIES" AND "NON-FACTORIES" (ARTISAN SHOPS AND WORKSHOPS) AND THEIR WORKERS IN TURKEY, CIRCA 1927

<table>
<thead>
<tr>
<th>Type Of Industrial Production</th>
<th>Total Number Of Establishments</th>
<th>Total Number Of Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>FACTORY</td>
<td>70 (% 0.1)</td>
<td>15,000 (% 5.7)</td>
</tr>
<tr>
<td>NON-FACTORY</td>
<td>66,000 (% 99.9)</td>
<td>250,000 (% 94.3)</td>
</tr>
</tbody>
</table>

TOTAL 66,070 (% 100.0) 265,000 (% 100.0)

CHAPTER IX

THE ENTRANCEMENT PERIOD OF INDUSTRIAL DUALISM: THE ETATIST YEARS,
1930-50

1. The General Framework Within Which The
"Factory" And "Non-Factory" Split Of Turkish
Industries Was Entrenched

Neither the encouragement of private industrial initiative through
legislation, nor the cooperation between the local capitalists and
the State proved capable of producing a strong factory building drive in
the 1920's. Furthermore, there was an international economic crisis and
"industrial self-sufficiency" was fast becoming a necessity. Thus, with
the already proclaimed "Westernization and modernization" emergency at hand,
the Turkish government had no choice but to construct a "factory" sector
in the economy on its own. Such were the general conditions which paved
the way for what is known as the "etatist" period in Turkish history. It
lasted roughly from the 1930's until 1950, and the development of a State
"factory" sector in the absence of a significant "grass-roots" capitalist
industrial ferment culminated in the entrenchment of the "factory" and "non-
factory" dualism.

Government attempts to "import and transplant" foreign "factory"
know-how marks the 1930-50 period. This time, however, the "transplants"
were accompanied by efforts to complete from the onset the necessary
externalities for factory type industrial production. Already by 1929,
tariff barriers were raised and domestic industries were under protection.
The rather lax nationalization program of the 1920's was tightened, and
the appropriation of foreign enterprises in Turkey was completed. The national industrial capital and labor markets were put in order. The nation's energy, transportation and communications networks were upgraded and expanded. The education system among other social and cultural heritages from the Empire was Westernized. Furthermore, two consecutive five year Industrial Development Plans were drafted in order to coordinate the State's industrialization projects; and the institutions to carry out these plans were set up. In short, unlike the Ottoman factory building attempts, the "green-house" conditions for factory type production were met. Consequently, an economically sound State-run "factory" sector was created. But this "etatist" drive for industrialization failed to spark private capitalist industrial initiative in factory building. In other words, the contemporary foreign factory know-how had been "imported" and successfully "transplanted" inside a "green-house", but a private factory building process next to the State-run factory sector was nowhere in sight, and instead privately run "non-factories" were flourishing.

Earlier, in France, Italy, Russia and Japan, i.e., the "late-comers," the "transplantations" of factory know-how had somehow accelerated the pace of private factory building. But why was not history repeating itself in Turkey in the 1930's? A simple observation may help us to answer this question. In Turkey, not the capitalists, but the bureaucrat and technocrat controlled State felt the need to "transplant" foreign "factory" know-how. In a sense, the State was trying to accomplish what the weak industrial capitalists could not. Local Turkish industrial capital was connected with "non-factories" and it was not only small, but also fragmented. Even when organized by the government or on their own, the industrialists
lacked strength. This had become clear with the Sanayi ve Maadin Bankası experiments in the 1920's. Such turf could neither support "grassroots" private factory development, nor bear fruits with imported seeds. In other words, given such a weak industrial capitalist potential, the "State-factory" and "private non-factory" split of Turkish industries in the 1930-50 period was a predicament.

There is yet another question: Why did not the merchants and big land-owners shift their interests to industrial production? Obviously, the key to this question is the "populist" posture of the Turkish government which claimed to be in alliance with every national interest group, and gave concessions to each. As a consequence, the merchant and land-holder capital not only expanded, but continued to yield high returns under the "etatist" measures. Turkish merchants had acquired the trade posts emptied by the Greek, Armenian and Jewish minorities of the Empire, and they were enjoying official protection. The land-holders, on the other hand, were benefiting from the policy of expanding agricultural production without changing the Ottoman land-tenure system. Thus, given the sustained high capital returns outside the domain of industrial production, the lack of a tradition in entrepreneurial skill building and risk taking, and the existential difficulties for the more common people of internalizing "industrialization" as an altruistic goal as the "enlightened" bureaucrats and technocrats had, it was only natural for the merchants and land-holders not to shift their focus.

Strengthening merchant, land-holder and petty producer interests functioned as obstacles to the emergence and development of a "factory" connected capitalist industrial interest group. In other
words, with the petty producers, merchants and land-holders busy enjoying their respective shares from the "populist" economic measures, there remained nobody but the State to attend to the "factory" building emergency which it had declared. Yet, there was a catch in this otherwise stable picture.

The "etatist" industrialization efforts were financed, of necessity, by the domestic surplus wealth generated by the land, through petty industrial production and via commerce. Foreign aid was negligible. In other words, the bureaucrat and technocrat controlled State first let the petty producers, merchants and land-holders accumulate capital, but later appropriated it by means of retroactive taxes in order to finance its industrialization projects. When the international economic crisis of 1929 made dents in government revenues, and later, when the Second World War increased government expenditures (the army was put on alert), the above noted contradiction at the root of the government's policy to finance industrialization projects precipitated "popular discontent" in the 1940's. The popular discontent of the 1940's was later used to gain control of the State apparatus by a splinter group of bureaucrats and technocrats who were inspired by the post World War international political climate, and were in alliance with the petty producers, merchants and land-holders.

The shift of power from one group of technocrats and bureaucrats to another in 1950 resulted in a loosening of the "etatist" power of the 1930's which had already eroded under the war-time economy of the 1940's. The 1950's, which is marked by the coming to power of the Democratic Party with its liberal economic policies, therefore, stands as the beginning of a new chapter in Turkish attempts to industrialize. The "factory" and "non-factory" split of industries which was well entrenched in the
1930-50 period, proliferated from then on until it took the form that can be observed now, in the 1970's.

In general two major factors have contributed to the entrenchment of the "factory" and "non-factory" split of Turkish industries in the 1930's. On the one hand, the industrial legislation in effect, especially the 1927 Law for the Encouragement of Industry which lasted until the early 1940's, favored not only an expansion in the number of "non-factories", but also a certain improvement in the technical base for "non-factory" types of industrial production. The State-run "factories", on the other hand, were not designed to compete against the "non-factories." They filled the vacuum of primary and, to an extent, heavy manufacturing branches of industry, and consequently became the industrial raw-material source for "non-factories."

2. The "Non-Factory" Types of Industrial Production In The 1930-50 Period

According to the 1932-39 Teşvik-i Sanayi Surveys which covered only the industrial establishments registered under the 1927 Law, in 1932 the total fixed capital outlay (the capital invested in equipment alone) of the 1,473 industrial firms was TL. 55,627,000. As the number of firms registered under the 1927 Law decreased by 22.3 per cent to 1,144 in 1939, their total fixed capital outlay doubled to TL. 103,677,000. This increase in the total fixed capital outlay and the accompanying decrease in the number of industrial establishments, however, was not due to an increase in the number of privately-run factories registered under the Law. There seems to have occurred a "non-factory" connected capital widening rather than a capital deepening process. In other words, it is plausible that
some factories appeared in food industries during the 1932-39 period. But in general, nothing like a factory building boom occurred. Indeed, the Teşvik-i Sanayi Surveys suggest significant changes within the stock of artisan shops and workshops short of transformations into "factory" type industrial production.

In the seven years from 1932 to 1939 the industrial motor capacity tripled, but so did the number of motors. The 1,473 industrial establishments registered under the 1927 Law employed 5,889 motors with HP 102,670 in 1932. By 1939 there were 1,144 firms, and they were utilizing 15,148 motors with HP 353,271. This indicates clearly that small and medium-size motors for "detail machines" rather than the powerful motors used to run "integrated machine systems" were on the increase. The total fixed capital outlay and the total value of industrial output had increased hand in hand. The total value of the output of the 1,473 firms was TL. 137,948,000 in 1932. By 1939 the total value of the output of the 1,144 firms, on the other hand, reached TL. 331,075,000. The increases in the total fixed capital outlay, machine power and value of output, however, were accompanied by a concomittant increase in the total labor force, and the overall fixed capital outlay per worker remained practically unchanged. Indeed, the fixed capital outlay per worker decreased slightly from TL. 1,066 in 1932, to TL. 1,058 in 1935. This suggests the presence of a capital widening rather than a capital deepening process. Furthermore, the capital and labor connected with the industrial establishments registered under the 1927 Law were spread rather thinly over a wide range of industrial activity from mining to construction and printing. Weaving industries were only third in importance after the mining and food processing concerns. Wood, metal and chemical products
industries combined, however, constituted a less important concentration area for capital and labor than weaving. All of this points to one conclusion: the 1927 Law resulted in the expansion of "non-factory" types of industrial production rather than in the growth of private "factory" building experience. At any rate, given the 1920's level of the Turkish industrial capitalist development, the encouragements for private industrial initiative alone could not have started a "grass-roots" factory building process in the 1930's, and they did not.

As the international economic crisis strained the foreign trade of the Republic, and the army was put on alert in the 1940's, the private "non-factory" connected industrial initiative slowed down. But as a rule, a period of isolation from world markets contributes to local industrial development by means of "import substitution," and in capitalist economies war-time production yields extensive industrial profits. If so, then why did not such developments occur in Turkey? Indeed, a key to the answer to this question is the peculiar nature of Turkish capitalism. It was undeveloped, and there were practically no privately run "factories" to benefit from the situation. But more important, the State was involved in industrial production. The Turkish government not only had a stock of military works (some handed down from the Empire and some built later), but had also built a State-run "factory" sector by the 1940's. As a consequence, the military mobilization was supported by the State rather than private industries. Yet, this alone does not account for the slowing down of the "non-factory" connected private industrial initiative. Other forces were at work. First, military mobilization drained both the labor and demand pools of the "non-factories." Second, it disrupted the importing of machinery. For example,
the 1927 Law was discontinued in 1942. Finally, government defense expenses could only be financed with new taxes on the one hand, and increased revenues from State Monopolies (retroactive taxation in effect) on the other. Indeed, government monopolies constituted an important part of the Turkish economy. The government not only supplied consumer goods such as matches, salt, sugar and tobacco, but also provided industrial raw materials such as coal, electricity, iron, steel, copper and cotton fibers, and services such as rail and sea transport, radio, mail, telephone and telegraph communications. Thus, the economic measures of the 1940's were bound to hurt the "non-factory" connected industrial initiative and generate "popular discontent" at the same time.

The war-time economy of the 1940's hurt the Turkish private industrial initiative which was concentrated in "non-factory" types of production and in consumer goods industries. The State-run "factories", on the other hand, were built in order to support rather than stop the growth of private industrial initiative. Indeed, the State-run "factories" were concentrated in primary and intermediary goods industries, and they required large amounts of initial capital, advanced technical know-how and sophisticated management. These conditions were beyond the capacity of weak private industrial initiative. Furthermore, the protection and encouragement of private industrial initiative was part and parcel of government policy in the 1930's, and the 1927 Law was in effect. Thus in brief, the "unnegotiated peace" between "factory" and "non-factory" types of industrial production had to be, and was, the heart of the "etatist industrial policies."

The 1924 and 1925 Sanayi ve Maadin Bankasi attempts to build spinning-mills to aid the carpet workshops in Isparta and Kayseri were the early
examples of a trend, which later became the rule in Turkish industrialization. "Factories" were designed to support rather than hurt "non-factories." The expansion of the weaving industries registered under the 1927 Law was a typical illustration of this observation.

According to the Teşvik-i Sanayi Surveys, during the seven years between 1932 and 1939, the number of weaving establishments registered under the 1927 Law (almost all of which were "non-factories") decreased from 351 to 249. Yet, the total capital outlay, the total number of motors, the total labor force and the total value of output of these establishments have tripled. This growth, however, occurred parallel to an increase in the number of "factories" in weaving industries. The stock of twelve State-run spinning and textile-mills had been completed by 1940.

In brief, therefore, the pattern of industrial policy in the 1930-50 period was that, on the one hand, industrial legislation favored private industrial initiative in "non-factory" types of production, and on the other hand, the State-run "factories" such as spinning-mills, steel, iron and copper works, &c., supplied "non-factories" such as weaving workshops, iron-smiths, copper-smiths and lathe-shops. Consequently, as the State-run "factory" sector developed, "non-factories" multiplied in number, and the technical base for "non-factory" types of industrial production became modernized through imported machinery.

3. The State Factory Building Drive In The 1930-50 Period

Clearly, the entrenchment of "factory" and "non-factory" dualism in the Turkish industrial landscape was, in part, a product of the government's coordinated factory building efforts. Now, let us study the scope of the
"etatis" factory building drive.

In 1932, the Sanayi ve Maadin Bankası (Industry and Mining Bank) was replaced by the Devlet Sanayi Ofisi (State Industry Office) and the Sanayi Kredi Bankası (Industrial Credit Bank). While the State Industry Office became the Sümerbank in 1933, the Industrial Credit Bank folded soon after its establishment. The Sümerbank carried many of the "factory" building projects which were spelled out in the 1933 and 1942 Five Year Industrial Development Plans. It managed the seven non-military State-run "factories", and established new partnerships with the private and public sectors besides running the sixteen partnerships which were already there in 1933.

As written in the Law, the Sümerbank was to establish new industries in the following decreasing order of importance: (1) those that may be built upon the available raw material sources of the nation, such as cotton, silk and wool spinning-mills, textiles, cement and brick factories, and metal, paper, leather and chemical industries; (2) those that relate to the processing of major raw material exports, such as mining and food processing industries; (3) those that are aimed at a large portion of the domestic market but do not have an existing domestic raw material base, although such a base can be developed, such as the sugar industry; (4) those that may have an international competitive edge even without an existing raw material base, or the possibility of establishing one in Turkey. Furthermore, it was to distribute industrial credits and organize joint-stock companies. In other words, besides establishing "factories", the Sümerbank was supposed not only to aid, but also to cooperate with the private sector. Yet, the Sümerbank neither turned into an important industrial credit mechanism, nor became a second Sanayi ve Maadin Bankası. Instead, while the İş Bankası (Work Bank)
assumed the role of distributing industrial credits, the Sümerbank developed full-control of most of its previous partnerships with the private sector, and let the rest go. Indeed, especially after 1933, it was involved in new partnerships. But this time the Sümerbank's partners were mostly other government agencies rather than the private sector. In other words, with an urgent "factory" building program and an impotent private industrial initiative, the Sümerbank had realized that it could not produce "factories" and "capitalists" at the same time.

Unsympathetic to cooperation with the private sector, the Sümerbank realized the bulk of the projects it was assigned, and by 1950 there were seven industry groups with a steel-complex and 22 factories under its jurisdiction.

Besides the Sümerbank and the İş Bankası, three other institutions were involved in the "etatist" "factory" building programs. In 1935 the sugar industry was put under government management organized in the form of a partnership between government agencies, cooperatives and previous joint-stock sugar companies. Also in the same year, the Etibank and the Maden Tectik ve Arama Kurumu were established to coordinate and carry out the State's mining ventures. By 1950, the Turkiye Şeker Fabrikaları A.O. (the Turkish Sugar Factories Co.) had five factories under its jurisdiction, and the Etibank was managing eight mining-industry groups.

In summary, there were about 100 State-run "factories" in operation by the end of the 1940's.

4. An Estimate Of The Scope Of The "Factory" And "Non-Factory" Split In The Turkish Industrial Landscape -Circa 1950-
According to the 1950 Census of Industries, during the period which followed the 1927 Census Turkish industries in general showed a significant growth in all areas. When the results from these two censuses are compared, the following becomes clear. First, the number of industrial establishments increased from 65,245 to 82,331 (about 26.2 per cent). Second, the size of the industrial labor force grew by 66,045 from 256,855 in 1927 to 322,900 in 1950 (about 25.7 per cent). Third, the estimated value of the total fixed industrial capital (equipment) outlay reached TL. 873,127,000. Finally, the total value of industrial production expanded from TL. 432,740,855 to TL. 2,543,815,000 (about 8.3 per cent).

Yet, we know that this period was marked by the 1930's "etatist" and the 1940's war-time industrial policies on the one hand, and by the absence of a private "factory" building boom, on the other. Furthermore, it is clear that the number of State-run "factories" did not exceed 110 by the end of the 1940's. Consequently, the 1950 Census of Industries must be seen as a record of the Turkish "non-factory" connected industrial growth, rather than as an account of the performance of Turkish "factories." This point, however, needs further elaboration.

In the 1950 Census of Industries, only 3.1 per cent of all establishments, (2,818 out of 82,331), were classified as "large-scale." In other words, there were 2,618 firms which employed more than ten workers. Yet, we know that about 103 of these "large-scale" firms were State-run. With some liberal provisions, all the State-run industries may be considered "factories." The remaining 2,515 privately-run establishments employing more than ten people, however, may not be treated as such. As I have argued in some detail, not even the privately-run firms registered under the 1927 Law, i.e., the
"cream of the crop" of Turkish industries, many of which were employing about ten people, could have been "factories." Thus, if not all, most of the 2,515 "large-scale" firms noted in the 1950 Census must have been large workshops rather than small "factories." Indeed, it is difficult to estimate the exact number of privately-run "factories" in 1950. An educated guess, however, may be easily provided. In view of the 1950 Census data and my evaluations concerning the level of Turkish capitalist industrial initiative in the 1930-50 period, it is possible to assert that there were no privately-run "factories" besides some flour and rice-mills and a few other food industries. With liberal provisions, I prefer to put the number of privately-run "factories" around 20-50, and the total of their labor force somewhere between 5-10,000. Thus, the Turkish industrial scene circa 1950, after the "entrenchment" of the "factory" and "non-factory" split of Turkish industries, can be summarized as follows:

<table>
<thead>
<tr>
<th>Type Of Industrial Production</th>
<th>Total Number Of Establishments</th>
<th>Total Number Of Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>FACTORY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>.State-run</td>
<td>105 (% 0.12)</td>
<td>80,000 (% 24.2)</td>
</tr>
<tr>
<td>.Private</td>
<td>50 (% 0.06)</td>
<td>10,000 (% 3.0)</td>
</tr>
<tr>
<td>NON-FACTORY (Artisan shop, Workshop)</td>
<td>85,000 (% 99.82)</td>
<td>240,000 (% 72.8)</td>
</tr>
<tr>
<td>TOTAL</td>
<td>85,155 (% 100.0)</td>
<td>330,000 (% 100.0)</td>
</tr>
</tbody>
</table>

According to the 1950 Census of Industries, there were 2,618 firms which employed more than ten workers. They accounted for 78.8 per cent (TL. 2,004,025,000) of the total industrial production. Furthermore, while the total estimated value of fixed capital (equipment) outlay for all the industrial establishments was TL. 873,127,000 during 1950, the "large-scale" firms have expanded their capital (equipment) stock by TL. 79,019,000. Yet, as I suggested, in 1950 there were only 103 State-run and about 20-50 private "factories," a rounded total of 155, among the 2,618 "large-scale" firms. Indeed, it is impossible to tell the exact volumes of fixed capital outlay and output in "factories." Nevertheless, however ambiguous it may be, a sense of the "factory" and "non-factory" split on these counts may be derived. The following is an exercise in this respect:

**TABLE: 4**

AN ESTIMATE OF THE TOTAL VALUE OF PRODUCTION IN "FACTORIES" AND "NON-FACTORIES" (ARTISAN SHOPS AND WORKSHOPS) IN TURKEY, CIRCA 1950

<table>
<thead>
<tr>
<th>Type Of Industrial Production</th>
<th>Total Number Of Establishments</th>
<th>Total Value Of Production (in TL. millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FACTORY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>. State-run</td>
<td>105</td>
<td>950 (% 34.7)</td>
</tr>
<tr>
<td>. Private</td>
<td>50</td>
<td>250 (% 9.3)</td>
</tr>
<tr>
<td>NON-FACTORY (Artisan shop, Workshop)</td>
<td>85,000</td>
<td>1,500 (% 56.0)</td>
</tr>
<tr>
<td>TOTAL</td>
<td>85,155</td>
<td>2,700 (% 100.0)</td>
</tr>
</tbody>
</table>


(*) According to the 1950 Census of Industries, the 2,618 "large-scale" firms produced TL. 2,004,025,000 worth of goods. The 103 State-run "large-scale" firms accounted for TL. 929,812,000 of this total. The rest was produced in private "large-scale" firms. But indeed, the stock of private "large-scale" firms includes private "factories," which, I assume, were about 50 in number. The 79,713 "small-scale" firms, on the other hand, produced TL. 1,074,213,000 worth of goods and services.

(**) With liberal provisions, I assume that, in 1950 each private "factory" produced TL. 4,500,000 worth of goods on the average; about half the average for the State-run "factories" as imputed from the 1950 Census of Industries.
1. The General Framework Within Which The "Factory" And "Non-Factory" Split Of Turkish Industries Continued: The 1950's Turn

The year 1950 is often considered an important turning point in modern Turkish history. Indeed, it is so. But there is an observation that deserves in-depth analyses. Neither the nature of the State, nor the outlook of Turkish society changed overnight in the manner that the government economic policies did.

We know that, as a rule, until 1950 private Turkish industrial initiative was not only connected with "non-factory" types of production, but also remained unable to realize a large scale "factory" building drive. The weak private sector of the 1920's strengthened in the 1930's, and the stock of "non-factories" expanded. Yet, the war-time economic measures of the 1940's impeded the recovery of private Turkish industrial initiative. The shift in the government's industrial policy from an "etatist" to a "liberal" program in 1950, therefore, can not be attributed to major "grass-roots" pressures from industrialists in order to free themselves for large scale "factory" building projects. This point is important to the understanding of the 1950's turn in Turkish industrial "dualism." Furthermore, as before, the Turkish State did not assume a clear class base under the administration of the Democratic Party. The controls of the State machinery remained in the hands of a group of bureaucrats and technocrats who were in
alliance, as displayed in the 1946 and 1950 elections, with not only the peasants and large land-holders, but also the merchants, the petty producers and the workers. In other words, the 1950 government was "populist," and the Democratic Party was a sort of national front formed against another "populist" government run by a different group of bureaucrats and technocrats in the 1930-50 period. The pre-1950 governments addressed themselves to an altruistic goal: "rapid industrialization and Westernization." One of the concrete results of the "etatist" policies designed to reach this goal, however, turned out to be "popular discontent." In 1950, therefore, this immediate and concrete issue, rather than a "national emergency of an altruistic nature" was on the agenda. Thus, in a sense, the "national emergency" for the new "populist" government was fabricated by the old, and it was "liberalization" or "loosening of the belt."

2. The New "Populist" Government And Private Industrial Initiative

On the industrial front "liberalization" meant a leading role for the private sector. Yet, domestic private industrial initiative was weak. It lacked the capital and spirit necessary to carry the weight of a large-scale "factory" building drive similar to that realized by the State during the "etatist" years. It needed not only time and capital, but also much support and guidance. The 1950 government, on the other hand, could not repeat the "etatist" model. It was there to undo it. Thus by default, the State's role in "factory" building was to be that of a supporter rather than a leader. Yet, even with government assistance, private Turkish industrial initiative was too weak to draw plans for industrial development and realize a "big push"
in "factory" building. For one thing, it needed time to mature and grow out of its "non-factory" affiliations. Indeed, the course of Turkish industrialization had reached a major decision point: the State intended to step down from its former role of leading industrial development, but the private sector was unable to assume it. Events unfolded in a rather well-known pattern from this juncture on, and produced an answer to the apparent dilemma of "industrial liberalization" in the absence of strong "grass-roots" capitalist industrial initiative.

The post World War II era was the expansion period of American capitalism. If Americans wanted to enter into the Turkish industrial picture, they could. There was nobody to stop them. On the contrary, many were ready to receive them with open arms.

3. Foreign Capital And The "Factory" And "Non-Factory"

Split Of Turkish Industries

Foreign capital was affiliated with advanced "factory" type industrial production. Furthermore, it was preoccupied with international "factory" competition rather than the development of "grass-roots" capitalist industrial initiative in Turkey. Indeed, if the Turkish State could not induce the domestic private industrial potential to assume "factory" affiliation, then why should the foreigners? From the point of view of foreign capital, as long as there were Turkish partners and "green-house" conditions for "factory" type production that could be internationally competitive, the prospects of profits from Turkey were good. From the point of view of the Turkish government, on the other hand, as long as foreign capital assumed the lead in "factory" building, the future of the government's
liberalization promises seemed to be saved on the industrial front. Yet, there remained an important question to answer. With whom was foreign capital going to cooperate: the "non-factory" affiliated and weak "grass-roots" capitalist industrialists, i.e., the petty producers, or the non-industrial capitalists such as merchants? The petty producers were unable to respond to the foreign industrial capitalists' partnership offers. The foreigners were speaking the languages of "factory production" and "internationalism," and the Turkish petty producers could follow neither. Some merchants, on the other hand, not only knew what "internationalism" meant as far as "international trade" is concerned, but also had contacts with foreign industrial capitalists. In other words, there were Turkish non-industrial capitalists who could speak the language of "internationalism", and follow, if not speak, the language of "factory" type industrial production.

The response of the foreign capitalists to this question preserved the Turkish "factory" and "non-factory" dualism, and furthered the conditions necessary for its proliferation later in the 1960's and 1970's. The foreign capitalists not only sided with the bureaucrat and technocrat controlled State, but also joined forces with the non-industrial capitalists and gradually tailored a core of "factory" affiliated "neo-industrialists" from among them. In other words, the "grass-roots" Turkish industrial capitalists were by-passed, and a new core of private industrialists was created.

Until 1950 the Turkish State, and during the 1950's the foreign capitalists by-passed the "grass-roots" industrial potential for almost the same reasons. The petty producers were provincial and unable to assume a significant entrepreneurial role in an extensive industrialization plan, and
their capitals were not only small but also disjointed. Thus, confined to "non-factory" types of industrial production and unaided, the "grass-roots" industrialists could not shift their focus to "factory" type production, and the Turkish industrial "dualism" entrenched during the 1930-50 period continued well into the 1970's. As the unholy trio, the Turkish government, the foreign capitalists and the "neo-industrialists," established a group of private "factories" next to the increasing stock of State-run "factories" which were concentrated in heavy industries, the stock of "non-factories" grew on its own.

4. A Brief Evaluation Of The "Factory" And "Non-Factory"

Split Of Turkish Industries In The 1950's

Before 1950, there were two important conditions which made possible the entrenchment of the "factory" and "non-factory" split in Turkish industries. On the one hand, the State-run "factories" were not products of "grass-roots" industrial initiative, and on the other hand, the non-competitive market connections between "factories" and "non-factories" were a rule rather than an exception. These conditions remained unchanged even with the presence of foreign "factory" affiliated capital. The private "factories" which emerged after 1950 continued to be divorced from the "grass-roots" industrial potential just as the State-run "factories" were. Indeed, artisan shops and workshops were neither a match for, nor a threat to the "factories" established in Turkey by foreign capitalists and their apprentices. Furthermore, foreign capitalists were in Turkey neither to compete against Turkish "non-factories" nor to transform them. The presence of foreign capitalists in Turkey was part and parcel of the strategy of multinational corporations for
higher profits within the global economy, and as long as Turkish "non-factories" remained markets for "factory" goods, they were an asset rather than a liability to the industrial capitalists affiliated with advanced technology and high labor productivity in "factories." What is more, "factories" producing new goods in lines of industrial production other than those already invaded by "non-factories" seemed capable of generating large profits even without tariff protections. In other words, "neo-industrialists" did not feel the need to replace "non-factories" in order to make profits. Thus, in brief, the "etatist" "factory" building strategy was repeated in the 1950's by the "neo-industrialist" section of the private sector: "factories" were neither rooted in the domestic "grass-roots" industrial potential, nor were they intended to replace "non-factories."

5. An Estimate Of The Scope Of The "Factory" And "Non-Factory" Split In The Turkish Industrial Landscape -Circa 1960-

According to the 1963 Census of Industries, Turkish industries in general have shown a considerable growth since 1950. First, the number of industrial establishments has increased by 78,440 (from 82,331 to 160,771), about 95.2 per cent.\(^1\) Second, the size of the industrial labor force has grown by 331,879 (from 322,900 in 1950 to 654,779 in 1963), about 102.8 per cent.\(^2\) And third, the estimated value of total industrial production has expanded by TL. 23,142,018,000 (from TL. 2,543,815,000 to TL. 25,658,833,000), about 909.7 per cent.\(^3\) Yet, as in the pre-1950 period, all of this growth can not be attributed to the "factory" sector alone. The share of the "non-factories" in this growth, however, remains quite difficult to determine.

The 1963 Census of Industries makes a distinction between "small-
"small-scale" and "large-scale" industrial firms. Indeed, all of the "small-scale" firms, 157,759 in number, can be considered as "non-factories." Yet, not all the "large-scale" firms, i.e., those employing more than ten workers, are "factories." We know that in the 1950-60 period both the number of private and State-run "factories" increased. Unfortunately, however, in the absence of a detailed account, it is impossible to weed out the "factories" from among the collection of "large-scale" industrial establishments, which doubtlessly included many large workshops.

According to the available official data, in 1963 there were 3,012 firms with more than ten workers, (In 1950 there were 2,618 "large-scale" firms). We know that of these, about 237 were State-run "factories," and they employed a total of 144,573 workers and accounted for 33.7 per cent (TL. 8,669,606,000) of the total value of industrial production in 1963. The remaining private "large-scale" firms, 2,775 in number, on the other hand, employed a total of 179,369 workers, and accounted for 42 per cent (TL. 10,966,058,000) of the total value of industrial production. But again, it is very probable that there were many workshops among the private "large-scale" firms. At this point, therefore, we are forced to forward an educated guess. With liberal provisions, I prefer to assume that the number of private "factories" did not exceed 300 in 1963, and that together they employed not more than 60,000 people. Thus, the Turkish industrial picture circa 1960 can be summarized as in TABLE 5.

Like the official 1950 Census of Industries, the 1963 data on Turkish industries do not provide clues as to the exact size of "factory" connected fixed capital outlay and the total value of "factory" production. Nevertheless, with liberal assumptions, I have constructed TABLE 6 according to the 1963 Census of industries in order to provide a further sense of the scope
of the Turkish "factory" and "non-factory" dualism.

TABLE 5

AN ESTIMATE OF THE NUMBER OF "FACTORIES" AND "NON-FACTORIES" (ARTISAN SHOPS AND WORKSHOPS) AND THEIR WORKERS IN TURKEY, CIRCA 1960

<table>
<thead>
<tr>
<th>Type Of Industrial Production</th>
<th>Total Number Of Establishments</th>
<th>Total Number Of Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>FACTORY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>. State-run</td>
<td>240 (0.15)</td>
<td>145,000 (20.9)</td>
</tr>
<tr>
<td>. Private</td>
<td>300 (0.18)</td>
<td>60,000 (8.6)</td>
</tr>
<tr>
<td>NON-FACTORY</td>
<td>165,000 (99.67)</td>
<td>490,000 (70.5)</td>
</tr>
<tr>
<td>(Artisan shop, Workshop)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>165,540 (100.0)</td>
<td>695,000 (100.0)</td>
</tr>
</tbody>
</table>


(*) According to the 1963 Census of Industries, there were 3,012 "large-scale" firms employing 323,942 workers and 157,759 "small-scale" firms employing 330,837 workers.

TABLE 6

AN ESTIMATE OF THE TOTAL VALUE OF PRODUCTION IN "FACTORIES" AND "NON-FACTORIES" (ARTISAN SHOPS AND WORKSHOPS) IN TURKEY, CIRCA 1960

<table>
<thead>
<tr>
<th>Type Of Industrial Production</th>
<th>Total Number Of Establishments</th>
<th>Total Value Of Production (in TL. Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FACTORY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>. State-run</td>
<td>240</td>
<td>9,000 (% 34.0)</td>
</tr>
<tr>
<td>. Private</td>
<td>300</td>
<td>5,500 (% 20.8)</td>
</tr>
<tr>
<td>NON-FACTORY</td>
<td>165,000</td>
<td>12,000 (% 45.2)</td>
</tr>
<tr>
<td>(Artisan shops, Workshop)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>165,540</td>
<td>26,500 (% 100.0)</td>
</tr>
</tbody>
</table>


(*) According to the 1963 Census of industries, the 2,775 private "large-scale" firms produced TL. 10,966,058,000 worth of goods at current prices. With liberal provisions, I assumed that in 1963 each private "factory" produced TL. 1,829,000 worth of goods: half the average for State-run "factories."
According to the 1963 Census of industries, the 3,012 "large-scale" firms produced TL. 19,635,664,000 worth of goods at current prices. The 237 State-run "large-scale" firms, included in the 3,012 "large-scale" firms, however, accounted for TL. 8,669,606,000 of this total. The 157,759 "small-scale" firms, on the other hand, produced TL. 6,050,169,000 worth of goods and services.

6. The General Framework Within Which The "Factory" And "Non-Factory" Split Of Turkish Industries Continued: The Rationalization Of The 1950's Turn

The 1960 'coup d'Etat' did not alter the liberal essence of the economic policies which had been shaped in the 1950's. On the contrary, it helped to rationalize them through a new generation of "Five Year Development Plans" which started in 1963. Thus, the 1950's turn in the nature of Turkish industrial dualism crystallized in the 1960's and 1970's. The "grass-roots" capitalist industrial initiative not only remained unable to generate or nurse "factories" as in the classic model of capitalist industrial development, but also stood apart from the "factory" sector. The number of private and State-run "factories", on the other hand, increased. Their non-competitive market connections with artisan-shops and workshops, however, remained intact in principle, and the number of "non-factories" increased as well.

Indeed, during the 1960's the "neo-industrialists" assumed a leading role in "factory"building. Yet, this was a different phenomenon from a "grass-roots" industrial initiative generating "factories." The "neo-industrialists" did not establish ties with the "non-factory" sector of Turkish industries, and they remained affiliated with foreign "factory" know-how and international "factory" competition. In other words, not only in the 1930-50 period, but also in the 1950's, 1960's and 1970's, the Turkish
"grass-roots" industrial initiative remained locked in its "non-factory" affiliation, and the "imported and transplanted" private or State-run "factories" operated outside and independent of the "non-factory" sector. The official distinction of "small-scale" and "large-scale" industries as early as the 1950's was a ratification of this situation.

We know that during the 1930-50 period the State, and during the 1950's the foreign industrialists and their apprentices had to by-pass the "grass-roots" industrial potential. But, why did the "neo-industrialists" with their "factory" affiliations, by-pass the petty production area once again in the 1960's and 1970's? They could have entered the already proliferating domain of "non-factory" types of industrial production, and tailored a "factory" building process either from within, as in the classic model for capitalist industrial development, replacing artisan shops and workshops with factories, or from outside, as in Japan, by establishing "sub-contracting" links with "factories" and transforming workshops into "small-scale factories."

The construction of a "factory" sector independent of the domain of petty production activities was neither a conspiracy nor a mistake. It was a predicament. How could it have been otherwise, given the capitalist frame for industrial development where profits are central to every production decision? Indeed, there seem to have existed two alternative paths for the "neo-industrialists." But in practice, there was one for the small capitalist and another for the big. To invest in high technology, high labor productivity and high profit margins, or in other words, to invest in "factory" type production, was not a real alternative for the small capitalist, i.e., the petty producer, for he could not afford it. Similarly, to
invest in obsolete technology, low labor productivity and low profit rates, or to get into "non-factory" types of industrial production when the option to enter into more profitable avenues exists, would have been the big capitalists' mistake, not alternative.

For bigger industrial capitalists the rational form of production is "factory" production, and in underdeveloped countries placed in the arena of international competition, "factory" production becomes feasible either when it is possible to have a competitive edge in world markets, or when it is possible to build special protective tariffs. Indeed, in either case, cheap labor and raw materials enlarge "factory" profits. But when protective tariffs are missing, or when wages and prices of raw materials tend to rise, only an increase in labor productivity saves the capitalist's profits. An important condition for sustained "factory" profits, therefore, is the ability to improve upon "factory" technology. Yet, we know that such a potential is beyond the industrial capitalists in underdeveloped countries like Turkey where "factory" know-how has to be "imported and transplanted" to start with. Thus, in brief, the bigger industrial capitalists in underdeveloped countries like Turkey seem to have no choice but to: (1) "import and transplant" "factory" type production for it is the most profitable avenue; (2) try to secure a competitive edge in world markets, or seek protection behind tariff barriers; (3) try to keep wages and prices of raw materials as low as possible; (4) and most important, try to augment labor productivity by importing or renting new technology. This predicament sets into motion two mechanisms. First, the domestic "factory" sector of industries in underdeveloped countries not only becomes increasingly dependent upon foreign technology, foreign originated
produces, foreign demand, and in part upon foreign capital and foreign technical assistance, but also evolves as an integral part of the international capitalist system rather than as a mechanism for upgrading and transforming the "non-factory" sector. Second, affected indirectly by the struggles of the larger industrial capitalists for higher profits, the "grass-roots" industrial initiative that could not generate "factories" from within, finds itself unable to join the large-scale, international, sophisticated, "factory" connected capitalist game of risk-taking and profit collecting. Due to its "non-factory" affiliation, obsolete technology, markets restricted to the inelastic demands of the "poor," inexpensive but low quality goods, child labor, underpaid and overworked "illegal" workers, and low profit margins this "grass-roots" industrial initiative indulges in a small-scale, less sophisticated, in short, "petty" capitalist game.

In brief, today in the 1970's, the Turkish industrial landscape displays a well-entrenched "dualism" with "factories" on the one hand and "non-factories" on the other, each proliferating in its niche of the economy. Furthermore, as I have suggested earlier in Section I of this study, this split of industries can be observed in the labor, capital and consumer markets as well. In the following sections, I will outline the nature of the domain of petty production activities, and the workings of industrial "dualism" as observed in two Turkish cities. Before doing so, however, an estimate of the scope of the "factory" and "non-factory" split of Turkish industries in the early 1970's remains to be established.
According to the 1970 Census of Industries, there occurred another period of industrial growth after 1963. First, the number of industrial establishments increased by 14,817 (from 160,771 to 175,588), about 9.2 per cent. Second, the size of the industrial labor force grew by 247,068 (from 654,778 to 901,846), about 37.7 per cent. And third, the estimated value of total industrial production expanded from TL. 25,685,833,000 in 1963 to TL. 116,709,995,000 in 1970, about 354.4 per cent with inflation. Yet, as in previous decades, the growth in the "factory" sector was accompanied by a growth in the "non-factory" sector of industries.

According to the 1970 Census of Industries, there were 5,465 firms (about 3.1 per cent of all industrial establishments), which employed more than ten workers. These "large-scale" firms employed 576,938 workers (about 64 per cent of the total industrial labor force), and accounted for about 89.9 per cent of the total Turkish industrial production (TL. 104,955,135,000 at current prices). But we know that 355 of these 5,465 "large-scale" firms were State-run "factories," and that they employed 215,371 workers. Now, are we to assume that the remaining private "large-scale" firms were all "factories"? Indeed, the increase in the number of private "large-scale" firms from 2,775 in 1963 to 5,110 in 1970, and the growth of the number of workers employed from 179,369 in 1963 to 361,667 in 1970 suggest a rise in the number of private "factories." Yet, doubtless, the stock of "large-scale" firms includes many workshops, and we do not know the exact number of private "factories" built up to 1970. In the absence of further information, I will assume that the number of private "factories" did not exceed 800.
in 1970, and that these "factories" employed not more than 200,000 workers. Thus, the scope of the "factory" and "non-factory" split of Turkish industries circa 1970 can be summarized as follows:

### TABLE: 7

AN ESTIMATE OF THE NUMBER OF "FACTORIES" AND "NON-FACTORIES" (ARTISAN SHOPS AND WORKSHOPS) AND THEIR WORKERS IN TURKEY, CIRCA 1970

<table>
<thead>
<tr>
<th>Type Of Industrial Production</th>
<th>Total Number Of Establishments</th>
<th>Total Number Of Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>FACTORY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>State-run</td>
<td>360 (0.2%)</td>
<td>220,000 (24.3%)</td>
</tr>
<tr>
<td>Private</td>
<td>800 (0.5%)</td>
<td>200,000 (22.1%)</td>
</tr>
<tr>
<td>NON-FACTORY</td>
<td>175,000 (99.3%)</td>
<td>485,000 (53.6%)</td>
</tr>
<tr>
<td>(Artisan shop, Workshop)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>176,160 (100.0%)</td>
<td>905,000 (100.0%)</td>
</tr>
</tbody>
</table>


(*) According to the 1970 Census of Industries, there were 5,465 "large-scale" firms employing 576,938 workers and 170,123 "small-scale" firms employing 324,908 workers.

A study of the 1970 Census of Industries data on the value of industrial production can provide a further sense of the "factory" and "non-factory" split of Turkish industries:

### TABLE: 8

AN ESTIMATE OF THE TOTAL VALUE OF PRODUCTION IN "FACTORIES" AND "NON-FACTORIES" (ARTISAN SHOPS AND WORKSHOPS) IN TURKEY, CIRCA 1970

<table>
<thead>
<tr>
<th>Type Of Industrial Production</th>
<th>Total Number Of Establishments</th>
<th>Total Value Of Production (in TL. Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FACTORY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>State-run</td>
<td>360</td>
<td>40,000 (%) 42.1</td>
</tr>
<tr>
<td>Private</td>
<td>800</td>
<td>30,000 (%) 31.6</td>
</tr>
<tr>
<td>NON-FACTORY</td>
<td>175,000</td>
<td>25,000 (%) 26.3</td>
</tr>
<tr>
<td>(Artisan shop, Workshop)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>176,160</td>
<td>95,000 (%) 100.0</td>
</tr>
</tbody>
</table>

(continued)

(*) According to the 1970 Census of Industries, the 355 State-run "factories" produced TL. 39,279,460,184 worth of goods and services, and the 5,110 private "large-scale" firms produced TL. 43,625,165,495 worth of output. Assuming that the 800 private "factories" produced two-thirds of this total, I put their share at a maximum of TL. 30,000,000,000. Furthermore, again according to the 1970 Census of Industries, the 170,123 "small-scale" firms employing less than ten workers produced TL. 11,754,860,000 worth of goods and services.
SECTION

DESCRIPTING THE "NON-FACTORY" SECTOR OF INDUSTRIES IN TWO TURKISH CITIES: WHAT IS THE NATURE OF THE ARTISAN SHOPS AND WORKSHOPS OBSERVED IN ESKİŞEHİR AND GAZİANTEP?

".....................
Bir yandan demirciler
Demir doğer denge denk
Bir yandan boyacılar
Boya vurur renge renk
....................."

ENVER GÖKÇE, Dost Dost İlle Kavga ve Rubailer (Poems), (İstanbul: Yücel Yay., 1975), p.43
CHAPTER XI

INTRODUCTION TO SECTION THREE

1. What Is This Section About?

The two-fold nature of the Turkish industrial landscape is a commonplace observation. Indeed, for a casual observer, the split of industries along "factory" and "non-factory" lines is at least visually clear. There is almost no way to make a mistake. For one thing, in larger Turkish cities "factories" and "non-factories" are segregated spatially. Clusters of artisan shops and workshops are located either in the center of cities, or in sites reserved for "small-scale" industries, i.e., 'Küçük Sanayi Çarşılıarı' and 'Küçük Sanayi Siteleri'. "Factories," on the other hand, are located outside cities along major transportation routes and in industrial parks called 'Organize Sanayi Bölgeleri'. Nevertheless, in the literature on industrial production in underdeveloped countries like Turkey, not only the qualitative differences between the "factory" and "non-factory" sectors of industries, but also the qualitative distinctions among "non-factories" are not adequately scrutinized. Consequently, important questions concerning the nature of the relations between the "factory" and "non-factory" sectors of industries are neither posed nor answered.

But as I have argued, the laws of Turkish industrialization have been the inability of the lower forms of capitalist industrial production, i.e., "non-factories," to transform into higher forms, i.e., "factories," on the one hand, and the impotency of the "imported and transplanted" higher forms to connect with and replace or subordinate the lower forms,
on the other. In brief, the nature of Turkish capitalist industrial
development is such that the historically antagonistic forms exist
side by side as if they are separated by a "glass-wall."

In this section, I will outline the structure of industries in
Eskişehir and Gaziantep in view of observations pertaining to the
nature of Turkish capitalist industrial development, and also provide a
description of the contemporary "non-factories," i.e., artisan shops and
workshops, examined in these cities. Thus, in a way, this section will
constitute a prelude to the analyses of the nature, role and future
of "non-factories" in industrial development in underdeveloped countries
like Turkey where we can talk about the presence of a "glass-wall" between
the lower and higher forms of capitalist industrial production.

In the first part of this section, in Chapter XII, I will provide
an account of the "factory" and "non-factory" split of industries in
Eskişehir and Gaziantep. The process by which the size and scope of
the "non-factory" sectors in these cities are determined, however, will
not be included in the text. I prefer to present the description of this
long and tedious process separately. (See: Appendix III of this study). In
brief, I will argue that both Eskişehir and Gaziantep have dual urban
industrial structures, but that the nature of their industries differ
greatly. Eskişehir has a stronger "factory" sector than Gaziantep, and
Gaziantep has a larger and more colorful "non-factory" sector than
Eskişehir. In Eskişehir "factories", and in Gaziantep "non-factories"
constitute the core of the urban industrial export base. Furthermore,
while "non-factories" substitute for "factories" in Gaziantep, they
supplement or fill in the gaps of the "factory" sector in Eskişehir.
Considering such differences, I will also argue that the nature of industries in Eskişehir and Gaziantep reflects regional disparities in industrial development. Certainly, this observation will generate further questions. For example, first, is it possible to duplicate the "Western" experience in urban and regional development in Turkey where the historically antagonistic forms of capitalist industrial production exist side by side as if separated by a "glass-wall"? Second, is it possible to aim for a single urban development strategy bag for growth centers such as Eskişehir and Gaziantep with quite different industrial situations? And third, if the answers to these questions are negative, and if there is the need to design for urban growth in view of the dual structure of industries in order to offset regional disparities, then where do we start and how far can we go? Indeed, the number of such questions can be increased. Yet, as of now, attempts to answer them ought to be postponed, for we have to understand better the nature and workings of the "non-factory" sector of industries and the role it plays in industrial development first.

In the second part of this section, in Chapters XIII and XIV, I will describe the artisan shops and workshops observed in Eskişehir and Gaziantep. Indeed, the "artisan shop"-"workshop" distinction between "non-factories," which was examined earlier, will be used. (See: Section One Chapter II, pp. 11-17 of this study). In general, the differences between artisan shops and workshops stem from the nature of their work organizations. Artisan shops are marked by "craft-work." The artisan and his employees perform in succession all the necessary operations to produce a particular commodity. Workshops, on the other hand, display "detail-work." The workshop operator, or the "boss,"
divides the productive work such that each worker is assigned to a few
discrete operations. Furthermore, as a rule, workshops have larger
capital outlays, better machinery and equipment, higher labor productivity,
larger labor forces, and higher profit and capital accumulation rates than
artisan shops.

"Non-factories" encompass more than one hundred kinds
of industrial occupation, and no two artisan shops or workshops within
a particular trade are identical. In other words, the stock of "non-factories"
is quite varied. As a rule, artisan shops are found in almost all lines
of petty production and repair work. But workshops appear only in lines
of production which proliferate. Thus, in a way, workshops are the "cream
of the crop" of "non-factories."

Both in Eskişehir and Gaziantep, artisan shops constitute the bulk,
about 90-95 per cent, of "non-factories." Only 5-10 per cent of "non-factories"
are workshops. In 1974-75, I surveyed 95 artisan shops (47 in Eskişehir
and 48 in Gaziantep), and 43 workshops (16 in Eskişehir and 27 in Gaziantep).
These 138 petty firms represent about 60 different lines of industrial
activity, and about 10,000 "non-factories" (3,500 in Eskişehir and 6,500
in Gaziantep). The descriptions of the stratified random sample and
other surveys conducted among "non-factories" in Eskişehir and Gaziantep
will not be included in the text. They will be presented separately. (See:
Appendix IV, of this study.)

2. Why Eskişehir and Gaziantep?

Gaziantep is an active center in Eastern Anatolia. It has a strong
and colorful "non-factory" sector of industries with a long tradition.
Eskişehir, on the other hand, lies on the cross-roads of Western Anatolia, but it does not have a strong and colorful "non-factory" sector. Both cities have similar population sizes, nearing 300,000, and both have undergone an almost identical population growth pattern since 1923. Furthermore, they are designated as growth centers in their respective regions by the State Planning Organization.

In brief, Eskişehir and Gaziantep are an ideal pair of laboratories for uncovering the nature of the "non-factory" sector of industries. Indeed, ranking as the sixth and seventh largest cities in Turkey in 1970, they do not reflect some of the newly emerging industrial conditions such as subcontracting between "factories" and "non-factories" seen in İstanbul, İzmir and Bursa. Yet, the size of Eskişehir's and Gaziantep's economies makes comprehensive studies managable, and the differences in the nature of Eskişehir's and Gaziantep's industries provide opportunities for valuable comparisons. For one thing, the "non-factory" sector of industries in Eskişehir and Gaziantep have different positionings with respect to "factories" on the one hand, and together they display quite a large panoply of patterns of decline and proliferation on the other.
CHAPTER XII

INDUSTRIAL DUALISM IN ESKİŞEHİR AND GAZİANTEP

1. Some Notes Concerning Urban Industrial Development

In Eskişehir And Gaziantep

Eskişehir and Gaziantep have certain similarities. Both are designated as regional growth centers by the State Planning Organization (SPO). Eskişehir, however, lies on cross-roads in relatively developed Western Anatolia, and Gaziantep is in lagging Eastern Anatolia. Nevertheless, both cities had similar population sizes first in 1935 and then in 1970. Eskişehir grew from a population of 47,045 in 1935 (ranking as the eighth largest among 80 Turkish cities) to 216,330 in 1970 (ranking as the seventh largest among 268 cities). Its population reached 120,000 in the early 1950's. Gaziantep's population, on the other hand, increased from 50,965 in 1935 (Gaziantep was the seventh largest city then) to 225,881 in 1970 (ranking as the sixth largest city in Turkey), and reached 120,000 in the late 1950's. Furthermore, Eskişehir and Gaziantep began to display a dual urban industrial structure at about the same period, the 1930's. Yet, not only the industrial development patterns, but also the orientation and composition of industries in these cities are quite different.

Gaziantep had a long history of a comparatively stronger petty production activities sector. Being located on one of the major transport routes connecting Anatolia with the Middle Eastern markets, it was an important trade and crafts center in the fourteenth and fifteenth
centuries. In the sixteenth century, following the pattern of specialization among the Ottoman cities, which was determined by the "large-scale" and "long-distance" trade, Gaziantep came to be known for its leather products such as footwear. Furthermore, with a rich agricultural region that yielded crops ranging from olives, grapes and pistachio nuts to wheat, and with its location in the relatively isolated Eastern Anatolia, Gaziantep's economy not only flourished but also diversified. Yet in the eighteenth century artisan-shops and workshops in Gaziantep began to lose business. Indeed, foreign factory-produced goods started to appear in the Eastern Anatolian markets, the "long-distance" trade with the Middle East started to lose its importance, and the authority of the Ottoman ruling caste was fast eroding. In the second half of the nineteenth century the situation worsened. The major roads to and from Gaziantep lost their previous importance, and they became far less secure. Small armed groups not only harassed the countryside and the caravans, but also the city itself. Within the city proper itself, popular upheavals had become common. Urban mobs often attacked official buildings, and the turnover of Governors was high. Furthermore, the Muslim population in and around Gaziantep was taxed more heavily and drafted into the Ottoman army more frequently than earlier in order to maintain the Ottoman fronts against the Russian advances in Eastern Anatolia. All these paved the way for a further decline in Gaziantep's economy. Nevertheless, the "non-factory" affiliated private industrial initiative in Gaziantep managed to retain its posture.

Eskişehir, on the other hand, assumed importance only after the collapse of the Empire. Under the Ottomans, Eskişehir remained a relatively
important center until it was connected to İstanbul, Ankara and Afyon by railroad in the second half of the nineteenth century.\textsuperscript{13} These railroad connections brought in a Railroad Equipments Repair Works in 1894,\textsuperscript{14} and also facilitated raw meerschaum and wheat exports from the region.\textsuperscript{15}

Both Eskişehir and Gaziantep were invaded during the Turkish Independence Wars (1919-24). The former was occupied by the Greeks, and the latter by the French and Armenian irregulars. Although Gaziantep put forth a spontaneous local urban and rural resistance, Eskişehir was overrun easily, only to be recovered by the Turkish armies as a burnt-down, half-empty minor town on a strategic railroad connection. This indicates the presence of a strong Turkish "bourgeoisie" in Gaziantep which derived its economic power not only from agriculture, but also from commerce and petty production. Indeed, in the late 1920's, Gaziantep had a more impressive collection of urban industries than Eskişehir, and both lacked "factories."

According to the 1927 Census of Industries, there were twice as many "non-factories" in Gaziantep as in Eskişehir. Gaziantep's 1,248 artisan-shops and workshops employed a total of about 4,098 workers,\textsuperscript{16} while in Eskişehir there were 598 industrial establishments, one being the Railroad Equipments Repair Works, employing a total of 2,081 workers.\textsuperscript{17} All in all, there were 846 industrial firms in the Eskişehir province including the city of Eskişehir, among which only thirty employed more than ten workers.\textsuperscript{18} In the Gaziantep province, on the other hand, there were 2,016 firms among which 93 employed more than ten workers.\textsuperscript{19} Weaving and food industries were the two major concentration areas for "non-factories" in Gaziantep.\textsuperscript{20} But in Eskişehir metal and wood works and food industries were the most important lines of "non-factory" production.\textsuperscript{21}
Under the Turkish Republic both cities not only grew in population size, but also improved their industries. Yet, on many counts Gaziantep received the short end of the stick. First, its manpower and capital losses during the Independence Wars were not adequately replaced. Second, the State's industrial investments were far less in Gaziantep than in Eskişehir. Third, unlike Eskişehir, Gaziantep was, and still is, not effectively integrated into the national market. Fourth, Eskişehir's economy was weaker than Gaziantep's in the 1920's, but, thanks to government initiative and its favorable location, Eskişehir has a stronger "factory" sector than Gaziantep in the 1970's. Fifth, isolated from the mainstream of Turkish industrialization and government attention as it was from the mainstream of Ottoman industrial regression, Gaziantep continued to channel its private industrial initiative into the avenues of "non-factory" rather than "factory" production.

2. State-Run "Factories" In Eskişehir And Gaziantep

In Eskişehir and Gaziantep the "factory" and "non-factory" split of urban industries appeared in the 1930's, and widened in the 1950-70 period. Under the Ottomans neither city had "factories." During the 1920's, on the other hand, neither Gaziantep with its relatively stronger "non-factory" sector, nor Eskişehir could sustain a local "factory" building drive. Indeed, during the 1920's local private industrial initiative all across Turkey was weak enough to necessitate the State to take the lead in "factory" building during the 1930's.

The first "factory" in Eskişehir appeared as a direct result of government initiative. In 1932 the İş Bankası (the Work Bank) established
the Anadolu Şeker Fabrikaları TAŞ. (the Anatolian Sugar Factories Co.). By the end of the following year, this company had managed to build the Eskişehir Sugar Factory and, connected to it, the Eskişehir Sugar Industry Equipments Factory. In Gaziantep, however, the first "factory" was a by-product of the 1927 Law for the Encouragement of Industry. In 1932, a private spinning and weaving plant (the Veliç İplik ve Dokuma Fabrikası, still operating) was founded. These factories not only mark the beginnings of industrial dualism in Eskişehir and Gaziantep, but also the start of a comparatively stronger government industrial commitment in Eskişehir.

Later, the Anatolian Sugar Factories Co. in Eskişehir was placed under the Türkiye Şeker Fabrikaları A.Ş. (the Turkish Sugar Factories Co.), a partnership among various government agencies, and in 1938, a distillery (Eskişehir İspirto Fabrikası) was built next to the factories, constituting the State-run Eskişehir Sugar Works. If the State-run Railroads Equipment Repair Works and, later, the Production Works established in 1894 are counted then by 1950 there were four State-run "factories" in Eskişehir. After 1950, the State established a textile plant (the Sümerbank Eskişehir Basma Fabrikası), and cooperated with the private sector in the building of two other factories: the Eskişehir Cement Factory, and the Eskişehir Animal Feed Factory. In short, if the Eskişehir Uçak Tamir Atelyeleri (the Military Aircraft Repair Works established in the 1950's) are included in the account, then by the 1970's the State had been directly involved in the realization of eight "factories" in Eskişehir.

Direct State involvement in "factory" building in Gaziantep, however, began in the 1950's, and was not as far reaching. The State built a Rakı and Wine Factory employing about 400 workers, and cooperated with the private sector to build a cement factory which employs around 550 workers. In short, as
opposed to the eight industrial projects in Eskişehir, the government sponsored merely two in Gaziantep.

3. Private Factories In Eskişehir And Gaziantep

The private industrial initiative in Gaziantep proved capable of realizing a limited "factory" building process. With the 1927 Law in effect, four private flour mills followed the example of the Veliç Textile Plant. The first two flour mills, the Pürsefa Un Fabrikası and the Arıca Un Fabrikası were established in 1934. In the following year the Metanet Un Fabrikası and six years later the Örnek Un Fabrikası began their operations. During the 1940-50 period private "factory" building efforts stopped. The war time economy of the 1940's, however, led to a peculiar development in Gaziantep. Upon the Sümerbank's suggestion, weavers all across Turkey were organized into some 143 cooperatives in the late 1930's. These cooperatives were intended to regulate the distribution of the wool and cotton fibres spun in the State-run Textile Plants to the weavers. In this connection, there emerged three separate Weavers' Cooperatives in Gaziantep. Like the cooperatives all across Turkey, one of the three cooperatives in Gaziantep closed down when the rationing of yarn was stopped. Yet, the other two merged into one and established a spinning-mill. Thus, indeed with government credits forthcoming, 1945 saw the birth of the Dokumacılar Mensucat Fabrikası, perhaps the only "factory" ever to be established in Turkey through cooperation among petty producers. This, on the one hand, demonstrates the relative strength of the "non-factory" affiliated private industrial initiative in Gaziantep, and on the other hand, indicates clearly that the "etatist" industrial policy fertilized "dualism" by channeling "factory" building efforts into
avenues where "non-factories" could be nursed rather than replaced or subordinated.

After the 1940's pause, the private "factory" building process accelerated. Yet again, food industries and textiles remained the major lines of concentration for "factories" built in Gaziantep. During the post-1950 period twelve flour-mills, two macaroni factories, besides a biscuit, a wine and a soft-drinks factory were built. In brief, counting the pre-1950 generation of flour-mills, today there are 21 private "factories" in food industries. Together they employ about 350-360 workers. The post-1950 increase in the number of private textile industries, on the other hand, was confined to spinning rather than weaving. Apart from the Hydrophile Cotton Factory and the two new textile plants, about 40 cotton or wool fibres spinning-mills and three cotton-gins were built. In brief, with the Veliç and Dokumacilar Textile Plants, there are now 48-50 "factories" in the textile industry in Gaziantep. Together these "factories" employ about 2,800 workers. Yet, the recent flurry of private spinning-mills must be put in proper perspective. Indeed, they are "small factories." Among them only five employ more than 50 workers. Furthermore, they thrive upon the demand from petty producers such as 'kilim' and towel weavers and tricot makers. In other words, they nurse "non-factories" rather than threaten to replace or subordinate them.

In Eskişehir, on the other hand, the 1927 Law for the Encouragement of Industry spurred the construction of two private flour-mills. But the private industrial initiative in Eskişehir stopped right there until 1950. In the pre-1950 period, therefore, Eskişehir not only lagged behind Gaziantep in "non-factory" types of production, but also in private "factories."
The favorable location of the city coupled with the change in industrial policy of the 1950's, however, resulted in a more active private "factory" building process in Eskisehir during the 1950-70 period than in Gaziantep. Being on cross-roads in Western Anatolia, Eskisehir became a market for "factories" in Istanbul, Izmit, Adapazari and Bursa, i.e., the Eastern Marmara Region, and to a limited extent for industries in Izmir and Ankara. Yet, at the same time, new markets and avenues for industrial production were opened for Eskisehir. Consequently, there emerged private "factories" in industries such as tiles and brick production which are transport cost sensitive. Today in Eskisehir there are ten brick and tile factories, and three other construction materials producing plants including a prefabricated concrete posts factory, besides nine flour-mills, seven flour-products factories, three sugar-products factories, a wine factory and a vegetable oil factory.

4. An Evaluation Of The "Factory" Sector Of Industries In Eskisehir And Gaziantep

Gaziantep, with its population approaching 300,000, has a weak "factory" sector. Its "factories" are principally confined to food and textile industries. The only exception is the cement factory. There are 73-75 "factories" in Gaziantep, but most of them are "small and medium sized" capitalist industrial ventures, and the larger ones are capital intensive. Thus, all in all, the "factory" sector in Gaziantep employs about 4,250 workers. (See TABLE 9). With its population nearing 300,000, Eskisehir, on the other hand, has a comparatively stronger "factory" sector with "medium and large sized" industrial establishments. There are about 42-45 "factories" in Eskisehir. Though more diversified than in Gaziantep, these "factories" are,
nevertheless, concentrated in two major industrial activity branches: food and construction materials, and they are capital-intensive in outlook as well. Yet, all in all, the "factory" sector in Eskişehir employs almost three times as many people as the "factory" sector in Gaziantep does: about 11,000. (See TABLE 10).

TABLE 9

THE NUMBER OF FACTORIES AND FACTORY WORKERS IN GAZİANTEP IN 1974

<table>
<thead>
<tr>
<th>Type Of Factories</th>
<th>Total Number Of Factories</th>
<th>Total Number Of Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>STATE-FUN</td>
<td></td>
<td></td>
</tr>
<tr>
<td>*Established, pre-1950</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>*Established, post-1950</td>
<td>2*</td>
<td>1,000</td>
</tr>
<tr>
<td>PRIVATE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>*Established, pre-1950</td>
<td>6</td>
<td>1,250</td>
</tr>
<tr>
<td>*Established, post-1950</td>
<td>65</td>
<td>2,000</td>
</tr>
<tr>
<td>TOTAL</td>
<td>73</td>
<td>4,250</td>
</tr>
</tbody>
</table>


(*) This figure includes the Gaziantep Cement Factory which is a state and private joint venture. It employed 545 workers in 1974.

(**) I wanted to provide a sense of the size of the fixed capital outlay of different types of factories as well, but the available data differed from one source to the other such that I preferred to skip them altogether.
TABLE 10

THE NUMBER OF FACTORIES AND FACTORY WORKERS, AND THE SIZE OF THE FIXED CAPITAL OUTLAY IN FACTORIES IN ESKİŞEHİR IN 1974

<table>
<thead>
<tr>
<th>Type Of Factories</th>
<th>Total Number Of Factories</th>
<th>Total Number Of Workers</th>
<th>Fixed Capital in TL. Million</th>
</tr>
</thead>
<tbody>
<tr>
<td>STATE-RUN</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Established, pre-1950</td>
<td>4</td>
<td>5,700</td>
<td>247</td>
</tr>
<tr>
<td>Established, post-1950</td>
<td>4*</td>
<td>1,800**</td>
<td>20**</td>
</tr>
<tr>
<td>PRIVATE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Established, pre-1950</td>
<td>2</td>
<td>(34)***</td>
<td>127.5</td>
</tr>
<tr>
<td>Established, post-1950</td>
<td>32</td>
<td>3,100***</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>42</td>
<td>10,600</td>
<td>394.5</td>
</tr>
</tbody>
</table>


(*) This figure includes the cement and animal feed factories which are state and private joint ventures.
(**) Information on the number of workers employed and the size of the capital outlay in the Military Aircraft Repair Works was not available.
(***) Four out of the 34 respondents did not provide information on the number of workers employed in their firms.

The State-run "factories" in Gaziantep are fewer in number and employ a smaller labor force than those in Eskişehir. This indicates clearly that Gaziantep received the short-end of the stick in government sponsored industrial projects when compared with Eskişehir. There are, on the other hand, more private "factories" in Gaziantep than in Eskişehir. But the number of workers employed in private "factories" in both cities are almost the same. This, and the differences in the concentration areas for private "factories" suggest a subtle divergence in the development of "industrial
dualism" in Eskişehir and Gaziantep. The bulk of the "factories" in Eskişehir are transport cost sensitive. In other words, Eskişehir's "factory" sector, which is concentrated in construction materials industries, is export oriented. The same, however, can not be said for Gaziantep's "factory" sector which is concentrated in fibres spinning industries. The bulk of the "factories" in Gaziantep supply the "non-factories" in the weaving industry there, which in turn exports.

In Gaziantep we have a collection of "factories" which help "non-factories" such as 'kilim', towel and tricot workshops to export. In Eskişehir, on the other hand, "factories" neither compete with nor complement "non-factories." The brick and tile factories, the prefabricated concrete posts factory, and even the flour and sugar products factories in Eskişehir address themselves to the transport-cost-sensitive demand from other centers in the region and in Turkey, and compete with similar factories located elsewhere. Thus, the ineffective section of the local demand for such "factory" products (the demand of the urban and rural poor in Eskişehir) is met by "non-factories" which produce lower quality and cheaper construction materials and flour and sugar products. This is an example of market segmentation among "factories" and "non-factories" which permit presence of brick and tile casters, clay pit diggers, mud-brick makers and various flour and sugar products makers in a city with a considerable concentration of "factories" in construction materials and food industries.

Gaziantep is more isolated from the mainstream of the Turkish industrialization process than Eskişehir. It is not only a major center in the industrially lagging and poorer East, but also is free from the immediate impact of "factories" in the more developed Western Anatolian centers.
such as İstanbul, İzmir, Bursa, and İzmit. Both Gaziantep's "factories" and "non-factories" reflect this condition. Only a fraction of the "factory" sector in Gaziantep, i.e., the flour-mills and textile plants, export, and the rest buttress the local "non-factory" types of industrial production. The bulk of Gaziantep's "non-factory" sector, i.e., the 'kilim' and towel weavers, copper smiths and kitchen wares, shoes, tricots and steel-safe makers, however, export. Although Eskişehir is an easily accessible market for "factories" in the Eastern Marmara Region, and to a limited extent, for "factories" in İzmir and Ankara, it does not have a large export-oriented "non-factory" sector as Gaziantep does. "Factories" in Eskişehir do not nurse the local "non-factories." Furthermore, Eskişehir is open for competition from "non-factories" in other cities. The Eskişehir region, on the other hand, yields raw meerschaum, and generates a considerable demand for agricultural equipments production and repairs. Thus, although as a rule, "non-factories" in Eskişehir are local urban-demand-oriented some exceptions to this do appear. Indeed, today in Eskişehir, meerschaum carvers and pipe makers, furniture and stove makers, and agricultural equipments makers and repairers constitute the "non-factory" base of urban exports.

In brief, we have two cities with dual industrial structures. The urban industrial export base is dominated by "non-factory" types of production in one, and by "factory" types of production in the other. This observation provides an insight into the handling of the "Urban Economic Base" concept in underdeveloped countries like Turkey. Since the split of urban industries along "factory" and "non-factory" types of production is important, it is necessary to distinguish between the export earnings of a city from its
"factories," i.e., higher forms of capitalist industrial production, and "non-factories," i.e., lower forms. This can help us to develop a better understanding of the urban economy in underdeveloped countries, and hence aid us in devising appropriate urban growth policies to offset regional disparities. Indeed, such lines of investigation stand as agendas for future research.

5. An Evaluation Of The "Non-Factory" Sector Of Industries In Eskişehir And Gaziantep: A Prelude

Both Eskişehir and Gaziantep have considerably large "non-factory" sectors of industry. Yet, the former displays a less colorful and smaller range of artisan shops and workshops than the latter. Furthermore, as a rule, "non-factories" in Eskişehir complement and fill-in the gaps of "factories." "Non-factories" in Gaziantep, on the other hand, substitute for "factories." These differences, in a way, reflect regional disparities. Gaziantep is a lively center in an industrially lagging region which has a weak "factory" sector, if any at all. But Eskişehir is on cross-roads in a comparatively developed region which has a distorted and incomplete but strong "factory" sector.

Gaziantep has a traditionally strong "non-factory" sector of industries. This is not to say that Gaziantep's traditional industries are strong and that they grow and multiply, but rather that in Gaziantep "non-factory" types of industrial production appear, grow and adapt in more ways than they decline, deteriorate and disappear.

As traditional demand structures change, or as "factory" produced, inexpensive goods appear in local markets, many old lines of "non-factory"
production tend to disappear. For example, 'semerciler' (makers of pack saddles), 'yemeniciler' (makers of a kind of light shoe usually worn by peasants), 'kalaycilar' (tinsmiths) and tanners have all declined, and they are now almost extinct. Such transformations, however, are not surprising. What is surprising is the unsuspected vitality of "non-factory" types of industrial production in underdeveloped countries, and Gaziantep and Eskişehir are good laboratories for uncovering the mechanisms which give life to artisan shops and workshops.

As a rule, in Gaziantep "non-factories" proliferate as substitutes for "factories." Indeed, there are several variations on this theme. First, Eastern Anatolia lags behind the rest of Turkey in "factory" building, and at the same time, it remains outside the economic reach of "factories" built in other regions. Thus, by default, "non-factories" in Eastern Anatolian cities assume the responsibility of satisfying the local and regional demands unattended to by "factories." In this connection, many lines of "non-factory" production such as copper and aluminum kitchenware, plastic and leather shoes, construction materials, soap, &c., flourish in Gaziantep. Second, sometimes "factories" in a particular industry do not compete against, but rather nurse "non-factories." The spinning-mills in Gaziantep are good examples of this. They supply 'kilim' and towel weavers and tricots and sock makers, all of which multiply in number. Third, all across Turkey in certain lines of production such as stoves, agricultural equipment, wooden and metal furniture, steel-safe making, &c., factories are slow to emerge. Thus, in many cities like Gaziantep, "non-factories" proliferate in these lines of production to the effect that the local and regional demand and competition permit.
In Gaziantep, however, "non-factories" do not always proliferate as substitutes for "factories." Certain lines of production such as 'baklava' (a sweet pastry for which Gaziantep is famous) and touristic wrought-copper products making, and the servicing and repair of imported equipment and machinery exclude "factory" types of production at the outset. Thus, the "non-factory" ranks swell.

In Eskişehir, on the other hand, a slightly different stock of transformation patterns can be observed in the "non-factory" sector of industries. Indeed, as in Gaziantep, when traditional demand patterns change and inexpensive "factory" goods appear in the markets, some lines of "non-factory" production tend to decline and disappear. For example, cartwrights ('arabacılari'), tinsmiths ('kalaycılari'), tanners, saddlers ('saraçlar') and makers of pack saddles ('semercılari') are now almost extinct, ironsmiths have lowered their profiles, and the shoemakers are reduced to cobbler. Nevertheless, certain sections of the "non-factory" sector of industries do proliferate in Eskişehir. As in Gaziantep, there are instances when "non-factories" substitute for "factories." For example, wooden and metal furniture, stoves and agricultural equipment making have all grown in importance in the absence of "factories", and now they constitute the "non-factory" base of the export industries in Eskişehir. Also, in lines of industry which exclude "factory" types of production at the outset, such as meerschaum carving and pipe making, and the servicing and repair of imported equipment and machinery, "non-factories" have flourished. But in Eskişehir, instances where "non-factories" complement or fill-in the gaps of "factories" are more important than in Gaziantep. Especially in the building materials and food industries, "factories" and "non-factories" partition the consumer markets. Clay-pit diggers, mud-brick
and briquette makers, pastry makers and confectioners proliferate right next to the brick and tile, and flour and sugar products factories.

6. An Estimate Of The Scope Of The "Non-Factory" Sector Of Industries In Eskişehir And Gaziantep

There are 42 "factories" in Eskişehir which employ about 10,600 workers, and 73 "factories" in Gaziantep which employ about 4,250 workers. But what is the number of artisan shops and workshops, i.e., "non-factories," and their workers in Eskişehir and Gaziantep? However unlikely it may seem at the outset, it is impossible to give a decisive answer to this question. The best that can be provided on this score is an educated guess. There are several reasons for this. First, "factories" are fewer than "non-factories." Thus, the former can be counted one by one in the field even though they may be lumped together with large "non-factories" in various sources. The same, however, can not be done easily for "non-factories." We can not eliminate a certain margin of error in determining the size of the "non-factory" sector of industries even after tracing and comparing each and every source. A second problem is the unfortunate ambiguity which prevails in distinguishing between industrial firms. (See: Appendix II of this study). There seem to be as many definitions of petty production firms and petty producers as there are studies and accounts of the "non-factory" sector of industries. In other words, as a rule, the available sources and documentation confuse the picture more than they clarify it. "Non-factories" are not only lumped together with "factories", but with petty trading and personal services firms. In the absence of a clear demarcation line, barber shops, shoe-shiners, restaurants, grocery stores ('bakkals'), &c.,
are often counted together with lathe shops, carpenter shops, auto repair shops, bakeries, &c.. Also, while it is difficult to determine the number of "non-factories", determining the number of their workers is impossible. As a rule, petty producers work like other laborers. Their workers, on the other hand, are not only underpaid, but unregistered. Furthermore, the actual number of artisan shops and workshops and the actual employment figures change frequently. The entry and exit conditions as well as the hiring and firing of unregistered workers do not constitute serious problems in the "non-factory" sector of industries.

Such peculiarities of the "non-factory" sector of industries couple with the social and anthropological features of the people involved in "non-factory" types of production, and then interact with the prejudices and other personal qualities of the researcher. The result is often presented as seemingly objective and clear-cut data. In other words, in the case of social research on the "non-factory" sector of industries, the process of collecting information is more telling than the product. In this connection, I strongly believe that the description of the process through which I have arrived at my estimates of the total number of "non-factories" and their workers in Eskişehir and Gaziantep will be more instructive than my estimates themselves. The description provided in Appendix III of this study will demonstrate most clearly the real problems involved in a first-hand study of the "non-factory" sector of industries in two Turkish cities, and show the difficulties of focusing sharply upon it. Furthermore, it will serve the reader by providing a good introduction to the detailed analyses of "non-factories" and by clarifying the type, nature, and dependability of the data collected and referred to in substantiating my arguments.
### Table 11

An estimate of the number of "Non-Factories" (artisan shops and workshops) and their workers in Eskişehir and Gaziantep in 1974

<table>
<thead>
<tr>
<th>Type of Industrial Production</th>
<th>Total Number of Establishments</th>
<th>Total Number of Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Factor (Artisan shop, Workshop)</td>
<td>3,500</td>
<td>12,000</td>
</tr>
<tr>
<td></td>
<td>6,500</td>
<td>20,000</td>
</tr>
</tbody>
</table>

**Sources (Compared):**

(*) For a critical scrutiny of all these sources see appendix III below.
CHAPTER XIII

CONTEMPORARY ARTISAN SHOPS IN ESKİŞEHİR AND GAZİANTEP*

1. Contemporary Artisans

The contemporary artisan, the petty producer called 'usta' in
Turkish, is an industrial entrepreneur on the one hand, and a craft-
worker on the other. He owns the means of production; acquires the
necessary raw materials and makes stocks; accepts production orders and
decides how much to produce; organizes the cooperation of labor within
the firm and supervises the workers (if there are any); markets the
product; pays the rent, the wages, and other expenses plus the taxes;
makes the necessary investments and purchases for the next round of
production (if short of cash, seeks credits); and at the same time works
like another laborer in his own firm.

With the exception of the 70-90 year-old tinsmith ('kalaycı') in
Eskişehir, who had given up manual labor, all artisans were either busy
working or taking a short break when called upon. Furthermore, none of
the 95 artisan shops surveyed had a clearly defined space for administrative
functions. The glass partitions, metal desks, steel safes, telephones
and shelves for business documents seem to appear in workshops as the
petty producer assumes a clear-cut entrepreneurial role. Usually, the
artisan will store his notes of purchases, orders, and taxes, and various

* All the data mentioned in this chapter are derived from the results
of the stratified random sample survey conducted among petty producers
in Eskişehir and Gaziantep. For the details of this survey, see: Appendix
IV. Furthermore, in Appendix V, the data are organized into tables for
easier reference.
registration documents somewhere among the raw material stocks or the merchandise. In other words, not only the roles played by the artisan remain undifferentiated, but the artisan shop is also an office, an atelier, a storage space and a marketing outlet all in one.

It is often believed that the artisans are older, traditional people who do not read newspapers, frequent 'kahvehane's (coffee-tea houses), do not know much about the world outside their shops, and are devoted Muslims with conservative voting behaviors. In short, artisans in Turkey are taken as prototype reactionaries. My findings in Eskisehir and Gaziantep, however, suggest a rather reversed picture. About 63 per cent of the artisans interviewed were younger than 40. Also, their businesses were not that old. About 74 per cent of the artisan shops were established after 1960, and about 80 per cent of the artisans are "first generation petty producers." Furthermore, almost half of the artisans interviewed may be best described as "reluctant" mosque and 'kahvehane' goers; about 81 per cent follow daily newspapers; and in the most recent elections, the bulk of artisan votes were cast in favor of the Republican Party, the party most outstanding for its support of liberal causes.

Another wide-spread belief concerning artisans in Turkey is that they are unable to transform their businesses because they do not know how to; and that they are against cooperation of any sort. Yet almost none of the artisans whom I interviewed in Eskisehir and Gaziantep fit into this model of the obstinate and naive petty producer. Artisans, though they are hardly economists, complain about the increased competition in their trades due to lagging product quality controls, price regulations, and entry restrictions; the unequal enforcement of labor and tax regulations;
the rapid labor turnover; the difficulties of disciplining their workers; the ineffectiveness of existing credit mechanisms; the extremely high production costs; the changes in demand patterns; their dependence upon merchants; and finally, the shortcomings of the liberal trade and industrial development policies in effect in Turkey. In short, even a casual discussion (provided that the interviewer knows what to ask) with an artisan about his business seems to be more instructive than the kind of seminars plagued with lifeless charts, tables and assumptions that abound in academia. That is, in regard to their businesses they know what the problems are, what ought to be done, what can be done, and what is to be expected from those who simply never seem to understand their realities. Furthermore, in general artisans believe that industrial production has to be mechanized, and that they are not the ones to do it.

When asked about the possibility of artisans establishing cooperatives to start large workshops or small factories, they invariably mention that they would be better-off as "factory" workers since it is impossible for all artisans in one trade to pool their capital (that is after succeeding in finding somebody to buy their businesses) and for the government to extend unlimited protection and credits. Thus, unlike workshop operators, artisans see cooperative action as a means of by-passing intermediaries rather than as a real alternative which would transform and upgrade their businesses into "higher" forms of capitalist industrial production. Indeed, some artisans have connections with the construction, purchasing and marketing cooperatives which number 10-15 in Eskişehir and 20 in Gaziantep. Also, artisans seem to form partnerships either to start or to expand if not to stabilize their businesses. Yet, one of their problems is that they
dissolve such partnerships as easily as they form them. If their lending of money, raw materials, labor and equipment to each other is considered, then it becomes impossible to maintain that artisans are hostile towards cooperation of all sorts. In brief, artisans are well aware of the situations that they are in. Approximately 63 per cent assess the future of their businesses as "middling" to "bleak." Yet, they have to press on, for, on the average, there are four people at home who depend on them. This much may suffice to indicate why artisans should not be viewed as status-quo seekers, or as ready opponents of social change in the domain of petty production activities.

Artisans are often accounted for as another "marginal urban group." Yet, in reality, the artisans interviewed turned out to be very much in the mainstream of modern Turkish society. As a rule, they register at associations; go through primary schooling (about 90 per cent are literate); serve in the army; marry according to the civil code; are linked with a social security system (BAG-KUR); and the like. Consequently, it is impossible to consider artisans as either an "informal" or a "marginal" group.

2. Capital In Artisanal Production

As a rule, both the fixed and variable capital outlays needed to open and operate an artisan shop are small. This is not accidental. Not only the technical base for artisanal production, but also the craft labor have low price tags, and often it is possible to run an artisan shop without raw material stocks. Furthermore, a small room without ventilation, heating, plumbing and even electricity would do as a place of work. The total fixed and variable capital invested in the 95 artisan
shops surveyed in Eskişehir and Gaziantep adds up to TL. 11 million
( $ 733,333); about TL. 115,789 ($ 7,719) per firm. But this is only
an average. In reality, around 66 per cent of artisan shops are operated
with a total capital outlay below TL. 100,000 ($ 6,666); and about 14
per cent of the artisans run their businesses with capital investments
of less than TL. 10,000 ($ 666).

Given the absence of higher paying "factory" and government jobs,
the low wages for craft and detail workers in the domain of petty production
activities, and the lack of regulations restricting the number of artisan
shops, the underpaid and overworked craft workers tend to attempt
"self-employment" whenever they put together a small amount of capital.
This paves the way for increases in the number of small new artisan shops,
where the journeymen turned artisans work for themselves with their own
capital. Yet, as the number of such petty firms increases, competition
among them mounts as well, and eventually some are squeezed out of business.
Nevertheless, small new artisan shops continue to appear.

It may take two to three years for an average apprentice to learn
a trade. But it takes longer to build the confidence to start a business,
and more important, to save enough money to furnish the initial stock
of capital. As a rule, craft workers start their own businesses after
completing their military service. It is then that the immediate family's
funds are put together. Such seed-capital is often buttressed by interest-free
loans from other relatives and friends, and occasionally through forming
partnerships or buying the necessary equipment on credit. In this connection,
the role of formal credit channels is minimal. For instance, only seven
out of 95 artisans mentioned using credits directly from banks or via the
Esnaf Kefalet Kooperatifleri (the Petty Producers' Credit Cooperatives).

Many artisans start with small amounts of initial capital. Only a handful, however, manage to improve their businesses and then only marginally. Again, this is not accidental for there exists a vicious-circle for small industrial capital: "small capital remains small." The technical base for artisanal production mainly consists of hand-tools and power-tools. Such a stock of capital equipment makes the artisan shop more labor-intensive than workshops and "factories," and the craft labor less productive than detail labor and "factory" labor. This leads to a two-fold problem: lower wage brackets for the craft laborer, and extremely low profit and capital accumulation rates (if any) for the artisan. In short, artisans struggle, i.e., compete with each other, for survival rather than for growth.

During an average month, the 47 artisan shops in Eskisehir generate a total gross income of TL. 900,000 ($60,000). Of this income 61 artisans retain about 43.3 per cent (TL. 390,000); about TL. 8,300 ($550) per month per artisan shop, or about TL. 6,400 ($425) per artisan per month. In Gaziantep, on the other hand, the 65 artisans in 48 shops generate a total monthly gross income of TL. 980,000 ($65,300), and retain about 34 per cent (TL. 332,000); about TL. 6,900 ($460) per month per artisan shop, or about TL. 5,100 ($340) per month per artisan. The personal earnings of an artisan, however, consists of returns on his capital and labor combined. It also includes depreciation on his obsolete equipment, interest payments due on credits and payment of taxes. Thus, it is difficult to isolate an artisan's net profit, but it is evident that artisanal production is marked by low profit rates if any at all.

A consequence of low profit rates is weak capital accumulation.
For instance, about 46 per cent of the artisans interviewed in Gaziantep, and 36 per cent in Eskişehir did not improve their businesses at all. Those who did improve theirs, however, did so only marginally. When expanding their capital outlay, it seems, artisans usually rely on their savings. Nevertheless, the role played by formal credit channels increases in this matter. About half (21 out of 56) of the artisans who improved their capital stocks made use of the Petty Producers' Credit Cooperatives. Yet, since 37 out of the 95 artisans interviewed are Petty Producers' Credit Cooperative members and receive the People's Bank credits, and since only 21 artisans used credits to improve their businesses, then it becomes obvious that not everybody who receives credits through formal channels accumulates capital. This raises a question. What do they do with the credits? The answer is simple. They use it just to stay in business or, as artisans themselves put it, they "eat it." In brief, the People's Bank credits do not play a large role in the process of capital formation and capital accumulation among the artisan shops. Indeed, neither artisans, nor those who distribute the short term (five years) People's Bank credits ranging from TL. 5,000-10,000 ($350-700) make mistakes about the real function of the help made available to the artisans. It is commonplace knowledge that these credits are designed to keep the artisan shops going or, more concisely, maintain the "status-quo."

In general, artisan shops are less capital-intensive than workshops, and the artisan shops in Gaziantep are more craft-labor-intensive (or less capital-intensive) than those in Eskişehir. For example, if artisans are considered as workers, then on the average TL. 46,000 ($3,000) worth of capital outlay is provided for each craft worker in Eskişehir as opposed
to about TL. 20,000 ($ 1,300) in Gaziantep. This point becomes clearer when the composition of capital outlay is scrutinized more closely.

The total capital outlay of the 47 artisan shops surveyed in Eskişehir is about TL. 7 million ($ 467,000). Of this total, about TL. 5 million ($ 333,000) is invested in capital goods (hand-tools, power-tools, detail-machines and other equipment, but neither the land nor the building). In other words, in Eskişehir there is TL 33,000 ($ 2,200) worth of fixed capital outlay per craft worker. In Gaziantep, on the other hand, the total capital outlay of the 48 artisan shops adds up to TL. 3.8 million ($ 253,000) of which merely TL. 2 million ($ 133,000) are fixed capital investments. Thus, on the average, a craft worker in Gaziantep works with TL. 11,000 ($ 700) worth of capital equipment.

If the size of the fixed capital outlay put the productivity of craft labor in perspective, then the size of the variable capital (the capital needed to cover the costs of typical production cycles per month including expenditures on raw materials, maintenance, payments on interest, rent and utilities, and wages) suggests the nature of artisanal production.

The total variable capital outlay of the 47 artisan shops in Eskişehir is around TL. 2 million ($ 133,000): about TL. 42,500 ($ 2,830) per artisan shop, and TL. 13,000 ($ 800) per craft worker. In Gaziantep, on the other hand, the 48 artisan shops account for a total of TL. 1.8 million ($ 122,000) in variable capital: about TL. 37,500 ($ 2,540) per shop, and TL. 9,000 ($ 600) per worker. Unfortunately, these averages distort much of the picture of artisanal production. Indeed, there are "independent" artisan shops where the artisan stocks raw materials and produces in response to the prevailing market demand. Yet, almost all lathe shops, auto repair
shops and tailors together with many weavers, dyers, carpenters, shoe-makers, &c., operate with insignificant raw material stocks if any at all. Thus, the variable capital per artisan shop among the "independent" artisans tends to be higher than among the artisans who do not have raw material stocks to start with. When an artisan does not have raw material stocks, the customer either provides the raw materials or pays for them in advance. In other words, not every artisan ends up controlling his product. The customers may be individual consumers, merchants or other artisans. As long as the artisan does not depend exclusively on one or two customers he may be referred to as being involved in "custom-made production for the market," or as "quasi-dependent." Yet, when an artisan who is unable to maintain his own raw material stock, starts to work exclusively for a merchant or another artisan (when, indeed, he is reduced to being an employee of someone else while he himself employs others) we are in the realm of "putting-out" practices as they exist in Turkey. At least half of the artisans observed in Eskisehir and two-thirds of those in Gaziantep lack significant raw material stocks and therefore are "quasi-dependent" upon those who not only file orders but also provide the necessary raw materials. Among the "quasi-dependent" artisans in Eskisehir and Gaziantep, however, about 30 per cent work exclusively for a merchant or another petty producer, and hence may be appropriately called "dependent." In brief, there are small and large artisan shops, but more important there are the "independent," "quasi-dependent" and "dependent" forms of artisanal production.

3. The Technical Base In Artisanal Production
In artisan shops hand-tools rather than power-tools and detail-machines provide the technical base for production. 26 out of the 95 artisan shops did not have power-tools or detail-machines. Shoe makers, quilt makers, ironsmiths, coppersmiths and auto repairers use hand-tools more exclusively than artisans in other lines of production. As a rule, the larger the fixed capital outlay of an artisan shop is, the more common is the use of power-tools and detail-machines with motors. Yet, the total capacity of motors to be found in artisan shops rarely exceeds the 10 horsepower mark. For instance, of the 69 artisan shops where motors are used, about 49 employ less than 5 horsepower. In Eskişehir, the 37 artisan shops employing motors utilize 201 horsepower in all: an average of 5.4 horsepower per firm. In Gaziantep, on the other hand, 32 artisan shops out of 48 employ power-tools and detail-machines with motors. The total capacity of all the motors in these 32 shops is around 138 horsepower: an average of 4.3 horsepower per artisan shop. Among the artisans who employ detail-machines with motors are the 'kilim' weavers, towel makers, lathe shop operators, aluminum kitchen-ware makers, 'sayacı's, 'fora-frezeci's, and the like. The most important observation concerning the technical base for production in artisan shops, however, is not the capacity of motors employed. The age of the capital equipment, and the quality of the technology embedded in the power-tools and detail-machines is more revealing. For instance, all 'kilim' weavers and towel makers operate machine-looms, but the power looms may best be described as "modern-obsolete." They stand as modern when compared to hand-looms used by a few silk-weavers and 'çaput kilim' makers; and, appear obsolete when compared to the integrated machine systems in textile mills. The weavers who have one or two machine-
looms usually acquire them second-hand from other weavers in the city. Weavers with larger capital outlays, on the other hand, use comparatively new machine-looms, buying either the looms produced in Bursa, or the comparatively new but used looms from the Istanbul-Bursa area. In other words, there is a recycling of equipment among the artisans. The smaller the artisan shop is, the more obsolete its technical base. Indeed, examples of such recycling of equipment can be observed among tailors, carpenters, furniture makers, auto repairers, lathe shop operators, ironsmiths and coppersmiths.

4. The Organization Of Work In Contemporary Artisan Shops

The artisan performs in succession all the operations necessary for the production of a particular commodity in front of and with the help of his journeymen (called 'kalfa' in Turkish) and apprentices (called 'çırak'). Also, whenever they can, the journeymen and apprentices are allowed to perform in succession all the operations, just like the artisan does. In other words, the cooperation of labor in artisan shops follows "craft" guidelines even though power-tools and detail-machines may be used. It is true that in certain trades such as furniture, hat, shirt and copper utensil making, when the pace of business picks up there evolves a tendency to adapt a division of labor akin to "serial manufacture." Yet, as production orders decline or the market becomes saturated with new artisan shops, the practice of "serial manufacture" disappears. Thus, in the long run, workers in artisan shops eventually develop composite skills rather than a set of detail skills as in workshops. In short, therefore, both the journeymen and apprentices are craft-workers. While the former
practice their composite-skills, the latter gradually acquire them.

Furthermore, since the purchases, storage, production and marketing all occur in the presence of workers there are, in effect, no business secrets. Craft-workers observe how business is carried out in its entirety, and are aware of its problems. An inescapable consequence is that workers learn how to run the business and tend to open a similar shop at their earliest opportunity. In brief, therefore, the artisan may control both the process of production and the product itself, but at the same time he teaches his workers how to do so. Also, the artisan himself works like another craft-worker, and his employees may not be considered simple wage earners. Thus, the industrial production that takes place in artisan shops is in effect a quasi-developed version of capitalism.

When asked to describe the division of labor in their firms, all artisans either looked puzzled or laughed before answering to the effect that:

"Here, in this shop, everybody does whatever work comes their way."

Indeed, this is a vague answer. When posing the same question to craft-workers, therefore, a certain subtlety becomes indispensable. In this connection, I assumed that the following two questions would be successful. First, are you allowed to do all the necessary operations to complete whatever products come out of this shop? Second, if given the opportunity, would you be able to run a similar business?

In general, both the answers received to these questions and the observations made were in agreement with the vague answers given by the
artisans at the outset. All journeymen both know how, and are allowed
to perform all the operations necessary to complete any of the products
or services offered in the shop. Also, the journeymen respond with
confidence and pride that they are "of course" capable of running a
similar and perhaps a larger business provided that the necessary capital
is available. The apprentices, on the other hand, are more like students.
They learn one "detail operation" of the trade after another. When asked
about their work, they either say that they are helping the journeymen
or the artisan, or imply that they are in the process of learning both
the trade and the business.

Invariably there exists an artisan-journeymen-apprentice hierarchy
inside the artisan shop. Yet, this hierarchy is distinct from the traditional
situation. It is both voluntary in nature and petrified. It is voluntary
because the internal hierarchy of the artisan shop is not imposed from
outside the firm, but rather develops from within. It is petrified because
an apprentice may not start at the bottom of the ladder and become a journeyman
in the same shop. The only way to climb up the ladder seems to be through
changing shops and hoping that one of the consecutive artisans will
consider the apprentice a journeyman upon arrival. The internal hierarchy
of the artisan shop seems to pave the way for two distinct phenomena. First,
the rapid turnover of craft-workers (mostly apprentices), and second, the
easy exploitation of labor. There are many instances where the 16-20
year old apprentices are clearly no longer students. They function as the
journeymen do, but are not paid as journeymen. Nevertheless, it is in
workshops rather than in artisan shops that this practice emerges as a
rule, and hence becomes one of the major forms of exploiting labor.
The contract between artisans and their employees is in reality a "personal" one. Often the journeymen are not registered with the Labor Office. In other words, the bulk of journeymen are indeed "illegally" employed. About 60 per cent of the journeymen employed in artisan shops surveyed in Eskisehir, and about 90 per cent in Gaziantep fall into this category. The apprentices, on the other hand, are supposed to have written consent of their parents, stay out of production and receive only "pocket money." Yet, about 54 per cent of the apprentices whom I encountered are involved in manual labor, and receive more than what is legally set as the "pocket money" rate, i.e., TL. 100-200 ($7-14) per month. If such apprentices are taken together with those who work like laborers but just receive "pocket money", then about 90-95 per cent of the apprentices employed in the 95 artisan shops that I have seen can be called "illegal." As may be expected, the illegal journeymen and apprentices are not unionized either. Consequently, in their relations with artisans they are alone. Artisans may hire, fire and pay their employees as they see fit. Yet, on the other hand, craft-workers may leave a shop whenever they want to do so. In short, therefore, the institutional organization (the market mechanism) outside the artisan shop is such that it neither regulates, nor reinforces any particular form of work within the firm. On the contrary, by letting the employer-employee relations go unchecked the artisan-journeyman-apprentice hierarchy is fostered, and the failure of craft-workers to organize makes their exploitation easier.

Although the majority of artisan shops in Turkey include journeymen and apprentices, not every artisan employs workers. There are cases where two or more artisans form a partnership and work without hiring labor. I
surveyed two such artisan shops in Eskişehir and three in Gaziantep. Also several petty producers, each with his own means of production, sometimes may come together under one roof to share the rent and utilities, but not their businesses. Such artisans usually do not employ labor. I interviewed aanner in Eskişehir and a weaver in Gaziantep who work with two other fellow artisans under such an arrangement. Finally, there are those who work in their own shops all by themselves. I interviewed six such artisans in Eskişehir and nine in Gaziantep. In short, 24 per cent of the artisans interviewed in Eskişehir and Gaziantep do not employ workers.

5. Craft-Workers And Their Wages

In the 39 artisan shops in Eskişehir where artisans employ workers, I counted 32 journeymen and 60 apprentices. In the 36 artisan shops in Gaziantep, on the other hand, both the number of journeymen and apprentices were higher: 58 journeymen and 72 apprentices. If the artisans in partnership are counted, there exist 61 artisans for 47 artisan shops in Eskişehir and 65 for 48 in Gaziantep. All in all, therefore, in Eskişehir there are 153 people employed in the 47 artisan shops surveyed. Whereas in Gaziantep the total number of people employed in the 48 artisan shops adds up to 195. Thus, it may be concluded that, as a rule, there are 3-4 people employed per artisan shop.

If the artisans are young, their workers are even younger. For example, about 77 per cent of the journeymen are under 25. Similarly, about 61 per cent of the apprentices are younger than 15, and around 98 per cent are below the age of 20. What is more interesting is that more than 80 per cent of the journeymen and apprentices are "first or second
generation" city dwellers. In other words, either their parents migrated to Eskisehir and Gaziantep in the 1950-60's, or remained in villages, but sent their childrens to the city. Those young craft-workers whose parents are not in the city, either stay with their relatives or share with others the rent of a one or two-room 'gecekondu' (squatter building) in the outskirts of the city. This not only means that they have to walk long distances to and from work, but also that they are exposed to all sorts of potentially negative influences at very young ages. Such an uprooted urban life seems to be the rule among those who work in the artisan shops and workshops and are neither married nor have relatives. The military service, however, functions as a turning point. Those employed in petty production firms usually get married upon completing their service and seek an opportunity to open a business of their own.

As a rule, all apprentices are paid weekly. The journeymen, however, are paid in differing ways. Among the tailors, tricot makers, dyers, weavers, &c., piece work prevails. Also, daily and monthly payments are common. Yet, no matter how they are paid, craft-workers are underpaid. About 51 per cent of the journeymen earn less than TL. 1,000 ($67) per month, while 30 per cent are paid somewhere between TL. 1,000 and the official monthly minimum TL. 1,200. Apprentices, however, are far less fortunate. About 81 per cent take home less than TL. 400 ($27) per month.

6. Output In Artisanal Production

Only few artisan shops operate at full-capacity. 33 out of 95 artisan shops, about 35 per cent, come close to operating at full-capacity. Yet, around 54 per cent (51 shops in all) function at half or less than
half of their respective capacities. In short, what we have is a serious under-utilization of capital and labor. In this connection, however, it must be noted that the underlying cause of the inefficient use of small chunks of capital embedded in "modern-obsolete" technology and the inactivity of labor with low levels of productivity is the nature of demand. Thus, even when artisan shops operate at full-capacity, it is difficult to suggest that this is efficient resource utilization. In any case, the under-utilization of the capital and labor in artisan shops stems both from marketing bottlenecks and erratic production orders. Consequently, not only the capacity in use, but the gross income, profits and wages fluctuate from one month to the next, and from one season to the next, as demand fluctuates. Unfortunately, however, most of the increases in the gross income of artisan shops are reflections of the increasing costs of raw materials, rent, and utilities rather than results of changes in the volume and quality of production, or improvements in the productivity of craft labor. As a rule, tight profit margins lead to slow capital accumulation in the hands of artisans. With inflation, however, not only the cost of raw materials but also the costs of improving the quality of production, increasing the sizes of the capital outlay and labor force, and improving the productivity of labor increase. Consequently, real significant growth in artisan shops becomes a reality only among the larger, "independent" ones which later join the ranks of workshops anyway. In this connection, it is to be remembered that about 46 per cent of the artisan shops in Gaziantep, and about 36 per cent in Eskişehir were not improved upon at all.

Nevertheless, during an average month, the 39 artisan shops surveyed in Eskişehir generate a gross income of TL. 900,000 (§ 60,000). Out of this
total, the artisans pay TL. 45,000 in wages, TL. 440,000 in raw materials, TL. 5,000 in utilities and TL. 20,000 in rent. In Gaziantep, on the other hand, the 48 artisan shops surveyed account for a slightly larger monthly gross income: TL. 980,000 ($ 65,300). The artisans in Gaziantep employ less capital and more labor, and therefore contribute more to the urban economy when compared with their counterparts in Eskişehir. They pay more in wages (TL. 75,000), in raw materials (TL. 545,000), in utilities (TL. 7,000), and in rents (TL. 21,000) every month only to end up with less net income as a whole than the artisans in Eskişehir: TL. 332,000 as opposed to TL. 390,000.
1. Contemporary Workshop Operators

In workshops the petty producer is distinct from the mastercraftsmen or the artisans (called 'usta' in Turkish) who run the artisan shops. The workshop operator clearly assumes the role of a capitalist industrial entrepreneur. He is a "boss" ('patron' in Turkish usage), who is nevertheless distinct from "factory" owners, i.e., Turkish "neo-industrialists." His capital is embedded in a fully developed yet lower form of capitalist production. While artisans refer to their petty firms as shops ('dükkan'), workshop operators call their firms manufactories ('imalathane'), ateliers ('atölye'), manufacturing ateliers ('imalat atölyesi'), and sometimes factories ('fabrika'). In other words, workshop operators like artisans take pains to distinguish between artisan shops and workshops which they recognize as qualitatively distinct. Somehow, this otherwise trivial point escapes the attention of officials, census takers and scholars who insist on classifying petty firms with reference to quantitative criteria.

The "boss" owns the means of production, and specializes in managing the purchases and sales, in taking production orders, in book-keeping, and in organizing and supervising the productive process inside the firm. Unlike the artisan, he is neither involved in manual labor, nor in the

* All the data mentioned in this chapter are derived from the results of the stratified random sample survey conducted among petty producers in Eskişehir and Gaziantep. For the details of this survey, see: Appendix IV. Furthermore, in Appendix V, data are organized into tables for easier reference.
immediate supervision of workers. If he ever gets his hands dirty, it is
either when he shows a detail-worker how to proceed, or replaces somebody
out of sheer necessity. As soon as the petty producer becomes more
occupied with managerial functions than manual labor, that is as the
petty firm gradually acquires the character of a workshop, a clearly defined
space for administrative functions inside the workplace emerges. Although
the storage space is frequently transferred to other buildings, the
administrative unit is seldom moved. When the main body of the workshop
and the administrative unit are separated, however, the latter tends to
be located in the central business district. For instance, in the case
of towel makers in Gaziantep, the looms are located in the industrially
zoned areas, i.e., 'Küçük Sanayi Carşı's, of the city, yet the headquarters
are concentrated in one building complex, locally known as the Towel Makers's
Market, in the business center.

As a rule, workshop operators are senior petty producers. Whereas
the bulk of artisans surveyed (about 63 per cent) are younger than 40,
about 70 per cent of those who run workshops are over 40. Furthermore,
all workshop operators younger than 30 (about 12 per cent) have simply
taken over their fathers' businesses rather than starting their own. In
short, therefore, workshops are relatively older petty industrial establishments
than artisan shops. Indeed, about 54 per cent of workshops surveyed (23 out
of 43) as opposed to 74 per cent of artisan shops were established after
1960.

Not every workshop starts as a workshop. For instance, 18 out of
the 43 (about 42 per cent) workshops surveyed in Gaziantep and Eskişehir
were artisan shops at the outset. On the average, it takes about six to
ten years for a petty producer to transform his artisan shop into a workshop without significant credit helps. In Eskişehir, among the 16 workshops surveyed only four started as artisan shops, and it took eight to 25 years (an average of 15 years) for them to grow out of their initial forms. In Gaziantep, on the other hand, such transformations seem to occur more frequently and quickly. 14 out of the 27 workshops surveyed there were initially artisan shops; and, in less than 15 years (an average of six years) they all grew out of artisanal production. In short, therefore, there are exceptions to the rule regarding the vicious-circle of small capital. Within a period of a decade or so a few lucky artisans in proliferating trades do indeed manage to accumulate enough capital to transform their businesses. Needless to say, there may be some successful artisans who enlarge their businesses without adapting workshop-type of industrial production as well. Yet, as a rule, the bulk of artisan shops do not grow, but rather remain the same, deteriorate, or go out of business as fresh entries flood the markets; and, the successful ones, the ones that grow, do become workshops.

Thus, unlike the stock of artisan shops, fresh entries are not necessarily the only cause of increases in the number of workshops. Consequently, workshops display a longer petty production tradition than artisan shops do. Indeed, if 80 per cent of the artisans are "first generation petty producers," about 56 per cent of the workshop operators are "second or third generation petty producers." In this connection, petty production is more of a tradition in Gaziantep than in Eskişehir. In the former, about 70 per cent (19 out of 27) of the workshop operators, and 40 per cent (20 out of 48) of the artisans are "second or third generation petty producers."
In the latter, however, merely 31 per cent (5 out of 16) of the workshop operators, and 34 per cent (16 out of 47) of the artisans are sons and grandchildren of petty producers. This is yet another demonstration that petty production activities have deeper roots in Gaziantep than in Eskişehir.

When compared with artisans, it was found that workshop operators do not frequent coffee-tea houses as much, but go to the mosque more often. This difference, however, stems mainly from differences in age rather than differences in political inclinations between artisans and workshop operators. For one thing, workshop operators seem to follow daily newspapers even more closely than artisans do. Also, more than 90 per cent are literate, and about 33 per cent (as opposed to 27 per cent among artisans) have attempted and succeeded in going through secondary education. Yet more important, in the most recent elections, like the artisans, the bulk of the workshop operators voted for the Republican Party. In brief, therefore, like artisans, workshop operators are neither traditional nor conservative people.

Unfortunately, workshop operators have never been studied as a group of industrial entrepreneurs in their own right. They are either lumped together with the artisans or with the "neo-industrialists." In reality, however, they tend to fall somewhere in between. Like the artisans they are connected with the "lower" forms of capitalist industrial production, i.e., petty production. Yet, unlike the artisans, they clearly assume the role of capitalist industrial entrepreneur, and hence may be compared to but not equated with the "neo-industrialists" who own and operate "factories." In other words, workshop operators are the grass-roots
entrepreneurs peculiar to underdeveloped countries like Turkey. They usually come from the ranks of artisans, but remain in the petty production activities domain just short of turning into "factory" owners. In this connection, their attitudes towards business, their assessment of business problems, and their future plans are all different from those of both artisans and "factory" owners.

Unlike the artisans, the workshop operators are in a position to expand their businesses; and, they do so. Their initial capital outlay is larger in size and is embedded in better technology from the beginning. As they employ larger pools of detail-workers, and the productivity of labor increases via the organization of work, the output of workshops multiplies. The increased efficiency in production, however, does not necessarily mean higher wages for the detail-workers. Thus, the workshop operators, who have higher credit ratings than the artisans, enjoy higher profit rates and faster capital accumulation as well. Consequently, growth becomes the rule within the stock of workshops. In this vein, about 81 per cent of the workshop operators interviewed (14 out of 16 in Eskişehir, and 21 out of 27 in Gaziantep) assess the future of their businesses as "good" to "excellent." Furthermore, their complaints revolve more around the uneven quality of raw materials, the inadequate infrastructure, the high interest rates, &c., rather than the set of problems brought up by the artisans.

Workshops increase in number, and many expand in size. Yet, as a rule, workshop operators do not start "factories." Or in other words, the capital accumulated in the sphere of petty production activities does not spill into the "factory" sector of industries. But why do the successful
workshop operators stop short of transforming their firms into "factories"?

The workshop operators are, indeed, the cream of the crop of the grass-roots industrialists. That is, they have neither learned capitalism from the books, nor accumulated their capital on land or through commerce. If they are reluctant to enter the sphere of "factory" type industrial production, it is because they have a realistic sense of the gap between the "factory" and "non-factory" types of capitalist industrial production as it is in Turkey. For the sake of argument, let us imagine a workshop operator willing to start a "factory", say an agricultural equipments, a plow "factory." Since there are no domestic "factories" or workshops from which he can order capital equipment such as drills, presses, &c., organized into a system of machinery, the workshop operator has to consider imports. But is it possible for our would-be "factory" owner to purchase the machinery to fit into the system that he has in mind from the world markets? Of course not. The foreign producers make capital goods according to the specifications of their own economies. Consequently, what suits a developed capitalist economy, i.e., labor-saving, capital-intensive technology, rarely fits the underdeveloped economy where labor is abundant and the need to become capital-intensive is not yet very strong. Furthermore, the imported machinery, sophisticated as it is, would not only be unnecessarily expensive, but also difficult to maintain and impossible to improve upon. Yet, let us continue with the exercise. Let us assume that this workshop operator who is very determined to start a "factory," came up with a larger amount of capital than would otherwise have been necessary to open a small labor-intensive "factory" as a realistic extension of his workshop. After he imports all the necessary machinery,
and transplants a large, modern and capital-intensive unit, then what will happen? Our workshop operator turned "factory" owner is likely to discover that he has in fact jumped a century too much. First, he will realize that the organization of work he used in the workshop is no longer applicable. In other words, he will find out that together with the machinery, he has imported "the organization of work within the firm" as well. Furthermore, now that he is a "factory" owner he will discover that he is no longer in the same business environment that he successfully manipulated while operating a workshop. In other words, he will soon learn that "factory" type capitalist industrial production is very different from "non-factory" types of production. He will have to deal with labor unions, do political footwork within a totally different group consisting of high officials, politicians, "neo-industrialists," bankers, &C., in order to secure business favors and contracts. He will also have to improve his business constantly in order to optimize his long-term profits. In short, our workshop operator will be like a "fish on land."

In summary, if we could take our workshop operator and his business back to nineteenth century England, no doubt he would be one of the many starting a "factory" at that time. Yet, today in Turkey, with the ever-widening gap between "factory" and "non-factory" types of industrial production, workshop operators do not and often may not dare risk what they have already accomplished. This is not to say that workshop operators lack "the entrepreneurial spirit," but that the "dependent" versions of capitalist industrial development prevailing in underdeveloped countries are not conducive to grass-roots "factory" building.

Nevertheless, "abortive" attempts from above seem to be on way.
For instance, the Turkish Government, supported by international organizations, is distributing credits, providing infrastructure, granting tax exemptions, and assisting in every other way the few selected workshop operators who are also encouraged to organize into joint stock companies, to establish "factories." Indeed, one or two "factories" may be forged from among the more profitable workshops in this way. Yet, if this happens are we to consider the Turkish petty production activities domain capable of generating grass-roots "factories"? On this matter, I maintain that as long as the technical base for "factory" and "non-factory" types of industrial production can not be produced at home, Turkish capitalist industrial development will retain its "dualist" nature. The gap between "non-factory" and "factory" types of industrial production will widen, and the latter will remain unable to join with and engulf the former.

Workshop operators are skeptical of the prospects of establishing "factories," but not of the benefits of "mechanization" or "collective actions" like forming partnerships, joining cooperatives and registering with Chambers and Associations. More than half of the workshops surveyed (seven out of 16 in Eskişehir, and 16 out of 27 in Gaziantep) are run in partnerships. I counted a total of 69 workshop operators in the 43 workshops surveyed: 24 in Eskişehir and 45 in Gaziantep. Half of the partnerships are formed among family members, and usually, at least one of the partners continues to do manual labor (albeit part-time) in order to supervise the detail-workers. About half of the workshop operators surveyed (six out of 16 in Eskişehir, and 16 out of 27 in Gaziantep) are registered with the Chambers of Industry and Commerce. Yet, despite regulations to the contrary, many are also registered with the Petty Producers' Associations. Furthermore,
46 per cent (seven in Eskişehir and 13 in Gaziantep) of the workshop operators are members of various cooperatives that are focused mostly on purchasing and construction.

2. Capital In Workshop Type Production

Both the fixed and variable capital outlays necessary to open and operate a workshop are larger than those needed for an average artisan shop. The total fixed and variable capital invested in the 43 workshops surveyed in Eskişehir and Gaziantep add up to TL. 45 million ($3 million): about TL. 1 million ($66,666) per workshop. On the average, it takes ten times as much capital to establish a workshop as it does to establish an artisan shop. But again, this is only an average. In reality only five workshops out of the 27 in Gaziantep, and six out of the 16 in Eskişehir have a total capital outlay of TL. 1 million or more.

As I noted earlier about half of the workshops are indeed successful artisan shops which have been transformed; and the other half are fresh entries. Among the latter group of workshops, I found only three that were established by people without a background in petty production. The first two workshop operators were previously merchants, and the third was a retired "factory" worker. In other words, the stock of workshop operators, i.e., the grass-roots industrialists, evolves within the domain of petty production activities. Almost all workshop operators learn their trades as craft-workers, and accumulate their initial capitals either by opening an artisan shop or working as a detail-worker in a workshop, if they are not to take over their fathers' businesses. As a rule, as is the case with artisan shops, workshops are started after military service is completed. Thus, as may be
expected, when asked about the sources of their initial capital, those workshop operators interviewed mentioned in decreasing order, savings from previous petty production activities, direct inheritance of the business, interest-free loans from relatives and friends, credits from formal channels, and finally the establishment of partnership and the use of credit to buy the necessary capital equipment. In summary, like the workshop operators themselves, the initial workshop capital originates within the domain of petty production activities.

The larger amounts of workshop capital are embedded in more sophisticated technical base for production than artisan shops. What we have are detail-machines rather than hand and power tools. Thus, workshop types of industrial production are not only more capital-intensive than artisanal production, but also marked by higher labor productivity at the outset. What follows is, therefore, three-fold: increased production, larger profit rates and faster capital accumulation, and higher wages in workshops than in artisan shops.

Clearly, workshop capital is not trapped in the vicious-circle that inhibits capital invested in artisan shops. Yet, it may not penetrate into the domain of "factory" types of industrial production either. In other words, workshop capital seems to remain in between, perhaps trapped in its own "vicious-circle. It is certainly larger in size and commands higher rates of return than the capital invested in artisan shops, but when compared to "factory" capital as it is in Turkey, it remains distinctly small in size with lower rates of return.

During an average month, the 15 workshops surveyed (one workshop operator did not supply information) in Eskişehir generate a total revenue
of TL. 2.7 million ($180,000). Of this, the workshop operators retain about 64 per cent (TL. 1.7 million) as their gross income: around TL. 115,000 per workshop, or TL. 78,000 per workshop operator per month. In Gaziantep, on the other hand, the 27 workshops surveyed generate a total monthly revenue of TL. 6 million, of which the workshop operators retain about 36.5 per cent (TL. 2.2 million): a monthly gross earning of TL. 84,000 per workshop, or TL. 50,000 per workshop operator.

In order to approximate the net monthly profits, however, we have to consider the reduction of the gross income of workshop operators due to the depreciation of their capital equipment, interests due on credits, and also taxes. Although it may be difficult to assess exactly the net profits of workshops, one thing becomes clear: the profit rates in workshop types of industrial production are higher than in artisanal production. Whereas an average artisan shop has a total capital outlay of TL. 115,800 and yields a monthly gross income of TL. 7,600, an average workshop yields 13 times as much (TL. 99,500) with a total capital outlay that is about 8.5 times as much (TL. 1 million).

A consequence of higher profit rates is faster accumulation of capital in the hands of workshop operators. For instance, with the exception of three newly opened workshops, all workshops have been improved upon. When expanding their capital outlays, workshop operators rely on credits as much as their earnings. This is possible because, the credit ratings of workshop operators are higher than those of artisans, and they have easier access to larger credits with more favorable terms.

As a rule, while workshops are more capital-intensive than artisan shops, the workshops in Gaziantep are more labor-intensive than those in
Eskişehir. On the average, for each worker employed in a workshop there is TL. 113,000 worth of total capital outlay (TL. 226,000 in Eskişehir and TL. 64,000 in Gaziantep) as opposed to TL. 32,000 per worker in artisan shops (TL. 46,000 in Eskişehir and TL. 20,000 in Gaziantep).

3. The Technical Base Of Workshop Production.

In general, detail-machines and power-tools rather than hand-tools mark the technical base of workshop production. Nevertheless, there are exceptions to the rule. For example, in Gaziantep the shoe makers use only hand-tools in their workshops, and put out the work that requires detail-machines to the 'fora-frezeci's and 'sayacı's.

Usually detail-machines are motor powered. Yet again, there are exceptional cases. For instance, tailors and tricot makers use hand or foot powered sewing and knitting machines.

In this connection, only four (one in Eskişehir and three in Gaziantep) out of the 43 workshops surveyed do not employ motors. In Eskişehir the 15 workshops with motors employ a total of 439 horsepower: about 29 horsepower per workshop. In Gaziantep, on the other hand, the average is lower. The 24 workshops with motors account for a total of 385 horsepower: about 16 horsepower per workshop. These averages, however, distort the picture. Indeed, the range of motor capacity per workshop is rather wide. There are workshops employing less than five horsepower, but then, there are others employing more than 90 horsepower.

As a rule, the level of technology displayed in workshops is more advanced than in artisan shops. But in certain trades such as shoe making, tailoring and tricot making the levels of technology in artisan shops
and workshops remain the same. In other words, both in workshops and artisan shops the same kinds of hand-tools and the hand and foot powered sewing and knitting machines are used to make shoes, coats, shirts, hats and tricots. This makes it clear that the increased productivity of labor and hence the increased production in workshops originates primarily from the cooperation of labor through the division of work, rather than the level of technology embedded in the stock of capital equipment.

4. Organization Of Work In Contemporary Workshops

In workshops what we have is a fully developed albeit a "lower" form of capitalist industrial production. On the one hand, unlike the artisan, the workshop operator clearly assumes the role of a true industrial entrepreneur, a capitalist. He owns the means of production and controls both the process of production and the product itself, but he does not get involved in production as a manual laborer. In other words, he specializes in putting together the factors of production, i.e., the raw materials, the means of production and the labor; in organizing the work; in supervising the workers; and in marketing the product, all with one purpose in mind: to make profits. On the other hand, unlike craft-workers, detail-workers in workshops appear as pure and simple wage earners. They are neither required to know, nor allowed to perform in succession all the operations necessary to produce a commodity. They simply perform over and over again the detail-work that they are assigned to.

Social cooperation of labor through division of work is at the core of workshop production. The workshop operator divides the productive work into its component parts and assigns tasks to detail-workers such that the
detail-work of each employee complements that of the other. In other words, unlike artisanal production which is marked by the craft-work and craft-workers who perform in succession all the operations necessary to complete a product, in workshops we have the detail-work and detail-workers who are specialized in performing particular operations that constitute the component parts of the work necessary to produce a commodity.

When a worker is tied to one and the same task, then not only his concentration, but also the flow of his labor tends to be smoother. Furthermore, the detail-worker develops a particular skill into perfection by the mere momentum of countless repetitions. All this leads to increased output per worker in workshops, provided that the detail-work performed by the one is complemented by the labor of others, and that the workers exert themselves in their respective detail-work.

To realize the former condition, the workshop operator simply has to increase the fixed and variable capital outlays of the workshop. In other words, the division of labor makes it necessary for the capitalist to increase the number of simultaneously employed detail-workers and expand the stock of raw materials and capital equipment.

To realize the latter condition, however, the workers have to be disciplined. In other words, either by incentives or threats the workers have to be made to work harder. In this connection, the workshop operator soon discovers that the division of labor gives him not only absolute control over the productive work, but also over the detail-workers. Indeed, unlike the craft-work in artisan shops, the detail-work in workshops neither requires nor builds meaningful skills. Unless complemented by the labor of others the detail-skills, detail-work, and hence detail-labor do
not have value in and of themselves. Furthermore, detail-skills are
easier to acquire than composite-skills, and most of them are such that
almost any worker can perform them without difficulty. All this places the
detail-worker as a simple wage earner in the labor markets: a person
who sells his labor not his skills. In other words, considering the numbers
of the unemployed, unlike the craft-worker with composite-skills, the
detail-worker finds out that he may be easily replaced. Of course, this
particular situation then gives the capitalist the much needed stick
for disciplining workers.

The increased output per detail-worker together with increases
in the number of simultaneously employed detail-workers account for
larger outputs. Yet, when outputs are marketed and turned into money,
the wages do not necessarily increase in the next round of production.
In other words, as a rule, the returns of increased labor productivity
are appropriated by the capitalist as "profits." The stick used to force
the detail-workers to work harder, serves the purpose of muffling the workers'
complaints concerning the uneven distribution of earnings in the firm.
Thus, in short, the cooperation of labor through division of work as it
occurs in workshops not only starts the first complete form of capitalist
industrial production, but also furthers it.

As a rule, in the workshops surveyed in Eskişehir and Gaziantep,
the division of labor follows the blue-print for "serial-manufacture"
where craft-work is redistributed among detail-workers. It is only in the
case of the cartwrights in Eskişehir that a division of labor akin to
"heterogenous manufacture," where different types of craft-work are assembled
in one workshop, can be observed. Yet, in all the workshops the detail-
work and hence the detail-workers are present. In other words, instead
of artisans and journeymen making agricultural equipment, stoves, metal
and wooden furniture, shoes, shirts, &c., what we have in workshops are
the detail-workers called "master" ('usta'), "journeymen" ('kalfa') and
"apprentice" ('çırak') performing detail-operations such as sorting, carrying,
cutting, molding, drilling, welding, fitting, assembling, sanding, polishing,
painting, &c.. Thus, when asked to describe the division of labor in their
firms, unlike artisans, workshop operators readily provide elaborate
descriptions of what each of their detail-workers does. In brief, in the
workshops every worker has a clear job assignment. Sometimes, however, when
the pace of production slows and some workers are laid-off, the remaining
detail-workers assume additional work loads. This shows clearly that in
workshops the division of work is not rigid and technology-determined.
It changes as the number of workers changes, and remains negotiable. In
this connection, when asked whether they are allowed to perform all the
operations necessary to complete whatever is produced in the workshop, all
detail-workers respond in the negative. Nevertheless, as a few detail-workers
saw fit to add, detail-workers can exchange work among each other when
extremely bored.

Often detail-work requires a particular skill. Yet, there are types
of detail-work such as sorting raw materials, carrying intermediary
products from one detail-worker to another, cleaning tools and machines,
sweeping floors, &c., which do not require particular skills. As a rule,
the children between the ages of 9-14, called 'çırak's and 'ayakaltı's,
are assigned to such detail-work. In other words, unlike the 'çırak's in
artisan shops, those in workshops are unskilled detail-workers, and
in the long run, all they may learn is a set of detail-skills rather than
a trade in its entirety. Detail-work such as molding, cutting, drilling,
fitting, &c., which requires particular skills in handling tools and
machines, however, is assigned to older detail-workers usually referred
to as "masters" ('usta'), "journeymen" ('kalfa') and sometimes "workers"
('işçi').

In general, the 'usta's and 'kalfa's except those who have already
worked in or have operated artisan shops, voice many doubts concerning
their ability to run a workshop on their own if given the opportunity.
This attitude contrasts sharply with that of the craft-workers'. In other
words, unlike craft-workers, detail-workers tend to see themselves as
simple wage earners, and to have realistic doubts about becoming workshop
operators: their working class consciousness is growing if not yet clearly
articulated. The 'çırak's, on the other hand, often say that they intend
to learn the trade. Yet, as I have noted, what they hope for is not what
they necessarily get from workshops.

Hand in hand with the division of labor, there develops a clear job
hierarchy. In this connection, the use of traditional titles for detail-
workers makes sense: they help to rationalize the job hierarchy in workshops
by invoking the traditional artisan-journeyman-apprentice organization.
The workers assigned to more difficult detail operations are called "masters"
('usta'). 'Usta's are paid wages either at the official minimum or above
the official minimum monthly rate, and are often registered at the Labor Office.
The laborers tied to lesser detail-operations are called "journeymen" ('kalfa').
'Kalfa's are usually not registered at the Labor Office, and receive wages
below the official minimum rate: TL. 1,200 per month. Finally, at the bottom of the hierarchy, we have the "apprentices" ('çirak'), who receive even lower wages than 'kalfa's.

The division of labor in the firm is set by the capitalist. Also, he decides who gets which detail-work, and how much each worker receives in wages. Thus in effect, if the "hiring and firing" of workers is the "stick", then the clear job-hierarchy becomes the "carrot" in disciplining the workers. A detail-worker may fear being laid-off, but then he also has hope for promotion and marginal wage increases. In other words, it is a combination of "fear" and "hope" that keeps the detail-workers in line. Since a detail-worker may progress only when the "boss" assigns him to more difficult detail-operations, his hope like his fear prevails on him to be content with "low wages" and also patient. Furthermore, since it is impossible for every 'kalfa' to become an 'usta', and every 'çirak' to become a 'kalfa' in the same workshop, detail-workers have to compete against each other to win favors from the "boss." Yet, when a detail-worker manages to climb a step up in the hierarchy, others lose hope of so doing. Consequently, the bulk of 'çirak's and younger 'kalfa's tend to try their chances in several workshops (mostly newly opened ones) rather than only in one. Unless hired on a different footing at the outset, however, 'kalfa's and 'çirak's who change jobs often remain as such once in the new workshop.

Given all this, therefore, whereas 'usta's stand as the "tenured" detail-workers and usually do not change jobs, the labor turnover among the 'kalfa's and 'çirak's often reaches phenomenal levels.

The immediate supervision of the detail-workers is done by a "trustee" of the "boss" chosen from among the "tenured" detail-workers, and called
"head master" ('usta başı'). The 'usta başı's not only continue to perform their particular detail-assignements, but also make sure that the production flows smoothly. If the workshop is run as a partnership, then one of the "bosses" assumes the role of supervising the workers. Sometimes, he may even work like another detail-worker, and indeed be, a partner ('ortak') and an 'usta başı' at the same time.

5. Detail-Workers And Their Wages

In Eskişehir, in the 15 workshops surveyed, I counted a total of 120 detail-workers (90 'usta's and 'kalfa's, and 30 'cirak's): about 8 workers per workshop. In the 27 workshops surveyed in Gaziantep, on the other hand, there are 275 detail-workers (172 'usta's and 'kalfa's, and 103 'cirak's): about 10 workers per workshop. If the workshop operators (22 in Eskişehir and 45 in Gaziantep --one workshop operator and his partner in Eskişehir did not supply information on their workers and, therefore, are not considered) are included, then it may be concluded that on the average a workshop employs three times as many people as an artisan shop does: 10-12 as opposed to 3-4.

As noted earlier, 'usta's and 'kalfa's are older than 'cirak's. While about 98 per cent of the 'cirak's (28 out of 30 in Eskişehir and 102 out of 103 in Gaziantep) are younger than 20, about 80 per cent of the 'usta's and 'kalfa's (83 out of 90 in Eskişehir and 126 out of 172 in Gaziantep) are either 20 or older.

Whereas almost all 'cirak's are paid weekly, most of the 'kalfa's and 'usta's are paid per piece-work. In certain instances, as in the cases of the shoe makers and shirt makers, however, there is also the practice
of employing a team of workers for particular sets of detail-operations. In other words, the workshop operator, say a shoe maker, hires several 'kalfa's, but often each of these 'kalfa's comes in with two, three and even more 'çirak's of his choice. The detail-work that is assigned to the 'kalfa', such as attaching the uppers to the sole, is then performed by the team after further division of labor. Later, when the 'kalfa' is paid by the shoe maker per piece-work, he in turn pays his 'çirak's.

Nevertheless, detail-workers as a group turn out to be better paid than craft-workers. For instance, about 77 per cent of the 'usta's and 'kalfa's (74 out of 90 in Eskişehir and 127 out of 172 in Gaziantep) receive wages either at the official minimum or above the official minimum rate: TL. 1,200 per month. (This is what I was told by both the workers themselves and the workshop operators. Yet, I still think that the actual numbers of detail-workers --mostly 'usta's-- who are paid minimum or above the minimum wages are far less than what I have been led to report.) The rest of the 'usta's and 'kalfa's (indeed, mostly 'kalfa's), (about 16 in Eskişehir and 45 in Gaziantep), receive wages that fluctuate around TL. 750-800 per month. The 'çirak's, on the other hand, are paid far below the minimum wage rate. Their monthly wages hardly exceed TL. 600.

In principle, those detail-workers reported as receiving minimum or above minimum wages ought to be registered at the Labor Office. There is, however, no way to check either the actual wages or the registrations at the Labor Office without antagonizing the petty producers and hence losing their cooperation in other matters. In this connection, therefore, it is safe to assume that half of the detail-workers employed in workshops go unregistered at the Labor Office, and thus do not have a formal job
contract. Furthermore, like craft-workers, detail-workers do not have unions. Consequently, at least half of them are hired and fired at the whim of the workshop operators. Indeed, 'usta's receive higher wages; get registered at the Labor Office; and do not change jobs frequently. Yet, the labor turnover among the rest, i.e., among the 'kalfa's and 'çırak's, is high. In short, between the craft-workers and the detail-workers who are not registered at the Labor Office, there materializes a large stock of non-union, illegal, and therefore, cheap labor that feeds both the artisan shops and the workshops. This stock of labor maintains itself through high labor turnover, and increases in size by migrations from the countryside and business failures among artisan shops.

In general, the craft and detail-workers are male. Yet, this does not mean that women are excluded from the sphere of petty production activities. In certain exceptional cases, as in Eskigehir, there are women tailors and knitters. What is more important, however, is the practice of putting out work to households. For instance, in Gaziantep, the tricot makers, sock makers and even 'kilim' weavers put out certain detail-work to women who stay at home, and thus include them indirectly in the labor force.

6. Output In Workshop Type Production

As noted earlier, the division of labor combined with the improved technical base for production results in the markedly larger output of workshops. The size of the labor force, the labor productivity, the size of the capital outlay, and the profit and capital accumulation rates are all higher in workshops than in artisan shops. Furthermore, unlike artisan
shops, workshops tend to operate close to their respective full-capacities. For example, 38 per cent of the workshops (six out of 15 in Eskisehir, and ten out of 27 in Gaziantep) operate at full-capacity, and 19 per cent (two in Eskişehir and six in Gaziantep) come close to operating at full-capacity. Only six workshops in Eskisehir and eight in Gaziantep function at half or less than half of their respective capacities.

During an average month, the 15 workshops surveyed in Eskişehir generate a total gross income of TL. 2.7 million: about TL. 180,000 per workshop as opposed to TL. 23,000 per artisan shop. Out of this total, the workshop operators pay 4.4 per cent (TL. 117,680) in wages; 30.4 per cent (TL. 821,000) in raw materials; 0.8 per cent (TL. 18,235) in utilities; and 0.5 per cent (TL. 14,100) in rent. In Gaziantep, on the other hand, the 27 workshops surveyed account for a larger monthly gross income: TL. 6.2 million (about TL. 230,000 per workshop as opposed to 20,400 per artisan shop). Like the artisans, however, the workshop operators in Gaziantep retain less than half of this total as their personal gross incomes. They pay 4 per cent (TL. 249,880) in wages; 58.7 per cent (TL. 3,646,000) in raw materials; 0.4 per cent (TL. 24,710) in utilities; and 0.3 per cent (TL. 18,535) in rent.
SECTION

4

HOW DOES THE "NON-FACTORY" SECTOR OF INDUSTRIES FUNCTION?
CHAPTER XV

INTRODUCTION TO SECTION FOUR

1. What Is This Section About?

With the abolition of Ottoman Guilds, significant changes occurred in the sphere of petty production activities. Traditional practices for controlling the quality and price of the commodities produced in "non-factories," restricting the number of new entries into each trade, supervising the relations between petty producers and their workers, distributing credits, providing social security, controlling the quality of the raw materials used, determining the allocation of raw materials to petty producers, &c., were abandoned. They were replaced by a set of labor regulations that are applicable only to "factory" types of industrial production; an erratic credit mechanism; an experimental social security system which is not designed for but covers petty producers; voluntary associations; and most important the "dog eat dog" system otherwise known as the "invisible hand" of the capitalist market mechanism. It is within such a situation that artisan shops and workshops have evolved, and continue to operate.

Studies of the nature of petty firms can only disclose a partial view of how the "non-factory" sector of industries functions. To complete the picture, therefore, the relations among petty producers and the relations between petty producers on the one hand, and merchants and "factories," on the other, have to be scrutinized.

In chapter XVI, competitive relations among petty producers will be
considered. In brief, I will argue that in each line of petty production activity there are two separate fields of competition: the "easy contest for growth" among workshops, and the intense "struggle for immediate survival" among small artisan shops. An important point is that the lax competition among large "non-factories" yields growth and development, both of which remain in the domain of "lower" forms of capitalist industrial production. In other words, the easy contest for growth does not induce workshops to transform into "factories." The intense struggle for immediate survival, on the other hand, yields considerable retrogressive consequences. For example, the poverty of craft-workers can only help smaller artisan shops to subsist rather than to accumulate capital.

In chapter XVII, features of non-competitive relations such as dependency, sub-contracting, spatial agglomeration, lending, partnership and cooperation practices among petty producers will be outlined.

In chapter XVIII, interactions between petty producers and merchants will be scrutinized. I will argue that merchants tend to exploit independent petty producers with small chunks of variable capital, but service those with better bargaining positions. Furthermore, I will explain why the putting-out practices observed in Eskişehir and Gaziantep are not pregnant to "higher" forms of capitalist industrial production.

In chapter XIX, various direct and indirect links between "factories" and "non-factories" will be analyzed. The subjects in focus include sub-contracts, purchases, the absence of "factories," competition and consumer market segmentations. While demonstrating that both the decline and proliferation of petty production activities can be traced back to
the peculiarities of the "factory" sector, I will explain why in underdeveloped countries such as Turkey, "non-factories" flourish not only when "factories" are late to emerge, but also after they do appear.
INTERACTIONS AMONG PETTY PRODUCERS: COMPETITIVE RELATIONS

1. The Nature Of Competitive Relations In The "Non-Factory" Sector Of Industries

Since the abolition of the Ottoman Guilds, competition has become a dominant form of interaction among the petty producers in Turkey. As the number of artisan shops and workshops increases, the competition among them intensifies. The nature of the competitive relations in the "non-factory" sector of industries, however, does not always fit neatly into the text-book models.

Each line of petty production can be portrayed as a trade pyramid with a base constituted of small artisan shops and an apex of workshops. Competition occurs among small artisan shops in the bases and among workshops in the apexes of these trade pyramids, but not between them. When the number of workshops increases or when workshops expand the volume of their production in a particular line of petty production, the market for the small artisan shops at the base of that trade pyramid tends to diminish. This, however, does not result from direct competition. As a rule, workshops are comparatively higher forms of capitalist industrial production than artisan shops are, and the latter have no real competitive edge over the former. Thus, if in a particular trade pyramid, artisan shops are found next to workshops, it is due to the inability of workshops to control all of the market and eliminate artisan shops, rather than the ability of the latter to compete against the former. In other words, in
each trade pyramid, workshops easily extend their control over the market as much as they can and leave artisan shops alone struggling among themselves for a share in whatever is left of the market. In brief, therefore, in each line of petty production, there are two separate fields of competition rather than one. Competition among small artisan shops is a matter of "immediate survival." Competition among large "non-factories" at the apexes of trade pyramids, on the other hand, takes the form of an "easy contest for growth."

2. The Easy Contest For Growth: Competition At The Top Of Trade Pyramids

In the lines of petty production activity which proliferate, markets expand faster than both the number of large "non-factories" and the volume of their output. Furthermore, small artisan shops do not have a real competitive edge over large "non-factories." Thus, large artisan shops and workshops almost have a monopoly situation in their respective lines of production. The occasional competition among large artisan shops and workshops yields increased production rates, higher quality products, diversification of products, expanded capital outlay and labor forces, technical improvements, and finally increased profits and labor productivity. Perhaps the most important consequence of competition at the apex of trade pyramids is the pressure put upon large artisan shops to transform into workshops. Indeed, there are times when some large "non-factories" fail in this type of competition. But they do not have to go out of business. They can always take a share of the market away from small artisan shops and make-up for their losses. Thus, as long as the
market expands and there are artisan shops that can be replaced, when a large "non-factory" loses some advantage in the competition among its peers it can regain parity sooner or later.

Large "non-factories" enjoy higher profit rates, faster accumulation of capital and better credit standings than small artisan shops. Yet, their numbers and the volume of their output increase slowly. Furthermore, although some large artisan shops transform into workshops, workshops do not transform into factories. In other words, the lax competition among large "non-factories" yields growth and development, both of which remain within the domain of "lower" forms of capitalist industrial production.

The number of large "non-factories" increases slowly, because the number of small artisan shops which can grow is limited, and new large "non-factory" entries are rare. Usually, the chunks of capital available in the sphere of "non-factory" types of industrial production are small, such that the number of new small artisan shops rather than large "non-factories" tends to increase rapidly and continuously. This intensifies the tight struggle for "immediate survival" among small artisan shops, which in turn limits possibilities for growth.

The volume of the output of large "non-factories" expands slowly for two reasons. First, the number of large artisan shops and workshops increases slowly. Second, sooner or later workshops reach their maximum capacities. Thus, it becomes impossible to increase the volume of output radically and replace small artisan shops when markets expand and workshops do not transform into "factories."

There are some large workshops employing as many as 30 workers among the agricultural equipment makers in Eskisehir and the steel safe makers in
Gaziantep. These workshops, however, reached their maximum capacities about a decade ago and have not transformed into "factories" since then. One of the reasons for this inertia is the difficulty of transforming a workshop into a modern "factory." Indeed, a large initial capital investment and various organizational steps are required. Another reason for the failure of workshops to transform into "factories," however, is the lack of pressure from below. As long as the number of large "non-factories" increases slowly and markets expand, workshops continue to enjoy a near-monopoly situation and collect high profits. Thus, although changing to the "factory" type of industrial production is a logical step, it is not a realistic one for large workshops in present day Turkey. In other words, transforming his business into a "factory" is too big and unnecessary a step for a Turkish workshop operator who is doing well without such a change.

If Turkish workshop operators are not willing to start "factories," it is not because they are "shy at the threshold," but rather because they are aware of the discontinuity between the domestic "non-factory" and the imported "factory" types of industrial production. Nevertheless, the underlying assumption of the prevailing government industrial policy in this matter is that successful workshop operators are merely waiting for a little bit of guidance and some encouragement to transform their businesses. Thus, it is hoped that a "grass-roots" "factory" building process will start if an adequate infrastructure, favorable credit terms, tax exemptions and training programs are provided.

Even if efforts to turn the best of the "non-factories" into "factories," and successful workshop operators into "factory" owners succeed, there is little to convince us that these efforts are not and will not remain as
"Abortions." In other words, as long as factory technology can not be produced at home, and as long as the pressure upon large "non-factories" to transform into "factories" does not materialize from within the petty production activities sector of industries, a genuine "grass-roots" "factory" building process will not begin in Turkey. The examples of a few factories forged from the largest and most promising workshops in particular lines of industrial production where factories did not exist, can not open the way for a structural change in Turkish industry and melt its "dualist" mold.

3. The Struggle For Immediate Survival: Competition At The Base Of Trade Pyramids

The number of small artisan shops increases continuously and at a faster rate than the markets left for small "non-factories" by larger ones can expand. Thus, small "non-factories" find themselves in a continuous and intense competitive situation at the base of each trade pyramid. Indeed, competition among them is a tight struggle for immediate survival. This tends to generate a set of retrogressive rather than progressive consequences. As a rule, the rate of production declines and the volume of repair work increases; the quality of products deteriorates; workers are laid-off; obsolete technologies are used; labor productivity stagnates; and profit rates decline. Small artisan shops which fail in this struggle go out of business. But this does not mean that the others which survive are better off. In brief, the competition among small artisan shops causes impoverishment rather than progress.

A consequence of the struggle for immediate survival at the base of trade pyramids is a decline in the prices of the commodities and services
offered by small artisan shops. But at the same time, the productivity of "craft-labor" remains unchanged. Furthermore, rapid inflation leads to increases in the costs of raw materials, the wages (as the cost of living increases the level of wages tends to increase as well, but of course this is an issue to be settled between the artisans and their employees), the interests on capital, the prices of utilities and rents. In short, small artisan shops can sustain a struggle for survival only by lowering the already low wages and profits. When profits dwindle, the accumulation of capital halts, the chances of finding credits disappear and growth becomes an impossibility. And when wages are kept low, artisans can neither expect to increase the work load, nor hope to attract new apprentices and journeymen. Indeed, when wages are lowered, craft-workers resign. They either open their own small artisan shops or seek employment elsewhere. In certain cases, however, artisans form partnership with their workers in order to stop them from leaving.

The initial consequence of competition among small artisan shops is clear. Small "non-factories" tend to get smaller and disappear rather than grow. But of course there are many artisans who will work alone or with an apprentice despite the extremely low returns for their capital and "craft-labor," rather than close their businesses. Such artisans enter the second round of their struggle for survival. In the meanwhile, however, the number of new small artisan shops increases and keeps the prices of commodities and services offered by small "non-factories" depressed. Thus, in order to gain a competitive edge over the new-comers, artisans cut production costs in the second round of their struggle by using lower-quality raw materials and offering poorer craftsmanship. Markets in low
quality goods and services persist as poverty prevails. Furthermore, there are many new artisans who lower the quality of their outputs just to remain self-employed. Consequently, competition does not necessarily slow down when artisans operate with low quality raw materials and low returns on capital and "craft-labor," and produce cheap low-quality products tailored for the "poor." In this round of the intense competition among small artisan shops consumers, artisans and craft workers reach a threshold of apathy. Nobody likes what he does or what he gets, but nobody complains aloud either. Sinking low, artisans have one last resort to keep their shops open: repair work. Nevertheless, competition persists and both the price and quality of repair work declines as well.

The retrogressive consequences of competition among small artisan shops stem from the rapid inflow of new firms on the one hand, and the vicious-circle of small capital on the other. The rapid inflow of new firms is a result of four summary conditions: the lack of better employment opportunities for the would-be artisans and craft-workers; the lack of more profitable avenues for small capital; the relative ease of setting-up a new small artisan shop; and finally, the absence of regulations restricting new entries into this sphere of petty production. The vicious-circle of small capital, however, is more like a capitalist predicament. Small chunks of capital connected with obsolete technology and low labor productivity yield small profits, and generate low capital accumulation rates. Two factors seem to strengthen this vicious-circle. First, small "non-factories" have higher raw material costs than the larger ones do. Usually, artisans with small amounts of capital purchase the necessary raw materials from third or fourth -hand intermediaries on credit. For example, among the
artisans surveyed in Eskisehir and Gaziantep, only founders and ironsmiths had an option to by-pass the intermediaries by purchasing iron and coal directly from the State enterprises via their associations. But as a rule, artisans fail to cooperate in buying directly from the producers or importers of raw materials. Petty producers with larger variable capital, on the other hand, buy directly from factories and wholesalers, and thus cut raw material costs where artisans with small chunks of capital can not. Second, petty producers with small amounts of capital have lower credit ratings, and receive smaller amounts of credit than those with more capital. Indeed, the short-term credits offered to small artisans by the People's Bank (Halk Bankasi) are more symbolic than economically significant. Petty producers with large capital outlays, however, are eligible for larger amounts of credit which can be used to expand businesses.

4. Competitive Relations And Wages In The "Non-Factory" Sector Of Industries

In general, labor markets in the "non-factory" sector of industries are different from those in the "factory" sector. They are "secondary labor markets" marked by low wages, high turnover rates, an absence of unions and a lack of job and social securities.

Craft-workers in small artisan shops receive lower wages than both the craft-workers in large artisan shops (those which are about to transform into workshops) and the detail-workers in workshops. Furthermore, their wages tend to remain low, although the cost of living increases steadily. In small artisan shops wages are low because the productivity of "craft-labor"
is low. Low wages, on the other hand, tend to remain low, because as the costs of production increase, competition among small artisan shops intensifies and depresses both the prices of outputs and the size of profits. Since artisans are involved in manual labor as well, both craft-workers and artisans find their labor depreciating in value. In short, within the framework of the intense struggle for survival among small artisan shops, low wages do not automatically mean higher profits for artisans.

In workshops, however, the productivity of labor is higher. Both the division of labor within the firm, the improved technical base of production (which is reflected in larger amounts of fixed capital outlay per worker) and the lack of organization among workers account for this. Furthermore, workshop operators with larger amounts of variable capital, can not only easily by-pass intermediaries and thus cut raw material costs, but can also employ larger numbers of more productive labor. Yet, indeed, the wages of detail-workers do not show an improvement parallel to the increases in labor productivity. Consequently, in workshops profits are higher than in artisan shops. In other words, as a rule, the low wages paid for "detail-labor" directly contribute to the increases in workshop profits.

Unlike artisans, workshop operators can afford to increase wages. In many instances, indeed they do so. But, although detail-workers receive higher wages than craft-workers, they nevertheless are often paid below the official minimum rate. This enables workshop operators to not only underpay their workers, but also to divert labor away from artisan shops, and recruit and keep the best workers in the "non-factory" sector of industries. A result, of course, is the increased burden on artisans to find
new apprentices and to keep their experienced journeymen. Thus, almost all artisans complain about the difficulties of finding apprentices and of keeping qualified journeymen. This clarifies another mechanism which contributes to the whirlpool of intense competition for survival among small artisan shops at the base of trade pyramids.

Almost all of the craft-workers, and at least half of the detail-workers do not carry official job contracts, and are not registered at the Labor Office. In other words, the bulk of the workers employed in the "non-factory" sector of industries in Turkey, is, indeed, illegally employed. Furthermore, neither craft-workers nor detail-workers have unions. Thus, in the absence of labor organizations, and with a large reserve of unemployed and a fast labor turnover, job and social security for workers in the "non-factory" sector of industries is as a dream. In the meanwhile, however, labor markets in the "factory" sector of industries function under a completely different set of conditions.

The conditions of work in artisan shops and workshops are such that a "factory" worker could not even imagine them. All "non-factories" lack heating, ventilation and even plumbing. For craft and detail workers the work day extends over and above ten hours, and paid leaves are unheard of. Work accidents are common, but workers carry all the risk. A point, however, must be clarified. Detail-workers have to exert themselves at their work throughout the work day, but not craft-workers. As a rule, the latter idle until there emerges an occasion to exert themselves.
CHAPTER XVII

INTERACTIONS AMONG PETTY PRODUCERS: NON-COMPETITIVE RELATIONS

1. The Nature Of Non-Competitive Relations In The "Non-Factory" Sector Of Industries

Competition is the dominant but not the only form of interaction in the "non-factory" sector of industries. Non-competitive relations emerge and take roots among petty producers as well. But, in general, non-competitive relations do not necessarily contradict or offset competition among petty producers. Often, competitive and non-competitive relations go hand in hand.

In certain instances non-competitive relations breed and intensify competition. For example, petty producers form cooperatives to by-pass intermediaries in acquiring raw materials, to construct shops on new sites ('Küçük Sanayi Siteleri' and 'Küçük Sanayi Çarşıları'), and to receive credits from the People's Bank (Halk Bankası). But they do not produce or market their outputs together.

There are, however, other instances when competition breeds non-competitive relations. For example, petty producers tend to locate next to their competitors, and share the externalities produced in the process. Furthermore, sometimes competition results in the subordination of small artisan shops by larger "non-factories," and the proliferation of sub-contracting mechanisms among petty producers.
2. **Dependency Among Petty Producers**

If an artisan does not have the necessary capital to maintain a stock of raw material, or if he can not find a market outlet, he can choose either to work for a well-to-do petty producer or to close his business. Thus, there emerges an opportunity for petty producers with large "non-factories" to subordinate unsuccessful artisans (with or without shops). Indeed, among the tailors, meerschaum carvers and quilt makers in Eskisehir, and the 'kilim', woof ('atkı') and towel weavers in Gaziantep, many small artisans have lost their independence to successful petty producers. Subordinated artisans retain their shops, own their means of production, and employ one or two craft-workers, but they function as appendages, i.e., auxiliaries, of larger "non-factories." They receive their raw materials from, and leave their output to only one customer: another petty producer in the same trade. In other words, they lose their control over the product itself. In such cases, therefore, what we have are artisans reduced to wage-earners. In the process, however, the subordinated artisan not only sells his "craft-labor," but also rents his business, i.e., his shop, workers and means of production. Indeed, dependency among petty producers is a version of the "putting-out" mechanism. But it is neither as widespread, nor as well organized as the version in which petty producers work for merchants.

3. **Sub-Contracting Among Petty Producers**

Often, petty producers sub-contract from each other. Such forms of interdependence among "non-factories" are explicit examples of "social cooperation of labor" through division of work among petty producers.
Sub-contracting mechanisms, however, can also be seen as intricate webs of "forward and backward linkages" within the "non-factory" sector of industries. For example, shoe makers sub-contract parts of their work to shoe-millers ('fora-frezeciler') and 'sayacı's (those who cut and sew the upper part of shoes). Similarly, there is an interdependence between 'kiliş', woof ('atki') and towel weavers and spinners, 'leventçi's (those who prepare a part of the loom called 'levent' for weaving) and dyers. Auto repairers, on the other hand, require services from the lathe-operators ('tornacilar') who duplicate machine parts, and sub-contract parts of their work to auto-electricians, auto-body repairers, radiator repairers, &c.

In general, sub-contracting is a form of interdependence among "non-factories." Petty producers sub-contract parts of their work to, and receive sub-contracts from the artisans or workshop operators of their choice. Yet, for small petty firms sub-contracting mechanisms can turn into clear dependency situations. For example, stove makers usually sub-contract parts of their work to founders, nickel-platers ('nikelajcilar') and glazers ('emayeciler'). But among the stove makers in Eskisehir, some workshop operators have hand-picked founders and each operator gives sub-contracts only to "his chosen founder." The chosen founders, on the other hand, agree not to take orders from anybody else. Furthermore, the largest workshop, which is a joint-stock company (SİM-TAŞ), recently provided capital for the expansion of the foundry to which it sub-contracts and helped two petty producers to establish a large nickel-plating workshop which will sub-contract only from the company.

Sub-contracting mechanisms which turn into dependency situations indicate the presence of a rather well-known path for capitalist development.
in the "non-factory" sector of Turkish industries, where capitalists (either petty producers or merchants) rationalize the existing social cooperation among "non-factories" and turn the social cooperation into a productive mechanism under their control.

4. Spatial Agglomeration Tendencies Among Petty Producers

Petty producers tend to locate next to each other. In the process "non-factories" form various conglomerations called 'çarşı' (market) in Turkish. In 'çarşı's petty firms become more accessible and enjoy better and cheaper services than they would if scattered. Indeed, such pockets of artisan shops and workshops can be found in and around the central business districts (CBD's) of every large city, along the major roads leading to the CBD's and at the periphery of cities. As a rule, 'çarşı's that are close to the city center tend to be older, cover a smaller area of land, include smaller "non-factories," have a higher density and display a wider range of mix between "non-factories" and other uses than those farther away. Conversely, 'çarşı's well-removed from the city center tend to be more recent, cover a larger area of land, have a lower density, include larger "non-factories," and display a smaller range of mix between "non-factories" and other uses.

Like the nature of 'çarşı's, the reasons why petty producers choose one kind or the other varies. When left alone, petty producers take part in the competition for urban space. They bid for the locations which suit their activities best. As a rule, they want to get as close to the city center as possible and still have as large a space as they can. Yet, with small profit margins they are unable to out-bid merchants, professionals,
banks, institutions and rich families all of whom want to locate in and enjoy the externalities offered by the central city. Larger petty production firms in the centrally located 'çarşı' s are finding it more and more difficult to remain there and grow as urban land values increase and rents sky-rocket. Consequently, as the number of "non-factories" rapidly increases, the older and larger artisan shops and workshops leave the CBD's and the relatively new ones can not afford to move in. Thus, petty producers settle for the best they can afford rather than get exactly what they want. In the meanwhile, clusters of petty firms crop-up around the CBD's, along the major roads leading to the city center and in the centrally located lower-income residential areas. In brief, artisan shops and workshops tend to surround the city center just as squatter districts ('gecekondu's) encircle the city.

In rapidly growing urban centers like Eskisehir and Gaziantep, however, if unchecked, the tendency of "non-factories" to surround the city center carries negative effects such as noise pollution, fire hazards, traffic congestion, but more important it depresses the value of the centrally located urban property. This is probably the only widely recognized urban problem in Turkey. Unfortunately, however, both the diagnosis of the problem and the policy designed to relieve the situation are not satisfactory. Since "non-factories" have negative effects, it is argued, those located in city centers should be forced to relocate, and the new ones should be herded into 'Küçük Sanayi Çarşı' s built at the outskirts of cities. In other words, everybody, but the petty producers should be allowed to compete for urban land.
For petty producers, being forced to locate next to each other in 'Küçük Sanayi Çarşısı's is different from locating in clusters of "non-factories" as a consequence of competition for urban land. Indeed, many petty producers either cling together in centrally located 'çarşı's and resist relocation, or scatter around to evade being herded into 'Küçük Sanayi Çarşısı's farther away from the city center. Thus, especially in big cities, the final picture of the distribution of "non-factories" is rather complex.

In Gaziantep, most of the copper-smiths, shoe-makers, tailors, and tricot makers are located in the traditional center. The bulk of auto-repairers, lathe-shops, founders, iron-smiths, carpenters and weavers, on the other hand, are zoned into three different 'Küçük Sanayi Çarşısı's which are not far away from the city center. A fourth and a larger 'çarşı', (KÜS-GEM), is under construction at the outskirts of the city, for the existing ones are already surrounded by residential areas (mostly squatters) and they have no space left for expansion. In the meanwhile, however, there are many weavers, iron-smiths, carpenters and repairers of all sorts clustered along major roads and scattered in residential areas.

In Eskişehir, however, most of the petty producers are pushed out of the city center. Nevertheless, clusters of tailors, meerschaum carvers and pipe-makers, repairers of various appliances and some iron-smiths and stove-makers are still in the city center. There are two 'Küçük Sanayi Çarşısı's, and a new one is under construction. The one closer to the city center is crowded with metal and wooden furniture makers and carpenters. Most of the iron-smiths, founders, stove-makers, lathe shops, agricultural equipment makers and auto repairers, on the other hand, are located in
the second 'Küçük Sanayi Çarşı' which is larger than the first and is located at the outskirts of the city.

Relocating artisan shops and workshops farther away from the city center is easy on paper. But in reality, many petty producers, especially artisans with small shops, can not afford to lose externalities offered by the CBD, and some do not need the large shops and technical infrastructure provided in 'Küçük Sanayi Çarşı's. Consequently, small artisan shops continue to crop-up outside 'Küçük Sanayi Çarşı's, and petty producers do whatever they can to remain in and around the city center. In Gaziantep, for example, relocation threatens the tricot-makers' practice of putting-out work to women in the centrally located low-income neighborhoods. Also, shoe-makers are afraid that their intricate sub-contracting and putting-out networks will be disturbed if they locate away from the city center. A fear common to all petty producers with small businesses, however, is that if they relocate they will not only lose some of their customers, but also lose the anonymity of the CBD which disguises tax evasion and illegal employment.

5. Lending Among Petty Producers

Petty producers lend raw materials, equipment and even labor to each other without charge. Indeed, such practices are limited in scope and reciprocal in nature. Reciprocal lending occurs among petty producers with small shops, and is circumscribed by rules of friendship and neighborliness.
6. Partnership Among Petty Producers

A widespread form of restricted cooperation among petty producers is the establishment of partnerships. But it is usually artisans who are short of capital who take this road when they want to start a new business or to expand their capital outlay. In other words, artisans with small chunks of capital join forces in order to remain in business. There are, however, instances when artisans establish partnerships with their workers as well. Artisans who neither can afford to increase wages, nor want to lose their workers to workshops, are inclined to offer partnership to qualified journeymen in order to keep their businesses running.

As a rule, partnerships among artisans with small chunks of capital neither last long, nor attract government attention. Yet, the government pays ample attention to and encourages partnerships among workshop operators as an alternative to widespread cooperation among petty producers. Encouraging growth among large "non-factories" is part and parcel of the government policy to transform the "cream of the crop of the petty firms" into "factories."

Thus, workshop operators can receive large amounts of credit, tax reductions, better infrastructure and technical assistance either when they form partnerships and joint-stock companies, or when they show an intention to transform their businesses into "factories." In the meanwhile, Industrial Districts ('Organize Sanayi Bölgeleri') are being planned. Indeed, they can be used as tools to speed-up transformations among workshops. For example, both in Eskişehir and Gaziantep, Industrial Districts are under construction. Furthermore, in Gaziantep, KÜS-GEM ('Küçük Sanayii Geliştirme Merkezi'), a United Nations inspired and sponsored agency of the Ministry of Industry and Technology ('Sanayi ve Teknoloji Bakanlığı'), is trying to initiate
and coordinate attempts to help and guide the promising large "non-factories." But it is too early to assess the results of such government action.

7. Cooperation Among Petty Producers

As a rule, petty producers form cooperatives in order to by-pass merchants when purchasing raw materials and to construct 'carsi's, but not to produce collectively.

One way to by-pass intermediaries is, indeed, to buy and sell through cooperatives. In Gaziantep, there are 11 such cooperatives. But in Eskisehir, there are only two. These cooperatives, however, are very small. For example, with the exception of two cooperatives in Gaziantep ('Motorlu Dokumacılar Küçük Sanat Kooperatifisi' with 400 members and TL 108,000 in capital, and 'Madeni İşler Çelik Döküm Küçük Sanat Kooperatifisi' with 100 members and TL 3,000,000 in capital), and one in Eskisehir (ESASKO-Eskişehir Ağaç İşleri ve Mobilya İmalatçıları Küçük Sanat Kooperatifisi' with 40 members and TL 375,000 in capital), no cooperative in either city has more than 50 members and TL 55,000 in capital. Another aspect of these cooperatives is that they disappear rather easily and quickly. For example, I could trace four cooperatives in Gaziantep and one in Eskisehir which closed either because of mismanagement, pressure from merchants and excessive red-tape, or back-biting among the petty producers.

In brief, petty producers face many difficulties in establishing cooperatives, and often fail in running them. Aside from the pressure from merchants, perhaps the most important factor which contributes to the failure of cooperative action among petty producers is the "unofficial" government policy to ignore
if not to openly discourage efforts along this vein. For example, both in Eskisehir and Gaziantep, no cooperative established by petty producers to buy or sell collectively received government assistance in any form.

Another way to by-pass intermediaries is akin to "import substitution." Petty producers can form cooperatives to establish "factories" producing the raw materials which they use most. But again, there are few examples of this kind. We know that as early as the 1940's, two Weavers' Cooperatives in Gaziantep established a spinning-mill with government assistance. Yet in the 1970's the government neither gives credits nor encourages in other ways such possible cooperative action. Nevertheless, in Eskisehir, ESASKO, the cooperative established by furniture makers to buy and sell collectively, plans to build a hard fiberboard ('sunta') factory.

On the one hand, the Turkish government ignores petty producers when they join together in order to by-pass merchants. But on the other hand, it encourages them to form cooperatives, gives credit and provides assistance so that 'Küçük Sanayi Çarşısı's can be built at the outskirts of cities. In other words, the government encourages cooperative action among petty producers when it serves particular ends. Indeed, 'Küçük Sanayi Çarşısı's make the control and supervision of petty firms easier; relieve one of the urban problems; make the supply of infrastructure to petty firms easier and cheaper; and at the same time, generate business opportunities for building contractors. For example, in Eskisehir three separate Petty Producers' Construction Cooperatives merged in 1969 and formed the Eskisehir PPCC (ESSKSYK- Eskisehir Sinirlı Sorumlu Küçük Sanatlar Yapı Kooperatifi). There is a similar cooperative in Gaziantep as well: the Gaziantep PPCC.
Both the Eskişehir and Gaziantep PPCC's are constructing a "Kiçük Sanatlar Çarşısı". Furthermore, both cooperatives receive credits from the Ministry of Industry and Technology which amount to 60-70 per cent of their respective construction costs, and both have contracted their construction works to companies which use the "latest", i.e., labor saving, methods. In other words, the Eskişehir and Gaziantep "Kiçük Sanatlar Çarşısı"s will be assembled from pre-fabricated concrete, steel, aluminium and glass components, and shelter lower forms of capitalist industrial production. It will be a spectacle: the nineteenth century will be packaged in the twentieth.

Petty producers are induced by Law to join together in Credit Cooperatives ("Esnaf Kefalet Kooperatifleri"). These cooperatives, of which there is one in Eskişehir and two in Gaziantep, however, stand as tools for the State to distribute credits to petty producers. Indeed, Credit Cooperatives help the People's Bank (Halk Bankası) function more than they help petty producers gain access to the credits they need. For example, both artisans and workshop operators tend to by-pass these cooperatives. The former are not satisfied, and the latter can find credits from other sources.

Petty Producers' Associations ("Esnaf ve Sanatkar Dernekleri"), on the other hand, are primarily administrative bodies. Yet, in a few instances such as in the cases of the Founders' and Iron-Smiths' Associations, they can become instrumental in buying raw materials directly from the State-run mines and factories.
CHAPTER XVIII

INTERACTIONS BETWEEN PETTY PRODUCERS AND MERCHANTS

1. Independent Petty Producers And Merchants

By definition, an independent petty producer is an artisan or a workshop operator who retains control over the product itself. He enters buyer's markets with his own capital, purchases necessary raw materials and intermediary goods, and enters seller's markets with his own product. Yet, he will not always buy raw materials and intermediary goods directly from producers, and sell his products directly to consumers. Thus, another important group appears: the intermediaries, i.e., merchants.

In principle, relations between independent petty producers and merchants are a form of social cooperation. The latter supply services which the former need. Yet, in reality, relations with merchants can, and do, become a burden for petty producers. Indeed, the smaller the variable capital of a petty producer such as an artisan is, the more likely he is to be exploited by merchants. Conversely, the larger the variable capital of a petty producer such as a workshop operator is, the more likely he is to avoid intermediaries when preferable.

As a rule, artisans neither mass-produce, nor can they afford to make large raw material stocks. They tend to purchase small quantities of raw materials at a time. Furthermore, they often need to buy on credit. Thus, independent artisans with small chunks of variable capital not only to fail to by-pass merchants where other petty producers can, but also tend to purchase raw materials from third, fourth and even fifth hand
intermediaries. Nevertheless, artisans can avoid intermediaries in marketing their products. They either receive their production orders directly from individual customers, or retail their products themselves. But, unfortunately, as competition among them intensifies and demand for their products fluctuates, it becomes more and more difficult for artisans to maintain a steady pace and volume of production. When an artisan by-passes merchants in marketing his products, therefore, he has to locate his shop such that customers, in turn, do not by-pass him. Thus follows the tendency of small artisan shops to form centrally located 'carisi's. Indeed, externalities of 'carisi's alleviate, but do not necessarily solve the problem. Eventually, as the number of artisan shops increases, the market becomes saturated, and sales and production orders decline. In the meanwhile, independent artisans with small chunks of variable capital who are unable to secure significant credits from formal channels, find themselves in a poor bargaining position when merchants knock on their doors to buy their products cheaply. In brief, as artisans lose their bargaining power, they tend to fall prey to merchants when purchasing raw materials and marketing their products. Artisans succinctly formulate this situation: "Merchants exploit us twice."

Workshop operators, on the other hand, can purchase raw materials and intermediary goods directly from producers, importers and wholesalers. Furthermore, they can cooperate with merchants in marketing their products, and this cooperation does not become a burden for them as it does for artisans. In other words, interactions between petty producers and merchants display a two-fold character. Small "non-factories" at the base of trade pyramids are surrounded by third, fourth and fifth hand intermediaries,
i.e., petty merchants. The struggle for immediate survival at the base of trade pyramids provides an opportunity for petty merchants to "exploit" rather than "service" petty producers. But towards the apex of trade pyramids the picture changes. Workshop operators have business contacts with importers and wholesalers, and can by-pass them when necessary. In this sense, therefore, merchants tend to "service" rather than "exploit" petty producers with large chunks of variable capital.

As a rule, the intense and continuous competition among artisans does not permit them to accumulate significant amounts of capital, and they can not find large chunks of credit through formal channels. Thus, artisans remain with small amounts of variable capital. Furthermore, their attempts to form cooperatives in order to purchase raw materials directly from factories and importers, and to market their products without intermediaries fail. Consequently, artisans can not break away from the grip of parasitic petty merchants. The picture of relations between artisans and a particular set of petty merchants such as street cryers and rural travelling salesmen ('sandıkçıl'), however, is different. Such petty merchants without shops can not "exploit" petty producers. Indeed, they depend upon artisans.

2. Quasi-Dependent And Dependent Petty Producers And Merchants: Putting-Out Mechanisms

Quasi-dependent petty producers receive raw materials together with production orders from their customers. In other words, they have neither raw material nor finished product stocks. Their customers can be individual consumers, other petty producers, merchants or corporate
bodies. Indeed, they do not exercise control over their products. Yet, they do not work exclusively for one customer either. This is the criterion which separates a quasi-dependent petty producer from a dependent one. Many tailors, carpenters, and repairers of all sorts, and some small weavers and tanners work on this basis. In a way, the business of a quasi-dependent petty producer is to rent his labor, means of production and workers to those customers who place orders and at the same time provide raw materials. As such, therefore, quasi-dependent petty producers do not necessarily come into contact with merchants in order to find raw materials or to market their outputs.

When a quasi-dependent petty producer, however, begins to receive raw materials and production orders from only one customer all the time, he turns into a dependent petty producer. As such he stands without control over his products, and becomes an employee of a customer who "puts-out" work. Indeed, there are petty producers who also put-out work at the same time, but the tendency among merchants to do this is more widespread.

The classic model of the putting-out system, where merchants manipulate the existing "social cooperation" among petty producers in related trades and create a larger productive mechanism under their control, can be observed among the silk weavers in Gaziantep. The merchant who puts-out work purchases the raw material ('bobin-beyaz') from either a factory or a wholesaler; hands it in succession to a 'çoğzücü' (who prepares the silk for dyeing), a dyer ('boyacı'), a 'tarakçı-desenci' (who mounts the dyed silk on wooden frames called 'levent'), silk weavers (who use hand-looms) and finally to a 'silindirci-kolaci' (who puts starch on the material and irons it); pays all the petty producers he has
employed; and markets the final product. There are about eight silk merchants of this kind in Gaziantep. Some of them employ weavers in nearby villages, and some own their own machine-looms. Most of the artisans involved in the putting-out system, however, own their own shops and employ workers, but work exclusively for one such merchant or the other.

A more wide-spread form of the putting-out system observed in Eskisehir and Gaziantep, however, is a kind of short-cut, where merchants supply raw materials to petty producers and come back to collect the finished products when they are ready to market. In this type of putting-out system, merchants are not involved with the productive mechanism. Such relations between dependent petty producers and merchants occur among the furniture makers in Eskisehir, and the 'kilim', towel and woof ('atkı') weavers, shoe makers and tricot makers in Gaziantep. For example, 'kilim' merchants who put-out work in Gaziantep purchase the yarn and hand it to 'kilim' weavers who assume the responsibility of seeing that the yarn is dyed mounted on frames and woven. When the 'kilim's are ready the weavers hand them to merchants, and the latter market them. Similarly, shoe, tricot and furniture merchants ('ayakkabı taciri', 'triko tüccarı' and 'mobilya mağazacısı' as they are respectively called in Turkish) hand either raw materials or money to petty producers; let them sub-contract to other petty producers if necessary; and collect the finished products.

Both the classic and short-cut versions of the putting-out mechanism are called 'fason işi' in Turkish. The person who puts-out work, be him a petty producer or a merchant, gives 'fason' ('fason vermek'), and dependent petty producers take 'fason' ('fason almak') or work 'fason'
('fason calışmak'). In reality, dependent petty producers, i.e., those who take 'fason', are often better off than independent or quasi-dependent artisans. Indeed, they have work to do, and therefore, they waste neither their capital nor labor. Yet, in essence, they do not work for themselves, and the returns on their capital and labor are lower than those of quasi-dependent and independent petty producers. Thus, almost all independent and quasi-dependent artisans prefer to maintain a small volume of business rather than to take 'fason'. They often remark:

"The more we work 'fason', the more we work for merchants. They give us 'fason' in order to make money from us, not because they like our black eyes. It is better to be a wage-earner than to be a petty producer an work for merchants."

Nevertheless, it is not very easy to find work once unemployed, and therefore, many artisans eventually take 'fason' rather than close their shops.

An important common aspect of the putting-out systems observed in Eskisehir and Gaziantep is that the 'fason iş' given by merchants is not significant for "higher" forms of capitalist industrial production. The silk-merchants who-put out work in Gaziantep, on the one hand, are there to take advantage of whatever is left of a once thriving branch of weaving. The number of weavers and other artisans, workers, looms and merchants who put-out work declines as the markets for silk material dwindle. The wide-spread short-cut version of putting-out, on the other hand, makes it clear that the merchants who put-out work in weaving, shoe making, furniture making and tricots making are not really committed to increasing their profits by rationalizing the productive process.
Once they give 'fason' to a petty producer, they leave his subcontracting relations unchecked. In other words, they do not care how the final product is achieved. As such, therefore, 'fason işi' takes the form of outright exploitation of petty producers by merchants. It is not a step forward either. The "social cooperation" among petty producers is left intact and not rationalized under the control of a capitalist as is done by workshop operators when they subordinate artisans through sub-contracts. Furthermore, merchants who put-out work retard transformations in the "non-factory" sector of industries by keeping employed artisan shops which would otherwise be closed.
CHAPTER XIX

INTERACTIONS BETWEEN PETTY PRODUCERS AND "FACTORIES", AND THE ANATOMY OF GROWTH IN THE "NON-FACTORY" SECTOR

1. The Nature Of The Connections Between The "Lower" And "Higher" Forms Of Capitalist Industrial Production In Turkey

The special characteristics of Turkish industrialization have been two-fold: the inability of "non-factories" to transform into "factories;" and the inability of "factories" to connect with, and replace or subordinate artisan shops and workshops. Thus, in general, we can talk about the presence of a break in the continuity of capitalist transformations in the Turkish industrial landscape. The "lower" and "higher" forms of capitalist industrial production proliferate side by side as if they are separated by a "glass-wall." This, however, does not mean that the "non-factory" and "factory" sectors of industry are unconnected. Contrarily, it suggests that there are many direct and indirect links between "factories" and "non-factories", but they fail to melt the "glass-wall."

"Factories" can give sub-contracts to, and subordinate "non-factories." But usually, they do not. Similarly, "factories" can easily compete against, and replace artisan shops and workshops in many lines of industrial production. But usually, they do not. Furthermore, the "non-factory" sector of industries constitutes an important market for "factories." The bulk of the hand and machine tools, detail-machines and raw materials used in artisan shops
and workshops are produced in "factories." Also, "non-factories" act as a reserve labor pool for "factories," check unemployment and keep the cost of reproduction of factory-labor, i.e., wages, low by supplying cheap, low-quality products. In brief, the various links between "non-factories" and "factories" generate benefits for both sides. The former find the opportunity to exist and proliferate, and the latter exploit the situation. Thus, the side by side proliferation of the "lower" and "higher" forms of capitalist industrial production can be seen more as a result of the reluctance of "factories" to melt the "glass-wall" from above, than as the inability of "non-factories" to break the "glass-wall" from below.

We know that "factories" have been transplanted into the Turkish industrial landscape. They did not emerge from among "non-factories." Furthermore, they do not tend to replace and subordinate the "lower" forms of capitalist industrial production. These observations indicate a peculiar stock of "factories." Indeed, in general, the "factory" sector of industries in Turkey is dependent in nature, inadequate in size and distorted in scope.

Turkish "factories" are dependent in nature, because their technical bases can not be produced domestically. They have to be imported. But such imports pave the way for, or rather rationalize, the adaptation of capital-intensive production methods, the changes in the nature of products and consumption patterns, the imports of foreign capital and technical assistance, and finally the dependence on foreign technological developments. In brief, Turkish "factories" are in the country, but their roots lie abroad.

The Turkish "factory" sector of industries is inadequate in size, because, on the one hand, it is divorced from the "grass-roots" industrial
potential, and on the other hand, it fails to channel capital. As the available chunks of large capital flow into non-industrial avenues, small chunks of industrial capital are absorbed in the "non-factory" sector. Consequently, the "factory" sector of industries expands, but slowly.

Turkish "factories" are distorted in scope because they tend to be more capital-intensive whereas the opportunity cost of labor suggests the opposite. Furthermore, they concentrate on avenues where easy profits and export opportunities exist, and often leave the inelastic demands of the "poor" unattended.

As a rule, Turkish "factories" are reluctant to replace and subordinate "non-factories." This determines the scope of proliferation in the "non-factory" sector of industries. Some lines of petty production activity, i.e., trades, rise and some fall. But indeed, the anatomy of growth in the sphere of "non-factory" types of industrial production is complex. It can not be explained by the nature of the interactions between "factories" and "non-factories" alone.

Since 1927, the number of "non-factories" in Turkey has tripled. In the same period, the number of artisan shops and workshops in large urban centers such as Eskişehir and Gaziantep sextupled. The anatomy of this growth in the sphere of "non-factory" types of industrial production, however, differs from one city to the other. Local urban and regional differences are factors. For example, increases in the number of "non-factories" in Eskişehir and Gaziantep were neither spread evenly across all branches of industry, nor concentrated in the same trades. Nevertheless, changes in petty production trades over time reveal a pattern. New petty
production trades appear. As "factories" are transplanted, the older trades gain momentum and proliferate, stagnate, lose importance and decline, or disappear.

Some trades tend to disappear altogether, together with many artisan shops and workshops. But the other trades which emerge, proliferate and remain saturated can account for the considerable growth in the number of artisan shops and workshops. Usually, when a particular trade loses importance and declines, the number of "non-factories" which shift their line of production or go out of business increases faster than the number of new-entries. Furthermore, both competition and growth among artisan shops and workshops in the particular trade pyramid begin to falter. When a trade starts to proliferate, on the other hand, the number of new-entries increases faster than the number of exits. Competition among artisan shops at the base of the trade pyramid intensifies. Also, larger artisan shops tend to transform into workshops, and the latter grow in size. Yet, usually, a period of stagnation or saturation follows proliferation. The number of new-entries, the intensity of competition among small artisan shops for immediate survival, and the number of business failures increase. In the meanwhile, only large "non-factories" at the apex of the trade pyramid manage to sustain some growth.

In general, both the overall growth in petty production activities and the fate of each trade are determined outside the "non-factory" sector of industries. In other words, competition among "non-factories" or the internal workings of a particular trade can explain why artisan shops and workshops grow, stagnate and close down, but can not account for why there are so many new-entries, and why certain trades proliferate while
others decline. Indeed, as I have noted earlier, factors other
than the reluctance of "factories" to replace and subordinate "lower"
forms of capitalist industrial production, are needed to explain the
anatomy of growth in the "non-factory" sector of industries.

Why do markets for commodities produced in artisan shops and
workshops emerge and expand? Why are there so many entrepreneurs
who invest their capital in "lower" forms of capitalist industrial
production? Why are there so many workers willing to be employed
in "non-factories" and receive low wages? Deep analyses of the reasons
why petty production activities decline or proliferate ought to be
provided in order to answer these questions.

2. Why Do Certain Petty Production Activities Decline?: The
Erosion Of Markets

Often the demand for traditional commodities produced in artisan
shops and workshops erodes. Some petty producers, therefore, either go
out of business, or shift their line of production. Some, however, remain
in business. But for them, finding customers and workers becomes more
and more difficult. As the more persistent petty producers reduce the
sizes of their businesses, the number of new-entries into the trade dwindles
and eventually stops. In short, a general continuous decline sets in.

But why does the demand for some traditional commodities erode or shift
in the first place?

One reason is the decline in the use-value of traditional commodities.
For example, as cars, trucks, busses and tractors become available, the use
of animals for transportation and agriculture decreases. Consequently, the
demand for traditional products such as horse wagons, animal-driven agricultural equipment and saddles declines. Along with the demand, the number of cartwrights, saddlers ('saraçlar'), horse-driven plow-makers and iron-smiths who specialize in producing pegs and horseshoes dwindles. For example, in the 1950's there were more than 300 cartwrights in Eskişehir. Now there are about 15, and it would be more appropriate to call them horse-wagon repairers rather than cartwrights. Similarly, since 1950, saddlers in Eskişehir as well as in Gaziantep have become almost non-existent. Occasional orders from rural areas and urban horse-wagon drivers keep the handful of cartwrights and saddlers in business.

Another reason for the decline in the demand for traditional products is the emergence of modern substitutes with similar use-values. Usually, this occurs when cheaper, but different materials such as aluminum and plastics replace traditional raw materials such as copper and leather. For example, most of the kitchen-ware makers in Gaziantep now use aluminum instead of copper. Indeed, the introduction of aluminum did not cause a decline among copper kitchen-ware makers, because it is very easy to shift from one raw material to the other. But on the other hand, tinsmiths ('kalaycilar') were hurt. They are now almost extinct. Tinsmiths who remain in business, however, repair old copper utensils more than they coat them. A better example along this vein is the decline among 'yemenici's (those who produce a kind of light shoe worn by peasants). Not more than a decade ago, some petty producers started to produce cheap low quality plastic toys, baskets, kitchen-ware, imitation lace and footwear. This paved the way for a shift in demand from coarse, hand-made, truck-tire soled leather
'yemeni's to cheaper plastic shoes cast in all colors, and the associated
decline in the number of 'yemenici's.

3. Why Do Certain Petty Production Activities Decline?: The
Competition From "Factories" And "Non-Factories" In Other
Cities

The erosion of markets for commodities produced in artisan shops
and workshops, however, does not always occur because there is no competition
from "factories." In a few instances we can observe the classic model of
"factories" directly replacing "non-factories." Tanners are the best example.
There are two small tanneries in Gaziantep, and quite a large one in
Eskisehir. Indeed, there are one or two tanners who work alone and employ
themselves by hand-processing hides brought in by occasional customers.
The rest of the tanners in these cities, however, have been put out of business
as a direct result of the growth of modern leather industries in Istanbul.
Most of the ex-tanners, aside from those who are employed in tanneries,
sit around and wait for hide-merchants to employ them in carrying and salting
hides for storage before shipments to leather factories in Istanbul. It
is a sad picture.

Competition from "factories," however, can result in the partitioning
of markets, i.e., the herding of petty producers into secondary markets, rather
than an immediate decline in the petty production trade. In such instances,
it is the combination of competition from "factories" and "non-factories"
in other cities which prove deadly. For example, shoe-makers in Eskisehir
suffered a lot from this. Their markets were reduced not only by shoe-
factories in nearby İstanbul, but also by shoe-makers in cities as far away
as Gaziantep. As a consequence, most of the shoe-makers in Eskisehir either closed down, or became cobblers and shoe-merchants.

4. What Do The Unsuccessful Petty Producers And Their Workers Do When Out Of Employment?

Whenever a petty firm goes out of business, what we have are unemployed people: the unsuccessful petty producer and his employees. Thus, when particular lines of petty production activities start to decline or stagnate, the number of unemployed tends to increase together with the number of business failures. In other words, the "non-factory" sector of industries constantly generates unemployment from within. Yet, although factory jobs remain in short supply, the unemployed do not necessarily remain without a job for a long time because the "non-factory" sector can act as a sponge. Whatever is squeezed out from one side is picked up by the other. On the one hand, it is relatively easy to start a new petty production firm in another trade and thus employ oneself. On the other hand, to find a low paying job for a short period in an artisan shop or a workshop is not difficult. After all, the number of "non-factories" increases, and there is a high labor turnover. Despite this, some labor and capital tends to flow outside the "non-factory" sector of industries. Indeed, there is always the possibility of starting a petty trading and services business with or without a shop. Also, one can either migrate back to smaller settlements and start a new petty firm there, or move to larger industrial centers (including Europe) in search of work. Furthermore, there are underground activities such as widespread smuggling in Gaziantep. Thus, in brief, when petty firms close down, neither
the number of factory workers increases, nor does the pool of "urban unemployed" swell. Now, let us have a closer look at what the unsuccessful petty producers and their workers in Eskişehir and Gaziantep actually do when out of work.

The petty producers interviewed estimate that during 1973 and 1974 about 200-250 artisans in Eskişehir and 300-350 in Gaziantep went out of business. One-third of these unsuccessful artisans (about 29 per cent in Eskişehir and 30 per cent in Gaziantep) started a new business. But only 20 per cent of the new businesses were petty production firms. In other words, four out of every five unsuccessful petty producers who started a new business, took a chance in petty trading and services rather than in production. Two-thirds of all the unsuccessful petty producers, on the other hand, either stopped working altogether (about 5 per cent in Eskişehir and 6 per cent in Gaziantep), or entered industrial labor markets (about 66 per cent in Eskişehir and 64 per cent in Gaziantep).

Of those unsuccessful petty producers who entered the labor markets, about 40 per cent in Eskişehir and 67 per cent in Gaziantep found jobs in other "non-factories," about 23 per cent in Eskişehir and 7 per cent in Gaziantep found factory jobs, about 34 per cent in Eskişehir and 24 per cent in Gaziantep migrated elsewhere (including Europe) in pursuit of work, and the rest remained unemployed.

In connection with the outflow of Turkish labor to Europe from among the unsuccessful petty producers, however, several points need clarification. As a rule, many petty producers quit the "non-factory" sector of industries in order to find a job in Europe even before the market forces them out of business. In other words, for those weary of the
conditions prevailing in the "non-factory" sector of industries, finding work in a factory in Turkey or in Europe is more than an alternative It is a dream. We do not know what the ex-petty producers who return from Europe with some savings do. Indeed, they can invest in real estate, join one of the cooperatives formed to establish small factories by pooling the savings of Turkish workers abroad, reopen their petty firms, or start a new "non-factory." I encountered a 'sayaci' in Gaziantep, who, after working in French shoe-factories for three years has returned only to reopen his petty firm. I also interviewed two petty producers in Gaziantep whose partners work in Europe and transfer their savings to Turkey in order to expand the capital outlay of their petty firms. In short, there are instances when the accumulation of capital in the "non-factory" sector of industries can be traced to "factories" in Europe.

Unlike petty producers, apprentices and journeymen do not lose employment only when an artisan shop or a workshop is closed down. In the "non-factory" sector of industries, rapid labor turnover and low wages characterize the labor markets. For apprentices and journeymen, therefore, loss of employment is not a problem in and of itself. It is as easy to find a low paying job in a "non-factory" for a short period, as it is to lose one. Thus, apprentices and journeymen tend to remain as hired hands in the "non-factory" sector until they find jobs elsewhere, or save enough capital to start businesses of their own. But factory jobs are in short supply, and it is not easy to save money when the cost of living increases and the low wages in the "non-factory" sector tend to remain as they are.
A reason for the proliferation of petty production activities is the continuous flow of capital into the "non-factory" sector of industries. In other words, there are always many people with small amounts of capital who want to open artisan shops or workshops.

Petty producers are peculiar capitalists. Their primary concern is to employ themselves rather than to find the most profitable avenue for their capital. Thus, the continuous flow of small chunks of capital into the "non-factory" sector of industries is more a function of attempts to seek stable employment than efforts to exploit entrepreneurial opportunities. Furthermore, large chunks of capital are necessary to establish "modern factories" which are not only imported, but also technologically sophisticated, difficult to maintain and operate, and capital intensive. A "factory-owner", therefore, has to have large amounts of seed-capital and entrepreneurial skills as well as large amounts of credit and government backing. The would-be petty producers, however, can meet none of these conditions. Of necessity, therefore, they invest in "lower" forms of capitalist industrial production. In other words, small chunks of capital are channeled into the "non-factory" sector of industries where poor labor productivity, low profit rates and flimsy capital accumulation prevail, as a matter of compulsion rather than choice.

The small chunks of capital which flow into the "non-factory" sector of industries do not tend to grow and then flow into the "factory" sector. In other words, there is a discontinuity between the "lower" and "higher" forms of production, insofar as the process of industrial
capital accumulation is concerned. The capital accumulated among successful "non-factories" either remains in the "non-factory" sector of industries, or flows into real estate, commerce and conspicuous consumption. Indeed, successful artisan shops tend to grow and transform into workshops. But workshops do not transform into "factories," and there are many workshop operators who have large pieces of real estate and expensive cars. In brief, small chunks of industrial capital are destined to enter the "non-factory" sector, and they either remain there or flow into non-industrial avenues. Thus, in this connection, we can talk about the presence of a segmentation in industrial capital markets.

There are two sets of industrial capital markets in Turkey. One is for small, and the other is for large chunks of capital. The former set of capital markets is connected with "lower" forms of capitalist industrial production. The latter set, on the other hand, is linked with "factory" types of production. Indeed, there is no reciprocity between these two sets. As a rule, factory capital neither originates in, nor connects with and subordinates or channels the smaller pools of capital in the "non-factory" sector. And since "non-factory" capital can not transform into "factory" capital, it tends either to remain below the "glass-wall" or flow into non-industrial avenues. Hence, the segmentation of industrial capital markets can be seen both as a result of, and as a reason for the continuous flow of capital into the domain of petty production activities.

6. Why Do Petty Production Activities Proliferate?; The Continuous Supply Of Labor
Another reason for the proliferation of petty production activities is the continuous flow of labor into the "non-factory" sector of industries. In other words, together with the number of "non-factories," the number of people willing to work in artisan shops and workshops increases. But employment in the "non-factory" sector is not very attractive in and of itself. Low wages, over-work, rapid labor turnover and poor working conditions are wide-spread. Indeed, only the lack of better employment opportunities can account for the sustained flow of labor into the "non-factory" sector of industries.

In underdeveloped countries such as Turkey, the number of "factories" increases. But, as a rule, "factory" jobs remain in short supply. For one thing, "factories" tend to be capital intensive. Urban job openings in non-industrial avenues, on the other hand, disappear rather quickly, and the number of people who can raise enough capital to start a petty business is limited. Thus, together with rapid urbanization, the ranks of the urban unemployed tend to swell, and the labor markets connected with the "lower" forms of capitalist industrial production become attractive. In other words, labor flows into the domain of petty production activities because there is no better alternative.

The reason why labor flows into the "non-factory" sector of industries is also the reason why it tends to stay there. Indeed, the "lower" forms of capitalist industrial production act as a reserve pool for "factories." Furthermore, craft and detail workers can either migrate to other places or start small businesses of their own. But such better employment opportunities for such workers are quite rare. Consequently, the number of workers who leave the "non-factory"
sector does not exceed the number of those who want to enter it. This, on the one hand, aids the proliferation of "non-factories", and on the other hand, results in the segmentation of industrial labor markets.

There are some links between the "non-factory" and "factory" connected industrial labor markets. But they are restricted in scope and uni-directional. Whenever craft and detail-workers can find "factory" jobs, they quit the "non-factory" sector for better working conditions and higher wages. This, however, is not a frequent occurrence, and does not mean that the "non-factory" sector is a labor training ground for "factories." "Factory" and "non-factory" types of work are qualitatively different. Some "factory" workers, tend to enter the "non-factory" sector as petty producers rather than as workers after their retirement.

7. Why Do Petty Production Activities Proliferate?: The Expansion Of Markets For Commodities Produced In "Non-Factories" In The Absence Of "Factories"-- Artisan Shops And Workshops As Substitutes

Like continuous supplies of capital and labor into the domain of petty production activities, the expansion of markets for commodities produced in artisan shops and workshops can be traced back to the general characteristics of "factories." In this respect, I will consider three conditions: the absence of "factories"; the segmentation of consumer markets; and the abundance of imported machinery and equipment.

Sometimes the absence of "factories" in consumer goods and services industries does not imply a weakness on the part of "factories."
For example, in meerschaum-carving and pipe, wooden furniture and 'baklava' making, either the nature of the work, or the nature of the product does not permit an extensive mechanization of the processes of production. Often, however, the absence of "factories" in consumer goods and services industries marks the inadequacy of the "factory" sector in meeting the prevailing demand. In other words, in many lines of industrial production "factories" can, but do not appear.

The failure of the "higher" forms of capitalist industrial production to enter and dominate the markets for certain consumer goods is a reflection of the peculiar nature of Turkish industrial development. The number of artisan shops and workshops increases below the "glass-wall," but "factories" do not emerge from among these "non-factories." Thus, not only capital, but also the technology necessary to establish "factories" has to originate above the "glass-wall" in the "factory" sector. The Turkish "factory" sector, however, is weak. It is neither capable of reproducing, let alone improving, its own technical base, nor able to fertilize a rapid "factory" building process. Indeed, "factory" technology can be imported. Yet, even with foreign capital, large chunks of industrial capital remain in short supply. Thus, the "factory" sector grows slowly. Furthermore, as a rule, the handful of "factories" tends to concentrate on intermediary goods and consumer goods in order to import-substitute. By default, therefore, many markets in domestic consumer goods remain unattended by "factories."

The number of artisan shops and workshops multiply when domestic markets in commodities such as stoves, box-springs, metal furniture, steel safes, simple agricultural equipment, plastic bags, toys and plastic
shoes grow; the necessary raw materials are available; imports are not very profitable; and most important, "factories" are late to emerge. In the process, either new lines of petty production activities crop-up, or older ones undergo transformations and branch-out. In other words, when in a particular line of consumer goods production, "factories" can but do not appear, the "lower" forms of capitalist industrial production substitute for the "higher" forms, and proliferate.

Sometimes new lines of petty production activities appear. For example, plastic bags and shoes-making, steel safes production and auto and electrical equipment repairs have taken roots in the domain of petty production activities especially since 1950. More frequently, however, older lines of petty production such as weaving and copper and iron works undergo changes. As a rule, advanced means of production and new techniques, shifts in demand and availability of new and cheaper raw materials spark transformations in the older petty production trades. Now, let us have a closer look at such changes.

When, in a trade, the use of advanced means of production and new techniques disperse, the number of petty producers using hand tools and traditional techniques dwindles. At the same time, the number of petty firms with power-tools and detail-machines multiplies. Thus, the trade continues, but the technical base of "non-factories" transforms. For example, in Gaziantep, all 'kilim' weavers, except those who make 'cul kilim', use machine-looms. Similarly, both in Eskisehir and Gaziantep, it is difficult to find carpenters and iron-smiths who do not have power-tools. Sometimes, however, the number of petty firms with advanced means of production increases, but the number of petty producers who use
traditional means of production does not decline. For example, in Gaziantep, the upsurge of tourism and the related increase in demand for hand-made copper wares preserved traditional forms of working copper.

When there is demand for old products made with new materials, or when demand for one of the several different goods which can be produced with minor adjustments in equipment increases, some petty firms in relatively old trades shift their lines of production. For example, in Gaziantep, as the demand for aluminum kitchen wares increased, some copper-smiths with detail-machines started producing aluminum utensils. Indeed, in the meanwhile, new petty firms emerged by their side. Similarly, when the demand for cheap, second-rate towels woven in Gaziantep increased, some 'kilim' weavers became towel makers. This contributed to the influx of new entries into the market. Developments of this sort occurred among iron-smiths and lathe shop operators as well. Both in Gaziantep and Eskisehir, some iron-smiths specialized in simple agricultural equipment making, while many lathe shop operators shifted back and forth between duplicating parts for auto-repairers and making parts for sewing machines and machine-looms.

8. Why Do Petty Production Activities Proliferate?: The Expansion of Markets For Commodities Produced In "Non-Factories" In The Presence Of "Factories"; — Partitioning Of Consumer Markets

Often, in underdeveloped countries, the growth path of the "factory" sector does not disturb the "non-factory" sector of industries. "Factories" are slow to emerge, and they tend to concentrate on the intermediary goods
and consumer goods which are mainly import substitutes. This, I have already sketched. But there are many instances when "factories" appear next to "non-factories" in a particular line of production, and leave them alone. In other words, there are instances when consumer markets are partitioned among the "lower" and "higher" forms of capitalist industrial production. This happens in two distinct ways. Either two different commodities with similar use-values, or two versions of a single commodity appear in markets.

When there are two commodities which serve similar purposes, "factories" invariably produce the more modern and expensive one. For example, wood and coal stoves are made in artisan shops and workshops, but radiators and kerosene and electric stoves are produced in "factories." Similarly, 'kilim's, 'tel dolap's (flyproof food cupboards with wire screening) and kerosene kitchen stoves are made in "non-factories," and wall-to-wall carpets, refrigerators and ovens are produced in "factories." Such examples of "non-factories" specializing in the production of the less modern and cheaper of the two products with similar use-values can be increased in number. The tendency of consumer markets to split along the "modern-expensive" and "less modern-cheap" commodity differentiation, however, is not surprising. In underdeveloped countries such as Turkey, both the material needs and aspiration levels of the urban "poor" increase faster than their ability to match them. Indeed, while the average urban real income grows, the income gap between the urban "rich" and urban "poor" does not shrink. In the meanwhile, many "modern-expensive" products remain outside the reach of the urban "poor" because different commodities with similar use-values often have extremely different exchange-values. Usually,
differences in the nature of commodities rather than differences in the nature of production processes account for this. For example, refrigerators and 'tel dolap's are such different commodities with comparable use-values that even the cheapest refrigerator produced in a "factory" is far more expensive than the most expensive 'tel dolap' produced in a "non-factory." Consequently, "factories" can meet the demand of the urban "poor" only when they produce 'tel dolap's. But then, they can not meet the demand for refrigerators. In other words, "factories" have to choose between producing the "modern-expensive" and the "less modern-cheap" commodity. Indeed, markets for the former tend to expand. Markets for the latter, on the other hand, remain only so long as there are those who can not afford the "modern-expensive" commodity which "factories" choose to produce.

Sometimes, two different versions of a single commodity appear in markets. The cheaper and lower quality versions of products such as tricots, socks, towels and bricks come from "non-factories." The better quality and expensive versions, on the other hand, are produced in "factories." Indeed, the reason why "non-factories" can continue to produce second rate commodities is the frequent impossibility of simultaneously meeting the demands of the "rich" and "poor." In other words, in underdeveloped countries such as Turkey, "factories" can not produce many commodities which have both the low price the "poor" can afford, and the high quality the "rich" want. Thus, they are faced with a choice: to ignore the "rich" and produce for the "poor," or vice versa.

In brief, the markets in "lower quality-cheap" and "less modern-cheap" commodities produced in "non-factories" do not necessarily erode when "factories" appear. The gap between the purchasing powers and likes
of the "rich" and the "poor" is such that it is frequently impossible to satisfy the "rich" and the "poor" by the same commodity. Thus, pairs of commodities with similar or the same use-values appear in markets. But what the "poor" can afford is neither what the "rich" want, nor what "factories" tend to produce. This results in the partitioning of the consumer markets among "factories" and "non-factories." In other words, "factories" do not replace the "lower" forms of production in certain lines of industry, but simply herd them into the less profitable segments of consumer markets. Consequently, artisan shops and workshops specialize in producing lower quality and less modern commodities by using obsolete technology, cheap labor and low quality raw materials. This can be seen as a sort of division of responsibility among "factories" and "non-factories." By default, the latter satisfy the "poor" ignored by the former.

Indeed, when "factories" meet the demands of the "poor," artisan shops and workshops will disappear. In this connection, therefore, the division of responsibility between "factories" and "non-factories" is a potentially transitory phenomenon. Yet, conditions which make possible this "unnegotiated peace" between the historically antagonistic forms of capitalist industrial production seem to be there to stay.

9. Why Do Petty Production Activities Proliferate?: The Abundance Of Imported Goods

Another consequence of a weak and distorted "factory" sector of industries is a large stock of imported machinery and equipment. When imported goods such as detail-machines, power-tools, automobiles, tractors,
motorcycles, television sets and radios flood domestic markets, the number of petty firms involved in repairs and parts duplication multiplies. Indeed, as the volume of a particular imported commodity expands, the number of different brands increases. This permits many small independent repairers and lathe shops to continue their operations without either further specialization or standardization. Yet, when domestic "factories" begin to replace for imports, a different picture emerges. Small independent repair shops and parts duplicating lathe shops tend to be replaced by networks of "factory" affiliated repair and service stations, parts retailing agencies and sub-contractors. Nevertheless, both in Eskisehir and Gaziantep the number of independent repairers and parts duplicating shops have not yet been threatened by the automobile, television and radio assembling plants in the larger urban centers such as Istanbul, Bursa, İzmir and Adana.

10. The "Non-Factory" Sector Of Industries As A Market For 
"Factories," And The Failure Of "Factories" To Subordinate Artisan Shops And Workshops: Purchases And Sub-Contracts

In certain lines of industrial production "factories" have replaced artisan shops and workshops. But in many lines of industry they have allowed "non-factories" to proliferate either by being absent, or by partitioning markets. Aside from these, the "factory" and "non-factory" sectors of industry have other links.

"Factories" in capital goods and intermediary goods industries nurse artisan shops and workshops by supplying them with the means of production and raw materials. For example, stove makers, founders, iron-smiths,
copper-smiths, aluminum kitchen-ware makers, weavers, &c., constitute considerable markets for either domestic or foreign "factories" which produce iron, steel, copper, aluminum, plastics, yarn, machine looms, &c. In other words, the "non-factory" sector of industries depends upon "factories." Often, however, the smaller petty producers can not buy direct from "factories," and eventually fall prey to merchants. "Factories," on the other hand, do not purchase anything from petty producers except repair services.

In developed countries, "factories" interact with "non-factories" either through sub-contracts or by purchasing intermediary goods from them. But, in the cases that I have observed in Eskişehir and Gaziantep the sub-contracting process assumes the nature of exploitation rather than domination, and "factories" do not purchase intermediary goods from "non-factories." Usually, it is only for repair jobs that petty firms sub-contract from "factories." Furthermore, the lathe shops in Eskişehir, under sub-contracts duplicate some machine parts for the State-run sugar factory, or trim the steel frames of the private brick and tile factories. Since such contracts are acquired through bidding, and since the number of idle lathe shops is large, it is not difficult to see why repair contracts become a form of exploitation of the petty producers. I have witnessed a lathe shop operator who got a contract to repair the frames of a brick factory by bidding merely for the scrap metal.

Indeed, in Eskişehir and Gaziantep "factories" do not have healthy sub-contracting links with artisan shops and workshops. But this does not mean that the same is true for all Turkish "factories." In larger centers such as İstanbul, İzmir and Bursa there are 'non-factories" tied
to the "factory" sector of industries through sub-contracts, and their numbers are on the rise. Such relations between "factories" and "non-factories" are rare. Nevertheless, they deserve much attention, for they indicate a turn in the process of Turkish industrial development: the "glass-wall" between the "lower" and "higher" forms of capitalist production begins to melt.
SECTION

5

CONCLUDING OBSERVATIONS
CHAPTER XX

FUNCTIONS PERFORMED BY THE "NON-FACTORY" SECTOR OF INDUSTRIES
IN UNDERDEVELOPED COUNTRIES

1. "Non-Factories" And Employment

In underdeveloped countries such as Turkey, "lower" forms of capitalist industrial production assume a slowly increasing share in industrial employment, but not in industrial production. Indeed, the "non-factory" sector of industries is one of the few alternative fields of employment left for many who can not find jobs in the primary urban labor markets, i.e., in "factories," large businesses, institutions and government. As the number of artisan shops and workshops multiplies the share of "non-factories" in industrial employment increases. Nevertheless, "non-factories" are not really alternatives for "factories" in productively employing labor and capital. Thus, as the number of capital-intensive "factories" grows, the share of the "factory" sector in industrial production rapidly expands. Such a picture can only emerge when there is an "unnegotiated-peace", or a sort of symbiosis, between the historically antagonistic forms of capitalist industrial production.

As a rule, "non-factories" are labor-intensive. Thus, as they multiply in number, the unemployment problem is significantly modified. This diverts the pressure put upon "factories" to adapt a labor-intensive path for growth. Capital-intensive "factories", on the other hand, indirectly sustain the continuous flow of labor into the "non-factory" sector of industries, and hence aid in the proliferation of artisan shops and workshops.
If we consider the petty trading and services businesses which thrive upon "non-factories," the importance of employment in secondary industrial labor markets become even clearer. Yet, neither craft and detail workers, nor self-employed petty producers are satisfied with their respective work situations in the sphere of petty production activities. They remain there because better alternatives are not available. This observation marks another function of the "non-factory" sector of industries.

"Non-factories" are potential reserve labor pools for "factories." In other words, artisan shops and workshops act as a sponge. They can not only absorb the labor that spills over from the primary labor markets, but can also provide labor for "factories" when necessary. This, however, does not mean that the "non-factory" sector is a training ground for "factory" labor. There are such qualitative differences between artisan shops, workshops and "factories" on the one hand, and craft, detail and "factory" work on the other, that a "non-factory" worker can become a "factory" worker only in a "factory."

"Non-factory" workers are in a peculiar situation. They enter secondary industrial labor markets despite of low wages and bad working conditions. However, the official minimum wages and work conditions set by the Labor Office are such that many petty producers can not afford to meet them. Of necessity, therefore, both workers and petty producers agree to by-pass the labor regulations aimed at controlling the "lower" forms of capitalist production. Consequently, employment in many artisan shops and workshops assumes an illegal status from the outset. This acts as an obstacle to organizing labor in the domain of petty production activities. Unorganized labor...
smoothes the way for the low wages, bad working conditions and
high labor turnovers which mark the secondary industrial labor markets.
Yet, it is not only the fear of the Labor Office that keeps "non-factory"
workers isolated and in line. There is also hope. Since it is relatively
easy to start a small artisan shop, workers tend to entertain the hope
of raising enough capital to open their own petty businesses.
In other words, the hope of becoming petty producer or a petty trader,
on the one hand, and the fear of losing employment on the other,
keeps "non-factory" workers from uniting. Indeed, this is yet another
important function performed by the "non-factory" sector of industries.
It acts as a brake on the processes of proletarianization and the development
of working class consciousness.

2. "Non-Factories" And Regional Disparities

Gaziantep and Eskişehir rank as the sixth and seventh largest
cities in Turkey. The former is in the lagging East, and the latter lays
in the more developed Western Anatolia. I estimate that in Eskişehir about
15,500 , and in Gaziantep about 32,000 people are directly employed in
the "non-factory" sector of industries. Roughly speaking, this is to
say that artisan shops and workshops provide an income for half of all
families in Gaziantep, and for one-third in Eskişehir. This observation
suggests that the proportion of "non-factory" to "factory" employment tends
to increase the further one goes in Eastern Anatolia, and vice versa. Indeed,
this is the case. For example, in large Eastern Anatolian cities such as
Erzurum, Van, Kars, Erzincan, Gaziantep, Diyarbakır and Urfa the "factory"
sector of industries is almost non-existential. Yet, on the other hand,
in large Western Anatolian centers such as İstanbul, İzmit, Adapazarı, Zonguldak, İzmir, Eskişehir, Adana and Mersin the relative importance of "non-factory" employment declines. Certainly this observation calls for further research. Nevertheless, it sheds light upon another form of symbiosis between "lower" and "higher" forms of capitalist industrial production in underdeveloped countries such as Turkey.

"Non-factories" are widely spread throughout the country. It is possible to find artisan shops and workshops in all cities. But "factories" are different. They tend to be concentrated in large urban centers and more developed regions. Thus, in a sense, "lower" forms of capitalist production lessen the regional disparities in industry which stem from the general tendency of "factories" to maximize their external economies.

3. "Non-Factories" And Low-Income Groups

In general, artisan shops and workshops can provide luxury items for high-income groups. Yet, in underdeveloped countries, they specialize in producing the low quality and cheap goods which the "rich" do not prefer, but the "poor" can afford. In other words, "non-factories" appear when "factories" choose not to primarily serve low-income groups. Thus, the "non-factory" sector assumes another crucial function. It covers up the distorted nature of the "factory" sector and neutralizes potential popular unrest by supplying cheap commodities that the "poor" can afford. The availability of cheap commodities produced in artisan shops and workshops, on the other hand, indirectly smoothes the way for increases in "factory" profits. When the cost of reproduction of "factory" labor is kept low, the pace of demands for wage raises in the "factory" sector slows down.
In brief, in underdeveloped countries, the "lower" forms of capitalist industrial production not only employ, but also supply low-income groups. Artisan shops and workshops are set up by the "poor" in order to serve the "poor."

4. "Non-Factory" And Underdevelopment

The outstanding aspect of Turkish industrialization has been the inability of the "lower" forms of capitalist production to transform into "higher" forms, on the one hand, and the reluctance of the latter to connect with and replace or subordinate the former, on the other. In underdeveloped countries, this break in the process of progressive capitalist industrial transformation emerges as a condition of dependency. Indeed, the "higher" forms of capitalist industrial production observed in underdeveloped countries have their roots abroad. They are imports which primarily facilitate the in-flow of capital and technology from, and the out-flow of quasi-rents on technology and profits to developed countries. This accounts for the peculiar nature of the "factory" sector of industries in underdeveloped countries, and its reluctance to transform the domain of petty production activities.

The "lower" forms of capitalist industrial production, on the other hand, can not generate "factories" from within. But they proliferate, and in the process, render various direct and indirect services to "factories." For example, the "non-factory" sector of industries serves "factories" as a market, a reserve pool of labor, a source of cheap repair services, a check on unemployment and regional disparities in industry, and finally, a means to keep the cost of reproduction for "factory" labor low.
In underdeveloped countries the continuity of the process of progressive capitalist industrial transformation is broken, and tends to remain as such. This observation sheds new light upon the functions performed by artisan shops and workshops. The "non-factory" sector of industries rationalizes the status-quo and serves to minimize its contradictions. In other words, the "lower" forms of capitalist industrial production function as buffer mechanisms in the development of underdevelopment.
CHAPTER XXI

IMPORTANT PROBLEMS AND QUESTIONS CONCERNING THE "NON-FACTORY" SECTOR OF INDUSTRIES IN TURKEY, AND SOME POLICY IMPLICATIONS

1. Can "Non-Factories" Transform Into "Factories" On Their Own?

For a petty producer to establish a "factory" does not mean slight adjustments in the organization of work, or a minimal expansion in capital outlay. It means shifting from one level of technology to another that is several levels above. It means changing the entire organization of work. It means huge amounts of capital outlay. It means new and sophisticated equipment imported from developed countries, a new location, serious labor regulations, organized labor, sophisticated management, new credit sources and channels, and new ways of purchasing and marketing. In short, for a petty producer to become a "factory" owner is akin to entering into a new game. Indeed, there are other factors that prevent petty producers from making the qualitative changes necessary to transform "non-factory" into "factory" enterprises. But among them, the nature of competition and the features of capital accumulation in the "non-factory" sector are the most important. In brief, a significant capital accumulation occurs only in large artisan shops and workshops. Yet, the capital accumulated is either reinvested in the "non-factory" sector and remains there, or flows into non-industrial avenues.

It is true that some innovations occur in the domain of petty production activities. But they stand more as minor product improvements
and insignificant artisanal skill perfection efforts, than as major technological break-throughs. Also, the process of accumulation of capital is rooted in the exploitation of labor rather than in the use of capital embedded in advanced technology. Indeed, "non-factories" employ obsolete and labor-intensive technologies. They can not even reproduce the bulk of their own technical base. Furthermore, the capital accumulated in the "non-factory" sector is not large enough to fertilize a grass-roots "factory" building process. In short, artisan shops and workshops generate enough energy to reproduce rather than to transform themselves. They can not yield "higher" forms of capitalist production without outside help.

There may exist a few examples of petty producers who turned into "factory" owners by their own means. I must admit that I have not interviewed "factory" owners in this regard, and I do not know of studies that can shed light upon this issue. Among the workshop operators whom I have interviewed, on the other hand, all those working towards establishing a "factory" were aided by the government. Indeed, examples of petty producers establishing "factories" through a selected help from outside the "non-factory" sector are not difficult to find. Yet, there are almost no examples of Turkish petty producers becoming "factory" owners on their own.

2. **Can "Non-Factories" Transform Into "Factories" With Outside Help?**

As the number of "non-factories" increases, the number of business failures among small artisan shops multiplies. In the meanwhile, the real
wages of "non-factory" workers, and the profit rates of petty producers tend to decline. Thus, both petty producers and their employees come to believe that something must be done. Yet, petty producers can not join together in cooperatives, and craft and detail workers shy away from unions.

Indeed, the "non-factory" sector of industries has many problems such as inadequate credits, arbitrary tax assessment procedures, imposition of labor regulations designed for "factories," exploitation by merchants, high raw material costs, bottlenecks in marketing, low labor productivity, unused capacity, and low wages and bad working conditions in the secondary industrial labor markets. These problems aid in the development of an easy consensus among those who are involved with "lower" forms of capitalist industrial production that the government has to act. But how? Since the contention that some "non-factories" would disappear, and others would either automatically transform into "factories," or establish sub-contracting links with "factories" as has happened in Japan, has not held true, then new policies must be drawn. But upon which understanding and theory?

I have argued that the "non-factory" and "factory" sectors of Turkish industry exist side by side as if separated by a "glass-wall." This is to say that in underdeveloped countries such as Turkey the continuity of the process of progressive capitalist transformation has been interrupted. Thus, an important question appears: How to establish links between the "factory" and "non-factory" sectors of industry so that the "glass-wall" in between them melts? Obviously, answers to this question not only involve the "non-factory" sector. The nature of "factories"
is also at issue.

The existing government policy is to pick up the best of the "non-factories" and assist their transformations into "factories." Indeed, such a policy can yield token "factory" owners turned petty producers. But the "non-factory" sector and the "glass-wall" would be left intact. This is not surprising. Turkish industrialization policies were, and they still are, exclusively aimed at the establishment and growth of the "factory" sector of industries. "Non-factory" types of industrial production were neither expected to increase, nor was an increase desired. But alongside "factories," petty firms proliferated and formed a separate sphere of industrial activity. Furthermore, being spread all over the country and throughout many industrial activity branches, they came to involve large groups of people. Consequently, parallel to its economic significance, the political importance of the domain of petty production activities began to mount. In brief, though officially excluded from the mainstream of industrialization plans and programs, and remaining as an anamoly to the theories of capitalist development tailored in the West, the "non-factory" sector of industries was a reality and it had to be dealt with. There are various government agencies, institutions, laws and regulations, and international organizations that relate to the petty production activities domain. Yet, as examplified in the existing government policy, these institutions help "lower" forms of capitalist industrial production to survive rather than smooth the way for their transformation.

Another policy alternative is to establish "factories" and produce cheap commodities that the "poor" can afford, regardless of whether the "rich" prefer them or not. Indeed, such "factories" can replace
artisan shops and workshops, and do away with the "glass-wall." But there are many serious problems involved in taking such a line. For example, what will the unemployed petty producers and craft and detail workers do if the "factory" sector continues on its present capital-intensive path for growth? Furthermore, assuming that the "factory" sector adapts a labor-intensive path for growth; how and from where will the technical base for such "factories" be provided? Assuming that unemployment will not be a serious problem; will capital-intensive private "factories" tend to produce cheap commodities for the "poor" and leave the demand of the "rich" unattended? Assuming that not private but State-run "factories" replace "lower" forms of capitalist industrial production, and they adapt labor-intensive methods; why should the State do what the private "factories" decline to do because it is not profitable?

A third policy alternative is to reorganize the "non-factory" sector. Indeed, this can be done by establishing cooperatives, and by rationalizing the existing forms of social cooperation among petty producers in selected lines of petty production activities. But this alternative is not altogether different from the existing government policy. Instead of one or two petty producers at a time, groups of petty producers could be transferred into the "factory" sector, leaving the "glass-wall" intact.

In brief, I can see no feasible policy alternative to melt the "glass-wall" from below, or to radically replace "non-factories" with "factories."
3. Can "Factories" Connect With And Transform The "Non-Factory" Sector Of Industries?

When in a particular line of industry "factories" begin to produce cheap commodities that the "poor" can afford and the "rich" prefer, artisan shops and workshops tend to disappear. But even cheap factory products such as pepsi cola, ball-point pens, paper, glass and electric bulbs are not necessarily within the reach of the "poor." Thus, in underdeveloped countries where the gap between the lower and higher income groups is wide, examples of "factories" directly transforming the "non-factory" sector by replacing artisan shops and workshops are rare.

Another way in which "factories" can connect with and transform the "non-factory" sector of industries is through sub-contracts. Indeed, in Turkey such connections between the "lower" and "higher" forms of capitalist industrial production are in their infancy, and not much is known about them. Nevertheless, I believe that sub-contracting links between "factories" and "non-factories" constitute an important element in melting the "glass-wall." They should be maximized in a planned manner. This calls for a careful selection of "factories" which can give sub-contracts to "non-factories," and artisan shops and workshops which can receive sub-contracts from "factories." Yet, even after all the sub-contracting links between the "lower" and "higher" forms of capitalist industrial production are exhausted, the "glass-wall" will not disappear.

In order to melt the "glass-wall" altogether, three conditions must be met simultaneously. First, "factories" have to replace as many "non-factories" as possible by eliminating the segmentation of consumer
markets. Second, "factories" have to be more labor-intensive, and "factory" technology must be produced and improved upon at home. Third, "factories" have to subordinate the "lower" forms of capitalist industrial production through sub-contracts and aid their transformations into small "factories."

The first two conditions call for an income distribution and a "factory" sector that are impossible to realize in a dependent underdeveloped country. The third condition, however, can be met. Indeed, planned sub-contracting links between "factories" and "non-factories" can be refined as a tool for regional policy. For example, in underdeveloped countries such as Turkey the maximization of potential sub-contracting links between future "factory" investments and existing "non-factories" can be used as a criterion in selecting industries for urban growth centers in lagging regions.
FOOTNOTES
FOOTNOTES TO THE PREFACE

1. There exists a limited number of studies focusing directly on "petty producers" and "petty production" activities. The bulk of the relevant literature consists of: studies on "small-scale" industries in underdeveloped and developed countries; studies on economic growth and development and social change in underdeveloped countries, of which, "dualist configurations" are the latest offshoots; studies on uneven regional development; studies on colonialism and neo-colonialism; case histories of the development of capitalism in Europe, Japan, India and Latin America; and, studies on urban economic development in underdeveloped countries.


FOOTNOTES TO CHAPTER I


3. See Appendix II and Appendix III below.

FOOTNOTES TO CHAPTER II


3. Ibid.


5. The concept "non-factory" types of capitalist industrial production corresponds to the concept "transitory" forms of capitalist production.

6. The concept "petty industrial production" does not correspond to the concept "petty commodity production" which has a "pre-capitalist forms of industrial production" connotation. For pre-capitalist economic formations see Karl Marx, Pre-Capitalist Economic Formations, with an introduction by Eric J. Hobsbawm (New York: International Pub. Co., 1965).


8. "...For example, in the manufacture of envelopes, one man folded the paper with a folder, another laid on the gum, a third turned the flap over, on which the device is impressed, a fourth embossed the device, and so on; and for each of these operations the envelope had to change hands. One single envelope machine now performs all these operations at
once, and makes more than 3,000 envelopes in an hour. In the London
exhibition of 1862, there was an American machine for making paper
cornets. It cut the paper, pasted, folded, and finished 300 in a
minute. Here, the whole process, which, when carried on as manufacture,
was split up into, and carried out by, a series of operations, is
completed by a single machine, working a combination of various tools."
(Marx, Capital, vol. I, pp. 378-9)

9. As in "... a weaving factory (which) is constituted of a number of
cornets, working side by side, and a sewing factory (with)... a number of sewing-machines all in the same building." (Marx, Capital, vol. I, p. 379)

10. Ibid.

11. Ibid.

12. Ibid., p. 380.

13. "... The collective machine, now an organized system of various kinds of
single machines, and of groups of single machines, becomes more and more
perfect, the more the process as a whole becomes a continuous one, i.e.,
the less the raw material is interrupted in its passage from its first
phase to its last; in other words, the more its passage from one phase
to another is effected, not by the hand of man, but by the machinery

14. R. Blauner, Alienation and Freedom: The Factory Worker and His Industry
(Chicago: The Univ. of Chicago Pr., 1964), pp. 6-8.

15. For example, construction industry was never fully mechanized. It maintains
its "non-factory" type of production character. This can account for
the relative strength of the Construction Workers' Union in the USA.
Indeed, the construction workers are not alienable from their productive
works.

p. 338.

17. See Appendix I and Appendix II below.


pp. 174-6 below.

20. Ibid.

21. In their contemporary usages the terms "factory" and "manufactory" are
interchangeable.

22. This is the major distinction between "factory" and "non-factory"
workers. Usually, the former are simple machine attendants.

23. Marglin, "What Do Bosses Do?", pp. 60-112; Katherine Stone, "The Origins
of Job Structures in the Steel Industry," The Review of Radical Political
Economics 6 (Summer 1974): 113-73.


26. Ibid.


FOOTNOTES TO CHAPTER III


2. The local markets for the wares of artisans were largely constituted by the demand of the urban notables, the members of the organs of the central administration in cities, and the city dwellers. The export markets, on the other hand, were stimulated by the specific demands of the central administration and the city dwellers in other regions. When a city enjoyed considerable long-distance trade, its local market was further stimulated by the services which the caravans needed. In other words, the local rural demand for the wares of artisans was unimportant. The ties among cities were stronger than the bonds between cities and rural areas. Marx captured the essential feature of the town-country relations in societies similar to the Ottoman Empire in the seventeenth and eighteenth century:

"...(In societies with Asiatic mode of production).... with a despotic government which is poised above the lesser communities, cities in the proper sense arise by the side of the villages only where the location is particularly favorable to external trade, or where the head of the state and his satraps exchange their revenue against labor, which they expend as labour-funds."

( Marx, *Pre-Capitalist Economic Formations*, p. 71)

During the sixteenth century, especially in cities on the major trade routes, commodity production for export markets have flourished. For example, Sivas was famous for its woolen and cotton textiles. ( İlhan Tekeli, "Evolution of Spatial Organization in the Ottoman Empire and Turkish Republic," in *From Madina to Metropolis*, ed. L. C. Brown (Princeton, N.J.: Darwin Pr., 1973), p. 247). Bursa, the first capital of the Ottomans, became a major silk production center. (Halil İnalçık, "Bursa and the Commerce of the Levant," *Journal of the Economic and Social History of the Orient* 3 (August 1960): 131-147). Indeed, there
were other Ottoman cities where small commodity production was spurred by the long distance trade. Tekeli notes that in the sixteenth and seventeenth century, regional specializations emerged parallel to the intensifying long-distance trade of the Empire: "...Diyarbakır, located on the road to Trabzon-Mosul-Bagdath, ...specialized in textiles and leather... The Ankara and Kastamonu areas were specialized in mohair weaving--Ankara was also specialized in the manufacture of caravan tools--; the Konya-Afyon area in mat weaving; and Uşak-Gördes area in carpet weaving... Manisa-Akhisar-Alaşehir regions were noted for tanning and leather products; Maraş for its wrought iron; Damascus for its iron works, sword manufacturing and enamel; and Gaziantep for its footwear."

( Tekeli, "Evolution of Spatial Organization," p. 248)

3. In the cities the control and supervision of the ordinary citizens was secured through corporate bodies organized along professional lines, called 'sinif's. Every person pursuing an occupation, and his family belonged to a 'sinif'. The number of these corporations was an indicator of the diversity in urban living. For instance, in 1638, in İstanbul there were around 1,000 guilds distributed into 57 sections. ( Evliya Çelebi, Narrative of Travels in Europe, Asia, and Africa in the Seventeenth Century, trans. J. von Hammer (London: William H. Allen & Co., 1834), p. 103). Trade and Craft Guilds ranked high among corporations, while those of the 'boza'--an alcoholic beverage-- makers and tavern keepers were the lowest. (Ibid., pp. 104-250). Corporations offered the means by which the ordinary city dweller assumed his place in the social order. Within these self-governing units individuals were screened off the direct supervision of the governors. The social function of the corporations were enhanced --not in all, but in most, especially of the craft corporations-- by their religious affiliation, usually to one of the great religious orders. ( Gibb and Bowen, Islamic Society and the West, p. 277; Esnaf ve Sanatkârlar Konfederasyonu, Cumhuriyetin 50. Yılında Esnaf ve Sanatkâr, (Ankara: E.S.K. Yay., 1973), pp. 3-48; İslam Anısklopedisi, vol. 4, s.v. "Fütüvvet," by C. van Arendonk and Bichir Faris). From the members' point of view, the corporations maintained the standard of craftsmanship, prevented underhand competition, served the purposes of an insurance, promoted self-esteem, carved a niche in the society for the individual, provided an immediate friendly group outside the family, and served as a protection from petty oppressions of the officers. ( Gibb and Bowen, Islamic Society and the West, p. 278).

From the rulers' vantage point, the 'sinif's helped maintain order and discipline, and provided a convenient means of administration and of extracting surplus. Within the limits imposed by religion, tradition, and 'usage' these corporations were relatively free and autonomous.(Ibid.). The head of each corporation was administrator and arbitrator in its internal affairs, deciding disputes between the members, and maintaining order and punishing misdemeanours. ( Ibid.; Sanatkârlar Konfederasyonu, Esnaf ve Sanatkâr, pp. 54-70). Furthermore, they represented the corporation in all of its relations with the state, and distributed the
tax-quotas. Over the corporations, was the city administration, involved in regulating, controlling and coordinating 'sinif's while organizing municipal common action. Authorized by, and representing the authority of the Sultan, the municipal administrations were comprised of the offices of 'kadi', 'muhtesib', and 'subaşı' until the nineteenth century reforms. (Gibb and Bowen, Islamic Society and the West, p. 278; Alfred Bonné, State and Economics in the Middle East, (London: K. Paul, Trench & Trubner Co., 1948), pp. 39-61; Ira N. Lapidus, Muslim Cities in the Later Middle Ages, (Cambridge, Mass.: Harvard Univ. Pr., 1967); İlber Ortaylı, Tanzimattan Sonra Mahalli İdareler: 1840-1878, (Ankara: T.O.D.A.I.E. Yay. No. 142, 1974), pp.163-96.)

4. The Arabic name was 'sinif' or 'hifa', in contemporary sources generally 'taifa' or 'kar'. The term 'guild' is not quite satisfactory as a translation of these terms, since the powers of the medieval guilds in Europe in controlling the industry were much wider than those of the Islamic corporations. The study of these craft corporations has not progressed beyond the initial stages. (Gibb and Bowen, Islamic Society and the West, p. 281). Also see İslâm Ansiklopedisi, vol. 10, s.v. "Sinif"; İslâm Ansiklopedisi, vol. 10, s.v. "Şedd," by Abdülbaki Gölpınarlı.

5. The privilege of owning a shop was called 'gedik'. For accounts of the 'gedik' system see Gibb and Bowen, Islamic Society and the West, p. 282; Sanatkârlar Konfederasyonu, Esnaf ve Sanatkâr, pp. 48-54.


7. But, the labor laws are designed with "factories" in mind.

FOOTNOTES TO CHAPTER IV


3. Ibid.


5. Marx refers to A. J. Blanqui, Cours d'Economie Industrielle, Recueilli par A. Blaise (Paris: 1839-9), p. 79, and notes: "The silk spinning and weaving of Lyons and Nîmes (est toute patriarcale; elle emploie beaucoup de femmes et d'enfants, mais sans les épuiser ni les corrompre; elle les laisse dans leur belles vallées de la Drôme, du Var, de l'Isère, de Vaucluse, pour y élever des vers et dévider leurs cocons; jamais elle n'entre dans une véritable fabrique. Pour être aussi bien observé...le principe de la division du travail
s'y revêt d'un caractère spécial. Il y a bien des dévideuses, des moulineurs, des teinturiers, des encolleurs, puis des tisserands; mais ils ne sont pas réunis dans un même établissement, ne dépendent pas d'un même maître; tous ils sont indépendants). Since Blanqui wrote this, the various independent labourers have, to some extent, been united in factories.

( Marx, Capital, vol. I, p. 337)


An account of the division of labor in a watch manufactory formulated three-quarters of a century earlier than Adam Smith's "Wealth of Nations," is mentioned:

"A watch is a work of great variety, and 'tis possible for one artist to make all the several parts, and at last to join them all together. But if the demand of watches should become so very great as to find constant employment for as many persons as there are as parts in a watch, if to every one shall be assigned his proper and constant work, if one shall have nothing else to make but cases, another wheels, another pins, another screws, and several others their proper parts; and lastly if it shall be constant and only employment of one to join these several parts together, this man must needs be more skilful and expeditious in the composition of these several parts than the same man could be if he were also to be employed in the manufacture of all these parts. And so the maker of the pins, or wheels, or screws, or other parts, must needs to be more perfect and expeditious at his proper work..."

7. Ibid.
8. Ibid.
10. Ibid.
11. Ibid., pp. 340-341
14. Ibid.
15. Ibid.
16. Ibid.
17. Çelebi, Narrative of Travels, p. 165.
18. Unfortunately, there is no detailed description of the equipment used
in Ottoman workshops that can be referred to in order to support this point. But since the Ottoman industries have kept their posture until the beginning of the eighteenth century, (Ömer Celâl Sarç, "Tanzimat ve Sanayiimiz," in Tanzimat I, (Ankara: Maarif Vekaleti, 1940), p. 423), it can be suggested that, until then, the technical base of the Ottoman workshop production was not very different from that of its European counterparts.

19. There is no information based on historical evidence concerning the growth of workshop production in the Ottoman Empire. Nevertheless, we know that in the beginning of the eighteenth century there were large paper, cloth, glass and gunpowder manufactories in Istanbul, (Çelebi, Narrative of Travels, pp. 103-4), and it is very probable that workshops, mainly in tanning and weaving industries, existed in important cities of the Empire such as Bursa, Selonica, İzmir and Damascus. Indeed, together with the general decline of the Ottoman industries, the Ottoman workshop production deteriorated in the late eighteenth and nineteenth century.


23. Sultan Selim I, upon victoriously entering Cairo in 1517, put an end to the Abbasid Khalifate by taking its last representative, al-Mutawakkil, İstanbul; and thus, formerly united the offices of the Khalif, the supreme chief of the community of believers, and the Sultan, who exercises the military power and conducts affairs of state. These two offices remained separate since the middle of the tenth century. For the emergence and development of Khalifate and Sultanate as separate spheres of power, and their later tendency to converge under the Persian and Turkish rule see Gibb and Bowen, Islamic Society and the West, pp. 26-38; Bonné, State and Economics in the Middle East, pp. 19-21. Members of the ruling establishment were not directly concerned with economic activities and paid no taxes. Those who were ruled, the ordinary citizens, however, were involved in agriculture, commerce, and industry, and were the tax payers. This division was artificial and did not constitute an absolute barrier at all times. Yet there was a conscious effort on the part of the ruling establishment to reproduce it. For example, in the 'Kanun-names' there are regulations defining in detail who are deemed 'askeri's on the one hand, and 're aya' or 'gehirli's
--ordinary citizens-- on the other. Only those who belonged to the ruling group were permitted to ride a horse or wear a sword. (Gibb and Bowen, Islamic Society and the West, p. 158). The masses of ordinary citizens were organized into corporate bodies. In a sense, it was to these entities rather than the state that individuals tended to accord their "most vivid allegiance." In the cities not only the merchants and artisans but all who had an occupation belonged to a 'sinif', with regular statues, heads and tax quotas. In the countryside, village-councils or in the case of nomads, their tribes replaced 'sinif's as corporate entities. All these corporations, however, were under the strict supervision of the central authority. (Ibid., pp. 159-65). It is true that all 'sinif's, village-councils and tribes were to an extent autonomous, but it is also true that they were subservient to the ruling establishment. With cities and villages tending to be economically self-contained, the split of the ruled groups into many semi-independent and unrelated units was furthered. Since any wider allegiance that the individual members of the corporate entities might entertain was religious rather than political, and since the ruler had combined in his person the church and the state, his rule was absolute.

25. "Surplus wealth" is defined as whatever is left of the social product over and above the wealth necessary to reproduce the social system. Here, the concepts "surplus wealth" and "social surplus product" are held synonymous. For a brief account of "social surplus product" see, Ernest Mandel, Marxist Economic Theory, 2 vols., trans. Brian Pearce, (London: Merlin Pr., 1968), vol. I, pp. 23-8.

26. Çelebi, Narrative of Travels, p. 143.
27. Ibid., p. 200.
28. Ibid., p. 162.
29. Ibid.
30. Ibid.
31. Ibid., p. 104.
32. Ibid., p. 165. About 1,000 men were employed at the Imperial Mint in Istanbul.
33. Ibid., p. 230.
34. Ibid.
35. Ibid.
36. Ibid.
37. Ibid.
38. Ibid.
39. Ibid.
40. Ibid.
41. Bonné, State and Economics in the Middle East, p. 234.

42. Çelebi, Narrative of Travels, p. 207.

43. Ibid., p. 206.

44. Ibid.

45. Bonné, State and Economics in the Middle East, p. 234.

46. See Chapter VII, pp. 86-97 below.

47. Çelebi, Narrative of Travels, p. 166.

48. Ibid., p. 104.

49. Ibid., p. 178.

50. Ibid., p. 121.

51. Ibid., p. 104.

52. Ibid., p. 121.

53. Ibid., p. 144.

54. Ibid., p. 145.

55. Ibid.

56. This is an oversimplification. Indeed, there are examples of workshops specialized in reproducing the technical base for petty production firms. For example, a small portion of the stock of machine-looms, power-presses and power-saws used in Gaziantep and Eskişehir is produced in workshops in İstanbul, Bursa and Kayseri. But the bulk of the stock of capital equipment used in the sphere of petty production activities is imported. Furthermore, the equipments produced in "non_factories" for the petty production firms are copies of the products that are no longer available in the world market.


FOOTNOTE TO CHAPTER V

1. This important point will become clear as the study of the nature of the "non-factory" sector of industries in Turkey is completed. See Chapter XX, pp. 260-66 below.

FOOTNOTES TO CHAPTER VII

1. See Chapter IV, pp. 39-42 above.
4. Ibid.
5. Ibid., passim.
11. The Ottoman industries began to decline in the early eighteenth century. One of the causes was the competition from the European "non-factories." The collapse of the Ottoman industries in the early nineteenth century (especially after the 1838 Anglo-Turkish Trade Convention), however, was directly a result of the expansion of the European "factory" production.
15. *İslâm Ansiklopedisi*, vol. 5 part II, s.v. "İstanbul-İstanbul'un Fethi," by Tayyib Gökbulğın.
18. "... The cloth furnishings of the reception hall in Topkapı Palace
had been renovated by the Sadrazam Halil Halid Pasha with fabrics that were in fashion in İstanbul. In his petition (to the Sultan) describing the situation, the Sadrazam stated that if textile dealers were encouraged further, they would be able to produce a variety of "printed, newly conceived designs" and thus "totally prevent the use of French designs". The Sadrazam further beseeched the Sultan to state where the fabrics could be displayed, if His Majesty desired to see them. In his memorandum the Sultan replied:

"My Vizir, there is no doubt that everything could be manufactured at its best in İstanbul, if encouraged. I like the fabrics of İstanbul, and I mostly wear clothes made in İstanbul. I wish that people did the same. If you now send the materials to Silahdaraga, I will look at them."


Nevertheless, Sultan Selim III's reform attempts can not be explained only by his "intense personal interest in improving the manufacture of military goods." The Ottoman military reform attempts in the late eighteenth century are very much akin to the later such attempts of Sultan Mahmut II (reigned 1808-1839) and Muhammed Ali (reigned in Egypt 1805-1849). They were designed to strengthen the grip of the central authority.

19. "Now (1848-55), the many diverse factories of Turkey which used to export to all the East and to many sections of Europe, in addition to meeting home consumption, are either nonexistent or in complete decline."


"Turkey's center of government and its environs are full of individuals who earn their livelihood by handicrafts--weavers, tinsmiths, copper-smiths, and others. Masters of small industries dwell exclusively in certain sections of İstanbul. This large army of workers... either lives in semi-starvation or has begged for years."


21. Ibid., pp. 1-55.

22. The nature of the Ottoman merchant and land-holder classes and the socio-political environment of the Empire, as sketched by Aricanlı, suggests the reasons why these classes were unable to produce Ottoman industrial entrepreneurs.

23. In particular, the conditions under which the agreement for, and the terms of the 1838 Anglo-Turkish Trade Convention have materialized shed light upon the reasons why Ottomans could not raise protective
tariffs, and hence, even if they could have been successful to start a grass-roots factory building process, why it would continue for long. "By the early 1830's the Ottoman government was trying to renegotiate the Anglo-Ottoman tariff treaty of the 1820, which was due to lapse in 1834. Its objective was to raise the basis on which taxes were levied in view of the general rise in foreign competition. For their part foreign, especially British, merchants complained of export prohibitions, of very high duties on exports—amounting on certain items to 33 per cent—and of the fact that they were being subjected to the same taxes as Ottoman subjects when they moved their merchandise into the interior; formerly, foreign merchants did not go beyond the ports and therefore did not have to pay internal duties. The convention of 1838,..., set up the framework for Ottoman fiscal policy that prevailed until the First World War. It removed all monopolies, allowed British merchants to purchase goods anywhere in the Empire, and imposed duties of 5 per cent on imports, 12 per cent on exports, and 3 per cent on transit. It was to apply to all parts of the Empire, and specifically to Egypt, where Muhammed Ali had set up an elaborate system of monopolies. Other European powers soon acceded to the convention. The realization that such a system put Ottoman producers at a disadvantage compared with foreign competitors, and the desire for more revenue, led the Porte to seek repeatedly to modify the rates." (Charles Issawi, ed., The Economic History of the Middle East, (Chicago: The Univ. of Chicago Pr.,1966), p. 38.)

"...But perhaps the most important single factor (for the collapse of Ottoman non-factories) was the massive influx of European machine made goods following the Anglo-Turkish Commercial Convention of 1838. The effect of the Convention was thus described by the Austrian consul: "The treaty of 1838 is more hostile to Ottoman industry than the treaty of Adrianople. At least the 1829 treaty did not give any preference to foreign manufacturers over the indigenous industry... Now a Belgian merchant pays 5% on goods sold in Turkey; a Turkish merchant pays 12% for exports or even to transport from one of the Ottoman states to another'.

...When, in the following decades, the improvement of transport removed the last natural protection enjoyed by the craftsmen of the interior, their ruin was consummated." (Ibid., p. 46.)


25. Ibid., p. 724.


27. "The first generation of Tanzimat bureaucracy had sought legal and educational as well as military and political reforms, but the problem of economic growth did not attract official attention before the middle of the nineteenth century. Even among the second generation of Tanzimat men we can not find a single one who really had a clear understanding of economic issues or a sincere interest in them."


29. "As for the guilds called 'Ordu Esnafl', that were attached to the Janissary corps, a document of the end of the seventeenth century in which it is remarked that for guilds from Istanbul, Adrianople, and Brusa to accompany the army was an old custom, shows a list of twenty-two. They represented the following trades: wool-carders, sword-makers, saddlers, linen-drapers, cobblers, barbers, blacksmiths, candlemakers, cooked sheep's head sellers, makers of iron strips for shoe heels, druggists, goat's-hair cloth makers, slipper-makers, 'kaftan'-makers, silk merchants, trouser-makers, coppersmiths, tinsmiths, and bakers. Unfortunately the information at our disposal regarding them dates from the time when the discipline of the 'ocak' had already been somewhat corrupted. But by the eighteenth century these 'ocak' guilds seem to have been placed on a permanent footing. They then numbered thirty-four, each having its workshop ('Kârhanê') and consisting of some thirty artisans directed by an 'usta'. By that time, however, their position had become somewhat anomalous, since most of the men that then claimed to be Janissaries were in reality artisans themselves."

(Gibb and Bowen, *Islamic Society and the West*, p. 322.)

31. "...The following privileges were granted to these companies: (1) a twelve year concession; (2) exemption from certain taxes; (3) exemption from customs duties on imported tools and materials; (4) preference to be accorded to products of these companies by the buyers of governmental agencies."
   (Ibid., pp. 748-9, cited by Sarç, "The Tanzimat and Our Industry," p. 53.)

32. For the failure of these cooperatives, Sarç provides the following account:

   "...Evidently, the reasons for the lack of success of these companies were lack of capital, lack of experience, lack of understanding of the advantages of collective commercial practices, as opposed to individual endeavor', (Osman Nuri, Mecele, p. 752.), ...In fact, as will be better understood from an examination of the causes of the decline of (Ottoman) industry, all these measures (aimed at revitalizing the old industry in modern forms by uniting its professions in cooperatives) were doomed to fail."
   (Sarç, "The Tanzimat and Our Industry," p. 53.)

33. Osman Nuri, Mecele, p. 752.
34. Ibid.
35. Ibid., pp. 738-744.
40. See p. 81 above.
42. Sarç, "The Tanzimat and Our Industry," p. 56.
43. Clark, "The Ottoman Industrial Revolution," p. 66.
45. Ibid.
46. Ibid.


54. Ibid.


56. Clark, "The Ottoman Industrial Revolution," p. 70.

57. Ibid., p. 73.

58. Ibid., p. 69.

59. Ibid.

60. Ibid., p. 61.

61. Ibid., p. 74.

62. Ibid.

63. "As a Belgian worker at İzmit observed in 1848, 'It would be very odd if we could not turn out a piece of the finest cloth occasionally, seeing that we have the best machinery of England and France, that the finest wools for the purpose are imported, via Trieste, from Saxony and the best wool countries, and that we Frenchmen and Belgians work it. You could not call it Turkish cloth- it(is) only cloth made in Turkey by European machinery, out of European material, and by good European hands'."


64. Clark, "The Ottoman Industrial Revolution," pp. 69-75, passim.


68. Ibid.

69. Ibid.

70. Ibid.


For the growth in industries processing other raw materials for exports mainly in the İzmir area, see Kurmuş, Emperyalizmin Türkiye'ye Girişi, pp. 140-5, 147-51, 152-3, 153-5, 155-9.

73. Yerman and Ağaoğlu, Ticaret ve Sanayi Odaları, p. 123.


76. Clark, "The Ottoman Industrial Revolution," p. 73.

77. Ibid., p. 72.


79. Clark, "The Ottoman Industrial Revolution," p. 73.

80. See pp. 86-91 above.


82. Clark, "The Ottoman Industrial Revolution," p. 73.

83. See pp. 78-91 above.


85. See p. 83 above.


87. See p. 83 above.

88. See pp. 38-40 above.


90. See pp. 89-91 above.

91. Vedat Eldem, Osmanlı İmparatorluğu'nun İktisadi Sartları Hakkında Bir Tt̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̄̆
96. Ibid., Table IV, pp. 16-7
97. Ibid., p. 18.
98. Eldem, Osmanlı İmparatörüğunun İktisadi Şartları, pp. 124-5.
99. Ibid.
100. See pp. 78-97 above.
101. Ökçün, Osmanlı Sanayii, pp. iii-xi.
102. It is assumed that each factory employed about 125 workers. Compare this with the results of the 1913-5 census of Ottoman industries, where 282 large industrial establishments were found to employ a total of 14,060 workers, about an average of 50 workers per firm.
105. Ibid., p. 162.
106. Ibid., pp. 162-70.

FOOTNOTES TO CHAPTER VIII

2. "...If the composition of the First Parliament is analyzed, it can be argued that there was a predominant representation of the groups which constituted the local and national notables (the already established interest groups). Workers, peasants, and artisans... were excluded. For instance, there was only one deputy who was a worker-foreman. Of the 39 farmers in the Parliament, 10 were involved with non-agricultural pursuits as well, and it is very likely that the remaining were big landowners. Furthermore, there were 29 merchants, 42 professionals, 57 military officials (retired as well as active generals and colonels), 36 religious figures (11 'şeyh's, 14 'müftü's, and 11 others), and 145 civilian officials—mayors, local administrators, governors and ex-governors, teachers, ex-ambassadors, directors and ex-directors, and ex-deputies of the Ottoman Parliaments." (T. Arıcanlı, R. Bademli and İ. Uğurel, "The Abolition of Aşar (Ottoman Agricultural Tax)," Cambridge, Mass., 1974. (Mimeo.), pp. 21-2.)
13. Most of such factories were run by the Christian minorities of the Empire.
15. Ibid., p. 40.
20. Ibid.
22. Until this law, the 1913 Ottoman Law for the Encouragement of Industry was in force.
24. Ibid.
25. Ibid., pp. 53-4.
27. Ibid., pp. 153-4.
Indeed, it is established that the privately-run silk-spinning mills in Bursa were not supplying the local silk-weaving shops. 

"...Since European silk manufacturing depended heavily on the import of raw silk during the mid-nineteenth century, the encouragement of silkworm raising in Bursa where it had been established for centuries is not surprising. As the reeling operations had to be performed at the raw material production point, it is natural to find filature operations booming in Bursa during just the years when Europe was experiencing a severe silk shortage... These silk reeling factories were only performing the last steps in preparing raw material for export... Over 90% of Bursa's silk production was exported to France during the nineteenth century, virtually all of this bound directly for Lyon. All factory-reeled silk was exported from Bursa, except for the reeled silk produced by the Humayun Ipek Fabrikasi (State-run) which was sent across the Marmara to the Hereke Factory... As Bursa switched to the steam filature, manual output declined but did not disappear. These traditional reels continued to prepare raw silk for local textile weaving whose products were destined only for domestic market." 

( Erder, "Factory Districts in Bursa," pp. 94-5.)

48. Ibid.
49. Ibid.
50. Ibid., table 6, p. 13.
51. Ibid.
52. Ravndal, Turkey, table titled 'Number of Textile Factories, Shops, and Workers in Turkey, 1921', p. 165.

FOOTNOTES TO CHAPTER IX

3. In 1930, government revenues from monopolies constituted approximately 24 per cent of total government income. (Hershlag, Turkey: The Challenge of Growth, p. 57).
4. Not all firms that benefited from the 1927 Law were privately-run. In 1932 there were 31 government firms, constituting about 2.1 per cent of the total 1,473 firms registered under the Law. (Devlet İstatistik Enstitüsü, Türkiye'de Toplumsal ve Ekonomik, table A-2, p. 166). Later, however, their number increased. In 1939, there were 111 government firms, about 9.7 per cent of the total 1,144 industrial establishments registered under the Law. (B. A. Koksal and A.R. Ilkin, Türkiye'de İktisadi Politikanın Gelişimi: 1923-1973, (Ankara: Yapı ve Kredi Bankası Yay., 1973), table 2, p. 92).
5. Devlet İstatistik Enstitüsü, Türkiye'de Toplumsal ve Ekonomik, table A-4, p. 171.
6. Ibid.
8. Ibid.
9. Ibid., table A-6, pp. 174-5.
10. Ibid.
11. Ibid., tables A-1 through A-6, pp. 166-75.
12. Ibid.

15. Ibid.

16. In 1921, military works were run by the Askeri Fabrikalar Umum Müdürlüğü (Military Factories Administration). In 1950, this administration was replaced by the Makina ve Kimya Endüstrisi Kurumu (State Machinery and Chemical Industry Establishment). (Apak et al., Sanayi ve Maadin, pp. 259-60).

17. Devlet İstatistik Enstitüsü, Türkiye'de Toplumsal ve Ekonomik, tables A-1 through A-6, pp. 166-75.


19. The total capital outlay of these firms tripled from TL. 9.8 million to TL. 27.8 million. (Ibid., table A-4, p. 171).

20. The total number of motors utilized in these firms increased from 2,007 to 7,272, and their total motor capacity quadrupled from 12,722 to 53,100 horsepower. (Ibid., table A-3, pp. 168-70).

21. Ibid., table A-5, pp. 172-3. In this table, the total number of workers is given for only the years 1932, 1933, and 1934. For the years 1935 through 1939 the total number of "work days" is recorded. This shift of reference in collecting data on industries can be seen as a result of the widespread presence of "daily wages" or "temporary" and "seasonal" employment, which in turn indicates the existence of a labor force that is more likely connected with "non-factories" than with "factories."

22. The total value of output of these firms increased from TL. 20.7 million in 1932 to TL. 65 million in 1939. (Ibid., table A-6, pp. 174-5).

23. In 1932, about 37 per cent (131) of the weaving establishments registered under the 1927 Law, utilized hand-looms. In 1939, however, about 25 per cent (62) of the weaving establishments covered by the Law did still not have motors. Furthermore, if the distribution of motors in weaving industries in these years is scrutinized, it becomes evident that there were either large workshops or large putting-out firms employing numerous independent weavers with machine-looms, but no privately-run weaving factories among the firms registered under the 1927 Law. On this point also see Hershlag, Turkey: The Challenge of Growth, p. 54.

24. These factories were the following: the Defterdar--Feshane--Factory (Ottoman), the Hercse Factory (Ottoman), the Adana Factory (Ottoman), the Bakırköy Factory (Ottoman), the Kayseri--Bünyan Spinning-Mill (1924-27), the Isparta Spinning-Mill (1924-27), the Bursa Spinning-Mill (1935-38), the Kayseri Factory (1934-36), the Ereğlı Factory (1936-37), the Nazilli Factory (1935-37), the Malatya Factory (1936-40), and the Gemlik Spinning-Mill (1936-40). The Halkapınar and Kastamonu Factories were established later in the years 1946-7.

26. Ibid., p. 61.
27. Ibid., pp. 75-8.
28. Ibid., pp. 64-5.
29. Ibid., pp. 67-8.
30. Ibid., pp. 78-85.
31. Ibid.
32. Ibid.
33. Ibid., pp. 107-233.
34. Ibid., pp. 235-7.
35. Ibid., pp. 261-86.
36. Ibid.
38. Ibid.
39. Ibid.
40. Ibid.
42. Ibid., table 7, pp. 176-207.
43. Ibid. According to the Devlet İstatistik Enstitüsü (SIS), the 2,618 firms with more than 10 workers include the 103 State-run and the 50 private factories.

FOOTNOTES TO CHAPTER X

2. Ibid.
3. Ibid.
4. Ibid.
5. Ibid.
7. Ibid.


13. Ibid.

14. Ibid.

FOOTNOTES TO CHAPTER XI

1. See the map titled "Bölçeler, Alt Bölçeler ve Bölgesel Gelişme Merkezleri," produced in the course of the regional planning studies of the İmar ve İskan Bakanlığı, Planlama ve İmar Genel Müdürlüğü (Ministry of Construction and Settlement, Planning and Construction Office), and reproduced in İller Bankası, Gaziantep Kent Bütünü, (Ankara: İller Bankası yay., 1972), p. 2-3, and many other sources. Also see the regional planning studies of the Devlet Planlama Teşkilatı (SPO).


4. Ibid.
5. Ibid.
6. Ibid.
11. Güzelbey, Şer'i Mahkeme Sicilleri, passim.; Güzelbey and Yetkin, Şer'i Mahkeme Sicillerinden Örnekler, passim.
15. In 1850, meerschaum exporting was exclusively in the hands of Austrian merchants. European cities such as Vienna, Lemberg, Nurnberg and Ruhla rather than Eskişehir were the major meerschaum carving and meerschaum products making centers. (Cengiz Tekin, Lületanın Ekonomik Analizi, (Ankara: Eskişehir Sanayi Odası yay. no. 9, 1973), p. 19)
17. Ibid., p. 32.
First in the late 1920's and then in the 1950's, Eskişehir's economy received fresh blood, when the majority of Turkish-Muslim immigrants from Greece, Yugoslavia, Bulgaria and Romania were settled there. Immigrants brought in labor, capital and skills. The first 'kovalı soba' makers, for example, were artisans from Romania. Furthermore, among the 62 petty producers whom I have interviewed in Eskişehir in 1975, 10 voluntarily told me that they were immigrants. Seven were from Bulgaria. Among them there was a female weaver (örümçü) who learned the trade in Turkey. Others, however, had varying degrees of exposures to their respective trades before arriving in Turkey. The remaining three petty producers were from Greece, Romania and Albania, and they owned petty production firms there. Gaziantep, on the other hand, did not experience a similar gain of capital and skilled labor. On the contrary, it lost. After the French returned the city to the Ankara government in 1924, the Armenian artisans and merchants, having collaborated with the invaders, had to move southwards to Syria (then an ex-Ottoman province under the French protectorate). It is true that a similar phenomenon occurred in Eskişehir when the Greek and Armenian minorities there fled with the Greek army. Yet, it is also true that the Armenian community in Gaziantep was larger, and had a comparatively more important role in the urban economy. The loss of Armenian capital and skill stood as the price paid by Gaziantep for the national independence. This loss, however, was not offset later as in Eskişehir. All that Gaziantep received was the addition of 'gazi', meaning 'war hero', as a prefix to its name, which was then simply Antep.

25. İller Bankası, Gaziantep Kent Bütünü, p. 45.
27. Ibid., p. 146.
30. Ibid.
31. İller Bankası, Gaziantep Kent Bütünü, p. 45.
32. Ibid.
34. Unfortunately, I could not personally contact the head of the Dokurnacilar Mensucat Fabrikası (Mr. M. Öyückü), who actually took part in the transformation of the cooperative into a factory. His accounts of this important process must be recorded.

35. Gaziantep Ticaret ve Sanayi Odası, 1973 Gaziantep Ekonomik Durumu, (Gaziantep: Gaziantep Ticaret ve Sanayi Odası yay., 1973), table 1, p. 4. In 1973, the 16 flour-mills, including the 4 established before 1950, employed 230 workers. Yet, in the same year, one of these factories was closed. (Ibid., p. 4). Furthermore, according to the Gaziantep Metropolitan Planning Agency, there were only 14 flour mills employing 215 workers in 1974. (Gaziantep Metropolitan Planlama Örgütü, "5 Kişiden Fazla İşçi.")

36. These factories were built in 1968 and 1972. Taken together they employed 50 workers in 1973 and 53 workers in 1974. Both factories use Italian built machinery. (Gaziantep Ticaret ve Sanayi Odası, 1973 Gaziantep, p. 5; Gaziantep Metropolitan Planlama Örgütü, "5 Kişiden Fazla İşçi.")

37. This factory employed 10 workers in 1974. (Gaziantep Metropolitan Planlama Örgütü, "5 Kişiden Fazla İşçi.")

38. The privately-run Wine Factory (Burgarap Fabrikası) employed 28 workers in 1974, (Ibid.), and its annual wine capacity, 2.5 million liters) is 2.5 times that of the state-run Wine and Rakı Factory. (Gaziantep Ticaret ve Sanayi Odası, 1973 Gaziantep, p. 10.)

39. The Gazoz Fabrikası employed 30 workers in 1974. (Gaziantep Metropolitan Planlama Örgütü, "5 Kişiden Fazla İşçi.")

40. The four flour-mills which were established before 1950, now employ about 90 workers.

41. This factory employed 164 workers in 1974.

42. One of the new textile factories (Soymazer Fabrikası) was established in 1971, and employed 65 workers in 1973. It produces laces, curtains and cloths using synthetic fibres. Consequently it is not in direct competition with either the kilim and towel makers, or the tricot makers. The other textile factory (Soymur İplik ve Dokuma Fabrikası) was established in the 1960's, and it employed 146 workers. (İmar ve İskan Bakanlığı, "Gaziantep Sanayi Çalışması," p. 82.) According to the Gaziantep Metropolitan Planlama Örgütü, it employed 200 workers in 1974.

43. According to the Gaziantep Metropolitan Planlama Örgütü there were only two cotton gins in 1974, one employing 11 and the other 10 workers. Yet according to the list of industrial establishments obtained from the Gaziantep Ticaret ve Sanayi Odası, there are three cotton gins.

44. The post-1950 generation of spinning mills employ 1,311 workers. But on the other hand, the Dokumacilar factory, the three cotton gins, the two new textile plants and the Veliç Factory employ 530, 29, 265, and 627 workers respectively.
45. Gaziantep Metropolitan Planlama Örgütü, "5 Kişiden Fazla İşçi."

46. Acaroğlu, "Eskişehir Araştırma," table 33, p. 144. According to this source, there were 4 firms which employed more than 10 workers in food industries in the Eskişehir province before 1950. Indeed, the Eskişehir Sugar Factory and the Distillery are included in the count, but the nature of the remaining two food industries is not clear. In the absence of further information, I assumed that they were privately-run flour-mills in Eskişehir.

47. For a detailed account of these industries on a firm by firm basis see Eskişehir Sanayi Odası, "1974 Kayıt Cetveli," List of firms registered at the Chamber, Eskişehir, 1974. (Typewritten).

FOOTNOTES TO CHAPTER XIII

FOOTNOTES TO CHAPTER XIV

FOOTNOTES TO CHAPTER XV

FOOTNOTES TO CHAPTER XVI

1. See pp. 247-57 below.

2. Yet, even then, an ironsmith or a founder who needs more iron or coal than he is assigned to, has to depend on small merchants.

FOOTNOTES TO CHAPTER XVII

1. For the definition of the concepts "backward" and "forward" linkages see Hirschman, Strategy of Economic Development, pp. 98-119.


FOOTNOTES TO CHAPTER XVIII

FOOTNOTES TO CHAPTER XIX
FOOTNOTES TO CHAPTER XX


2. See table 11 above.

3. For the sake of simplicity, I assume that each person directly employed in the "non-factory" sector of industries has a family of five people, and that Eskişehir and Gaziantep have a population of 300,000.

FOOTNOTE TO CHAPTER XXI

APPENDIX I

SOME NOTES ON METHOD

1. Concerning Definition Of Terms

In this study "petty production" is defined to encompass the whole gamut of "non-factory" types of industrial production activities. In other words, if the qualitative distinctions of "factory" type production are absent in a work place, then the establishment under consideration is defined as being a part of the "non-factory" or "petty production" domain of industrial production activities, regardless of the size of its labor force and capital outlay, and the total power of its machinery. In general, therefore, the term "petty production" refers to a particular mode of production, and the term "petty production firm" or "petty firm" includes all "non-factories" ranging from the smallest artisan shop to the largest workshop.

The concept "petty production firm" (or "non-factory") does not refer to the same set of industrial establishments that are included by the term "small-scale industries." Although the concepts "petty production firm" and "small-scale industries" appear interchangeable, they are not. The latter refers only to a sub-set of "non-factories" as defined in this study. Often, larger workshops do not qualify as "small-scale industries." For instance, in the Turkish industrial censuses, implemented since 1950, workshops employing more than 10 workers are defined as "large-scale" rather than "small-scale" manufacturing establishments. Hence, although all "small-scale" Turkish industrial firms can be viewed as
The term "handicrafts" applies to the craft-work that is observed in artisan shops, and not to the detail-work that is connected with workshops. Consequently, the concept "handicraft industry" includes only the artisan shops, a sub-set of "petty production firms."

The term "cottage industry" is a hybrid of the two common concepts: "handicraft" and "small-scale" industries, and has a "rural" connotation. Thus, whatever its definitional virtues may be, it refers to yet another sub-set of "non-factories" rather than to the entire range of "petty production firms" observed in urban areas.

The term "petty producer" refers to both artisans and workshop operators. It is true that all "petty producers" are industrial entrepreneurs. Yet, it is not true that all "industrial entrepreneurs" are petty producers. In particular, factory owner-operators are labelled as industrial entrepreneurs as well. Yet, by definition, they are not petty producers, i.e., "non-factory"
owner-operators. Furthermore, in a wider sense, the term "entrepreneur" may be considered as synonymous with the term "businessman." As such, an insurance company owner, a banker, a building contractor, an import-export merchant, a grocery shop operator, a barber, and even a peddler may qualify as "businessmen" just as "industrial entrepreneurs" do. Thus, although the term "small businessman" does not cover the larger workshop owner-operators because their establishments do not qualify as "small-businesses," it does include "petty merchants".

Finally, the concepts "industrial worker" and "industrial employee" encompass "non-factory workers and employees" in particular. Yet, while the former lumps non-factory workers with factory workers, the latter tends to be even more confusing because it refers to all who receive wages and salaries regardless of the kind of employment in factories or non-factories. Thus, on the one hand the craft and detail workers of non-factories are equated with factory workers, and on the other, the underpaid, unregistered and seasonal labor force connected with non-factories is lumped together with the staff and workers of factories.

In this study, not only the above-mentioned categories, but also others such as: (1) factory and non-factory connected capital, profit rates, capital accumulation, and capital markets; (2) factory and non-factory connected labor, labor productivity, work organization, work contracts, wages, working conditions, and labor markets; (3) factory and non-factory connected technology, product lines, and consumer markets, were included and used to build a theory to account for the "two-fold" nature of the industrial landscape in underdeveloped countries like Turkey. In short, the analytical categories used in this study were neither chosen at random
in the absence of a theoretical frame, nor accidentally included without a methodological perspective and discipline. They are the products of painstaking critical scrutiny of the available wisdom on the "petty industrial production activities domain" in underdeveloped countries.

2. Concerning The Methodological Underpinnings Of This Study

The contemporary versions of artisan shops and workshops are easily discernible from factories. Artisan shops and workshops are "non-factories," where ownership and the management and supervision of work are not differentiated. Furthermore, "non-factories" can be seen as productive mechanisms whose parts are human beings. In other words, the non-factory types of work are centered around the social cooperation of labor rather than the technical and mechanical cooperation among machines. Once the "petty production firms" are identified appropriately in view of the qualitative criteria woven around these two points, then the quantifiable aspects of production follow, illuminating the scope and dimensions of "petty production activities" in particular. This is the crux of the methodological orientation of this study. It is believed that quantitative criteria become useful only after the domain of inquiry is defined in the light of qualitative distinctions, and not before. In the literature relating to the non-factory types of industrial production activities in underdeveloped countries, however, there is a diametrically opposing logic in scientific inquiry: first various quantitative criteria are invoked to define petty production firms, then their qualitative peculiarities are studied. As a frequent consequence, a peculiar
sequence of apologies follows: (1) it is extremely easy and convenient to forward quantitative definitions for petty production firms and also for the domain of petty production activities at the beginning, mainly because the available qualitative criteria are not yet operational and they do not have an umbrella of theory; (2) yet, as a rule, given the qualitative aspects of petty production firms, the initial choice of quantitative definitions are inappropriate and arbitrary; (3) therefore, it is extremely difficult if not impossible to forward a clear-cut and universally applicable operational definition for petty production firms and consequently for the domain of petty production activities; (4) hence, the ambiguities and overlappings surrounding the core concepts of "petty production firms" and "petty production" are unavoidable; (5) but, the "imperfections" of such analytical categories may be corrected ex-facto in footnotes. More directly, the problems concerning the core concepts of the field of inquiry can be "swept under the carpet."

Indeed, such an apologetic stand signifies the presence of an epistemological paradox, or a methodological dead-end. This paradox, however, is not only important to note, but also avoidable. It is important to note because if analytical categories and, therefore, the domain of inquiry are not defined clearly at the outset then not only the analyses, but the generalizations that are reached and the theories that are built have to be discarded as unscientific. After all, if we can not clearly define what we are studying, then how can we expect to arrive at a clear understanding of the phenomena under investigation? It is avoidable, because petty production firms, and hence, the domain of petty production activities can be defined operationally with reference to qualitative criteria organized
under the umbrella of a theory.

The above-noted epistemological problem that marks the bulk of studies on petty production can be seen as a trivial point, but it is not. It ties rather than frees the mind of the researcher and restricts the scope of his inquiries from the outset. In other words, even though the problems of defining petty firms with reference to quantitative criteria may be acknowledged and some qualifications are forwarded, their use in the collection, organization and display of information remains. Once petty firms are defined with exclusive reference to the size of their labor force and capital outlay, then, of necessity, as collected data increase it becomes more and more difficult to move away from the original definitions. Thus, the available second-hand data on petty production not only channel the modes of thinking about petty firms, but also restrict the scope of alternative analyses to the realm of sterile statistical reiterations. Furthermore, while the epistemological paradox at the roots of such analytical categories makes the available data on petty production a kind of an "intellectual trap," the far more concrete problems of industrial census-taking in underdeveloped countries erode their dependability.
APPENDIX II

SOME NOTES ON THE CRITICAL HANDLING OF THE TURKISH DATA ON INDUSTRIES IN GENERAL, AND ON PETTY FIRMS IN PARTICULAR

In the available literature on petty production activities in Turkey, there are some instances when qualitative criteria are used to define petty firms. Yet, as a rule, the non-quantifiable aspects of petty production have not been developed into a theory. Therefore they are presented either in footnotes, or as apologies to modify the quantitative criteria chosen to operationally define the petty firms. Thus, as in other underdeveloped countries, the bulk of the existing data on the domain of Turkish petty production activities continues to be collected and sorted out with reference to the size of the labor force, the capital outlay, and the total machine power in industrial establishments. The exclusive adoption of such quantitative criteria, which is a serious theoretical problem, however, stands as a blessing when the Turkish data collection efforts on industries are studied a little closer.

In many scholarly works, as well as in current official Turkish industrial accounts "the size of the labor force" criterion appears as the most frequently used reference to distinguish "petty firms" (small-scale industries), and thereby, to define the domain of petty production activities (the informal, traditional, or unorganized industrial sector). But this is only a recent development. It took roots with the second nation-wide census of industries in 1950. The first official Turkish census of industries, taken on 1927, for instance, did not display a distinction
between "large-scale" and "small-scale" industries. In this connection, the last official Ottoman census of industries, in effect the first unofficial Turkish industrial survey, presents yet another way to collect and present data.

In the 1913-1915 survey of Ottoman industries, all artisan shops and most of the workshops were excluded from the outset. Only the larger industrial establishments of the times, in and around a handful of Western Anatolian cities, were surveyed. The criteria used to distinguish the firms to be surveyed, however, are not very clear. In brief, a sum total of 282 industrial establishments (155 in and around Istanbul, 62 in Izmir, and the rest distributed in Bursa, Izmit, Karamursel, Bandirma and Usak) are accounted in this census. Of this total, some 117 were included in the survey because they were registered under the 1913 Law for the Encouragement of Industry, which granted some tax exemptions to those industrial firms which had an overall value above 1,000 Liras, employed over 750 work-days equivalent of labor per annum, and utilized more than five horsepowers. The remaining 165 establishments, however, were included in the census on the basis of the census takers' opinions, which are hard to pinpoint. Furthermore, in relation to the survey, an unfruitful attempt was made to collect information from the distant provinces of the Empire. Written information concerning industrial establishments employing more than 10 workers was requested. All this points to the lack of definitional clarity that plagued the 1913-15 industrial survey. Consequently, it becomes impossible to tell, if not to estimate, how many of the 282 larger industrial firms recorded were actually factories.
Unlike the 1913-1915 survey, the 1927 census of Industries took all artisan shops and workshops into account. Yet, neither the "small-scale" and "large-scale" industries distinction, nor a clear demarcation for "factories" was forwarded. Consequently, it is impossible to calculate the number of factories in the sum total of 65,245 industrial establishments surveyed. Similarly, it is difficult to determine how many of the 256,855 industrial workers recorded were factory workers. The same can be said of the 1932-39 Tesvik-i Sanayi surveys. They were carried out annually to trace the impacts on industry of the 1927 Law for the Encouragement of Industry, but were basically modelled after the 1927 census of Industry.

Later, however, the Turkish State Institute of Statistics (SIS) began to differentiate between "small-scale" and "large-scale" industries in the categorizing of data on industries:

"...Manufacturing industries employing ten or more employees, and those having less than ten employees, but utilizing fifty or more horsepower (are) defined as large scale; all others (are) defined as small scale."

This rather simplistic definition of "petty firms" which is based on the size of the labor force enjoyed uncritical approval among scholars, and was soon established as the principal frame of reference both in academic circles and in SIS publications. Yet, this widely accepted and circulated demarcation line aimed at making a distinction between two qualitatively separate industrial phenomena, is insufficient. Let us examine it closer. According to this definition, if 10 workers are employed in a workshop then it is going to be called a "large-scale" manufacturing industry. But, if the petty producer decides to lay-off a worker, then the very same workshop will suddenly become a "small-scale" industry, since now there
are less than 10 workers employed. Similarly, if a lathe shop operator employing less than 10 workers acquires a new and more powerful lathe, and hence increases the total horsepower of his detail-machines and power-tools over a certain mark, in this case over 50, his workshop will turn into a "large-scale" industry. A parallel exercise can be forwarded for instances when the "size of the capital outlay" criterion, or various combinations of exclusively quantitative criteria are used to define petty industrial firms. In short, quantitative criteria are not only operational and clear, but also are destined to be absurd and arbitrary when used to establish a demarcation line between qualitatively distinct industrial phenomena such as "factories" and "non-factories." Furthermore, if by simple association, one thinks of "large-scale manufacturing industries as a collection of "factories" rather than a melange of "non-factories" and "factories," then what follows is a serious distortion of the industrial landscape from the outset. Indeed, it is impossible to calculate the exact number of workshops which employ more than 10 workers and 50 horsepowers. But we know that there are many such workshops. If the current definitions for "petty industrial firm" are applied, then most of these workshops will have to be grouped with "factories" rather than viewed as a part of the domain of petty production activities. In summary, it is clear that the exclusive use of quantitative criteria is problematic. First, such criteria fall short of capturing the essence of the qualitative distinctions between "factories" and "non-factories." Second, as a consequence, the data on "small-scale" industries furnished by available sources such as the SIS basically refer to nothing more than an arbitrarily defined sub-set of the domain of "petty production activities" as defined in this study. Third,
when such criteria are applied, no matter how clear and operational they may be, they generate important practical problems relating to the dependability of the information secured. For instance, due to the nature of "non-factory" connected labor markets which have unregistered workers, apprentices without work contracts, family employment, and high labor turnovers, it becomes difficult not only to determine the actual size of the labor force, but also to quantify it in terms of an undifferentiated employment category: "workers." Similarly, the use of modern but obsolete technology, and the prevailing levels of unused capacity in petty production make both the "size of capital outlay" and the "total horsepower" criterion generate data of dubious value.

As I have noted earlier the use of quantitative criteria is not the only problem that distorts the available Turkish data on petty production activities. There is a lack of consensus among various official sources on which quantitative criterion to use in defining petty firms, as well as a serious semantics problem in modern Turkish which afflicts both this and other fields of social inquiry. Recently, upon recognizing the practical impasse generated by the application of the "labor force" criterion, the Ministry of Industry and Technology adopted another qualitative criterion to define petty industrial firms: "the size of the capital outlay." The following is the definition settled on by a special committee of the Ministry:

"The unit utilizing power driven equipment which has a maximum of TL. 2,500,000 = $ 180,000 investment in machinery and equipment active in the manufacturing industry is defined as a Small Industrial Unit."

Thus, along with the already existing problem of relying on quantitative criteria alone to define petty industrial firms, another problem was added.
The Ministry and the SIS now define petty firms on overlapping but different bases. This, however, is not all. The People's Bank distribute credits to petty producers, defining "small scale" industries with reference to the "size of the capital outlay" criterion, but differently from the Ministry. According to the Bank, those industrial establishments with capital outlays (perhaps including the value of land and construction) with less than TL. 5 million ($360,000) are "small-scale" industries, and hence are eligible for credits if registered at the Petty Producers' Credit Cooperatives. The State Planning Organization (SPO), on the other hand, drafts all of the official Five Year Development Plans and also conducts research and collects data on petty production activities, but with a totally different orientation from the SIS, the People's Bank, the academics, and the Ministry. In the Second (1968-72) and Third (1973-77) Five Year Development Plans, although the "size of the labor force" criterion seems to be utilized extensively in the displays of industrial data that was borrowed from the SIS, this criterion is not acknowledged. Instead, a vague distinction between "small scale industries" and "handicrafts" is forwarded which further confuses the picture. The Second Five Year Development Plan deals with these two categories separately, whereas the Third Plan lumps them together. In the Second Five Year Development Plan where "small scale industries" are treated separately from "handicrafts," the former (implicitly those industrial firms employing less than 10 workers) are described as follows:

"The technical division of labor in the small-scale industrial enterprises is similar to that in the large-scale industries, though not to the same extent. This is due to the fact that, even in the small-scale
industry, mass production techniques constitute the basic principle of production." 18

Whereas, "handicrafts" are defined as follows:

"...those goods (this must be a mistake in translation) produced by an artisan working on any craft manually and by using his skill, independently and under his own responsibility or with a member of his family or together with a craftsman or apprentice, at his home and/or as a peddler, for the purpose of marketing his products." 19

The picture, however, gets more blurred when it is noted that:

"The term handicrafts also includes small-scale industry and handicrafts created in homes and villages." 20

In addition to the lack of consensus among various official sources on how to define petty industrial firms, the definitions of petty firms, petty producers, and petty production activities written in the Law 21 form a separate category. In the current Petty Traders and Petty Producers Law, petty industrial firms are defined indirectly through references to petty producers, and the emphasis is put upon qualitative criteria. Yet, since petty producers are grouped together with "petty traders" and "petty servicemen," another pair of concepts are introduced: "small businessmen" and "small businesses." Specifically Turkish Public Law No. 507 defines small businessmen ('Esnaf' and 'Sanatkar') with reference to their lines of occupation, the nature of their involvement in work, and the size of their earnings. 22 These qualitative distinctions, however, are vague and unoperational. 23 Consequently, while the People's Bank focuses on quantitative definitions of petty producers, the qualification for membership in the Petty Producers' Associations established by the provisions of Public Law No. 507 remain vague. This paves the way for
another confusion. Many petty producers register at the Chambers of Commerce and Industry if it suits them, since there is no clear definition of "petty producers" preventing them from doing so. In other words, they officially become "merchants" and "large-scale industrial entrepreneurs." Yet, unable to secure credits like factory owners and big merchants, they turn to the People's Bank. The Bank, however, is only entitled to distribute credits to those registered at the Petty Producers' Associations and to "medium and large scale industrial establishments." This problem, rooted in the vague definition of petty producers in the current Law, can be by-passed if the Bank forwards another definition for petty industrial establishments, and that is exactly what the Bank does.

In brief, the Ministry, the SIS, the SPO, the Bank, the Associations, the Chambers of Industry and Commerce, the Labor Office, the Tax Administration, the Municipalities, and also the scholars, the foreign experts and the petty producers themselves, seem to have overlapping but different definitions for petty industrial firms and petty industrial production. To this the finer semantical distortions generated by irresponsible handling of Ottoman, Turkish, English, French and German concepts pertaining to industrial production must be added.

The backstage for the bulk of Turkish industrial censuses, therefore, is not complex, but confused. In the absence of competing theories, there prevails an overabundance of definitions and descriptions of petty industrial firms and petty industrial production activities. It is astounding but true that, there exists no current theory to account for the domain of "non-factory" types of industrial production activities in underdeveloped countries. Consequently, the available past and current, official and
unofficial Turkish data on petty production can not be accepted at its face value. In general, they are distorted, narrow in scope, and unreliable. In view of all this the main body of information on Turkish industries in general, and petty production activities in particular, must be handled cautiously if not discarded from the outset. 25

NOTES TO APPENDIX II

1. Samet Agaoglu, Kucuk Sanat Meseleleri: Turkiyede ve Baska Yerlerde, (Istanbul: by the author, 1930), pp. 7-18; also see Turkish Public Law no. 507.


4. Ibid., p. 4.

5. Ibid., pp. 1-2.

6. Ibid., p. 2.


8. Ibid., table 2, p. 9 and table 6, p. 13.
Industrial establishments are divided into nine groups according to the size of their labor force. Furthermore, they are classified with reference to the kind, rather than the power of machines they employ.


10. Following the 1950 census of Manufacturing and Business, surveys have been carried out annually in order to collect data especially from the large establishments. The results have been published continuously. In 1966, the SIS started to conduct quarterly surveys of industries with the purpose of generating data to construct production indices. In the 1950 census, the capacity of power equipment in use was employed as a criterion to distinguish between small and large industrial firms. "Establishments using power equipment with 10 or more horsepower" were considered as large-scale industries. In the annual surveys conducted since 1950, labor force criterion has been considered. "Work places
using power equipment with 10 or more horsepower and work places with 10 or more employees" were surveyed. In 1962, however, power capacity criterion was dropped out of the definition of large-scale industries. Nevertheless, in the 1970 census of Industries it was reintroduced. Indeed, the reasons for these changes in the criteria selected to distinguish between the small and large-scale industries are difficult to assess.


19. Ibid., p. 589.

20. Ibid.


23. Compare articles 2 and 115 of Turkish Public Law no. 507.

24. See the Law for Chambers of Commerce and Industry, Turkish Public Law no. 5590. For a critical assessment of this law, see M. Unal, "Esnaf ve Sanatkarlarla İlgili," pp. 7-8.
APPENDIX III

A CRITICAL EVALUATION OF THE AVAILABLE SOURCES ON INDUSTRIES
IN ESKISEHIR AND GAZIANTEP: TOWARDS ESTIMATING THE SIZE OF
THE "NON-FACTORY" CONNECTED INDUSTRIAL ACTIVITIES SECTOR

In a 1973 Survey of Businesses in Eskisehir, conducted in conjunction with a report prepared for the Bank of the Provinces (Iller Bankasi), the total number of industrial establishments in the city is put at 2,477, of which about 6 per cent (147) employ more than 10 workers. The distribution of industrial establishments by the number of workers employed and activity branches is given in Table A-1. From this information, however, it is impossible to tell which firms are actually factories and which are not. Yet, it is clear that although categorized separately from "artisans," a large portion of the industrial establishments classified according to the "Standard Industrial Classification" adopted by the State Institute of Statistics (SIS) are indeed "non-factories". Since we know that there are 40-50 factories in Eskisehir, it could have been easy to estimate the number of "non-factories" from this account. But, unfortunately, our job is not that easy. Not every profession listed as artisanal occupation in this account can be included in the domain of petty production activities. For instance, there are no glass manufactories in Eskisehir. Of the 72 listed, with the exception of those that make mirrors, about 20-30 and perhaps more must be considered as petty traders and servicemen rather than producers. They buy glass produced at factories in Istanbul, and sell it in Eskisehir after cutting and mounting it on window panes. In this connection we have to remember the automobile-glass mounters who are often recorded as auto-repairers. Furthermore, the employment figures
### TABLE A-1

**DISTRIBUTION OF INDUSTRIAL ESTABLISHMENTS IN ESKISEHIR BY NUMBER OF WORKERS AND ACTIVITY BRANCHES, 1973**

<table>
<thead>
<tr>
<th>Industrial Activity</th>
<th>Number Of Ind. Establish.</th>
<th>Number Of Ind. Establishments Employing</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0  1-4  5-9  10-19  20-49  50-99  100-199  200+</td>
<td></td>
</tr>
<tr>
<td>01</td>
<td>175  66  61  12  25  5  4  1  1</td>
<td></td>
</tr>
<tr>
<td>04</td>
<td>1 - - - - - - -</td>
<td></td>
</tr>
<tr>
<td>05</td>
<td>37  12  19 - 6 - - -</td>
<td></td>
</tr>
<tr>
<td>06</td>
<td>186  85  93  4  3  1 - -</td>
<td></td>
</tr>
<tr>
<td>07</td>
<td>271  72  156  36  7 - - -</td>
<td></td>
</tr>
<tr>
<td>08</td>
<td>7 - 6 - - 1 - -</td>
<td></td>
</tr>
<tr>
<td>09</td>
<td>25  18  6 - 1 - - -</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>1 - - - 1 - - -</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>6  6 - - - - -</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>1 - - - - - 1 -</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>45  19  12  1  1  2  1  5  4</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>15 - - 12 2 - - 1 -</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>257  66  138  25  20  8 - -</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>104  21  31  20  16  14  1 - 1</td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>8  1 - 6 - 1 - -</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>12  12 - - - - -</td>
<td></td>
</tr>
</tbody>
</table>

**Artisans**

<table>
<thead>
<tr>
<th>Artisan Activity</th>
<th>Number Of Ind. Establish.</th>
<th>Number Of Ind. Establishments Employing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tailors, quilt makers, weavers</td>
<td>384  336  42  6 - - - -</td>
<td></td>
</tr>
<tr>
<td>Silver smiths, Clock repairers</td>
<td>132  132 - - - - - -</td>
<td></td>
</tr>
<tr>
<td>Electrical equip. repairers</td>
<td>132  126 - - - - 6 - - -</td>
<td></td>
</tr>
<tr>
<td>Ironsmiths, Copper-smiths, Small stove makers, Bicycle &amp;c., repairers</td>
<td>246  204  36  6 - - - -</td>
<td></td>
</tr>
<tr>
<td>Auto repairers</td>
<td>288  264  18 - - - -</td>
<td></td>
</tr>
<tr>
<td>Tanners</td>
<td>36  18  18 - - - -</td>
<td></td>
</tr>
<tr>
<td>Upholstery, Carpenters</td>
<td>36  18  18 - - - -</td>
<td></td>
</tr>
<tr>
<td>Glass &amp; mirror</td>
<td>72  72</td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL** 2477 1548 654 128 88 39 6 8 6


The information presented in this table is compiled by hand from several computer readings, submitted as appendices to the Bank of the Provinces copy.
include the apprentices, and possibly a good number of unregistered workers who have been carefully hidden from the eyes of official or semi-official researchers. Nevertheless, an estimate of the scope of petty production activities in Eskisehir can be derived from this account. Some assumptions become indispensable. First, discounting petty traders and servicemen, the number of petty production firms can be put around 2,400.\(^4\) Second, assuming that, on the average, a petty firm employs one unaccounted worker, i.e., an apprentice, a family worker or an unregistered -hence hidden- worker, the total number of workers in the petty production activities domain can be put between 7,500 and 7,600.\(^5\) To this figure, however, the petty producers who work like laborers in their own businesses must be added. But how many petty producers can be considered as part entrepreneur and part worker? Again, we have to forward an assumption. If we assume that the owner operators of establishments employing more than 10 workers do not work like laborers, then a conservative estimate of the total number of workers in petty firms can reach 10,000;\(^6\) about as many workers as there are employed at the factories in Eskisehir.

In a comparable 1971 study of businesses in Gaziantep,\(^7\) through invoking the "size of the labor force" criterion and defining those industrial establishments employing more than 10 workers as "organized" and the rest as "unorganized" or "small-scale" industries, a distribution of firms by activity branches is provided. (See Table A-2). According to this source, of the 2,431 industrial enterprises in Gaziantep, only 2.5 per cent (61) employ more than 10 workers, which constitutes 27.6 per cent (4,328) of the total industrial labor force. Upon closer scrutiny of this data, however, there emerges the need to reassess the number of petty firms
TABLE A-2

DISTRIBUTION OF INDUSTRIAL ESTABLISHMENTS IN GAZIANTEP BY NUMBER OF WORKERS
AND ACTIVITY BRANCHES, 1971

<table>
<thead>
<tr>
<th>Industrial Activity Branches (SIS codes)</th>
<th>ORGANIZED INDUSTRIES</th>
<th>SMALL-SCALE INDUSTRIES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of Establish.</td>
<td>No. of Workers</td>
</tr>
<tr>
<td>01</td>
<td>17</td>
<td>514</td>
</tr>
<tr>
<td>02</td>
<td>3</td>
<td>472</td>
</tr>
<tr>
<td>04</td>
<td>22</td>
<td>2081</td>
</tr>
<tr>
<td>05</td>
<td></td>
<td></td>
</tr>
<tr>
<td>06</td>
<td></td>
<td></td>
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<tr>
<td>07</td>
<td></td>
<td></td>
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<tr>
<td>08</td>
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<tr>
<td>09</td>
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<td>11</td>
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<td></td>
</tr>
<tr>
<td>12</td>
<td>1</td>
<td>104</td>
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<tr>
<td>14</td>
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<td>557</td>
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<td>16</td>
<td></td>
<td></td>
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<tr>
<td>17</td>
<td>1</td>
<td>28</td>
</tr>
<tr>
<td>18</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>14</td>
<td>626</td>
</tr>
<tr>
<td>TOTAL</td>
<td>61</td>
<td>4328</td>
</tr>
</tbody>
</table>


This table is compiled from tables "Organize Endustride Sektorlere Gore Calisanlarin Yillik Geliri" and "Kucuk Endustride Calisanlar", pp. 50-51.

and the size of the labor force. First, according to my observations there are
70-75 factories in Gaziantep. Yet, again according to my observations,
6 spinning mills out of the total of these factories employ less than 10
workers. Furthermore, several workshops employing more than 10 workers
(including apprentices and unregistered workers) have been witnessed, and
indeed surveyed. In view of these observations, therefore, the collection
of 61 organized industries not only excludes smaller spinning-mills (because
they employ less than 10 workers), but also includes larger "non-factories"
(because they employ more than 10 workers). Nevertheless, the total number
suggested for "organized industries," is not very different from what I
observed in 1975. Second, not all lines of petty production activities fit smoothly into the "Standard Industrial Classification System" that has been adopted. Consequently, it is difficult to account for tailors, hat makers, shirt makers, silver smiths, cobbler, and the like. Some of the petty production occupations could have been lumped together in group no. 20 (Miscellaneous Manufacturing Activities), or simply left out. In short, it is almost impossible to know which petty production activities and how many petty firms are not covered by this survey. It is very probable that a good number of smaller petty firms in obscure lines of production or repairs have been overlooked. Third, the labor figures are questionable.

<table>
<thead>
<tr>
<th>TABLE A-3</th>
<th>COMPOSITION OF THE INDUSTRIAL LABOR FORCE IN GAZIANTEP, 1971</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial Activity</td>
<td>ORGANIZED INDUSTRIES</td>
</tr>
<tr>
<td>Branches (SIS codes)</td>
<td>Tech. &amp; Skilled &amp; Administr. Unskilled</td>
</tr>
<tr>
<td></td>
<td>Personnel</td>
</tr>
<tr>
<td>01</td>
<td>35</td>
</tr>
<tr>
<td>02</td>
<td>22</td>
</tr>
<tr>
<td>04</td>
<td>81</td>
</tr>
<tr>
<td>05</td>
<td>-</td>
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<td>-</td>
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<tr>
<td>10</td>
<td>-</td>
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<tr>
<td>11</td>
<td>-</td>
</tr>
<tr>
<td>12</td>
<td>4</td>
</tr>
<tr>
<td>14</td>
<td>60</td>
</tr>
<tr>
<td>15</td>
<td>-</td>
</tr>
<tr>
<td>16</td>
<td>-</td>
</tr>
<tr>
<td>17</td>
<td>3</td>
</tr>
<tr>
<td>18</td>
<td>-</td>
</tr>
<tr>
<td>19</td>
<td>-</td>
</tr>
<tr>
<td>20</td>
<td>45</td>
</tr>
<tr>
<td>TOTAL</td>
<td>250</td>
</tr>
</tbody>
</table>

This table is compiled from tables on pp. 50-51.
It is true that a "Composition of the Labor Force in Small-Scale Industries" is provided (see Table A-3), but the question remains: How dependable are the data generated on employment in petty firms to start with? From the break-down given in Table A-3 an idea of the size and composition of the labor force in petty production activities can be derived. There are almost as many children employed in petty firms as there are workers in factories. Yet, there are two other questions to be answered before attempting to arrive at an estimate based on these data. First, are there petty producers working like other laborers in their firms and included among "adult workers"? If not, how many workers and apprentices were hidden from the eyes of the surveyors? At this point, one is inclined to put the number of petty firms in Gaziantep between 2,500 and 3,000, and the connected labor force around 14,500. Let us continue the scrutiny of available data on these counts.

In a 1966 SIS survey of the urban labor force in selected cities, some information concerning eight Turkish cities is provided. This makes a comparison of the size and composition of the urban labor force in Gaziantep and Eskisehir possible. (See Table A-4 and Table A-5). Yet, particularly due to the "Economic Activity" and "Occupational" classification systems used in categorizing information, it becomes difficult to develop a clear idea of the urban industrial employment picture. We know that the term "Manufacturing Industries" refers to factories as well as petty production firms, i.e., "non-factories." But we are not sure whether it covers "all" lines of petty production activities. For example, some employment connected with petty production activities may have been inadvertently included in the "Residual" employment category which consists of 5,136 people in
### TABLE A-4

**PERSONS EMPLOYED BY ECONOMIC ACTIVITIES IN ESKISEHIR AND GAZIANTEP: 12 YEARS OLD AND OVER, 1966**

<table>
<thead>
<tr>
<th>Economic Activity</th>
<th>ESKISEHIR</th>
<th>GAZIANTEP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Employed</td>
<td>38856</td>
<td>36176</td>
</tr>
<tr>
<td>% Share</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Agriculture, Forestry, Hunting &amp; Fishing</strong></td>
<td>1656</td>
<td>1326</td>
</tr>
<tr>
<td>% Share</td>
<td>4.3</td>
<td>3.7</td>
</tr>
<tr>
<td><strong>Mining &amp; Quarrying</strong></td>
<td>72</td>
<td>119</td>
</tr>
<tr>
<td>% Share</td>
<td>0.2</td>
<td>0.3</td>
</tr>
<tr>
<td><strong>Manufacturing industry</strong></td>
<td>13008</td>
<td>12843</td>
</tr>
<tr>
<td>% Share</td>
<td>33.5</td>
<td>35.5</td>
</tr>
<tr>
<td><strong>Construction</strong></td>
<td>2664</td>
<td>2465</td>
</tr>
<tr>
<td>% Share</td>
<td>6.8</td>
<td>6.8</td>
</tr>
<tr>
<td><strong>Electric, Gas, Water &amp; Sanitary services</strong></td>
<td>312</td>
<td>153</td>
</tr>
<tr>
<td>% Share</td>
<td>0.8</td>
<td>0.4</td>
</tr>
<tr>
<td><strong>Commerce, Banking, Insurance &amp; Real estate</strong></td>
<td>4632</td>
<td>5202</td>
</tr>
<tr>
<td>% Share</td>
<td>11.9</td>
<td>14.4</td>
</tr>
<tr>
<td><strong>Transport, Storage &amp; Comm</strong></td>
<td>4392</td>
<td>2482</td>
</tr>
<tr>
<td>% Share</td>
<td>11.3</td>
<td>6.8</td>
</tr>
<tr>
<td><strong>Services</strong></td>
<td>6984</td>
<td>6886</td>
</tr>
<tr>
<td>% Share</td>
<td>18.0</td>
<td>19.0</td>
</tr>
<tr>
<td><strong>Activities not adequately described, Persons without occupation &amp; Unknowns</strong></td>
<td>5136</td>
<td>4726</td>
</tr>
<tr>
<td>% Share</td>
<td>13.2</td>
<td>13.1</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>38856</td>
<td>36176</td>
</tr>
<tr>
<td>% Share</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>


This table is compiled from data presented on pp. 23 and 29.

### TABLE A-5

**PERSONS EMPLOYED BY USUAL OCCUPATIONS IN ESKISEHIR AND GAZIANTEP: 12 YEARS OLD AND OVER, 1966**

<table>
<thead>
<tr>
<th>Usual Occupations</th>
<th>ESKISEHIR</th>
<th>GAZIANTEP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Employed</td>
<td>38856</td>
<td>36176</td>
</tr>
<tr>
<td>% Share</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Technical, Clerical &amp; Professional workers</strong></td>
<td>2760</td>
<td>1564</td>
</tr>
<tr>
<td>% Share</td>
<td>7.1</td>
<td>4.3</td>
</tr>
<tr>
<td><strong>Entrepreneurs, managerial, Administrative &amp;c., workers</strong></td>
<td>3696</td>
<td>2363</td>
</tr>
<tr>
<td>% Share</td>
<td>9.5</td>
<td>6.5</td>
</tr>
<tr>
<td><strong>Salesmen &amp; related workers</strong></td>
<td>4320</td>
<td>5882</td>
</tr>
<tr>
<td>% Share</td>
<td>11.1</td>
<td>16.3</td>
</tr>
<tr>
<td><strong>Farmers, lumbermen, fishermen, Hunters &amp; related workers</strong></td>
<td>1200</td>
<td>1326</td>
</tr>
<tr>
<td>% Share</td>
<td>3.1</td>
<td>3.7</td>
</tr>
<tr>
<td><strong>Miners, quarrymen &amp; workers</strong></td>
<td>216</td>
<td>119</td>
</tr>
<tr>
<td>% Share</td>
<td>0.6</td>
<td>0.3</td>
</tr>
<tr>
<td><strong>Workers in Transport, Storage &amp; Communications</strong></td>
<td>2832</td>
<td>2295</td>
</tr>
<tr>
<td>% Share</td>
<td>7.3</td>
<td>6.3</td>
</tr>
<tr>
<td><strong>Craftsmen, production and Process workers &amp; Repairmen</strong></td>
<td>14400</td>
<td>12971</td>
</tr>
<tr>
<td>% Share</td>
<td>37.1</td>
<td>35.9</td>
</tr>
<tr>
<td><strong>Manual Workers</strong></td>
<td>3864</td>
<td>6069</td>
</tr>
<tr>
<td>% Share</td>
<td>9.9</td>
<td>16.8</td>
</tr>
<tr>
<td><strong>Service workers</strong></td>
<td>3936</td>
<td>3485</td>
</tr>
<tr>
<td>% Share</td>
<td>10.1</td>
<td>9.6</td>
</tr>
<tr>
<td><strong>Workers in occupations otherwise not classified or not reported</strong></td>
<td>1632</td>
<td>102</td>
</tr>
<tr>
<td>% Share</td>
<td>4.2</td>
<td>0.3</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>38856</td>
<td>36176</td>
</tr>
<tr>
<td>% Share</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

**Source:** continued
Table A-5 continued


This table is compiled from data presented on pp. 20 and 26.

in Eskisehir and 4,726 in Gaziantep. There are other problems involved. First, are the self-employed petty producers included in the urban industrial labor force? Second, is it possible that all of the unregistered workers and apprentices that constitute the bulk of "non-factory" connected employment were recorded by official-looking SIS surveyors? Nevertheless, according to the information presented in Table A-4, both Eskisehir and Gaziantep employment in "Manufacturing Industries" seems to constitute roughly one-third of the urban labor force: 33.5 per cent (13,008) in Eskisehir, and 35.5 per cent (12,835) in Gaziantep. If the information presented in Table A-5 is considered, however, then the size of the industrial labor force in Eskisehir and in Gaziantep must be even larger. For instance, the number of craftsmen, "production and process workers," and repairmen is put at 14,400 in Eskisehir and 12,971 in Gaziantep. Furthermore, if we assume that some of the "Manual Workers" (3,864 in Eskisehir and 3,485 in Gaziantep), and the "Entrepreneurs, Managerial, Administrative, &c., and related workers" (3,696 in Eskisehir and 2,363 in Gaziantep) work either in "factories" or petty production firms, then the SIS data presented in Table A-4 appear to be at odds with those displayed in Table A-5. In short, the quality of the SIS employment figures for Eskisehir and Gaziantep, and their handling is questionable. Yet, what is more, it is even impossible to approximate the number of workers employed in petty production firms.

Further information on the number of workers employed in "large-
"large-scale" industries in Eskisehir and Gaziantep was furnished by the SIS, upon request. Based on the data sent (in a letter dated January 15th, 1975 and numbered TI/YAY/ksl-92), and Table A-4, a division of the industrial labor force in Eskisehir and Gaziantep is constructed in view of the "large-scale" and "small-scale" industries distinction. (See Table A-6).

**TABLE A-6**

DISTRIBUTION OF INDUSTRIAL LABOR FORCE BY TYPE OF FIRMS IN ESKISEHIR AND GAZIANTEP: 12 YEARS OLD AND OVER, 1966

<table>
<thead>
<tr>
<th>Type Of Industrial Firms</th>
<th>ESKISEHIR</th>
<th>GAZIANTEP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. Of Firms</td>
<td>Total No. Employed</td>
</tr>
<tr>
<td>LARGE-SCALE (employing more than 10 people)</td>
<td>54</td>
<td>9,225*</td>
</tr>
<tr>
<td>SMALL-SCALE</td>
<td>3,783</td>
<td>10,163</td>
</tr>
<tr>
<td>TOTAL</td>
<td>13,008</td>
<td>12,835</td>
</tr>
</tbody>
</table>


* 4 out of the 54 large-scale firms did not furnish information.
** 2 out of the 33 large-scale firms did not furnish information.

The dependability of the SIS information so far presented in Tables A-4, A-5, and A-6 is as questionable as is its use for this study. This has been pointed out to demonstrate the scope and quality of data which, quite often, starting points for many studies on the domain of petty industrial production activities.

The sources so far reviewed have one thing in common. They handle data on industrial production activities in view of the "size of the labor force" criterion, used to distinguish types of industrial firms, and the "Standard Industrial Classification System", invoked to group
lines of industrial production activities, both of which distort the realities of the industrial landscapes in Eskisehir and Gaziantep. Nevertheless, upon cautious comparisons of these sources we can arrive at a vague idea of the scope of petty production activities.

I. Acaroglu puts the total number of industrial firms in Eskisehir in 1973, at 2,477. According to her, out of the total of 2,477 firms, only 174 (about 6 per cent) employ more than 10 workers. The SIS, on the other hand, without referring to the total number of industrial firms in Eskisehir, notes that there were 54 "large-scale" firms in 1966, and 51 in 1968. It is difficult to accept readily that, in Eskisehir, the number of industrial firms employing more than 10 workers tripled between 1968 and 1973, after declining between 1966 and 1968. Either something extraordinary happened after 1968, or these two sources are at odds. Unfortunately, the latter is more plausible. Furthermore, according to my observations there are 40-50 factories in Eskisehir over and above the many workshops that employ more than 10 people. Consequently, one is inclined to consider Acaroglu's figures as more exact. Yet, instead of trying to determine which is a lesser mistake before actually going out into the field, it may be wiser to take the liberty of seeking refuge in ambiguity and common sense. Thus, it is preferred to assume that in 1975 the total number of industrial firms in Eskisehir ranged between 2,500-2,600, of which less than 50 were factories. Similarly, according to the Bank of the Provinces, only 61 out of a total 2,431 industrial firms, about 2.5 per cent, employed more than 10 workers in 1971. The SIS, on the other hand, puts the number of "large-scale" firms in Gaziantep at 33 in 1966, and at 45 in 1968. Yet, according to my counts in Gaziantep, along with
many workshops employing more than 10 people, there were 70-75 factories.
Without extending the scrutiny of these sources, one prefers to assume
that in 1975 the total number of industrial firms in Gaziantep was
somewhere between 2,600- 3,000, among which less than 75 were factories.

It is impossible to develop a sharper focus on the number of petty
industrial production firms in Eskisehir and Gaziantep prior to a first
hand survey. Given the scope and quality of the information handled so
far, this is hardly surprising. The picture, however, gets even fuzzier
if one attempts to scrutinize and compare data on the size of the labor
force. In summary, therefore, the study of this kind of sources yields,
at best, a vague sense of the subject matter to be focused upon. In other
words, all meddling with data categorized according to the "size of the
labor force" criteron, and the "Standard Industrial Classification" system,
will only result in rough estimates concerning petty production activities
proper. Yet, will other sources, which offer information on petty production
with a markedly different orientation than those that have been reviewed
above, help develop a clearer picture of the universe of petty production
firms? Unfortunately, the answer to this question has to be negative.
Nevertheless, let us see why.

In the cluster of sources which do not use the "size of the labor
force" criteron, information on the petty production activities domain
is usually generated according to the records kept at the Petty Traders
and Petty Producers' Associations. This approach, however, is not free
of problems. First, the Associations are founded upon the provisions of
Turkish Public Law No. 507, where petty producers, petty traders, and
petty servicemen are taken together as a group. Yet, according to the
definitions written in the law, three criteria seem to have been invoked to distinguish petty producers from petty traders and servicemen. In brief, a petty producer is considered to be a person who performs any of the trades listed under Article 115 of the Law; \(^{12}\) whose work requires "bodily involvement"; \(^{13}\) and whose business is "small enough not to necessitate registration in the Chambers of Commerce and Industry." \(^{14}\) The first two criteria are problematic, and the third is even more so. It is not clear what makes a business large enough to "necessitate registration in the Chambers". The Law related to the Chambers of Commerce and Industry does not clarify this issue either. \(^{15}\) Consequently, in the absence of clear definitions, some petty producers, especially those employing more than 5-6 workers, register at the Chambers. It is also possible to come across artisans who are not registered at Associations, and those who are registered both at the Associations and the Chambers. Furthermore, in accordance with the provisions of the Law, workers can register at the Associations as well. Therefore, it is difficult to assume that the number of registrations at the Associations reflects the number of petty production firms.

A second problem is that there are Associations of petty producers, of petty traders, and of petty servicemen. The only way to identify them is by referring to the occupations of the members. In many secondary sources different occupations, and hence, different Associations are defined as those of petty producers. For instance, the list of trades provided in Article 115 of Turkish Public Law No. 507 is different from the list of petty production trades prepared and used by the People's Bank in distributing credits, both of which in turn are different from the lists of Associations relating to production and repair occupations in Eskisehir.
or Gaziantep. Furthermore, in the 1971 State Planning Organization Survey,\textsuperscript{16} the 1970 KUS-GEM Report,\textsuperscript{17} the 1965 Ministry of Reconstruction and Settlement Survey,\textsuperscript{18} and other less important sources, still different lists of petty production occupations are forwarded.

Finally, not every member of an Association belongs to the same trade. Since it is necessary to have at least 50 members to establish an Association,\textsuperscript{19} in many cases members of lesser trades register at whichever Association appeals them the most. For instance, the printers in Eskisehir do not have an Association, and therefore some are registered in Ironsmiths' and Carpenters' Associations while the rest crop up in the records of the Chambers. Furthermore, it is possible to come across petty traders dealing in one commodity and registering together with producers of it, as in the case of shoe merchants.

In summary the information on the number of petty firms in Eskisehir and Gaziantep as offered by various secondary sources that make use of Associations' registration records, invariably falls short of accurately depicting the size of the petty production activities domain. Yet, a closer scrutiny of these sources may yield a better sense of the extent of petty production activities than does the first cluster of sources where data are collected and categorized according to the "size of the labor force" criterion.

In the 1970 State Planning Organization (SPO) Survey of the Number of Petty Producers and Petty Traders in Turkey, which suffered from poor response, 61 petty production and repairs occupations are listed,\textsuperscript{20} and grouped in 11 activity branches.\textsuperscript{21} The results of this survey that have a bearing upon the number of petty producers in Eskisehir and Gaziantep
are given in the following table:

**TABLE A-7**

THE NUMBER OF PETTY PRODUCERS IN ESKISEHIR AND GAZIANTEP BY OCCUPATIONS AND ACTIVITY BRANCHES, 1970

<table>
<thead>
<tr>
<th>Activity Branches and Occupations</th>
<th>ESKISEHIR</th>
<th>GAZIANTEP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. FOOD MANUFACTURING (GIDA MADDELERİ IMALI)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flour millers (un degirmencileri)</td>
<td>-</td>
<td>72</td>
</tr>
<tr>
<td>Bakers (Firincilar)</td>
<td>75</td>
<td>96</td>
</tr>
<tr>
<td>Flour product makers (Unlu maddeler imalcileri)</td>
<td>47</td>
<td>-</td>
</tr>
<tr>
<td>Sugar product makers (Sekerli maddeler imalcileri)</td>
<td>20</td>
<td>57</td>
</tr>
<tr>
<td>Dairy product makers (Mandiracilar)</td>
<td>31</td>
<td>-</td>
</tr>
<tr>
<td>Sausage makers (Sucuk, pastirma imalcileri)</td>
<td>8</td>
<td>-</td>
</tr>
<tr>
<td>Canners (Konservecilik)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Pea-roasters (Leblebiciler)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Soft drink makers (Alkolsuz icky imali)</td>
<td>11</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>192</strong></td>
<td><strong>225</strong></td>
</tr>
<tr>
<td>2. MANUFACTURE OF TEXTILES &amp; FINISHED TEXTILE PRODUCTS (DOKUMA-ORNE, GIYIM-KUSAM IMALI)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cotton weavers (pamuklu dokuma)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Wool cleaners (Yapagi temizleme)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Wool weavers (Yunlu dokuma)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Carpet, 'kilim',blanket weavers (Hali, kilim,battaniyecilik)</td>
<td>-</td>
<td>1270</td>
</tr>
<tr>
<td>Misc. Cotton plaiters (Her turlu pamuk orgu)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Rope makers (Halat,urgan imalcileri)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Felt makers (Kece, kepencak)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Ready-made clothes makers (Hazir giyim esya esyasi)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Tailors (terzilik)</td>
<td>324</td>
<td>305</td>
</tr>
<tr>
<td>Shirt and underwear makers (Gomlek ve ic camasiri yapimli)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Hat makers (Sapka, kep imali)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Mattress and quilt makers (Yatıç,yorgancilar)</td>
<td>-</td>
<td>21</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>324</strong></td>
<td><strong>1596</strong></td>
</tr>
<tr>
<td>3. MANUFACTURE OF LEATHER AND LEATHER PRODUCTS (DERI VE DERIDEN MAMUL ESYA IMALI)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leather wearing apparel makers (Deriden giyim kusam imali)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Shoe makers (Kundura imali)</td>
<td>-</td>
<td>310</td>
</tr>
<tr>
<td>Cobbler (Kundura tamircileri)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Tanners (Tabaklar)</td>
<td>26</td>
<td>89</td>
</tr>
<tr>
<td>Saddler (Saraclar)</td>
<td>60</td>
<td>43</td>
</tr>
<tr>
<td>Uppers makers (Sayacilar)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Packsaddle makers (Semerciler)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>86</strong></td>
<td><strong>442</strong></td>
</tr>
</tbody>
</table>

Continued
Table A-7 continued

4. MANUFACTURE OF WOOD PRODUCTS (AGAC ISLERI SANATLARI)

<table>
<thead>
<tr>
<th>Craft</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sawmillers (Bigkihaneler, torna, planya)</td>
<td></td>
</tr>
<tr>
<td>Carpenters (Harengozluk, dogramacilik)</td>
<td>374</td>
</tr>
<tr>
<td>Crate makers (Tahta kutu ve diğer ambalaj)</td>
<td></td>
</tr>
<tr>
<td>Furniture and fixture makers (mobilya ve mefrusat)</td>
<td>225</td>
</tr>
<tr>
<td>Barrel makers (Fici imalciliği)</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>374</td>
</tr>
</tbody>
</table>

5. MANUFACTURE OF METAL PRODUCTS (MADENI ESYA IMALCILIGI)

<table>
<thead>
<tr>
<th>Craft</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ironsmiths (sicak-soguk demirciler)</td>
<td>50</td>
</tr>
<tr>
<td>Coppersmiths, (Bakir-kalay)</td>
<td>52</td>
</tr>
<tr>
<td>Tinsmiths, solderers (Teneke-lehim)</td>
<td></td>
</tr>
<tr>
<td>Lathe operators (Tornacilik, freze ve tesviyecilik)</td>
<td>231</td>
</tr>
<tr>
<td>Founders (Dokumculuk)</td>
<td>58</td>
</tr>
<tr>
<td>Blacksmiths (Nalbandlik)</td>
<td></td>
</tr>
<tr>
<td>Cutting instrument makers (kesici alet yapimi)</td>
<td></td>
</tr>
<tr>
<td>Locksmiths (Cilingirlik)</td>
<td></td>
</tr>
<tr>
<td>Silversmiths (Kuyumculuk)</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>160</td>
</tr>
</tbody>
</table>

6. MANUFACTURE OF NON-METALLIC MINERAL PRODUCTS (METALDEN GAYRI MADDELER IMALI)

<table>
<thead>
<tr>
<th>Craft</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brick and tile makers (Tugla, kiremit imali)</td>
<td>449</td>
</tr>
<tr>
<td>Potters, ceramists (Fayans, canak, comlek cini imali)</td>
<td></td>
</tr>
<tr>
<td>Lime and gypsum handlers (kirec-alcicilar)</td>
<td></td>
</tr>
<tr>
<td>Briquette and wash basin makers (Briket, lavabo imali)</td>
<td></td>
</tr>
<tr>
<td>Marble and stone carvers (Mermer ve baska tas islemeciligi)</td>
<td>72</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>116</td>
</tr>
</tbody>
</table>

7. MANUFACTURE AND REPAIR OF TRANSPORT EQUIPMENT (ULASTIRMA ARACLARI IMAL VE TAMIRATI)

<table>
<thead>
<tr>
<th>Craft</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Makers and repairers of transport equipment without engines (Motorsuz kara tasitlari imal ve tamiri)</td>
<td>26</td>
</tr>
<tr>
<td>Vehicle repairers (Motorlu kara tasitlari tamir ve bakimi)</td>
<td>116</td>
</tr>
<tr>
<td>Trailer and auto-body makers and repairers (Kasa, Karuser ve Romork imal ve tamiri)</td>
<td>169</td>
</tr>
<tr>
<td>Boat makers and repairers (Deniz tasitlari imal ve bakimi)</td>
<td></td>
</tr>
<tr>
<td>Motorcycle and bicycle repairers (Motorsiklet ve bisiklet tamiri)</td>
<td>25</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
</tr>
</tbody>
</table>

continued
Table A-7 continued

<table>
<thead>
<tr>
<th>Industry Description</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tire makers and repairers (Motorlu araclar ic ve dis lastikleri imal ve tamiri)</td>
<td>-</td>
</tr>
<tr>
<td>Auto-upholstery makers (Oto dosemecileri ve tenteciler)</td>
<td>110</td>
</tr>
<tr>
<td>Total</td>
<td>277</td>
</tr>
</tbody>
</table>

8. REPAIR OF MACHINERY (MAKINA VE MOTOR TAMIRCILERI)

<table>
<thead>
<tr>
<th>Industry Description</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Machinists (Makina motor tamirciligi)</td>
<td>-</td>
</tr>
<tr>
<td>Electrical equipment repairers (Her turlu elektrikli arac tamirciligi)</td>
<td>7^g</td>
</tr>
<tr>
<td>Total</td>
<td>7</td>
</tr>
</tbody>
</table>

9. CONSTRUCTION (YAPI SANATLARI)

<table>
<thead>
<tr>
<th>Industry Description</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Masons, brick and tile layers and concrete casters (Duvarci,sivaci, beton dokucu, ve fayans doseyici)</td>
<td>110^g</td>
</tr>
<tr>
<td>Painters (Boya Badanacilar)</td>
<td>-</td>
</tr>
<tr>
<td>Electricians (Elektrik tesisatcilari)</td>
<td>62^g</td>
</tr>
<tr>
<td>Glass installers (camcilik)</td>
<td>-</td>
</tr>
<tr>
<td>Plumbers (Sihhi tesisatcilik)</td>
<td>15</td>
</tr>
<tr>
<td>Total</td>
<td>187</td>
</tr>
</tbody>
</table>

10. PRINTING AND PAPER PRODUCTS (KAGIT VE BASIMLA ILGILI SANIATLAR)

<table>
<thead>
<tr>
<th>Industry Description</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Printers (Matbaacilik)</td>
<td>-</td>
</tr>
<tr>
<td>Book binders(Ciltcilik)</td>
<td>12^g</td>
</tr>
<tr>
<td>Paper bag makers (Kesekagi ve kagittan torba imali)</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>12</td>
</tr>
</tbody>
</table>

11. MISCELLANEOUS MANUFACTURING AND REPAIRS (DIGER IMALAT VE TAMIRAT)

<table>
<thead>
<tr>
<th>Industry Description</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Musical instrument makers (Muzik aletleri imali)</td>
<td>-</td>
</tr>
<tr>
<td>Toys and sporting goods makers (Oyuncak ve spor malzemeleri imali)</td>
<td>14^g</td>
</tr>
<tr>
<td>Soap and detergent makers (Sabun ve deterjan imali)</td>
<td>-</td>
</tr>
<tr>
<td>Glass and Glass products makers(Cam ve camdan mamul esya imali)</td>
<td>-</td>
</tr>
<tr>
<td>Watch and eyeglass repairers (Saat ve gozluk tamiri)</td>
<td>44</td>
</tr>
<tr>
<td>Photographers (Fotografcilik)</td>
<td>52^g</td>
</tr>
<tr>
<td>Total</td>
<td>110</td>
</tr>
</tbody>
</table>

TOTAL 1,845 4,166


This table is compiled from the data presented on page, 92 through 237. All the information presented refers to the responses received from Associations except those marked by "^g" and "^m". "^g" stands for responses received from the Governor's Office, and "^m" stands for responses received from the Mayor's Office.
There is one point that needs to be clarified before scanning the dependability of the information presented in Table A-7. The detailed break-down by occupations gives a better idea of the nature of petty production activities. The standard activity groupings such as the "Manufacture of Machinery," and the "Manufacture of Electrical Machinery, apparatus, and Appliance" sectors, which are used indiscriminately for all types of industrial production in traditional literature, have rather different perspective. At the least, a reformulation is attempted. The "Manufacture of Machinery" sector of industrial activities, for instance, is christened as the "Repairs of Machinery" sector. Yet, though its industrial activity categories may be closer to the realities of the petty production activities sector in Turkey, this survey yields highly questionable data. First, as admitted, the information is incomplete. Second, the occupational break-down of the petty production activities, if not the broader activity groupings, is problematic. For instance, a shoe maker may repair shoes when he does not have enough production orders. Also, 'sayaci's can not be considered as a separate body of petty producers. They exist within the framework of a sub-contracting system wide-spread in shoe making. A shoe maker cuts the leather, a 'sayaci' sews it and gets paid by the shoe maker, who upon receiving the sewn leather mounts it on the sole. Sometimes, from this point on, it is the shoe maker who completes the shoe. Yet, often, as in Gaziantep, the shoe maker after mounting the sewn leather on the sole sends the half completed product to a 'fora-frezeci' who sews the sole to the leather and , after trimming the sole and polishing the shoe, returns it for completion. Whenever production orders decline, the shoe maker stops sub-contracting, and does all the work
in his shop. If production orders decline even further, then the shoe maker may take up shoe repairs. It is in this connection that 'sayaci's consider themselves not as shoe makers, but as an integral part of the shoe making process, and, therefore, always register at the Shoe Makers' Associations. Thus, the separate treatment of occupations that are part and parcel of one production process blurs the picture. In other words, shoe makers, cobblers, 'sayaci's, and 'fora-frezeci's emerge as independent petty producers under an umbrella of production relations that are peculiar to the process of shoe making. By themselves they do not mean much, but taken together they give a better sense of a mode of production in effect. Examples of such careless handling of petty production occupations can be increased in number. Given the present unfortunate limits of knowledge about the petty production activities, this is hardly surprising. Third, data supplied by the Associations can not be accepted at face value. As it has been noted earlier, not every member of the Association is a petty producer, and the number of registrations does not correspond to the number of petty firms. The data supplied by the Governor's and the Mayor's Offices, are even more problematic. It is strongly suspected that their unidentified source of information is the Associations, for they do not carry out independent surveys concerning the local economy like the Chambers do. Fourth, in many instances, distinguishing petty producers from petty traders and petty servicemen by reference to occupations generates difficulties. For instance, are masons, brick layers, concrete casters and painters (all associated with "Construction Works"), petty producers, workers or petty servicemen? Quite often, they work with their own tools and equipment, call themselves 'usta's (masters), and assemble a team ('takim')
of workers ('isci', not 'cirak') whenever necessary. Their work is seasonal, and while working at the construction site (they have no independent shops), they are under the constant supervision of the contractor and the engineers. Some sources label them as petty producers, some do not. I prefer to include them in the petty services sector.

Also, gypsum and lime handlers are not petty producers. They purchase lime and gypsum either directly from the mines, or from wholesale merchants, and usually sell it without grinding or sieving. Thus, unlike salt handlers, who always grind the chunks of salt, which are allocated to them by the State Salt Monopoly before selling, the gypsum and lime handlers are more of petty traders than petty producers.

When all the considerations outlined above are taken into account, it becomes clear why the data offered in the 1970 SPO Survey may simply be claimed as having little value.

In the 1971 SPO Survey of petty producers and petty traders in Gaziantep, a set of information concerning the number of petty production firms and the size of the labor force, compiled from several different sources, is presented. The elementary data was furnished to the SPO by the People's Bank. (See Table A-8).

<table>
<thead>
<tr>
<th>Occupations</th>
<th>No. Of Petty Firms</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Flour millers &amp; 'zahireciler'</td>
<td>72</td>
</tr>
<tr>
<td>2. Bakers</td>
<td>96</td>
</tr>
<tr>
<td>3. Sugar product makers</td>
<td>57</td>
</tr>
<tr>
<td>4. Shoe makers</td>
<td>310</td>
</tr>
<tr>
<td>5. Saddlers and suitcase makers</td>
<td>43</td>
</tr>
<tr>
<td>6. Tanners &amp; 'dericiler' (hide merchants)</td>
<td>89</td>
</tr>
<tr>
<td>7. Tailors &amp; shirt makers</td>
<td>305</td>
</tr>
<tr>
<td>8. Socks &amp; underwear makers</td>
<td>156</td>
</tr>
</tbody>
</table>

continued
Table A-8 continued

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>9.</td>
<td>Quilt makers</td>
</tr>
<tr>
<td>10.</td>
<td>Weavers</td>
</tr>
<tr>
<td>11.</td>
<td>Carpet &amp; 'kilim' makers</td>
</tr>
<tr>
<td>12.</td>
<td>Coppersmiths</td>
</tr>
<tr>
<td>13.</td>
<td>Cutlers</td>
</tr>
<tr>
<td>14.</td>
<td>Ironsmiths</td>
</tr>
<tr>
<td>15.</td>
<td>Silversmiths</td>
</tr>
<tr>
<td>16.</td>
<td>Auto repairers &amp; cartwrights</td>
</tr>
<tr>
<td>17.</td>
<td>Tinsmiths &amp; Stove makers</td>
</tr>
<tr>
<td>18.</td>
<td>Lathe operators</td>
</tr>
<tr>
<td>19.</td>
<td>Carpenters &amp; Furniture makers</td>
</tr>
<tr>
<td>20.</td>
<td>Saw-millers</td>
</tr>
<tr>
<td>21.</td>
<td>Construction 'usta's &amp; workers</td>
</tr>
<tr>
<td>22.</td>
<td>Masons &amp; Brick layers</td>
</tr>
<tr>
<td>23.</td>
<td>Potters &amp; Ceramists</td>
</tr>
<tr>
<td>24.</td>
<td>Electricians &amp; Electrical equipment repairers</td>
</tr>
<tr>
<td>25.</td>
<td>Soap makers</td>
</tr>
<tr>
<td>26.</td>
<td>Rope makers('kenevirciler')</td>
</tr>
<tr>
<td>27.</td>
<td>Printers</td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total 5260*</td>
</tr>
</tbody>
</table>


* This total is incorrectly noted as 5,340 in the above mentioned source

This information is based in part upon the registration records of the Petty Producers' Credit Cooperatives, and in part upon the information received from Associations. Nevertheless, it stands as the People's Bank's estimate, designed to help keep records on credits distributed through the Credit Cooperatives. In this connection, it is of value to remember that the Bank defines "small-scale" industries not with reference to the "size of the labor force" criteron, but with reference to the "size of the capital outlay" criteron. Those industrial establishments with capital outlays worth less than TL. 5 million ($350,000), are defined as eligible for the credits offered. According to this, "large-scale" firms have to find other credit channels. Though more dependable than the data we have seen so far, this information, nevertheless, is questionable. First, it
does not cover the entire petty production activities domain. Larger workshops, defined as "large-scale" firms, are excluded from the list. Second, sources of information are not specified. Thus, it is impossible to know how much of the data is a product of guess-work. Yet, in brief, if the construction 'usta's and workers, together with masons and brick layers are overlooked, we may suggest that there were 4,400-4,500, or more, petty firms in Gaziantep around 1968: almost twice as much as the figure given by the Bank of the Provinces for the year 1971. Hoping to follow up with the 1968 estimates of the People's Bank, the 1974 estimates were obtained. Yet, several changes had been made. First, the 1974 estimates are categorized by industrial activity branches (15 in number) rather than by occupations. Second, instead of the number of petty firms, the number of petty producers is given. These changes make any attempt to compare the 1968 and 1974 estimates of the same source impossible. Nevertheless, the information obtained is given below in Table A-9.

TABLE A-9
THE NUMBER OF PETTY PRODUCERS BY INDUSTRIAL ACTIVITY BRANCHES IN GAZIANTEP, 1974

<table>
<thead>
<tr>
<th>Industrial Activity Branches Adopted for Petty Production</th>
<th>No. of Petty Producers Estimated</th>
<th>No. of Petty Producers Registered at the Credit Coops.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Manufacture and repairs of all metal products and machinery</td>
<td>926</td>
<td>293</td>
</tr>
<tr>
<td>2. Manufacture and repairs of transport equipment</td>
<td>328</td>
<td>163</td>
</tr>
<tr>
<td>3. Electricians</td>
<td>264</td>
<td>33</td>
</tr>
<tr>
<td>4. Manufacture of non-metallic mineral products</td>
<td>305</td>
<td>9</td>
</tr>
<tr>
<td>5. Manufacture of wood products</td>
<td>911</td>
<td>150</td>
</tr>
<tr>
<td>6. Manufacture of leather and leather products</td>
<td>438</td>
<td>41</td>
</tr>
</tbody>
</table>

continued
Table A-9 continued

<table>
<thead>
<tr>
<th>Occupation</th>
<th>No. of Firms</th>
<th>No. of Employed</th>
</tr>
</thead>
<tbody>
<tr>
<td>7. Construction</td>
<td>613</td>
<td>86</td>
</tr>
<tr>
<td>8. All kinds of weaving</td>
<td>2920</td>
<td>399</td>
</tr>
<tr>
<td>9. Manufacture of wearing apparel</td>
<td>2165</td>
<td>352</td>
</tr>
<tr>
<td>10. Paper products and printing</td>
<td>47</td>
<td>19</td>
</tr>
<tr>
<td>11. Manufacture of sporting &amp; medical goods</td>
<td>32</td>
<td>4</td>
</tr>
<tr>
<td>12. Food manufacturing</td>
<td>208</td>
<td>104</td>
</tr>
<tr>
<td>13. Manufacture of 'polyester' goods</td>
<td>18</td>
<td>-</td>
</tr>
<tr>
<td>14. Glass products</td>
<td>10</td>
<td>-</td>
</tr>
<tr>
<td>15. Miscellaneous occupations</td>
<td>921</td>
<td>14</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>10106</strong></td>
<td><strong>1667</strong></td>
</tr>
</tbody>
</table>


A second source mentioned in the 1971 SPO Survey is an earlier SPO Survey, which furnished information on the number of petty production firms and the number of employed in Gaziantep in 1970 by 38 different occupations:

**TABLE A-10**

<table>
<thead>
<tr>
<th>Occupations</th>
<th>No. of Petty Firms</th>
<th>No. of Employed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Flour-millers</td>
<td>25</td>
<td>55</td>
</tr>
<tr>
<td>2. Weavers</td>
<td>470</td>
<td>1798</td>
</tr>
<tr>
<td>3. Belt weavers ('kusakci') &amp; weavers with 'jakar' looms</td>
<td>112</td>
<td>290</td>
</tr>
<tr>
<td>4. 'Kilim' makers</td>
<td>450</td>
<td>1500</td>
</tr>
<tr>
<td>5. Tailors</td>
<td>250</td>
<td>970</td>
</tr>
<tr>
<td>6. Shirt-makers</td>
<td>30</td>
<td>100</td>
</tr>
<tr>
<td>7. Hat-makers</td>
<td>100</td>
<td>265</td>
</tr>
<tr>
<td>8. Shoe-makers</td>
<td>160</td>
<td>365</td>
</tr>
<tr>
<td>9. 'Sayaci's</td>
<td>60</td>
<td>116</td>
</tr>
<tr>
<td>10. Tanners</td>
<td>90</td>
<td>-</td>
</tr>
<tr>
<td>11. Carpenters</td>
<td>205</td>
<td>430</td>
</tr>
<tr>
<td>12. Furniture makers</td>
<td>66</td>
<td>42</td>
</tr>
<tr>
<td>13. Wooden concrete casting-mold makers ('kalipcilar')</td>
<td>173</td>
<td>495</td>
</tr>
<tr>
<td>14. Other wood works</td>
<td>199</td>
<td>-</td>
</tr>
</tbody>
</table>

.continued
Table A-10 continued

<table>
<thead>
<tr>
<th>No.</th>
<th>Occupation</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>15.</td>
<td>Stove makers ('sicak demirciler')</td>
<td>62</td>
<td>358</td>
</tr>
<tr>
<td>16.</td>
<td>Ironsmiths ('sicak demirciler')</td>
<td>99</td>
<td>458</td>
</tr>
<tr>
<td>17.</td>
<td>Tinsmiths</td>
<td>36</td>
<td>252</td>
</tr>
<tr>
<td>18.</td>
<td>Steel-safe makers</td>
<td>24</td>
<td>265</td>
</tr>
<tr>
<td>19.</td>
<td>Ironsmiths ('soguk demirciler')</td>
<td>62</td>
<td>360</td>
</tr>
<tr>
<td>20.</td>
<td>Box-spring makers</td>
<td>7</td>
<td>58</td>
</tr>
<tr>
<td>21.</td>
<td>Lathe operators</td>
<td>110</td>
<td>857</td>
</tr>
<tr>
<td>22.</td>
<td>Auto repairers</td>
<td>115</td>
<td>911</td>
</tr>
<tr>
<td>23.</td>
<td>Auto-body repairers</td>
<td>85</td>
<td>585</td>
</tr>
<tr>
<td>24.</td>
<td>Auto painters</td>
<td>80</td>
<td>481</td>
</tr>
<tr>
<td>25.</td>
<td>'Karoserciler'</td>
<td>95</td>
<td>517</td>
</tr>
<tr>
<td>26.</td>
<td>'Oto sasicileri'</td>
<td>60</td>
<td>385</td>
</tr>
<tr>
<td>27.</td>
<td>Auto electricians</td>
<td>63</td>
<td>418</td>
</tr>
<tr>
<td>28.</td>
<td>Auto upholstery makers</td>
<td>20</td>
<td>185</td>
</tr>
<tr>
<td>29.</td>
<td>Auto radiator repairers</td>
<td>31</td>
<td>216</td>
</tr>
<tr>
<td>30.</td>
<td>Auto tire repairers</td>
<td>10</td>
<td>18</td>
</tr>
<tr>
<td>31.</td>
<td>Auto glass mounters</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td>32.</td>
<td>Bicycle repairers</td>
<td>13</td>
<td>100</td>
</tr>
<tr>
<td>33.</td>
<td>Founders</td>
<td>27</td>
<td>295</td>
</tr>
<tr>
<td>34.</td>
<td>'Kalaycilar' (tinsmiths)</td>
<td>57</td>
<td>30</td>
</tr>
<tr>
<td>35.</td>
<td>Silversmiths</td>
<td>110</td>
<td>-</td>
</tr>
<tr>
<td>36.</td>
<td>Clock repairers</td>
<td>25</td>
<td>-</td>
</tr>
<tr>
<td>37.</td>
<td>Radio repairers</td>
<td>20</td>
<td>-</td>
</tr>
<tr>
<td>38.</td>
<td>Printers</td>
<td>23</td>
<td>-</td>
</tr>
</tbody>
</table>

TOTAL 3627* 13175


* This total is incorrectly noted as 3,604 in the above mentioned source

This information pertains to petty firms that fall within the scope of Turkish Public Law No. 507. In other words, it is based upon the Associations' records. An account of the issues that bear upon the nature and quality of the data obtained from the Associations has already been given. Pending further questions relating to the dependability of the work-force figures, several observations about the 38 occupations that are mentioned must be provided. This listing is just another of the many classifications forwarded for the occupations related to petty production activities. While, for instance, coppersmiths are left out of
the listing, 'baklavaci's (makers of a special pastry, for which Gaziantep is famous) with 100 shops and 56 workers are included within the "petty services and trading" sector. Based on this data, but with the inclusion of the coppersmiths and 'baklavaci's as well as those petty production firms that are not in the Associations' records, it can be said that in 1970 the number of petty firms in Gaziantep was over 3,800 with a labor force of 13,000-14,000.

This much may convince the reader that the problem is not the scarcity of information on the petty production activities domain in Turkey, but its quality. Nevertheless, less to demonstrate that the available data do not yield a sharp focus upon the universe from which the samples of a survey may be drawn, and more just for the record, further sources are noted.

A third source used in the 1971 SPO Survey is the Office of Industry in Gaziantep (Gaziantep Sanayi Mudurlugu), according to which the number of petty firms in Gaziantep in 1970 is as follows in Table A-11.

<table>
<thead>
<tr>
<th>Occasions</th>
<th>No. of Petty Firms</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Flour-millers</td>
<td>56</td>
</tr>
<tr>
<td>2. Bakers</td>
<td>186</td>
</tr>
<tr>
<td>3. Pastry makers &amp; chickpea-roasters ('leblebici')</td>
<td>75</td>
</tr>
<tr>
<td>4. Shoe makers</td>
<td>145</td>
</tr>
<tr>
<td>5. Tanners</td>
<td>78</td>
</tr>
<tr>
<td>6. 'Koskerler' (leather products makers)</td>
<td>113</td>
</tr>
<tr>
<td>7. 'Sayaci's</td>
<td>50</td>
</tr>
<tr>
<td>8. Tailors</td>
<td>223</td>
</tr>
<tr>
<td>9. Tricot &amp; sock makers</td>
<td>131</td>
</tr>
<tr>
<td>10. Weavers</td>
<td>282</td>
</tr>
<tr>
<td>11. 'Kilim' makers</td>
<td>258</td>
</tr>
<tr>
<td>12. Coppersmiths &amp; 'kalaycilar'(tinsmiths)</td>
<td>174</td>
</tr>
<tr>
<td>13. Auto and machine repairers</td>
<td>551</td>
</tr>
<tr>
<td>14. Ironsmiths</td>
<td>317</td>
</tr>
<tr>
<td>15. Electricians</td>
<td>95</td>
</tr>
</tbody>
</table>

continued
Table A-11 continued

16. Clock and radio repairers 58
17. Carpenters and furniture makers 300
18. Cinder-block makers 123
19. Masons, brick layers and plasterers 338
20. Painters 82
21. Motorcycle and bicycle repairers 80
22. Photographers 63

TOTAL 3778


This set of data has been prepared in cooperation with the Associations, and presented with reference to another unique classification of occupations related to petty production. As usual with similar sources, not only the dependability of the information, but also the appropriateness of the occupational classification system is at issue. Nevertheless, the SPO, after somehow comparing the data offered by the People's Bank, the previous SPO Survey, and the Gaziantep Office of Industry, arrives at a series of estimates, which are categorized by 12 "industrial activity branches" and taken to constitute the basis for the SPO Survey conducted in Gaziantep in 1971. The method adopted in forwarding estimates is not clear. The following is an account of the SPO estimates as compared to data furnished by three different sources:

### TABLE A-12

THE NUMBER OF PETTY PRODUCTION FIRMS IN GAZIANTEP BY INDUSTRIAL ACTIVITY BRANCHES: COMPARISONS OF THREE OTHER SOURCES WITH SPO ESTIMATES

<table>
<thead>
<tr>
<th>Industrial Activity Branches</th>
<th>The 1968 Estimates of the People's Bank (Table A-8)</th>
<th>The earlier SPO Survey (Table A-10)</th>
<th>The Office of Industry in Gaziantep (Table A-11)</th>
<th>The 1971 SPO Survey Estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. FOOD MANUFACTURING</td>
<td>225</td>
<td>25</td>
<td>428</td>
<td>317</td>
</tr>
<tr>
<td>2. MANUFACTURE OF TEXTILES</td>
<td>1901</td>
<td>1032</td>
<td>671</td>
<td>863</td>
</tr>
<tr>
<td>3. MANUFACTURE OF WEARING APPAREL</td>
<td>305</td>
<td>380</td>
<td>223</td>
<td>368</td>
</tr>
</tbody>
</table>

continued
### Table A-12 continued

<table>
<thead>
<tr>
<th>Industry</th>
<th>1971 Estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. MANUFACTURE OF LEATHER AND</td>
<td>442 310 386 241</td>
</tr>
<tr>
<td>LEATHER PRODUCTS</td>
<td></td>
</tr>
<tr>
<td>5. MANUFACTURE OF WOOD PROD.</td>
<td>436 643 300 643</td>
</tr>
<tr>
<td>6. MANUFACTURE OF METAL PROD.</td>
<td>732 484 491 711</td>
</tr>
<tr>
<td>7. MANUFACTURE OF NON-METALLIC MINERAL</td>
<td>313 - 123 123</td>
</tr>
<tr>
<td>PRODUCTS</td>
<td></td>
</tr>
<tr>
<td>8. MANUFACTURE AND REPAIR OF</td>
<td>163 573 631 575</td>
</tr>
<tr>
<td>TRANSPORT EQUIPMENT</td>
<td></td>
</tr>
<tr>
<td>9. CONSTRUCTION</td>
<td>520 - 421 421</td>
</tr>
<tr>
<td>10. REPAIR OF ELECTRICAL EQUIP.</td>
<td>102 20 95 95</td>
</tr>
<tr>
<td>11. PRINTING AND PAPER PRODUCTS</td>
<td>24 23 23 23</td>
</tr>
<tr>
<td>12. MISC. MANUFACTURE &amp; REPAIRS</td>
<td>177 135 9 150</td>
</tr>
<tr>
<td>TOTAL</td>
<td>5340 3625 3801 4530</td>
</tr>
</tbody>
</table>


---

Upon a closer study of the detailed breakdown of the 1971 SPO estimates (presented on pp. 26-27 in Table 24 of the above noted source) it becomes clear that shoe makers are included in the industrial activity branch category no. 3, whereas in accounting for the other sources shoe makers are included in category no. 4.

** This total does not match the figure in Table A-8 of this study.

*** This total does not match the figure in Table A-10 of this study, and is incorrectly noted as 3,627 in the above noted source.

**** This total does not match the figure in Table A-11 of this study, and is incorrectly noted as 3,778 in the above mentioned source.

There is no way to tell how close to reality the 1971 SPO Survey estimates (4,350 petty production firms with a labor force of 13,145) are.

To get a better idea of the 1971 SPO estimates, I have studied the list of petty firms (categorized by occupations) that were eventually surveyed.

Of the total 248 petty firms surveyed, for example, about 14 per cent (34) belong to occupations which were estimated not to exist in Gaziantep.

Also, in this connection, it should be noted that, although the 1971 SPO Survey definition of petty production firms is larger in scope than is provided for by Turkish Public Law No. 507, it does not cover the whole gamut of petty production activities as defined in this study. Consequently, pending consideration of the quality of the data and methods used in
arriving at a set of estimates, the 1971 SPO Survey is nevertheless an important step forward in studies on the domain of petty production activities in Turkey.

It has already been mentioned twice that not every petty producer is registered at the Associations. Some, making use of the fuzzy wording of the related laws, register at the Chambers of Commerce and Industry. Thus, a closer scrutiny of the registration records kept at the Chambers may yield a sense of the extent to which petty producers are registered there. This may in turn, prove helpful in correcting the data supplied by the Associations. The following is an account in this vein.

In the 1965 İmar ve İskan Bakanlığı (Ministry of Construction and Resettlement) Survey of industries in Gaziantep, the number of production firms registered at the Gaziantep Chamber of Commerce and Industry in 1964 is documented as follows:

TABLE A-13

THE NUMBER OF MANUFACTURING FIRMS REGISTERED AT THE GAZIANTEP CHAMBER OF COMMERCE AND INDUSTRY, 1964

<table>
<thead>
<tr>
<th>Occupations</th>
<th>No. of Firms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flour-millers (un fabrikalari, mercimek kırma ve nisastacilar)</td>
<td>40</td>
</tr>
<tr>
<td>Cracked-wheat &amp; 'pekmez' producers</td>
<td>35</td>
</tr>
<tr>
<td>Confectioners (seker, sekerleme ve biskuvi)</td>
<td>30</td>
</tr>
<tr>
<td>'Baklava' makers</td>
<td>14</td>
</tr>
<tr>
<td>Soap makers</td>
<td>37</td>
</tr>
<tr>
<td>'Helva' and ice cream makers</td>
<td>12</td>
</tr>
<tr>
<td>Wine and soft drink makers</td>
<td>11</td>
</tr>
<tr>
<td>Weavers</td>
<td>213</td>
</tr>
<tr>
<td>Tricot and sock makers</td>
<td>64</td>
</tr>
<tr>
<td>Dyers</td>
<td>38</td>
</tr>
<tr>
<td>Rope makers</td>
<td>26</td>
</tr>
<tr>
<td>Tanners</td>
<td>88</td>
</tr>
<tr>
<td>Shoe makers</td>
<td>56</td>
</tr>
<tr>
<td>Tailors ('tuccar terzi')</td>
<td>39</td>
</tr>
<tr>
<td>Bakers (ekmek firincilari)</td>
<td>29</td>
</tr>
<tr>
<td>'Karoserciler' and auto painters</td>
<td>21</td>
</tr>
<tr>
<td>Steel-safe and stove makers, and cutlers</td>
<td>26</td>
</tr>
<tr>
<td>Lathe operators, founders and auto repairers</td>
<td>67</td>
</tr>
</tbody>
</table>

continued
Table A-13 continued

<table>
<thead>
<tr>
<th>Occupation</th>
<th>No.</th>
<th>No. of Firms</th>
<th>No. of Workers</th>
<th>Total Capital Outlay in TL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coppersmiths</td>
<td>37</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electricians, radio, clock and eyeglass repairers</td>
<td>50</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>933</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


If we discount the possible merchant firms; exclude the production firms not located in Gaziantep but registered at the Chamber; and, weed out the factories, then we can find the number of petty firms registered at the Chamber. Yet, all of this is impossible to accomplish. The following detailed account for the same year appears to be of some help in this matter. Nevertheless, when scrutinized, it proves to be the opposite. (See Table A-14).

**TABLE A-14**

PRODUCTION FIRMS REGISTERED AT THE GAZIANTEP CHAMBER OF COMMERCE AND INDUSTRY, 1964

<table>
<thead>
<tr>
<th>Type of occupation</th>
<th>No. of Firms</th>
<th>No. of Workers</th>
<th>Total Capital Outlay in TL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Founders</td>
<td>7</td>
<td>10</td>
<td>279,000</td>
</tr>
<tr>
<td>Auto tires repair ('lastik kaplama')</td>
<td>1</td>
<td>4</td>
<td>135,000</td>
</tr>
<tr>
<td>Lathe shops</td>
<td>62</td>
<td>187</td>
<td>6,897,650</td>
</tr>
<tr>
<td>Beverages production</td>
<td>2</td>
<td>167</td>
<td>6,602,351</td>
</tr>
<tr>
<td>Saw millers (agac dograma)</td>
<td>12</td>
<td>10</td>
<td>147,450</td>
</tr>
<tr>
<td>Tobacco industry</td>
<td>1</td>
<td>100</td>
<td>317,120</td>
</tr>
<tr>
<td>Leather works ('deri, kosele')</td>
<td>34</td>
<td>57</td>
<td>1,293,000</td>
</tr>
<tr>
<td>Copper works ('levha bakir sanayii')</td>
<td>4</td>
<td>56</td>
<td>3,941,700</td>
</tr>
<tr>
<td>Hydropophile cotton industry</td>
<td>1</td>
<td>41</td>
<td>892,000</td>
</tr>
<tr>
<td>'Circir' industry</td>
<td>4</td>
<td>102</td>
<td>1,897,250</td>
</tr>
<tr>
<td>'Yun ipi' industry</td>
<td>4</td>
<td>217</td>
<td>2,488,500</td>
</tr>
<tr>
<td>Lentils industry</td>
<td>6</td>
<td>15</td>
<td>1,670,531</td>
</tr>
<tr>
<td>Weaving industries</td>
<td>137</td>
<td>1090</td>
<td>36,032,751</td>
</tr>
<tr>
<td>Construction materials production</td>
<td>2</td>
<td>362</td>
<td>48,352,739</td>
</tr>
<tr>
<td>Flour mills</td>
<td>15</td>
<td>171</td>
<td>15,954,602</td>
</tr>
<tr>
<td>Confectioners</td>
<td>13</td>
<td>70</td>
<td>1,845,000</td>
</tr>
<tr>
<td>Soap makers</td>
<td>12</td>
<td>74</td>
<td>7,265,000</td>
</tr>
<tr>
<td>Ice making</td>
<td>3</td>
<td>40</td>
<td>2,080,000</td>
</tr>
</tbody>
</table>

continued
Table A-14 continued

<table>
<thead>
<tr>
<th>Occupations</th>
<th>No. of Production Firms</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Food industries ('üzum, fistik, bulgur, pekmez imali')</em></td>
<td>9 87 1 980 000</td>
</tr>
<tr>
<td>Steel-safe making</td>
<td>6 20 131 500</td>
</tr>
<tr>
<td>'Karoser' industry</td>
<td>11 75 425 000</td>
</tr>
<tr>
<td>Tricot and sock making</td>
<td>60 100 1 070 000</td>
</tr>
<tr>
<td>Coppersmiths</td>
<td>57 89 1 212 000</td>
</tr>
<tr>
<td>'Kilim' makers*</td>
<td>450 1000 1 250 000</td>
</tr>
<tr>
<td>Silk weaving</td>
<td>30 800 746 000</td>
</tr>
</tbody>
</table>

TOTAL 943** 4944 144,906,144

Source: Gaziantep Ticaret ve Sanayi Odasi (Chamber of Commerce and Industry).


In Imar ve Iskan Bakanligi. "Gaziantep Sanayi Calismasi" pp. 57-vi., it is noted that 'kilim' makers are not registered at the Chamber. If so, then the total number of production firms registered at the Chamber must be (943-450=493), which means that the same source quoted as having supplied the data displayed in Tables A-13 and A-14 contradicts itself. The number of firms reported as registered at the Chamber simply do not match.

** This total is incorrectly noted as 941 in the above-mentioned source.

In another source, however, the number of production firms registered at the Gaziantep Chamber of Commerce and Industry in 1966 is put at 859. (See Table A-15).

TABLE A-15

THE NUMBER OF PRODUCTION FIRMS REGISTERED AT THE GAZIANTEP CHAMBER OF COMMERCE AND INDUSTRY BY OCCUPATIONS, 1966

<table>
<thead>
<tr>
<th>Occupations</th>
<th>No. of Production Firms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flour mills, 'mercimek kirma', starch makers</td>
<td>39</td>
</tr>
<tr>
<td>Cracked-wheat and 'pekmez' makers</td>
<td>19</td>
</tr>
<tr>
<td>Confectioners</td>
<td>25</td>
</tr>
<tr>
<td>'Baklava' makers</td>
<td>20</td>
</tr>
<tr>
<td>'Helva' and ice-cream makers</td>
<td>15</td>
</tr>
<tr>
<td>Makers and sellers of cheap shoes ('kavaf', 'kavafiye imalatcilari')</td>
<td>14</td>
</tr>
<tr>
<td>Soap makers</td>
<td>32</td>
</tr>
<tr>
<td>Wine and soft drink makers</td>
<td>9</td>
</tr>
<tr>
<td>Weavers ('iplik ve ipekli dokuma imalatcilari')</td>
<td>221</td>
</tr>
<tr>
<td>Tricot and sock makers</td>
<td>19</td>
</tr>
<tr>
<td>Dyers</td>
<td>41</td>
</tr>
<tr>
<td>Rope makers('iplik, ip ve kendir imalatcilari')</td>
<td>23</td>
</tr>
</tbody>
</table>

continued
Table A-15 continued

<table>
<thead>
<tr>
<th>Occupations</th>
<th>No. of Registrations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tanners ('deri ve kosele imalatcilar')</td>
<td>84</td>
</tr>
<tr>
<td>Tailors ('Tuccar terziler')</td>
<td>40</td>
</tr>
<tr>
<td>Printers and photographers</td>
<td>24</td>
</tr>
<tr>
<td>Bakers</td>
<td>31</td>
</tr>
<tr>
<td>'Karoserciler' and auto painters</td>
<td>22</td>
</tr>
<tr>
<td>Steel-safe makers, cutters and stove makers</td>
<td>33</td>
</tr>
<tr>
<td>Lathe operators, auto repairers and founders</td>
<td>66</td>
</tr>
<tr>
<td>Coppersmiths</td>
<td>27</td>
</tr>
<tr>
<td>Electricians; radio, clock and eye glass repairers</td>
<td>55</td>
</tr>
<tr>
<td>TOTAL</td>
<td>859</td>
</tr>
</tbody>
</table>


More up-to-date information on the number of production firms registered at the Gaziantep Chamber of Commerce and Industry is as follows: see Table A-16.

TABLE A-16

THE NUMBER OF PRODUCTION FIRMS REGISTERED AT THE GAZIANTEP CHAMBER OF COMMERCE AND INDUSTRY BY OCCUPATIONS, 1973

<table>
<thead>
<tr>
<th>Occupations</th>
<th>No. of Registrations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tanners ('deri ve kosele imalatcilar')</td>
<td>42</td>
</tr>
<tr>
<td>Shoe makers ('hazir kundura ve imalatcilar')</td>
<td>45</td>
</tr>
<tr>
<td>Thermo plastic and rubber product makers</td>
<td>63</td>
</tr>
<tr>
<td>Confectioners</td>
<td>39</td>
</tr>
<tr>
<td>'Helva' and ice-cream makers, and soft drink producers</td>
<td>17</td>
</tr>
<tr>
<td>Cracked-wheat makers, 'pekmezcililer', 'kuru uzum isletmeleri' and 'fistik hazirlama tesisleri'</td>
<td>77</td>
</tr>
<tr>
<td>Other food manufacturing</td>
<td>14</td>
</tr>
<tr>
<td>Flour mills, semolina, noodles and starch makers</td>
<td>52</td>
</tr>
<tr>
<td>Bakers</td>
<td>22</td>
</tr>
<tr>
<td>'Baklavacilar, tatlicilar ve pastahaneler'</td>
<td>24</td>
</tr>
<tr>
<td>Soap and detergent producers</td>
<td>48</td>
</tr>
<tr>
<td>Tailors ('Tuccar terziler')</td>
<td>44</td>
</tr>
<tr>
<td>'Kilim ipi' makers</td>
<td>33</td>
</tr>
<tr>
<td>'Kilim' makers</td>
<td>162</td>
</tr>
<tr>
<td>Weavers and sellers of carpet</td>
<td>17</td>
</tr>
<tr>
<td>'Mahrukatcilar'; wooden crate and paper bag makers</td>
<td>48</td>
</tr>
<tr>
<td>Carpenters and furniture makers</td>
<td>34</td>
</tr>
<tr>
<td>Construction material makers</td>
<td>47</td>
</tr>
<tr>
<td>Electricians, and producers and sellers of electrical equipment</td>
<td>91</td>
</tr>
<tr>
<td>Lathe operators, founders</td>
<td>53</td>
</tr>
<tr>
<td>Auto repairers, 'karoserciler', auto painters and autobody repairers</td>
<td>45</td>
</tr>
<tr>
<td>continued</td>
<td></td>
</tr>
<tr>
<td>Occupation</td>
<td>Number</td>
</tr>
<tr>
<td>------------------------------------------------</td>
<td>--------</td>
</tr>
<tr>
<td>Auto electricians ('Bilumum oto elektrikcileri, akuculer, 15 bobinaj ve oto tamircileri)</td>
<td></td>
</tr>
<tr>
<td>Steel-safe makers, cutters, stove makers, coppersmiths and copper works, 'darabacilar'</td>
<td>58</td>
</tr>
<tr>
<td>Printers and photographers</td>
<td>29</td>
</tr>
<tr>
<td>Weavers</td>
<td>149</td>
</tr>
<tr>
<td>Dyers</td>
<td>35</td>
</tr>
<tr>
<td>Rope makers</td>
<td>37</td>
</tr>
<tr>
<td>Tricot and sock makers</td>
<td>152</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1492</strong></td>
</tr>
</tbody>
</table>


In short four different listings of production firms that are registered at the Gaziantep Chamber of Commerce and Industry come up with four incompatible results. According to the first (Table A-13), the total number of production firms registered in 1964 is 933, whereas the second (Table A-14), notes 943 registrations for the same year. According to the third source (Table A-15), the number of registrations declined to 859 in 1966, while the most up-to-date source puts it at 1492 in 1973. The occupational categories, as well as their wording change from one source to the other. Often the wording is so fuzzy that it becomes impossible to differentiate the trading firms included in the counts. Furthermore, the lack of detailed information on a firm by firm basis make even a crude distinction between factories and petty production firms impossible. Yet, we know that the production firms located in Gaziantep and registered at the Chamber only 60-75 are factories. Thus, it can be suggested that among the 900-1,500 firms registered at the Gaziantep Chamber of Commerce and Industry, about 800-1,400 were petty production firms not accounted for in the Associations' records.

In Eskisehir, the registration records of the Chambers present a
different picture. Instead of a combined Chamber of Commerce and Industry as in Gaziantep, Eskisehir has two Chambers. The records of the Eskisehir Chamber of Commerce yield data comparable to those of the Gaziantep Chamber of Commerce and Industry in quality. But the records of the Eskisehir Chamber of Industry are much better. I have received access to the records kept at both Chambers. Therefore, instead of referring to secondary sources at length, I prefer to note my own compilations of the relevant information that was made available.

The following is an account of the firms registered at the Eskisehir Chamber of Industry in 1974. I have categorized the information, which is available on a firm by firm basis, with reference to the larger industry activity groupings as adopted by the Chamber. (See Table A-17).

TABLE A-17
FIRMS REGISTERED AT THE ESKISEHIR CHAMBER OF INDUSTRY BY INDUSTRIAL ACTIVITY GROUPS IN 1974

<table>
<thead>
<tr>
<th>Industrial Activity Groups</th>
<th>No. of Firms</th>
<th>Capital Outlay (TL.'000)</th>
<th>Total No. Employed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tile and Brick Manufacturing</td>
<td>14*</td>
<td>58,293</td>
<td>1,951 (2 firms did not supply data)</td>
</tr>
<tr>
<td>Flour mills, and flour products manufacturing</td>
<td>21**</td>
<td>40,548</td>
<td>534 (3 firms did not supply data)</td>
</tr>
<tr>
<td>Machines, Equipment and Spare parts production</td>
<td>19</td>
<td>10,720</td>
<td>434 (1 firm did not supply data)</td>
</tr>
<tr>
<td>Metal Products</td>
<td>14</td>
<td>4,482</td>
<td>125 (1 firm did not supply data)</td>
</tr>
<tr>
<td>Stove makers, Founders and Other Iron works</td>
<td>20</td>
<td>237,277</td>
<td>4,253 (4 firms did not supply data)</td>
</tr>
<tr>
<td>Miscellaneous Food Industries</td>
<td>13</td>
<td>54,497</td>
<td>2,220 (2 firms did not supply data)</td>
</tr>
</tbody>
</table>

continued
Table A-17 continued

<table>
<thead>
<tr>
<th>Industry</th>
<th>Count</th>
<th>Production</th>
<th>Mining and Miscellaneous Chemicals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>19***</td>
<td>63 372</td>
<td>1402 (2 firms did not supply data)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(1 firm did not supply data)</td>
<td></td>
</tr>
<tr>
<td>Miscellaneous Manufacturing</td>
<td>33</td>
<td>20 815</td>
<td>2036 (2 firms did not supply data)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>153</td>
<td>490 004</td>
<td>12,955 (15 firms did not supply data)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(5 firms did not supply data)</td>
<td></td>
</tr>
</tbody>
</table>

Source: Eskisehir Sanayi Odasi (Chamber of Industry). "Odaya Kayitli Sanayiciler Listesi". Unpublished List. (as of February 1975)

* Two firms are located in Bozuyuk
** One firm is located in Cifteler
*** Three firms are located elsewhere in the Province. One is located in Bozuyuk, the other in Mihalliccik. The third is a mining-concern with only an office in Eskisehir.

Thus, in reality, only 147 firms out of the 153 registered at the Chamber are located in Eskisehir.

In brief, we know that of the 147 production firms located in Eskisehir about 40-45 are in effect factories. Thus, we have at least 100 petty production firms not accounted for in therecords of the Associations, since none of the Chamber of Industry members can register at the Associations. Furthermore, though in reality possibly higher, about 1,500-1,600 of the people employed in these 100 "non-factories" must be considered as part and parcel of the petty production activities connected labor pool.

The data available at the Eskisehir Chamber of Commerce, on the other hand, do not yield a rigorous separation of petty production firms from among the merchant firms. Furthermore, unlike the Chamber of Industry, members of the Chamber of Commerce may and do register at Associations, and it is impossible to tell how many in which occupations are registered at which Association in the absence of records on this count. Nevertheless, going through the membership records of the Eskisehir Chamber of Commerce...
and picking out the petty producers and repairers one by one with reference to their listed occupations, the following information has been compiled.

(See Table A-18).

**TABLE A-18**

THE NUMBER OF PETTY PRODUCERS REGISTERED AT THE ESKISEHIR CHAMBER OF COMMERCE BY OCCUPATIONS, 1974

<table>
<thead>
<tr>
<th>Occupation Categories as Defined By The Eskisehir Chamber Of Commerce</th>
<th>Total No. of Registrations from Eskisehir</th>
<th>Total No. of Petty Producers and Repairers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. BANKS, INSURANCE CO., REAL ESTATE AND SIMILAR SERVICES, PRIVATE SCHOOLS AND SIMILAR ESTABLISHMENTS</td>
<td>145</td>
<td>-</td>
</tr>
<tr>
<td>2. CONSTRUCTION SERVICES: CONTRACTORS ARCHITECTS AND ENGINEERS</td>
<td>495</td>
<td>-</td>
</tr>
<tr>
<td>3. CONSTRUCTION MATERIALS: TRADERS IN CONSTRUCTION MATERIALS, PLUMBERS AND THE LIKE, 'HIRDAVATCILAR', 'HURDACILAR', 'CAILCILAR'</td>
<td>152</td>
<td>-</td>
</tr>
<tr>
<td>4. ELECTRICAL EQUIPMENT AND VALUABLE GOODS: ELECTRICAL EQUIPMENT REPAIRERS, MAKERS AND TRADERS OF ELECTRICAL EQUIP., ELECTRICIANS, CLOCK REPAIRERS, SILVERSMITHS, 'SARRAFLAR'</td>
<td>108</td>
<td>68</td>
</tr>
<tr>
<td>5. AUTO SPARE PARTS, AGRICULTURAL EQUIP., AND MACHINERY AND SPARE PARTS, FUELS, GAS STATIONS, OFFICE FURNITURE AND MACHINERY, SEWING MACHINES, REFRAIGERATORS AND THE LIKE</td>
<td>179</td>
<td>12</td>
</tr>
<tr>
<td>6. 'TUHAFIYE', 'ZUCCACIYE': 'TUHAFIYE' AND 'IPLIKCILER', 'ZUCCACIYECILER', TOY MERCHANTS</td>
<td>161</td>
<td>-</td>
</tr>
<tr>
<td>7. TEXTILE MERCHANTS: 'MANIFATURACILAR', TRADERS IN TOWELS, SHEETS AND THE LIKE, QUILT MAKERS</td>
<td>123</td>
<td>3</td>
</tr>
<tr>
<td>8. MERCHANTS OF OTHER MATERIALS, TAILORS, READY-MADE APPAREL MAKERS</td>
<td>153</td>
<td>72</td>
</tr>
<tr>
<td>9. SHOE MAKERS AND SELLERS, OTHER LEATHER PRODUCTS MAKERS AND TRADERS, 'SARRAC', AND TANNERS</td>
<td>111</td>
<td>19</td>
</tr>
<tr>
<td>10. AGRICULTURAL AND HUSBANDRY PRODUCTS: 'ZAHIRECILIER', 'BAKLIYATCILAR', MERCHANTS OF WOOL AND COTTON, COMMERCE IN 'KEPEK' AND ANIMAL FEED, FELT PRODUCTION AND 'YUN TARAFA'</td>
<td>89</td>
<td>5 continued</td>
</tr>
</tbody>
</table>
Table A-18 continued

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>11. Live-stock merchants and butchers</td>
<td>130</td>
</tr>
<tr>
<td>12. 'Bakkaliye' and 'Mutabiye': grocers, 'Kantariye' and 'Yagcilar', 'Mutabiye', sacks and rope merchants, state monopoly retail outlets, egg merchants and 'Kuru Kahveciler'</td>
<td>219</td>
</tr>
<tr>
<td>13. Confections and soft drinks: confectioners, milk products manufacturing and commerce, pastry makers, soft drink producers, and 'Pekreyciler'</td>
<td>95</td>
</tr>
<tr>
<td>14. Hotels and entertainment</td>
<td>103</td>
</tr>
<tr>
<td>15. Fruits and vegetable merchants</td>
<td>94</td>
</tr>
<tr>
<td>16. Transportation services</td>
<td>146</td>
</tr>
<tr>
<td>17. Printing and 'Kirtasiyeciler': printers, publishers, book stores, 'Kirtasiyeciler', book binders, photographers, and paper merchants</td>
<td>65</td>
</tr>
<tr>
<td>18. Furniture and fixtures: furniture merchants, carpet sellers and carpet fibre makers</td>
<td>106</td>
</tr>
<tr>
<td>19. Wood products: saw millers, carpenters, furniture makers, 'Mahrukat', and packaging</td>
<td>184</td>
</tr>
<tr>
<td>20. Flour products manufacturers: flour mills bakers, biscuit and other flour product manufacturers</td>
<td>41</td>
</tr>
<tr>
<td>21. Non-metallic mineral products</td>
<td>41</td>
</tr>
<tr>
<td>22. Mining: Meerschaum merchants and carvers, quarries and 'Kum Ocaklari', lime and gypsum handlers</td>
<td>93</td>
</tr>
<tr>
<td>23. Manufacture of metal products: founders, agricultural equipment and spare part makers, ironsmiths, lathe operators, &amp;c.</td>
<td>185</td>
</tr>
<tr>
<td>24. Drug stores and miscellaneous products</td>
<td>84</td>
</tr>
</tbody>
</table>

**Source:** Eskisehir Ticaret Odasi (Chamber of Commerce). "Odaya Kayitli Olanlar Listesi", Unpublished List. (as of February 1975)

In short, of the 3,302 registrations at the Eskisehir Chamber of Commerce, about 18 per cent (594) can be classified within the domain of petty production
activities.

The records kept at Associations are the most important source of information on petty production firms. Established upon the provisions of Turkish Public Law No. 507, there are 33 Associations in Eskisehir, and 55 in Gaziantep. Of the 33 Associations in Eskisehir, only 17 can be called petty producers' Associations. In Gaziantep, on the other hand, there are 25 petty producers' Associations. The rest of the Associations abound in professions which can be aptly referred to as "petty services" and "petty commerce." The problems involved in the handling of data provided by the Associations has already been mentioned. Yet, there remains one more issue to settle before giving a brief account of the information compiled from records kept at the Associations: the quality of book-keeping.

First, as new petty production and repair firms are established, new petty producers come to register at the Associations. When petty firms go out of business or petty producers die, however, the records usually remain unchanged. Sometimes upon closing his shop, a petty producer will either go away for two years to serve in the army, or move to other cities in pursuit of his line of occupation. Again, he remains registered at his initial Association. In short, the records not only include the practising members, but also those who are away for some reason or the other, and those who have changed their lines of occupation or died.

Second, each Association is supposed to call a general assembly ('genel kurul') every three years to elect a new steering committee ('yonetim kurulu'), a court of honour ('haysiyet divani'), supervisors ('denetciler'), and a chairman ('baskan'). In order to do so, a List of Members ('Toplantiya Katilanlar Listesi') has to be prepared in advance. Usually, it is the
number of petty producers recorded in the list that Associations refer
as to the latest count of their members. Since these lists are prepared
on the basis of registration records ('Uye Kayit Beyannameleri' and
'Uye Kayit Defterleri') which are not updated, they are distorted. Nevertheless,
they are taken as the official references until the following general
assembly. In other words, the only official information available from
Associations, if a special effort of going through registration records
one by one is ignored, is the number of registrations at each Association
as noted on these lists of members.

Thus, not only the dependability of the official information
supplied by Associations, but also its handling by scholars and institutions
is questionable and problematic. In view of this, instead of noting the
various secondary sources reporting the data acquired from Associations
without critical scrutiny, or duplicating the data given to me, I prefer
to give my own accounts of the petty producers registered at Associations
in Eskisehir and Gaziantep.

I have gained direct access to registration records and the most
recent official membership lists of Associations. In the case of petty
producers' Associations, I went through the records with the assistance
from the chairman, secretary general, and some members of the steering
committee. This was helpful in sorting out the members by their occupations
and most recent standing. In brief, for each petty producers' Association
I tried to depict the actual number of currently practising petty producers
registered, after weeding out the partners, employees, petty merchants,
and those who have migrated, changed line of occupation, retired, or died.
Consequently, the number of petty producers that I have listed approximates
the number of petty production and repair firms registered at the Associations.

In the case of petty servicemen's and petty merchants' Associations, however, I did not go far. The following is the summary of my compilations of the petty producers and repairers registered at Associations in Eskisehir and Gaziantep. (See Tables A-19, and A-20).

**TABLE A-19**

<table>
<thead>
<tr>
<th>Name of the Association</th>
<th>No. of Registrations</th>
<th>Actual No. and Occupations of Currently Practising Petty Producers Registered at Associations</th>
</tr>
</thead>
<tbody>
<tr>
<td>AYAKKABICILAR (SHOE MAKERS)</td>
<td>310</td>
<td>203 (75 shoe makers, 12 slipper makers, 1 leather bag and belt maker, 3 'fora-frezeci', 13 'sayaci', 99 cobblers)</td>
</tr>
<tr>
<td>DOSEMECILER (UPHOLSTERERS)</td>
<td>97</td>
<td>97</td>
</tr>
<tr>
<td>DOKUMICULER (FOUNdERS)</td>
<td>62</td>
<td>62 (56 iron founders, 6 brass founders)</td>
</tr>
<tr>
<td>DEMIRCILER (IRONSMITHS)</td>
<td>431</td>
<td>334 (334 Ironsmiths making simple agricultural equipment, knives, &amp;c, welders, metal furniture makers, &amp;c.,)</td>
</tr>
<tr>
<td>ELEKTRIKCILER (ELECTRICIANS)</td>
<td>84</td>
<td>5 (1 electrical equipment part maker, 1 electric motor repairer, 3 Auto-electricians)</td>
</tr>
<tr>
<td>LULETASI PIPO IMALCILERI (MEERSCHAUM CARVERS)</td>
<td>114</td>
<td>100 (94 meerschaum carvers, 3 meerschaum sanders, 2 pipe stem makers, 1 tile maker)</td>
</tr>
<tr>
<td>HARANGOZLAR (CARPENTERS)</td>
<td>485</td>
<td>478 (478 carpenters and furniture makers) continued</td>
</tr>
<tr>
<td>Table A-19 continued</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>8. SARACLAR VE TABAKLAR</strong> (Tanners and Leather Product Makers)</td>
<td>80</td>
<td></td>
</tr>
<tr>
<td>(48 'sarac', 8 tannery operators)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>9. SOBACI, BISIKLETCI VE EMSALI SA ATKARLAR</strong> (Stove Makers, Bicycle Repairers etc.)</td>
<td>399</td>
<td></td>
</tr>
<tr>
<td>(186 stove makers, 3 stove repairers, 22 plumbers, 1 box-spring maker, 66 bicycle and motorcycle repairers, 2 locksmiths, 4 'gas ocağı' repairers, 1 'kalayçi', 9 welders and metal furniture makers, 1 sewing machine repairer, 7 'nikelajci', 1 founder, 1 wooden crate maker, 3 auto electricians, 2 'bileyici', 1 telephone repairer, 1 motor repairer, 6 'tesviyeçi', 3 refrigerator repairers, 5 ironsmiths, 2 lathe operators, 5 printers, 3 weavers, 1 gun repairer.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>10. SAATCILER</strong> (Watch and Clock Repairers)</td>
<td>62</td>
<td></td>
</tr>
<tr>
<td>(61 watch and clock repairers)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>11. TERZILER</strong> (Tailors)</td>
<td>494</td>
<td></td>
</tr>
<tr>
<td>(364 men's tailors, 37 women's tailors, 3 men's trousers makers, 3 leather coat makers, 1 'telaci', 3 hat makers, 1 trousseau goods maker)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>12. YORGANCILAR, DOKUNACILAR ORUCULER (Quilt Makers, Weavers, and Knitters)</strong></td>
<td>132</td>
<td></td>
</tr>
<tr>
<td>(38 quilt makers with shops, 25 knitters--18 woman 'orucu's--, 9 'hallacci', 5 'cozgucu'-- weaving--, 1 'tarakci'--weaving--, 29 'cul kilim' weavers)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>13. TORNACILAR VE OTO TAMIRCILERI</strong> (Lathe Operators and Auto Repairers)</td>
<td>360</td>
<td></td>
</tr>
<tr>
<td>(81 lathe operators, 3 'tornatesviye', 3 'tesviye', 135 auto-continued</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table A-19 continued

repairers, 10 'makasci', 6 'frencl',
3 'karoseri', 30 auto-body
repairers, 24 auto painters, 23
auto electricians, 10 auto
upholsterers, 6 radiator repairers,
4 auto tire repairers, 2 nut and
bolt maker, 1 motorcycle repairer,
7 welders)

14. BAKIRCILAR VE KALAYCILAR
(COPPERSMITHS AND TIN-
SMITHS) 52 52

15. FIRINCILAR, PASTACILAR,
KURU YEMISCILER (BAKERS,
PAstry MAKers, &C.) 179 164
(72 pastry makers, 36 bakers,
3 pastry bakers, 10 'yufka' makers,
3 'borek' makers, 1 'boza' maker,
35 'baklava' makers, 4 ice-cream
makers)

16. RADYOCULAR
(RADIO REPAIRERS) 60 59
(59 radio and other electrical
equipment repairers)

17. KUYUCULAR
(SILVERSMITHS) 50 38
(38 silversmiths)

TOTAL 3451 2922

Source: Eskisehir Esnaf ve Sanatkarlar Dernekleri (Petty Traders' and Petty
Producers' Associations), "Toplantiya Katilanlar Listeleri",
"Uye Kayit Defterleri", Lists and Registration Records
kept at Associations. (as of February 1975).

TABLE A-20

THE NUMBER OF REGISTRATIONS AT THE PETTY PRODUCERS' AND REPAIRERS'
ASSOCIATIONS IN GAZIANTEP, 1975

<table>
<thead>
<tr>
<th>Name of The Association</th>
<th>No. of Registrations According to The Records Kept at Associations</th>
<th>Actual No. and occupations of Currently Practising Petty Producers Registered at Associations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. AHSAP ISLERİ (WOOD WORKS)</td>
<td>334</td>
<td>276 (18 chair makers, 42 'hizarci', 31 wooden crate makers, 30 'kulekci', 16 saddiepack makers, continued</td>
</tr>
</tbody>
</table>
Table A-20 continued

2. AV MALZEMECILERI VE TAMIRCILERI (HUNTING EQUIP. AND REPAIRS) 65

3. BAKIRCILAR (COPPERSMITHS) 164

4. BRIKETCILER (BRIQUETTE MAKERS) 102

5. CORAP VE TRIKOTAJ (TRICOT AND SOCK MAKERS) 334

6. DOKUMACILAR (WEAVERS) 524

7. ELEKTRIKCILER (ELECTRICIANS) 215

8. KALAYCI (TINSMITHS) 66

9. KILIMCILER (KILIM MAKERS) 477

10. KOSKERLER (MISC. LEATHER PRODUCTS MAKERS) 111

54 carpenters, 66 'harat', 13 cigarette holder makers, 2 'korukcu', 3 'hasirci', 1 paper bag maker)

65 96

(26 aluminum kitchen ware makers, 70 coppersmiths, copper sheets and other copper product makers)

102

(34 sock makers, 210 tricot makers)

513

(2 'iplikci', 10 'cozgucu', 1 'mezzekci', 13 'bukucu', 2 'dokuma silindircisi', 3 cotton gin operators, 2 'iplik saricisi', 3 silk weavers, 330 towel makers, 147 misc. weavers)

175

(175 electric equipment repairers and installers)

66

(6 'mutaf', 8 'bukucu', 10 cotton and wool gin operators, 6 'hasirci', 420 'kilim' makers--including kilim fiber makers, dyers, and 3 loom part making lathe shop operators besides 'kilim' weavers--)

450

98

(41 'kosker', 20 'kavaf', 21 'sarac', 6 plastic bag and shoe makers)
<table>
<thead>
<tr>
<th>No.</th>
<th>Category</th>
<th>Quantity 1</th>
<th>Quantity 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>KUNDURACILAR (SHOE MAKERS)</td>
<td>301</td>
<td>220</td>
</tr>
<tr>
<td>12</td>
<td>MATBAACILAR (PRINTERS)</td>
<td>73*</td>
<td>73</td>
</tr>
<tr>
<td>13</td>
<td>KUSAK VE JAKARLI DOKUMACILAR</td>
<td>164</td>
<td>152</td>
</tr>
<tr>
<td></td>
<td>(WEAVERS WITH LOOMS CALLED 'JAKARLI' AND BELT WEavers)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>MADENI SANATLAR (METAL WORKS)</td>
<td>621</td>
<td>562</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>MARANGOZ VE MOBILYACILAR</td>
<td>650*</td>
<td>650</td>
</tr>
<tr>
<td></td>
<td>(CARPENTERS AND FURNITURE MAKERS)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>OTO, MAKINA SANATLARI</td>
<td>820</td>
<td>808</td>
</tr>
<tr>
<td></td>
<td>(AUTO AND MACHINE WORKS)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>SAYACILAR (MAKERS OF THE UPPER PART OF SHOES)</td>
<td>59</td>
<td>59</td>
</tr>
<tr>
<td>18</td>
<td>TERZILER (TAILORS)</td>
<td>612*</td>
<td>537</td>
</tr>
</tbody>
</table>

*continued
### Table A-20 continued

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Number</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>19. TABAKLAR (TANNERS)</td>
<td>139</td>
<td></td>
</tr>
<tr>
<td>20. DEĞİNHENCİLER (FLOUR MILLERS)</td>
<td>51∗</td>
<td></td>
</tr>
<tr>
<td>21. FIRINÇILAR (BAKERS)</td>
<td>265∗</td>
<td></td>
</tr>
<tr>
<td>22. HELVACİ VE DONDURMACİLAR ('HELVIA' AND ICE-CREAM MAKERS)</td>
<td>207∗</td>
<td></td>
</tr>
<tr>
<td>23. SAATCİLER VE RADYOCULAR (RADIO AND CLOCK REPAIRERS)</td>
<td>102∗</td>
<td></td>
</tr>
<tr>
<td>24. KEBABÇİLER LOKANTACILAR ('KEBAB' MAKERS AND RESTAURANT OWNERS)</td>
<td>(360)**</td>
<td></td>
</tr>
</tbody>
</table>

**Source:** GAZIANTEP Esnaf ve Sanatkarlar Dernekleri (Petty Traders' and Petty Producers' Associations). "Toplantıya Katılanlar Listeleri", "Uye Kayıt Defterleri". Lists and Registration Records kept at Associations. (as of December 1974)

- Unfortunately in Gaziantep, I could not go through all the Uye Kayıt Defterleri. The information marked (*) were obtained from a list prepared by the Esnaf Dernekleri Birliği (Union of Petty Producers' and Petty Traders' Associations) upon the request of the Gaziantep Sanayi Müdurluğu (Office of Industry) dated January 1st, 1975. Nevertheless, I have cross-checked the data as much as possible.

- The 'Kebabcilar ve Lokantacilar' Association hardly belongs to the domain of petty production activities. I consider it as a petty servicemen's Association. Yet, it includes the 'baklava' makers, whom I consider as petty producers. Thus, the total 6,456 does not include the 360 registered at this Association, while the total 5,885 includes the 'baklava' makers.

Perhaps the information presented in Tables A-19 and A-20, is detailed enough to convince the reader on several points. First, the occupations which constitute the domain of petty production activities in Eskisehir and Gaziantep can not be easily grouped according to conventional industrial...
classification systems. I have noted more than 90 different lines of petty production activities, ranging from stove making and meerschaum carving to auto repairing and lathe operating, in Eskisehir; and even more in Gaziantep. Often strong sub-contracting links connect the different, and otherwise seemingly unrelated, occupations. For instance, in weaving, shoe making, auto repairs, stove making, copper product making, &c., petty producers, petty repairers and even petty merchants from varied occupations come to form closely knit clusters, with effective backward and forward linkages, akin to those observed in the "factory" sector of industries. Also, a modern version of the "putting-out" system, where independently standing petty producers with different occupations are employed by one and the same person (a petty producer or a merchant) in the production of one good, prevails in 'kilim' and silk weaving in Gaziantep. Given these, and the lack of an in-depth understanding of petty production activities in underdeveloped countries in general, how are we to classify hundreds of occupations without actually knowing what occurs in the firms: what is produced and how? Second, it is easy to distinguish petty production firms from "factories" on the one hand, and petty merchant firms on the other. Yet, in the case of certain occupations such as plumbing, electric systems installing, construction works, photography, and restaurant operating, with or without shops, the distinction between petty production and petty services remains fuzzy. Finally, in view of these two observations, the data displayed in Tables A-19 and A-20 are valuable so long as they remain disaggregated. In this connection, therefore, the painstaking survey of the Associations records can be seen as not yielding very much. For the time being, however, we can draw at least two meaningful summary points: First,
that in Eskisehir there are about 2,900 petty firms registered at the
Associations, while in Gaziantep there are twice as many; and second, that
both in Eskisehir and Gaziantep about 15 to 17 per cent of the petty
firms registered are repairs rather than production oriented. There are
about 500 petty repair firms in Eskisehir, and 950 in Gaziantep.

In conclusion, the value of the available Turkish data on petty
production is rather dubious. Nevertheless, the tedious exercise of
critically evaluating such information is rewarding. It makes it possible
to forward what can be called an "educated guess" concerning the size of
petty production activities in Eskisehir and Gaziantep.

After studying the registration records kept at the Chambers, it
can be seen that in 1975, in Eskisehir there were about 100 petty production
firms registered at the Chamber of Industry, and 600 at the Chamber of
Commerce. In Gaziantep, on the other hand, there were somewhere between
800-1,400 petty production firms to be found in the Chamber of Commerce
and Industry's records, and not in the Associations'. When the detailed
compilation of the registrations at the petty producers' Associations is
included in the account, then a more accurate idea of the current number
of petty production firms can be developed. Yet, since the number of
registrations at the Associations does not necessarily correspond to the
number of petty production firms, and since there are unaccountable cross-
registrations between the Chambers and Associations, the conclusions drawn
from the data can be nothing more than a set of approximations. Furthermore,
there are some petty producers who go without any kind of registration
anywhere. Consequently, it is impossible to know the exact number of petty
producers, and therefore, petty firms. Nevertheless, if the petty producers
registered at the Chambers are taken together with those registered at the Associations, the total number of petty producers (assuming that there are as many petty firms as there are petty producers), and hence of petty firms in Eskisehir and Gaziantep can be put around 3,500 and 6,500 respectively. Yet, how many people in all are employed in these petty production firms? Unfortunately, on this point the reader has to be content with a rather flat approximation. Assuming that on the average, petty production (or repair) firms employ 3-4 people (this is the minimum of my estimate), the size of the petty production connected labor force can be put between 10,000-12,000 in Eskisehir, and 18,000-20,000 in Gaziantep. Yet, since I am sticking my neck out in this respect, let me provide a summary account of the various sources that have been scrutinized so far.

TABLE A-21
THE NUMBER OF PETTY PRODUCTION FIRMS AND THE CONNECTED LABOR FORCE IN ESKISEHIR: A SUMMARY OF VARIOUS SOURCES SCRUTINIZED IN THIS STUDY

<table>
<thead>
<tr>
<th>Source</th>
<th>Year</th>
<th>No. of Petty Production Firms</th>
<th>No. of Employed in Petty Production Firms</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. ACAROGLU (See: Table A-1)</td>
<td>1973</td>
<td>2,300-2,400</td>
<td>7,600-10,000</td>
</tr>
<tr>
<td>2. Devlet Istatistik Enstitusu (SIS) (See Tables A-4, A-5, and A-6)</td>
<td>1966</td>
<td>-</td>
<td>3,700-3,800</td>
</tr>
<tr>
<td>3. Devlet Planlama Teskilati (SPO) (See Table A-7)</td>
<td>1970</td>
<td>1,800-1,900</td>
<td>-</td>
</tr>
<tr>
<td>4. Esnaf ve Sanatkar Dernekleri (ASSOCIATIONS) (See Table A-19)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Records</td>
<td>1975</td>
<td>3,400-3,500</td>
<td>-</td>
</tr>
<tr>
<td>Records sifted</td>
<td>1975</td>
<td>2,900-2,950</td>
<td>-</td>
</tr>
<tr>
<td>MY ESTIMATES</td>
<td>1975</td>
<td>Around 3,500</td>
<td>10,000-12,000</td>
</tr>
</tbody>
</table>
TABLE A-22

THE NUMBER OF PETTY PRODUCTION FIRMS AND THE CONNECTED LABOR FORCE IN GAZIANTEP: A SUMMARY OF VARIOUS SOURCES SCRUTINIZED IN THIS STUDY

<table>
<thead>
<tr>
<th>Source</th>
<th>Year</th>
<th>No. of Petty Production in Petty Firms</th>
<th>No. of Employed in Petty Production Firms</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. İller Bankası (BANK OF THE PROVINCES)</td>
<td>1971</td>
<td>2,500-3,000</td>
<td>13,000-14,500</td>
</tr>
<tr>
<td>(See Tables A-2 and A-3)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Devlet İstatistik Enstitüsü (SIS)</td>
<td>1966</td>
<td>-</td>
<td>10,000-10,200</td>
</tr>
<tr>
<td>(See Tables A-4, A-5 and A-6)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Devlet Planlama Teskilati (SPO)</td>
<td>1970</td>
<td>4,100-4,200</td>
<td>-</td>
</tr>
<tr>
<td>(See Table A-7)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Halk Bankası (PEOPLE'S BANK)</td>
<td>1968</td>
<td>5,200-5,300</td>
<td>-</td>
</tr>
<tr>
<td>(See Tables A-8 and A-9)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1974</td>
<td>10,100-10,200</td>
<td>-</td>
</tr>
<tr>
<td>5. Devlet Planlama Teskilati (SPO)</td>
<td>1970</td>
<td>3,600-3,700</td>
<td>13,100-13,200</td>
</tr>
<tr>
<td>(See Table A-10)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Gaziantep Sanayi Müdurluğu (OFFICE OF INDUSTRY)(See Table A-11)</td>
<td>1970</td>
<td>3,700-3,800</td>
<td>-</td>
</tr>
<tr>
<td>7. Devlet Planlama Teskilati (SPO)</td>
<td>1971</td>
<td>4,500-4,600</td>
<td>13,100-13,200</td>
</tr>
<tr>
<td>(See Table A-12)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Esnaf ve Sanatkardernekleri (ASSOCIATIONS)(See Table A-20)</td>
<td>1975</td>
<td>6,400-6,500</td>
<td>-</td>
</tr>
<tr>
<td>Records</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Records sifted</td>
<td>1975</td>
<td>5,800-5,900</td>
<td>-</td>
</tr>
<tr>
<td>MY ESTIMATES</td>
<td>1975</td>
<td>Around 6,500</td>
<td>18,000-20,000</td>
</tr>
</tbody>
</table>
NOTES TO APPENDIX III

1. Irem Acaroglu, *Eskisehir Arastirmasi* (Ankara: mimeo., 1974). I was given full access to the data banks of this study. The information displayed in Table A-1 was compiled by hand from the computer readings submitted as an appendix to the Bank of the Provinces copy.

2. In many secondary sources on industrial production in Turkey, data are grouped with reference to a modified version of the Standard Industrial Classification. In an underdeveloped society like Turkey where qualitatively distinct modes of industrial production, i.e., "factories" and "non-factories," exist side by side, this generates serious problems. As far as production activities are considered, many of the artisanal occupations, or in other words, many petty production activities simply do not fit into the categories designed with developed industrial economies in mind. Yet, many Turkish scholars are content to perpetuate the use of the SIS version of the Standard Industrial Classification System although it distorts much of the realities of the Turkish industrial landscape. Since I can not avoid dealing with the shortcomings of this practice while going through the available information presented in the secondary sources, it is necessary to note what kinds of production activities the SIS categories of industry refer to.

MANUFACTURING INDUSTRIES (Imalat Sanayii): This category corresponds to (Division D.—MANUFACTURING) section of the U.S. Standard Industrial Classification Manual prepared by the Executive Office of the President in 1972. The following is a guide to the detailed break-down of this category.

<table>
<thead>
<tr>
<th>Code used in this study</th>
<th>SIS Major Group No.</th>
<th>Industry groups as defined by the SIS</th>
<th>References to the US. Standard Ind. Classification Manual, 1972.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Maj. Gr. No. 20: FOOD &amp; KINDRED PRODUCTS</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Gr. No. 208: BEVERAGES</td>
</tr>
<tr>
<td>01 02 03 04 05</td>
<td>20</td>
<td>Gida Maddeleri Sanayii</td>
<td>Major Gr. No. 21: TOBACCO MANUFACTURES</td>
</tr>
<tr>
<td></td>
<td>21</td>
<td>Icki Sanayii</td>
<td>Major Gr. No. 22: TEXTILE MILL PRODUCTS</td>
</tr>
<tr>
<td></td>
<td>22</td>
<td>Tutun Namulleri</td>
<td></td>
</tr>
<tr>
<td></td>
<td>23</td>
<td>Dokuma Sanayii</td>
<td></td>
</tr>
<tr>
<td></td>
<td>24</td>
<td>Kundura, diger Giyecik Esya ve Hazir Dokuma Esya Sanayii</td>
<td></td>
</tr>
</tbody>
</table>

continued
<table>
<thead>
<tr>
<th>No</th>
<th>Major Group</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>06</td>
<td>25</td>
<td>Agac ve Mantar Mamulleri Sanayii--Mobilya Haric</td>
</tr>
<tr>
<td>07</td>
<td>26</td>
<td>Mobilya ve Nefrusat Sanayii</td>
</tr>
<tr>
<td>08</td>
<td>27</td>
<td>Kagit ve Kagittan Mamul Esya Sanayii</td>
</tr>
<tr>
<td>09</td>
<td>28</td>
<td>Matbaacilik, Yinin ve Bunlarla Ilgili Sanayii</td>
</tr>
<tr>
<td>10</td>
<td>29</td>
<td>Kurk ve Deri Mamulleri Sanayii--Ayakkabi ve Diger Giyim Esyasi Haric</td>
</tr>
<tr>
<td>11</td>
<td>30</td>
<td>Kaucuk Mamulleri Sanayii</td>
</tr>
<tr>
<td>12</td>
<td>31</td>
<td>Kimya Sanayii</td>
</tr>
<tr>
<td>13</td>
<td>32</td>
<td>Petrol ve Komur Mamulleri Imali</td>
</tr>
<tr>
<td>14</td>
<td>33</td>
<td>Metalden Gayri Madenlerden Mamul Esya Sanayii--Petrol ve Komur Turemleri Haric</td>
</tr>
<tr>
<td>15</td>
<td>34</td>
<td>Metal Ana Sanayii</td>
</tr>
<tr>
<td>16</td>
<td>35</td>
<td>Madeni Esya Sanayii--Tasit Araclari ve Makinalar Haric</td>
</tr>
<tr>
<td>17</td>
<td>36</td>
<td>Makina Sanayii--Elektrik Makinalari Haric</td>
</tr>
<tr>
<td>18</td>
<td>37</td>
<td>Elektrik Makinalari, Cihazlar, aletleri ve elektrik Malzemesi Sanayii</td>
</tr>
<tr>
<td>19</td>
<td>38</td>
<td>Tasit Araclari ve Malzemesi Sanayii</td>
</tr>
<tr>
<td>20</td>
<td>39</td>
<td>Muhtelif Imalat Sanayii</td>
</tr>
</tbody>
</table>

3. See: Section III- Chapter XII of this study.
4. If we assume that establishments which employ more than 50 workers are most probably "factories," and that about 20 of the petty firms in glass works are not manufacturing establishments, then the total number of petty production firms in Eskisehir can be put at 2437.

\[(1548 + 654 + 128 + 88 + 39 - 20 = 2437)\]

5. \[(654)(2\frac{1}{2}) + (128)(7) + (88)(14\frac{1}{2}) + (39)(35) + 2437 = 7609\]

\[\text{where } 2\frac{1}{2}, 7, 14\frac{1}{2}, \text{ and } 35 \text{ are the average number of workers per establishment in each labor size category below the 50-99 group.}\]

6. \[7609 + (1548 - 20 + 654 + 128) = 9919\]


10. Ibid. .

11. See: Article No. 2 of Turkish Public Law No. 507.


12. Ibid., pp. 158-159.

13. Ibid., p.8.

14. Ibid. .


19. See: Article No. 3 of Turkish Public Law No. 507.


21. Ibid., pp. 3-10

22. Ibid. .

24. Turkiye Halk Bankasi (The People's Bank), "GenelGe" (Circular), 1 August 1974, No. 1415.


26. Ibid., p. 18, Table 19.

27. Ibid., pp. 20-21.

28. Ibid., p. 23, Tables 22 and 23.

29. Ibid., pp. 26-28, Table 24.


32. Ibid., p. 131.
APPENDIX IV

THE FIELD SURVEY

1. Some General Problems in Studying the Petty Production Activities Domain

Unfortunately, there are few first hand studies on the nature of Turkish petty production activities. At the same time, we do not know much concerning the problems involved in surveying petty firms, petty producers, petty repairers, journeymen, apprentices, (or the underpaid, unregistered, non-union, and over-worked workers in "non Factories"), and the institutional web connecting them to each other and the rest of Turkish society. In Appendix III, I have pointed at the problems involved in handling the already existing data referring to the petty production activities domain. Now let us turn to the problems involved in generating data: What to do when in the field? What to look for, what to see and what not? Whom to believe? How to tell a myth from a "true personal account"? How to gain access to records? How to design samples? Which questions to ask? &C.. The following section is a brief account on my data gathering experiences in Eskisehir and Gaziantep.

2. The Social and Anthropological Peculiarities of the Research Environment in the Case of Turkey

Not every petty producer is literate. According to a 1971 SPO Survey, of all the petty producers interviewed, 15 per cent in Gaziantep, 6 per cent in Konya, 31 per cent in Van, and 4 per cent in Karabuk were
illiterate. A large portion of the literate petty producers, however, i.e., 62 per cent in Gaziantep, 79.9 per cent in Konya, 45 per cent in Van and 80 per cent in Karabuk, have merely had a primary school education, which is obligatory under Turkish Laws; and, 8-15 per cent were found not to have completed primary school. Based on such findings, and my own field observations, I have assumed that while a good 10 per cent of the petty producers in Eskisehir and Gaziantep would not be able to do so, about 60 per cent or even more would, at best, be reluctant to respond to a written questionnaire. In this connection, it must be remembered that even when official-institutional lines of authority are invoked, responses to written questionnaires are very limited. For instance, in 1970, in order to survey the number of petty producers in Turkey, the SPO sent forms to every Petty Producers' Association, Municipality, and some selected Provincial units of the Central Administration such as 'Valilik's and 'Ilce Kaymakamlık's, but it received answers to only half of those questionnaires. More than 50 per cent of the Associations, 20 per cent of the 'Valilik's and 'Kaymakamlık's, and 10 per cent of the Municipalities did not respond. I had intended to survey the 'kalfa's, 'cirak's, and 'usta's, i.e., the workers, employed in petty production firms. But workers are more difficult to get hold of, and they are less likely to respond to official-looking surveys than their employers: the petty producers. Thus from the outset, the possibility of carrying out an extensive and detailed written questionnaire among the petty producers and their employees looked unpromising.

Receiving answers is an important concern of the researcher. Yet, an even more important problem is receiving correct answers. In an interview
type survey this hinges upon the rapport and understanding between the interviewer and the interviewed. It is important for the social scientist to know he is viewed as well as to have a sense of how the considerations of the interviewed and the conditions under which the interview is conducted interact to modify the answers received. For instance, on inquiries concerning the number of workers employed, wages, capital outlay, and profits, the average petty producer gets defensive. To protect himself, he will often tend to convey misleading information far below the actual levels. In certain cases he may even decline to comment or cooperate. These reactions are hardly surprising. For, at least in Turkey, his frank responses to questions relating to the labor force may easily be used against him by the Labor Office, while his own assessment of his capital outlay and profits may justify higher taxes if used by the Tax Office. In Eskisehir, where Government officials have tried almost all avenues to collect information, it is quite difficult to convince an average petty producer that one is not a Government agent in disguise, but only interested in learning about his business. In Gaziantep, on the other hand, the enforcement of rules and regulations on petty production is far more lax and Government officials are not as threatening as they are in Eskisehir. One reason may be the relative isolation of Gaziantep. Yet, a more plausible reason is the widespread smuggling in the area which not only diverts official attention from the domain of petty production activities, but also spurs the habit of "bending the rules," perhaps, via corruption.

There are other sensitive areas that may be touched when relating to petty producers. The most significant are religious and political. The interviewer has to pay attention to subtle signs that indicate the political
orientation and religious inclinations of the interviewed person. At

times it becomes advisable to omit one or two questions. Also, the

official and business-like attitudes of the interviewer, his speech,

class mannerisms, and even physical appearance can lead petty producers
to jump to conclusions and adjust their answers accordingly. In short,
when conducting interviews with petty producers, the more official and

unfriendly the impression left is, the less valid the responses are. Thus,
in order to receive dependable answers, the interviewer should not try to
outsmart the petty producers by asking indirect questions, which give the
impression that he does not trust them, or by intimidating them through
an official and business-like manner. Instead, he has to gain their
confidence by being open, frank, relaxed, and above all, convincing that
though not one of them, he is nevertheless concerned about their problems.

Apart from his sensitivity towards the feelings of the interviewed,
the researcher has few other means of checking the relative dependability
of the answers that he receives. He can cross-check certain responses
through quick but relevant observations, or through comparisons with the
answers given by other petty producers. Also, he can design a cross-checking
system into his questionnaire. But all such measures can only allow the
researcher to weigh the consistency and dependability of the answers given.
Thus, to repeat, receiving dependable answers hinges upon the establishment
of a rapport between the interviewer and the interviewed at a personal
level, and nothing more than that.

Where and under which circumstances an interview is held, seems
as important as the personal rapport between the researcher and the
interviewed. Quite often, upon entering an artisan shop or a workshop,
a group of petty producers and workers surrounds the interviewer. This is a situation which it is very difficult to control. When interviewing under such conditions, the pressures from the silent and curious petty producers have to be acknowledged and made use of. For instance, in the presence of his neighbors an average petty producer feels compelled to give more dependable answers assuming that the interviewer has secured the sympathy of the small ad-hoc group. In short, the interviewer ought to be aware of how he is received not only by the interviewed, but also by the spontaneous groups of petty producers that eventually condition the dependability of responses. Furthermore, whether the interview is conducted inside a workshop or outside matters. When a petty producer does not wish to cooperate fully, he implies it subtly by not inviting the interviewer into the shop, by not asking him to sit down, or by not offering a cup of tea or a cigarette. Interviewing a petty producer outside his own shop, on the other hand, not only makes it easier for him to evade certain questions but also makes it impossible for the interviewer to cross-check certain answers through observations.

Finally, how the interview is carried out bears some importance upon the dependability of the answers that are received. Sometimes, the order of the questions on the form may not be the order in which the petty producer responds. Consequently, he may get irritated by what he considers redundancy in questioning. Also, at times, certain questions may become irrelevant and inappropriate. Thus, the interviewer may be forced to reformulate certain questions and omit some others so as not to irritate the interviewed. Petty producers pay ample attention to what is recorded and which questions the researcher seems to consider important. Thus, if the
interviewer unknowingly hides his notes and fails to frankly reveal which questions he deems important and how precise he would like the answers to be, petty producers may jump to conclusions of their own and alter their attitude in the middle of the process.

In summary then, whether or not the petty producer is alienated during the process of the interview makes a great difference. I have outlined some considerations on this point so as to qualify the social, anthropological environment within which I operated to collect information; but more so, to show why the design of what may be termed a more "efficient" data collection effort, where more but less dependable answers could be accumulated through a research team and with less personal contact, becomes inappropriate. This much may also clarify why I consider the information gathered through the SPO and other official and semi-official channels questionable if not totally unreliable.

In view of these considerations, I adopted an approach which would facilitate the spending of more than an hour with each petty producer, and about fifteen minutes with each worker interviewed. The length of the interviews, as well as other considerations, ruled out the use of tape-recording techniques. Instead, I prepared the questionnaire forms such that it would be possible to take notes as the petty producers responded. The possibility of interviewing an average petty producer for over an hour is an indication of the extent to which "unused capacity" prevails in the petty production activities sector. However, it must be noted that the winter months during which the surveys were conducted, constitute the usual slack-season anyway. Not only before and after, but also during the interviews I had to take additional time to socialize or
explain the purpose of the research as a whole and why certain questions were asked. If counted, such encounter sessions with individual petty producers and their workers, can bring up the average time spent per interview by about another half hour. As I have noted earlier, unless invited into a shop, and received with trust I declined to ask questions. There were times when after sensing uneasiness on the part of the interviewed, I stopped the interview in the middle of the process and destroyed the form upon which I was taking notes. Being convinced that help from other interviewers would further complicate the situation I preferred to conduct all interviews by myself. After two weeks of interviewing in each city, I found it easier to proceed not only because I was getting used to the process, but also because the news of a "single researcher-student asking harmless questions" spread among the petty producers more quickly than I had expected. In this connection, I have to admit that not being affiliated with any organization helped. On several occasions my connections with the METU (Middle East Technical University) created minor difficulties due to the turmoil that plagues Turkish Universities in general.

3. Designing the Questionnaires

The initial questionnaire forms, one for the petty producers and another for their employees, were prepared in Ankara mainly in view of the 1971 SPO Survey of Petty Producers and Petty Traders, the 1970 KUS-GEM Survey of Small Industries in Gaziantep, and the 1965 Ministry of Construction and Resettlement Survey of Industries in Gaziantep.

Both in Gaziantep and Eskisehir, before embarking upon interviewing, I allowed a day or two for casual encounters with petty producers and
their workers. These initial contacts took place either at tea-coffee houses ('kahvehane's), or on the streets in the petty production quarters ('carsi's), and were of much help in developing an understanding of the prevailing sensitivities among the petty producers. Also, in each city, I carried out several pre-tests of the questionnaire, (7 in Gaziantep and 3 in Eskisehir), according to which the initial forms were modified. It was in Gaziantep, the first city surveyed, that the questions prepared in Ankara were altered radically.

After the pre-tests in Gaziantep, several points became clear. First, there were too many questions. This not only irritated those interviewed, but also me. Consequently, the number of questions was reduced by 30, from 103 to 73. For example, a set of questions designed to determine the extent to which traditional Guild institutions survived among the petty producers was dropped. Second, the order of questions proved to be problematic. Thus, questions were regrouped so that those relating specifically to the firm followed 26 others focusing upon the petty producer himself. This, I hoped would ease the establishment of personal rapport, and it did. Third, the manner in which the questions were formulated created some problems of communication. Therefore, I dropped the practice of addressing the petty producers cordially (in second person plural), and reformulated some questions which were rather confusing for the interviewed. Fourth, the time spent in taking notes caused a strain on the rapport established with the interviewed and obstructed the flow of questioning. Thus, I reduced the time spent in taking notes by preparing check-lists for my reference.

The questionnaires were designed to cover various aspects of the
production process and the organization of work, as well as the personal histories, opinions and beliefs of the petty producers and their workers. The interviews were conducted in Turkish. To give a better idea of the interviews I attempted to translate the gist of the questions posed. They were not only leading and open-ended, but also formulated in different wordings when necessary. Furthermore, only the relevant parts of the responses were noted alongside the observations.

4. Designing the Samples

Neither the secondary nor the original sources of information on petty production activities in Eskisehir and Gaziantep yield a clear picture before actually going through with the interviews. In other words, at the end of a critical scrutiny of the available information one returns to the starting point: a vague understanding of the nature, scope, and extent of petty production activities. Confronted with such an information base on the one hand, and my perceptions of the social-anthropological peculiarities of petty producers on the other, I decided to proceed in a rather pragmatic way in the design of samples. The following is a brief description of the method followed.

I acquired an official document from the University with which I am affiliated to the effect that I was to conduct field surveys in Eskisehir and Gaziantep. Addressed to the Governors' Offices in Eskisehir and Gaziantep, it proved to be helpful in convincing the head of the Confederation of Petty Producers' and Petty Traders' Associations in Ankara to personally inform the heads of the Union of Petty Producers' and Petty Traders' Associations in Eskisehir and Gaziantep in advance of
my arrival.

Once in the field, before contacting the head of the Union, I proceeded by seeing the Governor and the Mayor, and requested from them official letters to the effect that I was a student and that I was going to interview the heads of various institutions (specified in detail) and the petty producers and their workers with the sole purpose of writing a book. I was intending to collect as many official letters from as diverse authorities as possible to convince the more skeptical of my real purpose whenever it became necessary in the course of interviews. It was with this collection of letters from the University, the Governor's Office, and the Mayor's Office, that I called upon the Union. After explaining in detail what I intended to do, I requested the head of the Union to officially advertise by whatever means he deemed effective, my arrival and my intentions. In Gaziantep "word of mouth" was supposed to do the job, in Eskisehir a small article appeared in the Union's Weekly Newsletter. 

From the Unions I acquired the lists of the names, addresses and telephone numbers of the chairmen of each Association. Then, I asked the head of the Union to personally telephone the chairman of each Petty Producers' Association, and to introduce me on the phone. This time summarizing my intentions to each and every chairman, I informed them that I would contact them later and asked to arrange some kind of an informal meeting at the Association's headquarters. (Usually, the headquarters turned out to be the workshops of the chairmen). Arranging an informal meeting at the headquarters of an Association every other day, I started my surveys.

As a rule, some members of the steering committee, the secretary general, and the chairman of the Association as well as one or two interested
petty producers attended these informal assemblies. On the average, the meetings lasted from one to two hours. I asked those present to describe the different occupations registered at the Association, name the general problems of these businesses, outline the problems of running the Association, and describe the possible solutions to better the situation. Taking notes, I asked whether it would be possible for me to go through the records kept at the Association. After weeding out the currently practising petty traders by occupations (see: Appendix III, Tables A-19 and A-20), I asked for their estimates of the total number of petty firms in each occupational grouping regardless of the possibility that some could be registered at the Chambers or not registered at all. Then, I requested that they give a rough estimate of the percentage of petty firms that they would consider "small," "medium," and "large" in each trade. Upon noting down the consensus I inquired about their criteria. In other words, I asked them to tell what makes them consider a petty firm "small," "medium" or "large." Informing them of the "factory" and "non-factory" distinction, and suggesting that the size of capital outlay, number of workers (apprentices included), the size of output, and the quality of technology (including the level of utilization of inorganic energy) matters, I asked them to revise their initial consensus estimate. Thus, I arrived at an approximate stratification of the petty production firms by size for each occupation under consideration. After the surveys, this rough stratification became instrumental in forwarding estimates on the number of artisan shops and workshops in particular lines of petty production.

From the registration records of each Association, I picked several petty producers at random, and asked to which size category they belonged.
Eventually, for each major occupation found in the registration records, I identified three randomly selected petty producers whose businesses were considered to be representative of the three categories that were formulated earlier. It was to these petty producers that I asked to be led. Upon arriving at the workshop, however, I did not interview the petty producer whom I had selected at the Association headquarters. I did not want the petty producer to get intimidated from the outset. Being selected in advance, and not knowing why he had been chosen to be interviewed, I thought he would quite rightly be suspicious. Therefore, upon meeting the randomly selected petty producer, and observing his place of work, I asked him to lead me to any petty producer that he knew who had a business of a similar size if not one exactly like his. For the larger workshops that were registered at the Chambers rather than at the Associations, however, I used a different approach. Since they were well known, after deciding which workshop to survey in advance, I directly contacted the petty producer without the aid of intermediaries, explained my purpose, showed him the collection of official papers and interviewed.

In summary, both the stratification and the samples emerged as I proceeded in the above-described method of approaching the petty producers. The result was a stratified random sample survey.

There are 33 Associations in Eskisehir and 55 in Gaziantep. Out of these, 17 in Eskisehir and 23 in Gaziantep can be considered Petty Producers' Associations. The number of Petty Producers' Associations, however, does not correspond to the number of petty production occupations. Usually more than one, and sometimes up to 15-20 different trades can be referred to in the registration records kept at the Associations. This constitutes a
problem. Although I wanted to cover all trades, it was impossible to do so given the obvious constraints on time and money. Therefore, upon identifying the Petty Producers' Associations and sorting out the Petty Traders recorded by their trades, I decided to put selective emphasis upon the incredibly large panoply of occupations.

First, I identified those trades that constitute part of a single production process. For instance, the shoe makers, 'sayaci's, 'fora-frezeci's, and cobblers form one such group of individually identified but closely knit trades. Weavers, dyers, and pattern makers constitute another group. Sometimes as in the case of the founders and stove makers in Eskisehir, strong sub-contracting bonds exist among certain trades.

Second, after grouping those petty production trades that are intimately linked together via strong sub-contracting or "putting-out" relations, I identified the more "free-standing" trades. Of the free-standing trades such as tailoring, iron works, copper works and the like, I chose those which were the most widespread, employed the most labor, were in rapid proliferation or decline, or were undergoing some sort of significant transformation. After such a qualitative stratification of the petty production trades, I proceeded with the surveys. I interviewed one or two petty producers in the "less important" (for my purposes) trades. Often, I collected information concerning such trades indirectly from other petty producers, observations, and non-questionnaire bound brief encounters. For the more important "free-standing" trades, I followed the research method outlined above. Yet, for the trades which form closely knit clusters, I put additional effort in terms of extra interviews and encounters, in order to clarify the overall nature of the relations between petty firms in different occupation
The field surveys were conducted during a four month period in the winter of 1974-75. In Eskisehir, 62 petty firms out of a total of 3,500 were surveyed. In Gaziantep, on the other hand, more interviews were conducted: 76 out of a total of 6,500. Besides the survey of petty firms, the responsible heads of institutions such as the People's Bank, the Petty Producers' Credit Cooperatives, the Petty Producers' Associations, and Unions, the Petty Producers' Associations Confederation, and the directors of various programs and studies that relate to the petty production activities domain such as the Small Industries Development Center in Gaziantep (KUS-GEM), the Small Industries Department of the Ministry of Industry and Technology, the State Planning Organization, the Gaziantep Metropolitan Planning Agency, the Municipalities, the Chambers of Commerce and Industries, the Petty Producers' Cooperatives, &c., were interviewed. Often access to the records kept at the above-mentioned organizations was secured. To these, however, various other formal and informal interviews and manifold observations must be added. In short, field-surveys constitute the major source of information. The reader should not expect to find a "monography" produced on the basis of this pool of data, since it is referred to only to shed some light upon the issues involved in the nature, role, and future of petty production activities in Turkish industrial development.
NOTES TO APPENDIX IV


2. Ibid., p. 11.

3. Ibid., p. 11.

4. Turkish petty producers are intimidated by impersonal and written official-like documents. I presume this stems from the traditional relation between the State and petty producers. Officials and official-like documents have always meant harassment over tax and labor issues. Taxes collected from petty producers were returned to them in the form of their increased policing.


6. Idem., Esnaf ve Sanatkarlarin Sosyal ve Ekonomik Sorunlari Arastirmasi, 3 vols., (Ankara: D.P.T. Yay. No. 975, 1971), vol. II., p. 31. 15.3 per cent of the workers in petty production firms in Gaziantep were found illiterate. Furthermore, if we consider the nature of secondary industrial labor markets, it becomes clear that craft and detail workers will be more reluctant to respond to an official-like written survey than petty producers.

7. This problem does not emerge with the smaller and larger petty producers. The former think they do not have much to lose, and the latter hope to attract attention to their business problems. For example, in Eskisehir many middle-sized stove makers declined to cooperate, but smaller ones were eager to complain about their situation, and the bigger ones were proud to talk about their businesses.

8. Petty producers strongly despise officials disguised as social researchers, journalists, and plain customers. Petty producers in Eskisehir frequently complain about such information gathering techniques used by the officials. Indeed, petty producers offer bribes and tell lies when they are suspicious. But one method of information gathering that they hate is the practice of being asked questions about their neighbors.


12. Tea houses were not the best place to contact petty producers. Usually, petty traders and the marginally employed or the unemployed frequent the tea-coffee houses in the petty production quarters. Petty producers take breaks in their own shops if not in their neighbor's, and order tea or coffee from the 'kahvehane's.
13. The following are the questions used in interviewing petty producers:
1. What is the proportion of repair work to production work done during an average month?
2. What is the legal status of your establishment?
3. What kind of work are you preoccupied with? (only management; management and supervision of workers; management, supervision of workers and manual work)
4. Since when have you stopped being involved in manual work?
5. How old are you?
6. How many people do you look after?
7. How did you learn this trade?
8. Do you know how to read and write?
9. What kind of formal education did you go through?
10. Do you follow literature that relates to your work?
11. Which daily newspapers do you read?
12. How often do you go to the Mosque?
13. How often do you go to tea-coffee houses?
14. What are the occasions when you come together with fellow petty producers?
15. Which parties did you vote for in the last two nation-wide elections?
16. At which Association are you registered?
17. Why did you register?
18. Are you affiliated with a Cooperative?
19. Are you registered at the Chamber of Commerce and Industry?
20. Are you registered at BAG-KUR?
21. When did you start this business?
22. What were you doing before?
23. What were your father's and grandfather's occupations?
24. Why did you get into this trade?
25. How do you assess the future of your trade?
26. What are the dangers in the future of your trade?
27. If I would like to open and operate an establishment identical to yours, and if I have enough cash and I know the trade, how much do I have to invest in fixed and operating capitals?
28. How many new firms were opened in the same trade as yours during the last two years?
29. How many were closed?
30. What are the unsuccessful petty producers and their workers doing now?
31. From where did you get the initial capital?
32. Did you expand your business?
33. If you are thinking about expanding your business, how?; and if you are not, why?
34. What did you invest in while expanding your business?
35. What kinds of problems did you encounter in finding credits?
36. What is the total horsepower of your machinery?
37. Do you have machinery produced in Turkey?
38. Do you need new machinery?
39. How much do you pay for electricity, fuel oil, coal and other sources of energy during an average month?
40. How much do you pay for rent?
41. Do you buy raw materials on credit?
42. What are the terms of credit?
43. From which towns do you purchase your raw material inputs?
44. Do you use imported raw materials?
45. From whom do you purchase? (directly from producers, wholesale merchants, retailers)
46. How small are the merchant firms you are involved with?
47. How often do you purchase raw materials? Do you have stocks?
48. How much raw material do you spend for a typical month's production? What are the unit prices of the raw materials?
49. What kinds of problems do you have with merchants?
50. Do you receive production orders?
51. From whom?
52. Do you retail your own products?
53. Do you sell on credit?
54. Who buys wholesale from you?
55. From which towns do you receive production orders? How wide is your market?
56. What do you think about your competitors?
57. How do you advertise?
58. How do you collect information on your competitors?
59. What do you think about the existing market conditions?
60. How many workers do you employ?
61. What are the ages of your workers?
62. How would you describe the division of work in your firm? Who does what?
63. What kinds of problems do you have with your workers?
64. Do you intend to hire new workers this year?
65. During this year, how many workers left this firm? How many were laid off? Why?
66. What do the workers do when out of employment in one firm?
67. Since how long are your current workers employed in your firm?
68. Is your firm operating at its full-capacity?
69. If it would be operating at its full-capacity, what would be the percentage increase in the total production?
70. Why is it not operating at its full-capacity?
71. What is a typical week's output? What is the unit price of your output?
72. How much do you pay for your 'kalfa's, 'usta's, 'cirak's and 'ayakalti's or 'elalti's?
73. How many of your workers are registered at the Labor Office?

The following are the questions used in interviewing craft and detail workers employed in petty production firms:
1. How old are you?
2. How, and how much are you paid?
3. How many people do you look after?
4. How long have you been working in this firm?
5. In which other places (firms and towns) have you worked prior to this job?
6. What was/is your father's and grandfather's occupations?
7. What was your wage when you first entered this firm?
8. How many hours do you work in a typical work day?
9. What are you paid for overtime?
10. Do you work on sundays and holidays?
11. Do you have paid leaves?
12. Why did you get into this trade?
13. How did you find this job?
14. What are your plans for the future?
15. How would you describe the division of work in this firm?
16. Who supervises your work?
17. If permitted, can you run a firm similar to this?
18. Are you registered at the Labor Office?
19. Which parties did you vote for in the last two nation-wide elections?
20. What do you think about your relations with the 'boss', and the conditions of work in this firm?

APPENDIX V

SELECTED DATA ON THE 43 WORKSHOPS AND 95 ARTISAN SHOPS SURVEYED IN GAZIANTEP AND ESKISEHIR IN 1974-1975

1. Workshops

In Eskisehir 16 workshop operators are interviewed. The following is a list of their occupations: 2 furniture makers, a cartwright, a tanner, 2 stove makers, 2 founders, a nickel plater, a lathe shop operator specialized in agricultural equipment making, another lathe shop operator specialized in machine tool making, a tinsmith, a metal furniture maker, a tire recapper, a binder, and a printer. In Gaziantep, on the other hand, the workshops of the following 27 petty producers are surveyed: 2 bakers, a confectioner, a pit sawyer, a tanner, a shoe maker, a spinner, a dyer, 2 'kilim' makers, a towel maker, 2 tricot makers, a tailor, a silk weaver, a steel-safe maker, 2 coppersmiths, a brass and aluminum founder, a founder and lathe operator, a box-spring maker, an ironsmith, 2 lathe operators, a plastic bag maker, a printer, and a 'yun ve kil tarakci'.

<table>
<thead>
<tr>
<th>Age Groups</th>
<th>No. Of Workshop Operators in Eskisehir</th>
<th>No. Of Workshop Operators in Gaziantep</th>
</tr>
</thead>
<tbody>
<tr>
<td>29 and below</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>30-39</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>40-49</td>
<td>7</td>
<td>12</td>
</tr>
<tr>
<td>50 and over</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>TOTAL</td>
<td>16</td>
<td>27</td>
</tr>
</tbody>
</table>
### TABLE WS-2
LITERACY AND SCHOOLING AMONG WORKSHOP OPERATORS

<table>
<thead>
<tr>
<th>Literacy and Schooling</th>
<th>No. Of Workshop Operators in Eskisehir</th>
<th>No. Of Workshop Operators in Gaziantep</th>
</tr>
</thead>
<tbody>
<tr>
<td>Illiterate</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>Literate (self-taught)</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td>Primary school education</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>Secondary school education</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td>Higher-vocational education</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>16</td>
<td>27</td>
</tr>
</tbody>
</table>

### TABLE WS-3
VOCATIONAL TRAINING OF WORKSHOP OPERATORS

<table>
<thead>
<tr>
<th>Training</th>
<th>No. Of Workshop Operators in Eskisehir</th>
<th>No. Of Workshop Operators in Gaziantep</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apprenticeship</td>
<td>14</td>
<td>23</td>
</tr>
<tr>
<td>No Apprenticeship (vocational school, transfer from other occupations such as trading)</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>16</td>
<td>27</td>
</tr>
</tbody>
</table>

### TABLE WS-4
MOSQUE AND COFFEE-SHOP ATTENDANCE AMONG WORKSHOP OPERATORS

<table>
<thead>
<tr>
<th>Frequency</th>
<th>No. Of Workshop Operators in Eskisehir</th>
<th>No. Of Workshop Operators in Gaziantep</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mosque</td>
<td>Coffee-shop</td>
</tr>
<tr>
<td>Never</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>Once or twice a year</td>
<td>7</td>
<td>-</td>
</tr>
<tr>
<td>Once or twice a week</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td>Once or twice a day</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>3-5 times a day</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>No answer</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>16</td>
<td>16</td>
</tr>
</tbody>
</table>
### TABLE WS-5

**NEWSPAPERS READ BY WORKSHOP OPERATORS**

<table>
<thead>
<tr>
<th>Newspapers</th>
<th>No. Of Workshop Operators in Eskisehir</th>
<th>No. Of Workshop Operators in Gaziantep</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Only local newspapers</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Only 'Milliyet'</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Only 'Cumhuriyet'</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Only 'Hurriyet'</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Only 'Gunaydin'</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Only 'Tercuman'</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Only 'Son Havadis'</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>More than one newspaper</td>
<td>5*</td>
<td>11**</td>
</tr>
<tr>
<td>No answer</td>
<td>-</td>
<td>1</td>
</tr>
</tbody>
</table>

TOTAL 16 27

(*) (M,T), (H,T), (H,T), (H,T), (C,M).
(••) (H,T), (H,T), (H,local), (H,T), (H,M), (H,T), (H,local), (C,M, local)
(M,T, local), (C,M).

### TABLE WS-6

**VOTING BEHAVIOUR OF WORKSHOP OPERATORS IN THE LAST TWO ELECTIONS**

<table>
<thead>
<tr>
<th>Parties</th>
<th>No. Of Workshop Operators in Eskisehir</th>
<th>No. Of Workshop Operators in Gaziantep</th>
</tr>
</thead>
<tbody>
<tr>
<td>Did not vote</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td>AP</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>CHP</td>
<td>5</td>
<td>9</td>
</tr>
<tr>
<td>DP</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td>GP</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>MSP</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>MHP</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>No answer</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

TOTAL 16 16 27 27

AP, Adalet Partisi (The Justice Party)
CHP, Cumhuriyet Halk Partisi (The Republican Peoples' Party)
DP, Demokratik Parti (The Democratic Party)
GP, Guven Partisi (The Reliance Party)
MSP, Milli Selamet Partisi (The National Salvation Party)
MHP, Milli Hareket Partisi (The National Action Party)
### TABLE WS-7

**MEMBERSHIP OF WORKSHOP OPERATORS AT INSTITUTIONS**

<table>
<thead>
<tr>
<th>Institutions</th>
<th>No. of Workshop Operators in Eskisehir</th>
<th>No. of Workshop Operators in Gaziantep</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petty Producers' Associations</td>
<td>13</td>
<td>23</td>
</tr>
<tr>
<td>Petty Producers' Credit Cooperatives</td>
<td>12</td>
<td>24</td>
</tr>
<tr>
<td>Chamber of Commerce and Industry in Gaziantep, and Chamber of Commerce in Eskisehir</td>
<td>6</td>
<td>16</td>
</tr>
<tr>
<td>Other Cooperatives</td>
<td>7</td>
<td>13</td>
</tr>
</tbody>
</table>

### TABLE WS-8

**WORKSHOP OPERATORS' PERSPECTIVE OF THE FUTURE OF THE TRADE**

<table>
<thead>
<tr>
<th>Rating</th>
<th>No. of Workshop Operators in Eskisehir</th>
<th>No. of Workshop Operators in Gaziantep</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good, Excellent</td>
<td>14</td>
<td>21</td>
</tr>
<tr>
<td>Middling</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>Not promising, Bleak</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>16</strong></td>
<td><strong>27</strong></td>
</tr>
</tbody>
</table>

### TABLE WS-9

**WORKSHOP OPERATORS' FATHERS' AND GRANDFATHERS' OCCUPATION**

<table>
<thead>
<tr>
<th>Occupation</th>
<th>No. of Workshop Operators in Eskisehir</th>
<th>No. of Workshop Operators in Gaziantep</th>
</tr>
</thead>
<tbody>
<tr>
<td>Father</td>
<td>Grandfather</td>
<td>Father</td>
</tr>
<tr>
<td>Peasant</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>Petty trader, Trader</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>(Government official and Employee, and Worker)</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Petty Producer</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>No answer</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>16</strong></td>
<td><strong>16</strong></td>
</tr>
</tbody>
</table>
### TABLE WS-10
WORKSHOP OPERATORS' REASON FOR CHOOSING THE TRADE

<table>
<thead>
<tr>
<th>Reasons</th>
<th>No. Of Workshop Operators in Eskisehir</th>
<th>No. Of Workshop Operators in Gaziantep</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money</td>
<td>12</td>
<td>14</td>
</tr>
<tr>
<td>Father's Trade</td>
<td>3</td>
<td>13</td>
</tr>
<tr>
<td>No answer</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>16</strong></td>
<td><strong>27</strong></td>
</tr>
</tbody>
</table>

### TABLE WS-11
THE PERIOD WHEN THE WORKSHOP WAS OPENED

<table>
<thead>
<tr>
<th>Period</th>
<th>No. Of Workshops in Eskisehir</th>
<th>No. Of Workshops in Gaziantep</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre 1940</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>1940-1949</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>1950-1959</td>
<td>6</td>
<td>9</td>
</tr>
<tr>
<td>1960-1969</td>
<td>6</td>
<td>10</td>
</tr>
<tr>
<td>1970-1975</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>16</strong></td>
<td><strong>27</strong></td>
</tr>
</tbody>
</table>

### TABLE WS-12
SOURCES OF FUNDS AT THE INITIAL OPENING OF THE WORKSHOP

<table>
<thead>
<tr>
<th>Source of initial Fund</th>
<th>No. Of Workshop Operators in Eskisehir</th>
<th>No. Of Workshop Operators in Gaziantep</th>
</tr>
</thead>
<tbody>
<tr>
<td>Own savings</td>
<td>11</td>
<td>14</td>
</tr>
<tr>
<td>Borrowed from friends and relatives</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>Sold property</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Inherited, or gift from father</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Credit from a Bank</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Partnership</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td>Borrowed from merchants</td>
<td>1</td>
<td>3</td>
</tr>
</tbody>
</table>
### TABLE WS-13
**SOURCES OF FUNDS IN EXPANDING THE WORKSHOP**

<table>
<thead>
<tr>
<th>Source of Fund</th>
<th>No. Of Workshop Operators in Eskisehir</th>
<th>No. Of Workshop Operators in Gaziantep</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings</td>
<td>11</td>
<td>18</td>
</tr>
<tr>
<td>Bank Credits</td>
<td>9</td>
<td>13</td>
</tr>
<tr>
<td>Borrowings from Merchants</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td>4</td>
</tr>
</tbody>
</table>

### TABLE WS-14
**DESIGNATIONS OF FUNDS IN EXPANDING THE WORKSHOP**

<table>
<thead>
<tr>
<th>Designation of Fund</th>
<th>No. Of Workshop Operators in Eskisehir</th>
<th>No. Of Workshop Operators in Gaziantep</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments in Machinery</td>
<td>12</td>
<td>18</td>
</tr>
<tr>
<td>Expanding Capacity</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Investments in Building</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Increases in Employment</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>1</td>
</tr>
</tbody>
</table>

### TABLE WS-15
**TOTAL CAPITAL OUTLAY IN WORKSHOPS (‘000 TL.)**

<table>
<thead>
<tr>
<th>Total Capital Outlay</th>
<th>ESKISEHIR</th>
<th></th>
<th>GAZIANTEP</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. Of Workshops</td>
<td>Average Total Capital</td>
<td>No. Of Workshops</td>
<td>Average Total Capital</td>
</tr>
<tr>
<td>Less than 50</td>
<td>1</td>
<td>38</td>
<td>2</td>
<td>32</td>
</tr>
<tr>
<td>50-99</td>
<td>1</td>
<td>90</td>
<td>4</td>
<td>59</td>
</tr>
<tr>
<td>100-499</td>
<td>3</td>
<td>227</td>
<td>10</td>
<td>219</td>
</tr>
<tr>
<td>500-999</td>
<td>5</td>
<td>664</td>
<td>6</td>
<td>630</td>
</tr>
<tr>
<td>1000 and above</td>
<td>6</td>
<td>1696</td>
<td>5</td>
<td>2260</td>
</tr>
</tbody>
</table>

|               | 16         | 27            |
### TABLE WS-16

**FIXED CAPITAL OUTLAY IN WORKSHOPS (‘000 TL.)**

<table>
<thead>
<tr>
<th>Fixed Capital Outlay</th>
<th>ESKISEHIR</th>
<th></th>
<th>GAZIANTEP</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. Of Workshops</td>
<td>Average Fixed Capital</td>
<td>No. Of Workshops</td>
<td>Average Fixed Capital</td>
</tr>
<tr>
<td>Less than 50</td>
<td>1</td>
<td>30</td>
<td>8</td>
<td>21</td>
</tr>
<tr>
<td>50-99</td>
<td>6</td>
<td>65</td>
<td>3</td>
<td>63</td>
</tr>
<tr>
<td>100-499</td>
<td>1</td>
<td>150</td>
<td>9</td>
<td>199</td>
</tr>
<tr>
<td>500-999</td>
<td>2</td>
<td>565</td>
<td>5</td>
<td>520</td>
</tr>
<tr>
<td>1000 and above</td>
<td>6</td>
<td>1583</td>
<td>2</td>
<td>2500</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>总数</td>
<td>16</td>
<td></td>
<td>27</td>
<td></td>
</tr>
</tbody>
</table>

### TABLE WS-17

**VARIABLE CAPITAL NECESSARY TO OPERATE A WORKSHOP (‘000 TL.)**

<table>
<thead>
<tr>
<th>Variable Capital Outlay</th>
<th>ESKISEHIR</th>
<th></th>
<th>GAZIANTEP</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. Of Workshops</td>
<td>Average Variable Capital</td>
<td>No. Of Workshops</td>
<td>Average Variable Capital</td>
</tr>
<tr>
<td>Less than 50</td>
<td>2</td>
<td>14</td>
<td>9</td>
<td>24</td>
</tr>
<tr>
<td>50-99</td>
<td>-</td>
<td>-</td>
<td>3</td>
<td>53</td>
</tr>
<tr>
<td>100-499</td>
<td>5</td>
<td>180</td>
<td>9</td>
<td>214</td>
</tr>
<tr>
<td>500-999</td>
<td>3</td>
<td>500</td>
<td>3</td>
<td>500</td>
</tr>
<tr>
<td>1000 and above</td>
<td>6</td>
<td>2250</td>
<td>3</td>
<td>1333</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>16</td>
<td>27</td>
</tr>
</tbody>
</table>

### TABLE WS-18

**MECHANICAL POWER UTILIZED IN WORKSHOPS (in Horsepowers)**

<table>
<thead>
<tr>
<th>Horsepowers</th>
<th>ESKISEHIR</th>
<th></th>
<th>GAZIANTEP</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. Of Workshops</td>
<td>Average Hps Utilized</td>
<td>No. Of Workshops</td>
<td>Average Hps Utilized</td>
</tr>
<tr>
<td>None</td>
<td>1</td>
<td>-</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td>Less than 5</td>
<td>3</td>
<td>3</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>5-9</td>
<td>1</td>
<td>9</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>10-14</td>
<td>3</td>
<td>10</td>
<td>4</td>
<td>10</td>
</tr>
<tr>
<td>15 and above</td>
<td>8</td>
<td>49</td>
<td>9</td>
<td>33</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>16</td>
<td>27</td>
</tr>
</tbody>
</table>
### TABLE WS-19

**DISTRIBUTION OF WORKERS IN WORKSHOPS BY AGE GROUPS**

<table>
<thead>
<tr>
<th>Age Groups</th>
<th>No. Of Journeymen in Eskisehir</th>
<th>No. Of Apprentices in Eskisehir</th>
<th>No. Of Journeymen in Gaziantep</th>
<th>No. Of Apprentices in Gaziantep</th>
</tr>
</thead>
<tbody>
<tr>
<td>9-14</td>
<td>-</td>
<td>7</td>
<td>-</td>
<td>64</td>
</tr>
<tr>
<td>15-19</td>
<td>7</td>
<td>21</td>
<td>46</td>
<td>38</td>
</tr>
<tr>
<td>20-24</td>
<td>19</td>
<td>2</td>
<td>45</td>
<td>1</td>
</tr>
<tr>
<td>25-29</td>
<td>38</td>
<td>-</td>
<td>39</td>
<td>-</td>
</tr>
<tr>
<td>30 and above</td>
<td>26</td>
<td>-</td>
<td>42</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>90</strong></td>
<td><strong>30</strong></td>
<td><strong>172</strong></td>
<td><strong>103</strong></td>
</tr>
</tbody>
</table>

(*) One workshop operator, a stove maker, refused to supply information on workers in his firm.

### TABLE WS-20

**DISTRIBUTION OF WORKSHOPS BY THE TOTAL NUMBER OF WORKERS**

<table>
<thead>
<tr>
<th>No. Of Workers</th>
<th>No. Of Workshops in Eskisehir</th>
<th>No. Of Workshops in Gaziantep</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-3</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>4-6</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>7-10</td>
<td>1</td>
<td>10</td>
</tr>
<tr>
<td>11-15</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>16-20</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>21-30</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>15</strong></td>
<td><strong>27</strong></td>
</tr>
</tbody>
</table>

(*) One workshop operator refused to supply information on workers in his firm.

### TABLE WS-21

**DISTRIBUTION OF WORKSHOPS BY THE NUMBER OF JOURNEYMEN AND APPRENTICES**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>-</td>
<td>3</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>1-3</td>
<td>9</td>
<td>10</td>
<td>4</td>
<td>11</td>
</tr>
<tr>
<td>4-6</td>
<td>1</td>
<td>1</td>
<td>13</td>
<td>8</td>
</tr>
<tr>
<td>7-10</td>
<td>2</td>
<td>1</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>11-15</td>
<td>1</td>
<td>-</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>16-20</td>
<td>2</td>
<td>-</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>15</strong></td>
<td><strong>15</strong></td>
<td><strong>27</strong></td>
<td><strong>27</strong></td>
</tr>
</tbody>
</table>

(*) One workshop operator did not supply information on workers in his firm.
### TABLE WS-22

**DISTRIBUTION OF WORKERS BY THE SIZE OF MONTHLY WAGES**

<table>
<thead>
<tr>
<th>Wages in TL</th>
<th>ESKISEHIR*</th>
<th></th>
<th></th>
<th>GAZIANTEP</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Journeymen</td>
<td>Apprentices</td>
<td>Journeymen</td>
<td>Apprentices</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Below 200</td>
<td>-</td>
<td>3</td>
<td>-</td>
<td>11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>200-399</td>
<td>-</td>
<td>14</td>
<td>-</td>
<td>45</td>
<td></td>
<td></td>
</tr>
<tr>
<td>400-599</td>
<td>1</td>
<td>7</td>
<td>2</td>
<td>26</td>
<td></td>
<td></td>
</tr>
<tr>
<td>600-749</td>
<td>1</td>
<td>6</td>
<td>5</td>
<td>21</td>
<td></td>
<td></td>
</tr>
<tr>
<td>750-999</td>
<td>12</td>
<td>-</td>
<td>33</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1000-1200</td>
<td>63</td>
<td>-</td>
<td>102</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Above 1200</td>
<td>13</td>
<td>90</td>
<td>30</td>
<td>103</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(*) One workshop operator did not supply information on workers in his firm.

### TABLE WS-23

**VALUE OF RAW MATERIALS USED ('000 TL. per Month)**

<table>
<thead>
<tr>
<th>Value Of Raw Materials Used</th>
<th>ESKISEHIR</th>
<th></th>
<th></th>
<th>GAZIANTEP</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. Of Workshops</td>
<td>Average Value of Raw Materials used</td>
<td>No. Of Workshops</td>
<td>Average Value of Raw Materials used</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 1</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>0.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-9</td>
<td>2</td>
<td>5</td>
<td>4</td>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10-49</td>
<td>10</td>
<td>26</td>
<td>10</td>
<td>23</td>
<td></td>
<td></td>
</tr>
<tr>
<td>50-99</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>61</td>
<td></td>
<td></td>
</tr>
<tr>
<td>100-499</td>
<td>3</td>
<td>183</td>
<td>7</td>
<td>187</td>
<td></td>
<td></td>
</tr>
<tr>
<td>500 and above</td>
<td>-</td>
<td>-</td>
<td>3</td>
<td>657</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(*) One workshop operator did not supply information
### TABLE WS-24

**MONTHLY EXPENDITURES ON UTILITIES AND FUEL**

<table>
<thead>
<tr>
<th>Expenditures Less than 500</th>
<th>ESKISEHIR</th>
<th>No. Of Workshops</th>
<th>Average Expenditure (TL./Month)</th>
<th>GAZIANTEP</th>
<th>No. Of Workshops</th>
<th>Average Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>500-599</td>
<td>1</td>
<td>750</td>
<td>5</td>
<td>500-599</td>
<td>1</td>
<td>750</td>
</tr>
<tr>
<td>1000-1999</td>
<td>2</td>
<td>1375</td>
<td>7</td>
<td>1000-1999</td>
<td>2</td>
<td>1375</td>
</tr>
<tr>
<td>2000 and above</td>
<td>4</td>
<td>3283</td>
<td>3</td>
<td>2000 and above</td>
<td>4</td>
<td>3283</td>
</tr>
<tr>
<td></td>
<td><strong>15</strong></td>
<td></td>
<td><strong>27</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(*) One petty producer did not supply information.

### TABLE WS-25

**RENT PAID**

<table>
<thead>
<tr>
<th>Rent Less than 500</th>
<th>ESKISEHIR</th>
<th>No. Of Workshops</th>
<th>Average Rent (TL./Month)</th>
<th>GAZIANTEP</th>
<th>No. Of Workshops</th>
<th>Average Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 500</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>500-599</td>
<td>5</td>
<td>640</td>
</tr>
<tr>
<td>500-999</td>
<td>5</td>
<td>640</td>
<td>7</td>
<td>1000-1999</td>
<td>7</td>
<td>1200</td>
</tr>
<tr>
<td>1000-1999</td>
<td>2</td>
<td>1200</td>
<td>7</td>
<td>2000 and above</td>
<td>1</td>
<td>4250</td>
</tr>
<tr>
<td>2000 and above</td>
<td>2</td>
<td>4250</td>
<td>1</td>
<td>2000 and above</td>
<td>3</td>
<td>3000</td>
</tr>
<tr>
<td>Pays no Rent, owns</td>
<td>6</td>
<td>-</td>
<td>7</td>
<td>the Shop</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>the Shop</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><em><strong>15</strong></em></td>
</tr>
</tbody>
</table>

(*) One petty producer did not supply information.

### TABLE WS-26

**MONTHLY SALES ('000 TL.)**

<table>
<thead>
<tr>
<th>Sales ('000 TL.)</th>
<th>ESKISEHIR</th>
<th>No. Of Workshops</th>
<th>Average Sales ('000 TL.)</th>
<th>GAZIANTEP</th>
<th>No. Of Workshops</th>
<th>Average Sales ('000 TL.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 50</td>
<td>7</td>
<td>34</td>
<td>12</td>
<td>2</td>
<td>27</td>
<td></td>
</tr>
<tr>
<td>50-99</td>
<td>4</td>
<td>78</td>
<td>3</td>
<td>50-99</td>
<td>4</td>
<td>72.5</td>
</tr>
<tr>
<td>100-499</td>
<td>3</td>
<td>217</td>
<td>8</td>
<td>100-499</td>
<td>3</td>
<td>233</td>
</tr>
<tr>
<td>500-999</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>500-999</td>
<td>1</td>
<td>600</td>
</tr>
<tr>
<td>1000 and more</td>
<td>1</td>
<td>1500</td>
<td>3</td>
<td>1000 and more</td>
<td>3</td>
<td>1067</td>
</tr>
<tr>
<td></td>
<td><strong>15</strong></td>
<td></td>
<td><strong>27</strong></td>
<td></td>
<td></td>
<td>***</td>
</tr>
</tbody>
</table>

(*) One petty producer did not supply information.
2. Artisan Shops

In Eskisehir 47 artisans are interviewed. The following is a list of their occupations: 2 carpenters, a furniture maker, an upholsterer, 2 shoe makers, a 'fora-frezeci', a 'sayaci', a saddler, a tanner, 3 tailors, a quilt maker, a plaiter, 2 stove makers, a founder, 2 iron-smiths ('soguk demirci'), a ironsmith ('sicak-soguk demirci'), a locksmith, a tinsmith ('kalayci'), 5 lathe shop operators, an auto-repairer, an auto-radiator repairer, an auto-body repairer, an auto body repairer-welder, a 'karoserci', an exhaust pipe maker-repairer, an auto-upholsterer, an auto-electrician, a tire recapper, 3 meerschaum pipe makers, 2 pipe stem and other part makers, a printer, a radio assembler-repairer, a coil maker, a clock repairer, and a bicycle and motorcycle repairer. In Gaziantep the businesses of the following 48 artisans are surveyed: a 'baklava' maker, a yogurt maker, a salt miller, a carpenter, a wooden chair maker, a pack-saddle maker, a sieve maker, another carpenter ('agac tornacisi'), a tanner ('postcu'), a traditional shoe (yemeni) maker, a 'sayaci', a 'fora-frezeci', a cobbler, a 'cozgucu', a dyer, an 'atki' maker, a 'caput kilim' maker, a silk weaver, a tailor, a cap maker, a shirt maker, an ironsmith ('sicak demirci'), another ironsmith ('sicak-soguk demirci'), a stove maker, a founder, a steel-safe maker, an aluminum kitchen ware maker, a coppersmith, 2 lathe shop operators, 2 auto-repairers, a motorcycle and bicycle repairer, 2 auto-body repairers, a 'karoserci', an auto-glass mounter, an auto-electrician, an auto painter, an auto-upholsterer, an exhaust pipe maker-repairer, 2 photographers, a sign maker, a clock repairer, 2 gun repairers, and a coil maker.
### TABLE AR-1
**DISTRIBUTION OF ARTISANS BY AGE GROUPS**

<table>
<thead>
<tr>
<th>Age Groups</th>
<th>No. of Artisans in Eskisehir</th>
<th>No. of Artisans in Gaziantep</th>
</tr>
</thead>
<tbody>
<tr>
<td>29 and below</td>
<td>11</td>
<td>16</td>
</tr>
<tr>
<td>30-39</td>
<td>21</td>
<td>12</td>
</tr>
<tr>
<td>40-49</td>
<td>7</td>
<td>13</td>
</tr>
<tr>
<td>50 and over</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>47</strong></td>
<td><strong>48</strong></td>
</tr>
</tbody>
</table>

### TABLE AR-2
**LITERACY AND SCHOOLING AMONG ARTISANS**

<table>
<thead>
<tr>
<th>Literacy and Schooling</th>
<th>No. of Artisans in Eskisehir</th>
<th>No. of Artisans in Gaziantep</th>
</tr>
</thead>
<tbody>
<tr>
<td>Illiterate</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>Literate (self-taught)</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Primary school education</td>
<td>23</td>
<td>29</td>
</tr>
<tr>
<td>Secondary school education</td>
<td>14</td>
<td>7</td>
</tr>
<tr>
<td>Higher-vocational education</td>
<td>5</td>
<td>21</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>47</strong></td>
<td><strong>48</strong></td>
</tr>
</tbody>
</table>

### TABLE AR-3
**VOCATIONAL TRAINING OF ARTISANS**

<table>
<thead>
<tr>
<th>Training</th>
<th>No. of Artisans in Eskisehir</th>
<th>No. of Artisans in Gaziantep</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apprenticeship</td>
<td>45</td>
<td>44</td>
</tr>
<tr>
<td>No Apprenticeship (vocational school, transfer from other occupations such as trading)</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>47</strong></td>
<td><strong>48</strong></td>
</tr>
</tbody>
</table>
### TABLE AR-4

**MOSQUE AND COFFEE-SHOP ATTENDANCE AMONG ARTISANS**

<table>
<thead>
<tr>
<th>Frequency</th>
<th>No. Of Artisans in Eskisehir</th>
<th>No. Of Artisans in Gaziantep</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mosque</td>
<td>Coffee-shop</td>
</tr>
<tr>
<td>Never</td>
<td>6</td>
<td>32</td>
</tr>
<tr>
<td>Once or twice a year</td>
<td>18</td>
<td>-</td>
</tr>
<tr>
<td>Once or twice a week</td>
<td>18</td>
<td>11</td>
</tr>
<tr>
<td>Once or twice a day</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>3-5 times a day</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>47</td>
<td>47</td>
</tr>
</tbody>
</table>

### TABLE AR-5

**NEWSPAPERS READ BY ARTISANS**

<table>
<thead>
<tr>
<th>Newspapers</th>
<th>No. Of Artisans in Eskisehir</th>
<th>No. Of Artisans in Gaziantep</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>4</td>
<td>14</td>
</tr>
<tr>
<td>Any newspaper, occasionally</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>Only local newspapers</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Only 'Milliyet'</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Only 'Cumhuriyet'</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Only 'Hurriyet'</td>
<td>10</td>
<td>3</td>
</tr>
<tr>
<td>Only 'Gunaydin'</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Only 'Tercuman'</td>
<td>14</td>
<td>3</td>
</tr>
<tr>
<td>More than one newspaper</td>
<td>6*</td>
<td>13**</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>47</td>
<td>48</td>
</tr>
</tbody>
</table>

(*) (H,T), (H,T), (T,G),(T,G),(T,G),(T,H,M)

(**) (Local,M), (Local,M), (Local,H),(Local,H),(Local,H),(Local,H),(H,M),
     (H,M),(H,M),(M,T),(Local,H,M),(H,H,T),(M,C)
### TABLE AR-6

VOTING BEHAVIOUR OF ARTISANS IN THE LAST TWO ELECTIONS

<table>
<thead>
<tr>
<th>Parties</th>
<th>No. Of Artisans in Eskisehir</th>
<th>No. Of Artisans in Gaziantep</th>
</tr>
</thead>
<tbody>
<tr>
<td>Did not vote</td>
<td>13</td>
<td>7</td>
</tr>
<tr>
<td>AP</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>CHP</td>
<td>8</td>
<td>15</td>
</tr>
<tr>
<td>DP</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>GP</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>MSP</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>MHP</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Independent</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>No answer</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>47</strong></td>
<td><strong>47</strong></td>
</tr>
</tbody>
</table>

AP, Adalet Partisi (The Justice Party)
CHP, Cuhuriyet Halk Partisi (The Republican Party)
DP, Demokratik Parti (The Democratic Party)
GP, Guven Partisi (The Reliance Party)
MSP, Milli Selamet Partisi (The National Salvation Party)
MHP, Milli Hareket Partisi (The National Action Party)

### TABLE AR-7

MEMBERSHIP OF ARTISANS AT INSTITUTIONS

<table>
<thead>
<tr>
<th>Institutions</th>
<th>No. Of Artisans in Eskisehir</th>
<th>No. Of Artisans in Gaziantep</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petty Producers' Associations</td>
<td>46</td>
<td>45</td>
</tr>
<tr>
<td>Petty Producers' Credit Cooperatives</td>
<td>17</td>
<td>20</td>
</tr>
<tr>
<td>Chamber of Commerce and Industry in Gaziantep, and Chamber of Commerce in Eskisehir</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Other Cooperatives</td>
<td>6</td>
<td>9</td>
</tr>
</tbody>
</table>
### TABLE AR-8
**ARTISANS' PERSPECTIVE OF THE FUTURE OF THE TRADE**

<table>
<thead>
<tr>
<th>Rating</th>
<th>No. of Artisans in Eskisehir</th>
<th>No. of Artisans in Gaziantep</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good, Excellent</td>
<td>26</td>
<td>10</td>
</tr>
<tr>
<td>Middling</td>
<td>8</td>
<td>16</td>
</tr>
<tr>
<td>Not promising, Bleak</td>
<td>13</td>
<td>22</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>47</strong></td>
<td><strong>48</strong></td>
</tr>
</tbody>
</table>

### TABLE AR-9
**ARTISANS' FATHERS' AND GRANDFATHERS' OCCUPATION**

<table>
<thead>
<tr>
<th>Occupation</th>
<th>No. of Artisans in Eskisehir</th>
<th>No. of Artisans in Gaziantep</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Father</td>
<td>Grandfather</td>
</tr>
<tr>
<td>Peasant</td>
<td>16</td>
<td>27</td>
</tr>
<tr>
<td>Petty trader, Trader</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>(Government official and employee, and Worker)</td>
<td>9</td>
<td>3</td>
</tr>
<tr>
<td>Petty producer</td>
<td>16</td>
<td>4</td>
</tr>
<tr>
<td>Does not know</td>
<td>-</td>
<td>9</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>47</strong></td>
<td><strong>47</strong></td>
</tr>
</tbody>
</table>

### TABLE AR-10
**ARTISANS' REASON FOR CHOOSING THE TRADE**

<table>
<thead>
<tr>
<th>Reasons</th>
<th>No. of Artisans in Eskisehir</th>
<th>No. of Artisans in Gaziantep</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money</td>
<td>36</td>
<td>41</td>
</tr>
<tr>
<td>Father's Trade</td>
<td>11</td>
<td>7</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>47</strong></td>
<td><strong>48</strong></td>
</tr>
</tbody>
</table>
TABLE AR-11

THE PERIOD WHEN THE ARTISAN SHOP WAS OPENED

<table>
<thead>
<tr>
<th>Period</th>
<th>No. Of Artisan Shops in Eskisehir</th>
<th>No. Of Artisan Shops in Gaziantep</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre 1940</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>1940-1949</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>1950-1959</td>
<td>6</td>
<td>9</td>
</tr>
<tr>
<td>1960-1969</td>
<td>21</td>
<td>14</td>
</tr>
<tr>
<td>1970-1975</td>
<td>16</td>
<td>20</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>47</strong></td>
<td><strong>48</strong></td>
</tr>
</tbody>
</table>

TABLE AR-12

SOURCES OF FUNDS AT THE INITIAL OPENING OF THE ARTISAN SHOP

<table>
<thead>
<tr>
<th>Source of initial Fund</th>
<th>No. Of Artisans in Eskisehir</th>
<th>No. Of Artisans in Gaziantep</th>
</tr>
</thead>
<tbody>
<tr>
<td>Own savings</td>
<td>23</td>
<td>30</td>
</tr>
<tr>
<td>Borrowed from friends and relatives</td>
<td>13</td>
<td>19</td>
</tr>
<tr>
<td>Sold property</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>Inherited, or gift from father</td>
<td>20</td>
<td>14</td>
</tr>
<tr>
<td>Credit from a Bank</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Partnership</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Borrowed from merchants</td>
<td>4</td>
<td>2</td>
</tr>
</tbody>
</table>

TABLE AR-13

SOURCES OF FUNDS IN EXPANDING THE ARTISAN SHOP

<table>
<thead>
<tr>
<th>Sources of Fund</th>
<th>No. Of Artisans in Eskisehir</th>
<th>No. Of Artisans in Gaziantep</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings</td>
<td>29</td>
<td>25</td>
</tr>
<tr>
<td>Bank Credits</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td>Borrowings from Merchants</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>4</td>
</tr>
</tbody>
</table>
### TABLE AR-14

**Designations of Funds in Expanding the Artisan Shop**

<table>
<thead>
<tr>
<th>Designation of Fund</th>
<th>No. of Artisans in Eskisehir</th>
<th>No. of Artisans in Gaziantep</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments in Machinery</td>
<td>24</td>
<td>19</td>
</tr>
<tr>
<td>Expanding Capacity</td>
<td>15</td>
<td>13</td>
</tr>
<tr>
<td>Investments in Building</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Increases in Employment</td>
<td>4</td>
<td>4</td>
</tr>
</tbody>
</table>

### TABLE AR-15

**Total Capital Outlay in Artisan Shops (’000 TL.)**

<table>
<thead>
<tr>
<th>Total Capital Outlay</th>
<th>ESKISEHIR</th>
<th>GAZIANTEP</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Average Total No. Of Artisan Shops Capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 10</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>8</td>
<td>4</td>
</tr>
<tr>
<td>10-24</td>
<td>4</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>11</td>
<td>18</td>
</tr>
<tr>
<td>25-49</td>
<td>5</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>10</td>
<td>34</td>
</tr>
<tr>
<td>50-99</td>
<td>13</td>
<td>69</td>
</tr>
<tr>
<td></td>
<td>8</td>
<td>53</td>
</tr>
<tr>
<td>100-499</td>
<td>18</td>
<td>177</td>
</tr>
<tr>
<td></td>
<td>9</td>
<td>187</td>
</tr>
<tr>
<td>500 and above</td>
<td>3</td>
<td>935</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>645</td>
</tr>
</tbody>
</table>

### TABLE AR-16

**Fixed Capital Outlay in Artisan Shops (’000 TL.)**

<table>
<thead>
<tr>
<th>Fixed Capital Outlay</th>
<th>ESKISEHIR</th>
<th>GAZIANTEP</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Average Fixed No. Of Artisan Shops Capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 10</td>
<td>8</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>11</td>
<td>3</td>
</tr>
<tr>
<td>10-24</td>
<td>9</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>15</td>
<td>16</td>
</tr>
<tr>
<td>25-49</td>
<td>7</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>12</td>
<td>33</td>
</tr>
<tr>
<td>50-99</td>
<td>13</td>
<td>62</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>55</td>
</tr>
<tr>
<td>100-499</td>
<td>7</td>
<td>163</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>128</td>
</tr>
<tr>
<td>500 and above</td>
<td>3</td>
<td>917</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>500</td>
</tr>
</tbody>
</table>

| 47                   | 48        |
### TABLE AR-17

<table>
<thead>
<tr>
<th>Variable Capital Outlay</th>
<th>ESKISEHIR</th>
<th>Average Variable Capital</th>
<th>GAZIANTEP</th>
<th>Average Variable Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 10</td>
<td>15</td>
<td>1</td>
<td>25</td>
<td>2</td>
</tr>
<tr>
<td>10-24</td>
<td>5</td>
<td>13</td>
<td>10</td>
<td>17</td>
</tr>
<tr>
<td>25-49</td>
<td>6</td>
<td>38</td>
<td>3</td>
<td>33</td>
</tr>
<tr>
<td>50-99</td>
<td>15</td>
<td>59</td>
<td>4</td>
<td>66</td>
</tr>
<tr>
<td>100-499</td>
<td>6</td>
<td>150</td>
<td>5</td>
<td>150</td>
</tr>
<tr>
<td>500 and above</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>500</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>47</td>
<td>48</td>
</tr>
</tbody>
</table>

### TABLE AR-18

<table>
<thead>
<tr>
<th>Horsepower</th>
<th>ESKISEHIR</th>
<th>Average Hps Utilized</th>
<th>GAZIANTEP</th>
<th>Average Hps Utilized</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>10</td>
<td>-</td>
<td>16</td>
<td>-</td>
</tr>
<tr>
<td>Less than 5</td>
<td>25</td>
<td>1.4</td>
<td>24</td>
<td>1.9</td>
</tr>
<tr>
<td>5-9</td>
<td>7</td>
<td>7</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>10-14</td>
<td>2</td>
<td>12</td>
<td>3</td>
<td>11</td>
</tr>
<tr>
<td>15 and over</td>
<td>3</td>
<td>32</td>
<td>2</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>47</td>
<td>48</td>
</tr>
</tbody>
</table>

### TABLE AR-19

<table>
<thead>
<tr>
<th>Age Groups</th>
<th>ESKISEHIR</th>
<th></th>
<th>GAZIANTEP</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. Of Journeymen</td>
<td>No. Of Apprentices</td>
<td>No. Of Journeymen</td>
<td>No. Of Apprentices</td>
</tr>
<tr>
<td>9-14</td>
<td>-</td>
<td>26</td>
<td>-</td>
<td>55</td>
</tr>
<tr>
<td>15-19</td>
<td>11</td>
<td>32</td>
<td>31</td>
<td>17</td>
</tr>
<tr>
<td>20-24</td>
<td>9</td>
<td>2</td>
<td>18</td>
<td>-</td>
</tr>
<tr>
<td>25-30</td>
<td>8</td>
<td>-</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td>30 and above</td>
<td>4</td>
<td>-</td>
<td>6</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL</td>
<td>32</td>
<td>60</td>
<td>58</td>
<td>72</td>
</tr>
</tbody>
</table>
### TABLE AR-20

**DISTRIBUTION OF ARTISAN SHOPS BY THE TOTAL NUMBER OF WORKERS**

<table>
<thead>
<tr>
<th>No. Of Workers</th>
<th>No. Of Artisan Shops in Esiksehir</th>
<th>No. Of Artisan Shops in Gaziantep</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>10</td>
<td>13</td>
</tr>
<tr>
<td>1-3</td>
<td>29</td>
<td>16</td>
</tr>
<tr>
<td>4-6</td>
<td>7</td>
<td>17</td>
</tr>
<tr>
<td>7-10</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>11-15</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>47</td>
<td>48</td>
</tr>
</tbody>
</table>

### TABLE AR-21

**DISTRIBUTION OF ARTISAN SHOPS BY THE NUMBER OF JOURNEYMEN AND APPRENTICES**

<table>
<thead>
<tr>
<th>No. Of Journeymen and Apprentices</th>
<th>ESKISEHIR</th>
<th>GAZIANTEP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Journeymen</td>
<td>Apprentices</td>
</tr>
<tr>
<td>None</td>
<td>28</td>
<td>18</td>
</tr>
<tr>
<td>1-3</td>
<td>18</td>
<td>28</td>
</tr>
<tr>
<td>4-6</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>7-10</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>47</td>
<td>47</td>
</tr>
</tbody>
</table>

### TABLE AR-22

**DISTRIBUTION OF WORKERS BY THE SIZE OF MONTHLY WAGES**

<table>
<thead>
<tr>
<th>Wages in TL.</th>
<th>ESKISEHIR</th>
<th>GAZIANTEP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Journeymen</td>
<td>Apprentices</td>
</tr>
<tr>
<td>Below 200</td>
<td>-</td>
<td>22</td>
</tr>
<tr>
<td>200-399</td>
<td>1</td>
<td>25</td>
</tr>
<tr>
<td>400-599</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>600-749</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>750-999</td>
<td>13</td>
<td>1</td>
</tr>
<tr>
<td>1000-1200</td>
<td>8</td>
<td>-</td>
</tr>
<tr>
<td>Above 1200</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>32</td>
<td>60</td>
</tr>
</tbody>
</table>
### TABLE AR-23

**VALUE OF RAW MATERIALS USED (TL. per Month)**

<table>
<thead>
<tr>
<th>Value of Raw Materials Used</th>
<th>No. of Artisan Artisan Shops</th>
<th>Average Value of Raw Materials Used</th>
<th>No. of Artisan Artisan Shops</th>
<th>Average Value of Raw Materials Used</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 500</td>
<td>9</td>
<td>97</td>
<td>8</td>
<td>193</td>
</tr>
<tr>
<td>500-999</td>
<td>3</td>
<td>500</td>
<td>5</td>
<td>660</td>
</tr>
<tr>
<td>1000-4999</td>
<td>17</td>
<td>2227</td>
<td>18</td>
<td>1783</td>
</tr>
<tr>
<td>5000-9999</td>
<td>3</td>
<td>6333</td>
<td>6</td>
<td>6307</td>
</tr>
<tr>
<td>10000-49999</td>
<td>14</td>
<td>22643</td>
<td>8</td>
<td>25150</td>
</tr>
<tr>
<td>50000 and above</td>
<td>1</td>
<td>60000</td>
<td>3</td>
<td>89333</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>47</strong></td>
<td></td>
<td><strong>48</strong></td>
<td></td>
</tr>
</tbody>
</table>

### TABLE AR-24

**MONTHLY EXPENDITURES ON UTILITIES AND FUEL**

<table>
<thead>
<tr>
<th>Amount of Expenditures TL./Month</th>
<th>No. Of Artisan Artisan Shops</th>
<th>Average Artisan Expenditure</th>
<th>No. Of Artisan Artisan Shops</th>
<th>Average Artisan Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 100</td>
<td>28</td>
<td>46</td>
<td>35</td>
<td>34</td>
</tr>
<tr>
<td>100-499</td>
<td>18</td>
<td>189</td>
<td>9</td>
<td>180</td>
</tr>
<tr>
<td>500-999</td>
<td>1</td>
<td>600</td>
<td>1</td>
<td>500</td>
</tr>
<tr>
<td>1000 and above</td>
<td>-</td>
<td>-</td>
<td>3</td>
<td>1258</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>47</strong></td>
<td></td>
<td><strong>48</strong></td>
<td></td>
</tr>
</tbody>
</table>

### TABLE AR-25

**RENT PAID**

<table>
<thead>
<tr>
<th>Rent TL./Month</th>
<th>No. Of Artisan Artisan Shops</th>
<th>Average Artisan Rent</th>
<th>No. Of Artisan Artisan Shops</th>
<th>Average Artisan Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 200</td>
<td>4</td>
<td>106</td>
<td>3</td>
<td>80</td>
</tr>
<tr>
<td>200-499</td>
<td>15</td>
<td>330</td>
<td>24</td>
<td>318</td>
</tr>
<tr>
<td>500-999</td>
<td>12</td>
<td>550</td>
<td>8</td>
<td>550</td>
</tr>
<tr>
<td>1000 and above</td>
<td>5</td>
<td>1240</td>
<td>7</td>
<td>1200</td>
</tr>
<tr>
<td>Pays no Rent, owns the Shop</td>
<td>11</td>
<td>-</td>
<td>6</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>47</strong></td>
<td></td>
<td><strong>48</strong></td>
<td></td>
</tr>
<tr>
<td>Amount of Sales ('000 TL)</td>
<td>ESKISEHIR</td>
<td></td>
<td></td>
<td>GAZIANTEP</td>
</tr>
<tr>
<td>--------------------------</td>
<td>-----------</td>
<td>----------</td>
<td>----------</td>
<td>-----------</td>
</tr>
<tr>
<td></td>
<td>No. Of Artisan Shops</td>
<td>Average Artisan Sales</td>
<td>No. Of Artisan Shops</td>
<td>Average Artisan Sales</td>
</tr>
<tr>
<td>Less than 5</td>
<td>14</td>
<td>3</td>
<td>13</td>
<td>3</td>
</tr>
<tr>
<td>5-9</td>
<td>9</td>
<td>7</td>
<td>15</td>
<td>6</td>
</tr>
<tr>
<td>10-49</td>
<td>20</td>
<td>23</td>
<td>15</td>
<td>25</td>
</tr>
<tr>
<td>50-99</td>
<td>3</td>
<td>53</td>
<td>3</td>
<td>68</td>
</tr>
<tr>
<td>100 and above</td>
<td>1</td>
<td>180</td>
<td>2</td>
<td>140</td>
</tr>
<tr>
<td></td>
<td>47</td>
<td></td>
<td>48</td>
<td></td>
</tr>
</tbody>
</table>
MAP 1

TURKEY, THE EARLY 1970'S
MAP 2

LOCATION OF "FACTORIES" AND "NON-FACTORIES" (ARTISAN SHOPS AND WORKSHOPS) IN ESKİŞEHİR IN THE EARLY 1970'S
LOCATION OF "FACTORIES" AND "NON-FACTORIES" (ARTISAN SHOPS AND WORKSHOPS) IN GAZIANTEP IN THE EARLY 1970'S
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