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ISLAMIC INFLUENCES ON THE OTTOMAN GUILDS

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Every major city of the Balkans, the Middle East, and North Africa exhibits at least the vestiges of colourful historical centers for the production and exchange of traditional handicrafts. İstanbul's Kapalı Çarşı and Cairo's Khan al-Khalili are among the most renowned of these markets, generally known as covered bazaars.[1] Millions of tourists flock to them each year to admire their imposing architecture and experience the thrill of strolling through pre-industrial shopping arcades.

It is not only their historical significance that accounts for this fascination. Relative to modern retail enterprises, including the multi-story department stores now found throughout the Mediterranean region, the shops in these old bazaars strike visitors as tiny, quaint, and unusually specialized. They stand out also in the composition of their inventories. Although the bazaars no longer limit themselves to supplying traditional commodities such as copperware, jewelry, and handwoven carpets, it is still these that catch the attention of most tourists. To be sure, the foreign-exchange centers and T-shirt stands that have become increasingly common also bustle with activity. But even the tourists who patronize these establishments have mixed feelings about their presence. Many consider them unaesthetic additions to a historic landscape better viewed in its unspoiled splendor.

Until well into the nineteenth century the grand bazaars were home to diverse specialized craft guilds. For example, the bookbinders, makers of light shoes, and glass-blowers typically formed separate guilds. Like their counterparts in Western Europe and elsewhere, such guilds were professional organizations that fulfilled economic, social, and political functions by means of designated officers. They restricted entry, enforced production codes, promoted mutual assistance, collected taxes on behalf of the government, and, in some cases, operated as semi-official agencies seeking to meet the state's supply targets.

At the same time, the guilds of the Islamic world displayed distinct characteristics stemming from the unique cultural milieu in which they originated and evolved: a milieu shaped, in significant measure, by Islamic law, practices, and thought. Not until the very end of their long history did the Islamic courts that adjudicated guild-related disputes recognize corporations, which became a salient element of European law several centuries before the beginnings of industrialization; and, in contrast to Western guilds, those of the Islamic world lacked access to modern banks. Such differences are reflected in the physical infrastructure of the surviving grand bazaars. If the bazaars attract throngs of tourists, this is partly because their architecture evokes production and business methods that differ significantly from those observed in modern economies that rest on institutions that developed, or at least achieved their present form, largely through European initiatives.

The purpose of this essay is to identify the shared characteristics of the Islamic world's guilds, especially those of the Ottoman Empire, with emphasis on characteristics associated with religion. In what ways did Islam influence the evolution of these guilds? Did it affect their norms or their membership? In what manner, if at all, did it legitimize guild privileges and obligations? And what paths to modernization did it foreclose? These questions are all central to understanding the vicissitudes of

Ottoman economic history. To appreciate why the Ottoman Empire was late to begin industrializing and why its economic modernization had to be fueled by Western capital one must grasp how Islamic institutions constrained its available options. This observation does not presuppose that Islamic institutions were not functional at the time of their emergence in the medieval era, or that they underwent no changes over time, or that they never had beneficial effects. However, it opens up the possibility that the Ottoman Empire's Islamic heritage hindered its economic modernization.

To provide a preview of the argument ahead, I shall argue that the Ottoman guilds were not "Islamic guilds," if by that one means guilds open to Muslims alone and regulated according to Islam's traditional sources. They are better characterized as "guilds of the Islamic world," for their members included large numbers of non-Muslims, and, equally important, they emerged in response to universal economic and political forces. Apart from helping to legitimize the anti-competitive features of the guilds, Islam's most significant role was to block outside developments that might have facilitated the transition to modern industrial forms. Not only did the obstacles in question limit the growth of the guilds and prevent their transformation into modern firms, they made the guild system's eventual demise more painful for the last generation of guildsmen. In other words, Islam was a critical factor primarily because of how it affected the evolution of the social, legal, and economic environment within which the guilds operated. Specifically, it suppressed opportunities available to Western producers and merchants who, even before industrialization, operated within an economic environment vastly more conducive to specialization and economies of scale.

ORIGINS

The Qur'an does not refer to guilds. As far as is known, the first guilds of the Islamic world emerged at least a half millennium after the birth of Islam. Eleventh-century sources, including the Geniza documents discovered in a Cairo synagogue, contain scattered references to groups of artisans exercising the same craft and to the foremen of a few trades (usually *'arif*); these references point to the beginnings of some form of professional organization.[2] Visiting Anatolia in the fourteenth century, the Moroccan traveler Ibn Battuta reported, likewise, the existence of fraternal craft organizations that maintained funds to support their needy brothers (*akhî*) and entertain visitors.[3] But at this date most of the region's artisans remained unorganized, and few were grouped by occupational specialization.[4] The earliest records of full-blown guilds in the Islamic world (*esnaf, hirfa,* or *ta'ifa*)[5] are from the fifteenth century, after which they spread quickly throughout the Ottoman Empire and beyond. This historical pattern roughly matches the European experience. Although a few European guilds were founded before the thirteenth century, it took an additional century for guilds to achieve a substantial presence in the European economy.[6]

By the seventeenth century guilds formed a comprehensive system in every major town of the Islamic world, embracing most, and sometimes literally all, the working population.[7] In seventeenth-century İstanbul, according to Evliya Çelebi, the Turkish traveler, the cooks were divided into sixteen specialized guilds, the fisherman into eleven guilds according to the nets they used, and the "fools and mimics" into twelve guilds differentiated by their acts. Certain guilds, like those of the gardeners and the bath-rubbers, had thousands of members; others, like those of the mapmakers and the oven-builders, had less than twenty each.[8] In Cairo, Evliya found 300 guilds that comprised all walks of life, except the higher bureaucracy, the army, and the clergy. Even the beggars, prostitutes, and pickpockets were organized into guilds.[9] Damascus and Aleppo, according to recent estimates, each had between 160 and 180 guilds.[10]

RELIGIOUS LIFE OF THE GUILDS

Most guilds of the Muslim world marked initiations and promotions through religious ceremonies, and many organized collective prayer services. In addition, they typically required their members to observe norms of piety and probity. The origin of these norms is obscure. But it appears that they developed within fraternities that sprang up in the Middle East and North Africa from the eighth century onward, including *akhî* organizations.

Known collectively as *futuwwa* associations, all these fraternities promoted mutual aid, including assistance to the sick and communal loans to the financially strapped. They also pursued spiritual and ethical missions. In particular, many expected their members to participate in the cause of spreading Islam. However, unlike the guilds that came later, these fraternities were not necessarily organized along professional lines. A given *futuwwa* association might include, for example, tanners, jewelers, and masons.[11] The fraternal craft organizations that Ibn Battuta noticed in fourteenth-century Turkey, like the artisan communities mentioned in the Geniza documents, were probably *futuwwa* associations in the process of evolving into formal guilds.

In time, certain *futuwwa* associations turned into centers of political opposition, and some took to theft and plunder. Successive states sought, therefore, to disband them, or at least to bring them under supervision. Their persistently uneasy relations with officials probably delayed their transformation into professionally exclusive organizations. The earliest guilds of the Muslim world lacked official recognition, and some even operated clandestinely. Yet eventually, as in other parts of the world,[12] rulers stopped resisting the trend toward professional exclusivity. Granting the established guilds legitimacy, though not legal standing, they shifted their efforts toward controlling their political and economic activities.

Notwithstanding the Islamic functions and symbolism of the guilds formed all across the Islamic world, few denied membership to artisans belonging to other faiths. Many guilds, and in some cities most, had confessionally mixed memberships. Bernard Lewis considers this inter-confessionalism one of their distinctive marks. "Whereas the European guilds excluded even heretical Christians, [those of the Islamic world] were open to Jew, Christian, and Muslim alike, some guilds ... being even predominantly non-Muslim."[13] In seventeenth-century Bursa, all but three of the city's guilds were confessionally mixed. The mixed guilds included even the guild of the coffin makers, whose services had an intrinsically religious dimension.[14] In Damascus, the mixed guilds included those of the scribes, clowns, jewellers, copper smiths, carpenters, and shoemakers. Interestingly, the large guild of the shoemakers practiced a religious division of labor: certain kinds of shoes were made only by Muslim members, others only by Christians, and still others by both and by Jews as well.[15]

Remarkably, both Christians and Jews were generally incorporated into the religious life of their guilds without much difficulty. Though typically assigned Muslim "craft fathers," their religious practices were otherwise respected. During admission ceremonies, Christian candidates substituted the Lord's Prayer for the Islamic oath taken by Muslim candidates, and Jewish candidates recited the Ten Commandments.[16] By the late-seventeenth century, some guilds had become more or less secularized, in some cases as a result of an increase in the proportion of non-Muslim members. In Turkey, one sign of this secularization lies in the use, from the late-seventeenth century onward, of the word *lonca* for the guildmasters' meeting place. This term was derived either from the Italian *loggia* (lodge) or the Spanish *lonja* (exchange or salesroom), probably through the intermediation of Jewish refugees from Spain.[17]

Even though inter-confessionalism was the norm, examples of religiously, if not also ethnically, homogeneous guilds are plentiful. In İstanbul, for example, the fish cookers were all Greek Christians and the aqueduct diggers all Albanian Muslims.[18] In Damascus, there existed exclusively Christian guilds of masons and sculptors. Finally, certain Ottoman cities, including İstanbul, Aleppo, and Cairo, had religiously exclusive guilds of slaughterers and druggists.[19]

Such cases generally reflected communal specializations already in existence at the founding of the guilds. Like other governments, the Ottoman government tolerated, even promoted and protected, communally homogeneous craft organizations that served its needs. In Salonica the production of woollen cloth was almost entirely in the hands of Jews, and the Ottoman authorities protected their near-monopoly, going so far as to prohibit others, even Muslim Turks, from buying the wool of the region until the Jews had met their needs. In return for this privilege, the government expected the Jewish cloth makers to ship their entire production to the capital.[20]

But the Ottoman government did not discourage confessionally heterogeneous guilds; where guilds were mixed to begin with, it simply accepted the prevailing composition. İstanbul's guild of water carriers remained predominantly Turkish and Armenian right up to modern times, and the boatmen's guild overwhelmingly Turkish and Greek.[21]

In view of this record, there is no reason either to credit Islam directly for the economic achievements of the Muslim world's guilds or to hold it responsible for their economic limitations, which will be discussed shortly. Although religion entered the guild's activities, its role was largely ceremonial and spiritual; in general it did not entail any effort to segregate Muslim craftsmen from their non-Muslim colleagues.

In principle, Islam might have shaped the professional behaviors of guildsmen: their activities as producers, employers, and sellers. Since the 1940s the school of thought known as "Islamic economics" has been asserting, in fact, that there has existed a distinctly Islamic form of economic conduct that accounts, insofar as it has been followed, for Muslim economic successes.[22] But the evidence does not point to any significant behavioural differences across religious groups, at least not until the guilds started to decay under the impact of industrialization. In practice, "Islamic economic behavior" entailed, as we shall see, the same monopolistic tendencies that characterized the entirely non-Muslim guilds of Western Europe. Muslim craftsmen followed behavioral codes specific to their professions, which ordinarily transcended religious boundaries. They did not select prices, determine production standards, or seek customers in ways identifiable as specifically Islamic.

If Islam played a role in the establishment and perpetuation of the Ottoman guild system, this occurred primarily through the legitimacy it conferred on guild privileges, responsibilities, and constraints. The guilds often sought to ground their demands in religious norms of fairness. Likewise, the Ottoman state justified various constraints on their activities as serving fairness principles expressed in Islamic terms. Equally significant, however, is what Ottoman officials did not do. They never tried to make the guilds adopt codes of behavior explicitly drawn from the Qur'an and the Sunna. They did not compel Muslim artisans to attend religious classes on Islamic economic conduct or strive to make them differentiate their professional behaviors from artisans of other faiths. Uninterested in nurturing confessional differences in market conduct, they endeavored only to keep the guilds loyal. Where they introduced religious themes into the monitoring process, these themes assumed a supportive rather than a guiding role.

STATE SUPERVISION

From the standpoint of the Ottoman ruling classes, the guilds were at once useful and dangerous. As organized collectivities, they could help control prices, forestall shortages, enforce honesty, and collect taxes. But the very same organizational structures could also be turned against the state or at least deployed in ways detrimental to political stability. Unlike a dispersed and unorganized mass of competitors, a guild that united a profession's practitioners within a particular geographic area would enjoy monopolistic and monopsonistic powers harmful to both consumers and other producers. Insofar as others were hurt, a by-product could be mass dissatisfaction with the political status quo. Based on such reasoning, Ottoman officials offered the guilds an implicit bargain: in return for official recognition of their monopolies, and sometimes also their monopsonies, the guilds would submit to state supervision and avoid actions inimical to the vital economic interests of other protected groups. Government functionaries would keep guilds from encroaching on each other's economic domain; and the guilds themselves would respect the established market-sharing arrangements.

Nowhere is this implicit bargain more apparent than in the state's relations with food sellers. The Ottomans, like the Mamluks who ruled Egypt until 1517, routinely forced grain warehouses to transfer supplies to famine-struck districts. They also punished suppliers who sought to profit from food shortages by raising their prices above customary levels. At the same time, the grain merchants of various regions and the bakers of many cities were allowed to maintain cartels.[23] The regulation process was never perfect, and the effectiveness of the cartels varied according to time and place. Yet, the Ottomans openly permitted a measure of collusion in return for submission to dirigiste distribution policies during emergencies.

At least in public, they justified their anti-competitive policies as serving the needs of the Islamic community and widely accepted standards of fairness. Whether the policies served their own longer-term interests or those of their subjects is, of course, questionable. Modern research on famines shows that restrictions on "profiteering" are usually counterproductive; rather than curbing famines, they often induce and aggravate them.[24] It is generally easy, however, to identify the concrete beneficiaries of any given restriction on competition. When a famine is under way, sustained ceilings on food prices obviously benefit the starving poor who manage to secure supplies at prices below equilibrium levels. It is precisely such reasoning that made Ottoman subjects consider price ceilings beneficial to the people of distressed areas. The idea that in a regime of free markets shortage-induced price hikes would be self-correcting, now obvious to anyone with exposure to elementary economics, was scarcely appreciated, let alone promoted and defended. Religious teachings concerning the just price contributed to a mindset that made rising food prices in troubled areas a sign of despicable greed and economic mismanagement.

State-imposed price controls were common throughout the Islamic world long before craft guilds came on the scene. As early as the eighth century, Arab rulers sought to regulate markets, especially those for staple commodities, through official market supervisors (*muhtasibs*). The Qur'an makes no reference to these functionaries, and we know that Byzantine territories had officials with similar duties since before the rise of Islam. It is likely, therefore, that the early Muslims established the post under the influence of cross-cultural contacts. Yet Islam did not keep the duties of the market supervisors unchanged. Under Islamic rule, these responsibilities expanded to include the enforcement of public morality. Thus, many market supervisors oversaw the congregational Friday prayers and helped monitor relations between the sexes in public spaces. But their essential and permanent duty was always the supervision of a designated city or region's markets. Expected to make these markets work smoothly for the common benefit of consumers and producers, they were required to check weights and measures, test the genuineness of coins, and expose false advertising.[25]

With regard to prices, the controls of the market supervisors usually took the form of establishing and enforcing profit margins. In the fifteenth century, those within the Ottoman Empire set the profit margin at 10 percent for most products, allowing a higher margin of up to 20 percent for commodities particularly arduous to produce. In addition, at least in localities where the prohibition of interest was ignored, they capped the interest rate on loans at 20 percent.[26] Because price controls applied, at least in principle, to all commodities, prices were expected to remain stable indefinitely. When changing market conditions upset long-standing price norms, the market supervisors, often through the assistance of the courts and sometimes also the authorities in the capital, endeavored to restore the status quo ante. In 1605, the tanners of Sofia, Bulgaria complained that merchants from outside the region were buying local hides at non-customary prices. Responding to their appeal, the authorities in İstanbul promptly prohibited the hide sellers of the Sofia region from selling to outsiders until they had met the needs of local tanners. In addition, they prohibited the hide sellers from charging outsiders higher prices, evidently to weaken their incentive to upset the long-standing supply pattern.[27]

Though consistent with the ideal of the just price, these price controls clashed with Islamic precedents for letting prices emerge through the free interplay of supply and demand. Although the controls themselves were defended in the name of Islam, they can be criticized, therefore, as un-Islamic. In any case, the market supervisors also took measures designed to foster competition, and some of these, too, drew on religious tradition. When farmers brought food to the city, the market supervisor, acting in the name of the Islamic court, had the products weighed and examined them to prevent disagreements over their quality. He then placed the goods in storage for three days while waiting for news of their arrival to reach all potential buyers.[28] The intention was doubtless to help achieve an accurate reading of demand as a means of discovering prices that correspond, in modern terminology, to the competitive equilibrium. The prohibition of selling goods brought to the marketplace until all interested participants have been alerted has a long Islamic pedigree. A popular hadith has the Prophet Muhammad banning the practice of going out to caravans to purchase their goods before they could reach the marketplace.[29]

But perhaps the most important function of the market supervisor was one whose Islamic status is at best dubious: the enforcement of entry controls. Outsiders to a particular guild, no matter how talented or qualified, were barred from entering that guild's assigned domain. This specialization could be defined very narrowly. In Damascus, the dyers of linen and those of silk were required to stick to their own specializations.[30] A 1706 decision in Plovdiv, Bulgaria imposed a huge fine of 200 *kuruş* for producing *aba* cloth without the permission of the *aba* guild; at the time, a resident of Plovdiv could buy three modest houses for this sum.[31]

The market supervisor's importance varied across time and space. In certain localities, the task of enforcing the established rules was exercised directly by the Islamic courts; in others, the supervisor had the authority to act on his own in a broad array of contexts. Over time, as the guilds grew in strength and numbers, the administrators of the guilds usurped many of the duties once exercised by the market supervisor.[32] Thus, they started supervising the guilds themselves and dealing with the courts directly, without the supervisor's intermediation. But whatever the variations in the locus of authority, the intent and effect of the market regulations was to limit the options of both consumers or producers. Moreover, they were often justified in Islamic terms, even though their motivation was invariably the universal appeal of stabilizing prices, giving producers security, and protecting consumer expectations.

INTERNAL ADMINISTRATION

From the beginning, the market supervisors employed the services of expert assistants. As the guilds crystallized and gained legitimacy, these assistants gave way to guild leaders whose titles varied from place to place: generally *shaykh* in the Arab Middle East, *amin* in northwest Africa, *kethüda* or *kâhya* in Turkey and the Balkans.[33] Fulfilling several roles at once, these leaders enforced official orders, kept the state abreast of the climate of opinion among guildsmen, and mediated between the government and the guilds. In general, their permission was needed to become an apprentice, and in some places they collected taxes on behalf of the government. To enhance their effectiveness, the state made a point of selecting them from among men known for their piety and probity. Although the selection process was biased in favor of Muslims, exclusively non-Muslim guilds, and occasionally mixed guilds, had non-Muslim leaders.

Held responsible for the conduct of their guildsmen, the guild leaders were sometimes allowed to enforce discipline through coercion, including corporal punishment. They could impose penalties for criminal offenses, even strictly economic ones such as substandard craftsmanship or aggressive competition.[34] In disciplining the violators of guild rules, the guild leaders enlisted the support of the wider membership. Guildsmen were expected to treat rule breakers with disdain, if not to participate in their ostracism.

A guild member punished for violating a guild norm would have resented the powers wielded by his guild. At the same time, he would have understood that the norms served the guild's collective interest. Consider a furrier belonging to a guild composed of 60 masters. One day, in an effort to sell more of his own fur coats, he starts offering uncustomarily deep discounts. He himself will receive the full benefit of selling a few more coats;[35] and this gain will come at the expense of his fellow guildsmen, although the injury to any one furrier will typically be minor.[36] But what if all 60 members sought to undercut the rest on the ground that no one would suffer appreciably? The ensuing reactions and counter-reactions would drive the price per coat down to marginal cost, with foregone profits for the whole guild. Therein lies the logic of why most guildsmen would have been happy to authorize their guild leader to maintain price discipline. Conscious that any guild member could ignite a ruinous price war, they would have understood that unrealized profit opportunities from submitting to price controls were far outweighed by their potential gains from keeping other guildsmen disciplined.

By analogous reasoning, any particular furrier's gains from fraudulent practices (for example, mismeasurement) would accrue to the dishonest member himself. Moreover, provided all other furriers stayed honest, the impact on their collective reputation would be negligible. However, if all guild members started cheating their customers, the guild's reputation would surely suffer. Customers fearful of being cheated would withdraw their demand, possibly switching to woollen substitutes or taking their business to another city. Moreover, the ensuing discontent could invite political interference and threaten the guild's viability.[37] So it was in the guild's collective interest to cultivate a reputation for honesty and dependability, where necessary by empowering the guild leader to punish the cheaters within its membership.

It was easy to concoct religious justifications for the resulting restrictions on individual guildsmen. Like other religions, Islam requires individuals to be fair and honest in all their business dealings. Hence, even if enforced primarily to protect the guild's profitability, norms against cheating could be given an Islamic cover. Likewise, norms against price cutting could be defended on the ground that brotherly professional cooperation requires guild members to avoid enlarging their share of the guild's business at the expense of their fellows. Popular writings on the old bazaars, some by Islamists but others by authors with secularist leanings, tend to emphasize the religious motivations behind these norms. Many of them overlook that the norms helped also to maintain cartels.[38] Their one-sided interpretations happen to build on old precedents-a point documented masterfully by Sabri Ülgener. From the start, the guild ethos of "live and let live" was cloaked in religious tradition, and its cartel-preserving function was de-emphasized.[39]

One expression of this time-honored ethos of mutual cooperation was the common practice whereby shopkeepers who had already made their first sale of the day directed potential customers to neighbours still waiting to make a sale.[40] Stripped of its religious symbolism, there is nothing intrinsically Islamic about such intra-professional cooperation. Similar practices were observed in the guilds of other civilizations. This is among the reasons why guilds that formally promoted an Islamic behavioural code could easily accommodate non-Muslim members. A risk-averse Greek-Orthodox furrier had as much to gain from mutual cooperation as a Muslim-Turk.

Locational restrictions offer another example of an anti-competitive practice that was often justified in religious terms. The practice of assigning each craft to a particular area of the marketplace goes back to the earliest days of Islam. Hence, it could be given religious legitimacy. True, several hadiths report that the Prophet Muhammad preferred to keep Medina's market undivided.[41] But, insofar as these hadiths are genuine, the Prophet's orders indicate during his lifetime efforts were under way to compartmentalize the market or to keep it so. Locational restrictions were always popular among merchants and artisans, because they served to limit competition, and the pattern continued after the guilds were born. By facilitating both mutual monitoring on the part of guildsmen and comparison shopping on the part of their customers, the topographical concentration of each guild's activities made it riskier for individual guildsmen to violate established pricing conventions and quality standards.

Significantly, locational restrictions were often imposed at the request of the guilds themselves. In Tunis, it was successful lobbying by guilds that resulted in regulations barring the makers of woollens from selling cottons and the silk weavers from opening a door to the adjoining guild.[42] In Aleppo, when certain makers of light shoes took to selling their wares in the city's coffee houses, their fellow guild members objected that it was illegal to sell outside one's own accredited market. The court sustained this objection.[43] In the surviving grand bazaars evidence of topographical restrictions lies in the names of venerable streets and squares. Locational markers like "chestmakers," "market for perfumes," and "lane of the saddlers" reveal where certain guilds once practiced their crafts.[44]

Meticulously made old handicrafts now fetch prices incomparably greater than in pre-industrial times. Part of the reason is that no one piece is exactly like another. This inevitable heterogeneity posed challenges for the guilds that produced them. As modern theories of oligopoly suggest, product heterogeneity hinders collusion by increasing the dimensions of competition.[45] It thus raises the risk of conflict both between sellers and buyers and among the sellers themselves. The craft guilds thus had incentives to minimize the heterogenity of their products. They did so through officially approved standards for inputs, production methods, and output specifications. For example, the silk weavers had to meet strict guidelines concerning thread thickness and the cloth's weight both before and after dyeing.[46]

Because of the remaining variations, the price of a given product could vary. This helped maintain the appearance of competition within individual guilds. What the price controls of the guilds accomplished, then, was merely to keep prices within acceptable bounds. The task was easiest where transactions were consummated through auctions that made all transaction prices public knowledge. But greater skills were involved where deals were settled through bilateral bargaining, as was the case with finished products. The physical layout of the bazaars, which allowed guild members to observe each other's activities, was a help in this regard. So, too, was the guild's openness to hearing complaints from consumers who felt exploited. Typically the guild leader stepped in when complaints arose, sometimes deciding in favour of the customer. Whatever its benefit to consumers, this arbitration system gave the guild leaders, and through them the state, valuable information on production and pricing trends.

Like the *futuwwa* organizations that preceded them, the guilds sought to keep their members from falling into poverty. They did so both by spreading the available work and by providing assistance in times of personal hardship. Yet by no means were they egalitarian organizations. For one thing, they put the interests of their members above those of consumers and potential competitors. For another, their internal structure was usually hierarchical. Masters were typically more privileged and earned more than journeymen, who, in turn, fared better than apprentices. Even the lowliest apprentices enjoyed privileges, however. Industrious apprentices knew that with patience and dedication they would some day become masters. To ensure that all their apprentices could reach the top, some guilds limited their numbers and prohibited overtime work.

There could exist inequalities within each membership category. For example, input quotas and numbers of apprentices could vary across masters. But every guild would seek to limit such inequalities. Masters with large input quotas faced resistance whenever they tried to enlarge their share of the guild's business-a pattern likely to have retarded capital accumulation and, ultimately, economic modernization. This resistance was particularly effective in craft guilds whose locational concentration facilitated mutual monitoring and raised the effectiveness of social pressures. By contrast, merchants were relatively harder to monitor and control, for they worked mostly at a distance from their fellow guildsmen. The inheritance registers of the Ottoman Empire support these inferences. They show little variation in the wealth levels of artisans, and also that artisans were generally much poorer than local merchants.[47]

STUNTED AUTONOMY

The extent to which the Ottoman guilds enjoyed autonomy has long been a source of potent controversy, for it relates to whether they could have promoted institutional and technological creativity. Insofar as the guilds were appendages of the state, they would have enjoyed only a limited ability to compensate for the state's slowness in adapting to changing conditions. Only with difficulty would they have been able to modify their production techniques, output mix, or decision making procedures without permission from rulers who could not possibly have kept up with the economic opportunities available to every odd guild in every town or understood the steps necessary for the guild system to remain viable. No political power, let alone the central government of a vast multinational empire, can manage an entire economy efficiently-a lesson re-learned in the twentieth century through the debacle of communist central planning.

In any case, political players are never concerned about economic efficiency alone. They seek to maintain social harmony by balancing the objectives-often merely the immediate objectives-of diverse constituencies. Hence, a state that tries to micro-manage its producers is likely to inhibit economic development.

There are two extreme views on the question of guild autonomy in the Ottoman Empire. In the first and more established view, whose exponents have included S. M. Stern and Gabriel Baer, the guilds of the Islamic world, including those of the Ottoman Empire, were simply pawns of rulers seeking centralized economic control.[48] This interpretation posits a sharp contrast between these guilds and those of the West. Already in the fourteenth century, the Stern-Baer thesis holds, the guilds of Western Europe were acquiring the right to self-government and gaining recognition as autonomous political bodies;[49] by comparison, those of Muslim-governed regions, including the Middle East, never acquired a juridical personality. Toby Huff, a recent promoter of the Stern-Baer perspective, infers that the subservience of the Middle Eastern guilds kept them wedded to old Islamic prescriptions unsuited to a dynamic industrial economy.[50]

Indeed, the guilds of the Islamic world did not assume corporate powers. Also true is that this limitation hindered their modernization. But their lack of legal autonomy hardly implies that no guild enjoyed any freedom to act collectively. Even if rulers wanted to keep all guilds under tight control, none had the power to do so. Unavoidably, they had to let most guilds make the preponderance of their decisions on their own. Rulers thus chose, if only in the interest of self-survival, to apply their supervisory powers primarily to guilds in politically sensitive economic sectors, such as bread production. Equally misleading is the claim that rulers endeavored to subject crafts and trades to Islamic behavioral principles. As already noted, the Ottoman authorities made only superficial attempts to give their guilds an Islamic coloration; and they readily incorporated mixed and even entirely non-Muslim guilds into the urban economy. In any case, on matters of production, distribution, and exchange there existed few generally accepted "Islamic procedures" to enforce; and in any particular context widely accepted religious ideals, such as fairness and stability, could support many competing interpretations.

The opposite extreme view holds that the Ottoman guilds enjoyed about as much autonomy as those of Europe. In developing this perspective, Haim Gerber observes that even though the Ottoman guilds may not have enjoyed formal recognition or possessed their own seals, they took many initiatives on their own and often helped shape the government's economic directives. He then infers that they acted and were treated as collective bodies whose wishes carried substantial political weight. One indication of the prevalence of guild autonomy, Gerber suggests, is that the guild systems of Ottoman cities differed in the prominence and powers of their officeholders. These differences must have stemmed, so goes the argument, from variations in the local conditions to which the guilds chose to adapt; had the guilds been passive instruments of the state, their differences would have been minimal.[51]

That there existed much local variation is beyond doubt. Yet Gerber's inference is akin to suggesting that, wherever taxpayers with annual incomes of $30,000 vary in their effective tax rates, they must be selecting their rates autonomously. Just as diverse political and economic considerations make modern governments vary their tax rates within any income group, so the Ottoman state would have varied its controls over the guilds in accordance with local differences. In itself, then, guild heterogeneity says nothing about guild autonomy.

In defending the autonomy thesis, Gerber also suggests that even if the Ottoman guilds were not legally autonomous, as a matter of practice they were. First of all, in Damascus, Antep, Bursa, and İstanbul, among other cities, the courts sometimes enforced guild rules on the basis of "custom and precedent" rather than state-imposed law or governmental decree. Second, when tensions arose over production standards the complaints usually came not from the government but from the guilds. Third, although the government generally had a say in the nomination of officeholders, appointments ordinarily reflected the vote of the membership. Finally, guild documents known as "agreements" point to the guilds' ability to make their own rules.[52]

A study of the Egyptian guilds contains similar observations. The representatives of an Egyptian guild could ask a judge to take action against a member. They could even demand their leader's dismissal. The judge typically granted such requests, provided they were backed by a sufficient share of the membership.[53]

Such findings go far toward discrediting the view that the Ottoman guilds were simply instruments of centralized control. But they do not establish that these guilds achieved veritable autonomy. The fact that removing an unsatisfactory guild leader required official approval must have kept many guilds from challenging officials known to enjoy government support. Mindful of the government's veto power, guilds would have limited their demands to those the government was likely to endorse. They would also have avoided making rules or adopting production standards likely to draw objections.

Such restrictions on the guilds' independence probably hindered Ottoman economic development. For one thing, they would have slowed decision making within the empire's productive sectors. Relative to West European guilds that could reach decisions essentially without consulting their government, the Ottoman guilds would have found it more cumbersome to change their officials or procedures. Second, they would have been less inclined to pursue institutional or technological experimentation. Whereas the Western guilds, because they enjoyed legal autonomy, could experiment with, for example, new contract enforcement mechanisms such as the "community responsibility system" that allowed retaliation against the entire community of a contract breaker,[54] those of the Ottoman Empire had less flexibility. Bound by a relatively unified and centrally enforced legal system, they could not be as creative in responding to changing economic conditions and opportunities.

We saw that the government benefited from certain anti-competitive activities. When the guilds limited the number of shops or regulated the distribution of inputs, the government was ordinarily content. This is because in promoting their own welfare, the guilds also gained a stake in the status quo, thus contributing to political stability. As a matter of practice, therefore, rulers found it in their own interest to grant many guilds an array of economic freedoms. But it is one thing for guilds to make certain decisions on their own, another to have a legally recognized and enforced right to independence. As long as an outside power could remove any particular freedom at will, the guilds would not be genuinely autonomous. One indication that the Ottoman guilds were not autonomous is that they often asked the courts to affirm their major decisions. Another is that they went to the state to resolve internal matters that in Western Europe lay within the jurisdiction of the guilds themselves. Finally, around the eighteenth century the state relaxed many of its controls on guild activities wherever it started using tax farmers to collect taxes from the membership. Until then, because tax collection depended on the services of the guild, the state had not allowed the guilds as much freedom as it would later on-proof of its power to control guild activities.[55]

Although the literature contains examples of friction between certain guilds and the state, the usual pattern was one of harmony. Accounts of the sixteenth to eighteenth centuries-the period before many craft guilds succumbed to competition from Europe-reveal nothing akin to the struggles waged by contemporary labour unions. In and of itself, however, this evidence of relative harmony does not speak to the matter of autonomy. Tranquility may be an indication of subservience, just as its opposite, anti-state agitation, may point to rising autonomy. Consider the following analogy. In the 1960s there were far fewer political dissidents in authoritarian East Germany than in democratic West Germany. The reason is not because the Easterners were happier. Rather, Germans caught behind the Iron Curtain did not feel as free to express support for political change.

If the Ottoman guilds never achieved genuine autonomy, the reason was not only that the state sought to preserve the option of regulating their affairs. Equally important is that the people by and large supported this economic paternalism. Throughout the pre-industrial Islamic world, people expected the prices of goods, especially those of basic commodities, to remain stable even in the face of supply fluctuations. They also expected their rulers to supervise the production and distribution of goods. These attitudes conflicted with the pro-competitive traditions within Islam. However, other Islamic traditions have required sellers to avoid actions considered harmful to the general welfare, such as hoarding and profiteering.[56] Demands for supervising the guilds and denying them autonomy were entangled, then, with popular perceptions of proper Muslim behavior.[57]

PRISONERS OF LEGAL INDIVIDUALISM

Nothing in Islamic law blocked the courts from treating guilds as organizational units for administrative purposes. Yet, as we have seen, the courts were empowered to deny a guild the right to make any adaptation deemed inimical to the general welfare. Among the adaptations that this supervision rendered essentially impossible was the guilds' transformation into firms capable of competing in the emerging capitalist global economy. A key factor here was the individualism of Islamic law-its commitment to recognizing individual actors but not collective entities. This individualism kept the guilds from reinventing themselves, just as it prevented commercial and partnerships from growing in size.[58] As such, it closed off several possible paths to the evolution of modern firms through indigenous forces.

An Islamic court might hear a guild's complaints against a guildsman and affirm that the defendant had violated customary procedures. But if the same guild took to producing what customarily had been the exclusive right of another guild, or it started encouraging its members to pursue a division of labour akin to that one might find in a modern factory, the consequent social tensions could make the court block the move. The guild was no freer, therefore, to expand its operations through a decision of its membership than its individual members were to raise their own shares of the collective output. As a practical matter, the guild system's capacity to take advantage of emerging possibilities for economies of scale or scope was severely limited. The consequent rigidity became a particularly serious problem as Western industrialization began to alter consumer tastes and to generate increasingly powerful technologies of production. When cutting and sowing machines came on the scene, the bootmakers were unable to mechanize their operations quickly enough to remain competitive. In general, they also failed to broaden their product lines to suit the diversification of demand patterns.

Commenting on the guilds of medieval Christendom, Robert Lopez notes that the European guildsman was "the prisoner of a closed circle." He produced little because his tools were simple, and his tools remained simple because he produced too slowly to accumulate capital and invest in mechanization. This vicious circle also limited the guildsman's horizons. Aware of his inability to enlarge his operations, he generally did not go searching for customers beyond his own locality.[59] Similar observations could be made with respect to the Ottoman guilds. Their workshops were usually tiny, and by the standards of modern industry their capital was minimal. Required to use more or less the same production methods as their fellows, individual producers adopted a new technology only as part of a collective switch approved at least tacitly by the membership, if not also by the courts. The resulting inertia is consistent with modern institutional research on the organization of work. It is generally harder to alter the goals and behaviors of an egalitarian group of independent decision makers than it is to shift those of a hierarchically organized and autonomous management team.[60]

As long as the global economy changed glacially, the guilds' lack of dynamism did not threaten their viability. If it took a guild of map makers several generations to incorporate new geographical discoveries into their maps, their livelihood, to say nothing of their professional existence, was not endangered, provided the demand for their products held up. However, the guild system was poorly suited to the revolutionary changes induced by the Industrial Revolution. Like the guilds of Western Europe, those of the Islamic world were generally unable to adjust their production methods quickly enough to protect their markets and remain profitable in the face of competition from mechanized manufacturing firms.

Yet, for all their similarities, the two experiences differed critically because of huge differences in opportunities outside the guilds themselves. In Western Europe, guildsmen who lost their sources of livelihood tended to join the growing industrial labour force. But in the Islamic world, where the decline of the guild system was not accompanied by the rise of mechanized modern industries capable of absorbing the underemployed guildsmen, increasing numbers of artisans simply became destitute. With regard to the Ottoman Empire, Ömer Celâl Sarç paints the picture vividly: "Whereas in Europe it had been possible to replace the declining industrial forms with an advanced system, in [Ottoman territories], with the decline of old forms of industry, almost all important industrial activity also ceased, and the economy lost all the major branches of industry."[61]

A major reason for the rigidity of the broader Ottoman economy lay in the individualism of Islamic law. Coupled with its succession provisions that made it difficult keep large estates intact over generations, the individualist ethos of Islamic law prevented the rise of modern industrial firms pooling large amounts of capital. So, in addition to being constrained by primitive and essentially fixed production methods, the guilds of the Islamic world were prisoners of legal individualism. Indeed, the very legal principle that kept these guilds organizationally and technologically simple reduced the individual guild member's incentive to break out of his closed circle. Whereas Parisian guildsmen eventually gained the option of escaping the limitations of the guild system by accepting employment in firms established outside its purview, those of a Cairene guild could not. Ironically, Islamic law came to contribute to the preservation of organizations that it never recognized formally.

There were other reasons, of course, why the rise of the modern economy hurt Ottoman guildsmen and the other guildsmen of the Islamic world more than it did those of Western Europe. The capitulations reduced local incentives to build modern factories. After 1838, when the Ottoman capitulations took their most extreme form, foreign merchants payed a 5 percent duty on goods sold in the empire, but an Ottoman subject without European protection payed 12 percent to export his wares and even to transport them from one region within the empire to another.[62] These added costs must have discouraged at least some Muslim entrepreneurs from seeking to serve a wide geographic area through mass production. Another reason, it might be said, lay in the relative insecurity of property rights. But these additional factors were themselves among the by-products of Islamic law. Had Islamic law accommodated the evolution of corporations, the capitulations might not have been instituted in the first place, and a constituency capable of strengthening property rights might have taken shape.[63]

THE END OF THE OTTOMAN GUILD SYSTEM

Whatever the sources and magnitude of the handicaps borne by Muslim-Ottoman entrepreneurs, they jointly gave Westerners a prominent role in the building of the Ottoman Empire's first generation of modern manufacturing establishments. In the first half of the nineteenth century, practically all modern factories of the Islamic world were owned by foreign investors. Although the capitulations barred the state from treating the products of these factories differently for tax purposes, European investors were attracted by the abundance of raw materials, the vastness of the potential market, and the promise of cheap labour. The owners of the few locally owned factories were generally non-Muslims commanding European protection.[64] By 1915, according to that year's Ottoman Industrial Census, the number of private industrial enterprises owned by Ottoman subjects had reached 214; of these, as many as 172 belonged exclusively to non-Muslims.[65]

Europe's Industrial Revolution created opportunities for the members of certain guilds to expand their operations. However, the beneficiaries of an increase in demand for their products by and large channelled their gains into real estate or moneylending. In the Balkans two notable exceptions were the Gümüşgerdan and Madzharov families, both prominently represented in the Plovdiv guild of *aba* makers. Each family founded a textile enterprise pursuing putting-out operations, which involved sending wool to villages for the production of *aba* rolls. As one might have expected, the two families encountered opposition from other guildsmen, who resented the rapid growth of their operations and their enrichment way beyond the prevailing norms for *aba* producers. At least in the case of the Gümüşgerdans, the objections remained ineffective because of their official connections. Practically the entire Gümüşgerdan production went to meet the *aba* requirements of the Turkish army,[66] which evidently dampened the public opposition of their fellow aba makers.

Unlike the Gümüşgerdans and the Madzharovs, an overwhelming share of the guild members remained wedded to their customary modes of operation even as European capitalism penetrated the Balkans, the Middle East, and North Africa. As late as 1893, a visitor to Tunis observed that the production processes of certain guilds could be traced to the Phoenicians. The tanners, he wrote, employed ancient techniques that showed no awareness of modern chemistry.[67] Already in the early-nineteenth century such technologically primitive craftsmen experienced sharp declines in their incomes. Becoming underemployed, some were forced to lay off apprentices. Others succumbed to the competition from European goods and reluctantly accepted new jobs, sometimes as wage workers in foreign-owned factories.[68]

Predictably, the crisis generated by the Industrial Revolution gripped some guilds sooner than others. Guilds in major cities or ports generally declined more rapidly than ones in regions that high transportation costs insulated from international influences. For instance, in the Ottoman-governed Balkans guilds located away from major thorough fares preserved their vitality well into the nineteenth century, even expanded their volume of business, while their counterparts in major cities, including İstanbul, weakened.[69] Another source of variation in guild experiences was the Westernization of tastes and lifestyles. As consumption patterns shifted in favour of European styles and products, the producers of traditional clothing, furniture, and pharmaceuticals-all historically important commodities-were harmed. Those that catered primarily to the educated and the wealthy were the first to feel the impact of these changes, although there were exceptions. The jewelry and carpet industries of various regions remained profitable, and some even benefited from higher demand.[70]

Other guilds, such as those of the Egyptian weavers, retained a sizable share of the local market by switching to imported inputs. But their flexibility was the exception, not the rule. When shockwaves of the Industrial Revolution reached the shores of the Southern and Eastern Mediterranean, the affected guilds generally chose to appeal for protection. Though powerless to block imports, their governments responded through measures to protect old balances. As early as 1759, the Ottoman government made attempts to raise the demand for local textiles by prohibiting anyone but the highest officials from wearing clothes of imported materials.[71] The courts, too, sought to assist the established guilds by banning innovations. In 1807, for instance, a judge ordered İstanbul's shoemakers to refrain from producing the emerging fashion in footwear, shoes with pointed toes. In 1834, officials in Seres, Macedonia, insisted that no guild, except one expressly permitted to travel, could spread its activities outside the specific market bearing its name.[72]

Yet these official responses to the crisis did not form a coherent policy package. While some Ottoman officials sought to steer people away from imported textiles, others made efforts, as if recognizing the futility of protectionism, to make local producers manufacture substitutes of the increasingly popular foreign textiles.[73] Other officials sought to help the guilds through disciplinary measures. As a case in point, in the 1870s the Tunisian statesman Khayr al-Din undertook the legal codification of guild rules pertaining to production and internal management-rules that until then rested primarily on custom.[74] Khayr al-Din evidently attributed the crisis to the imprecision of unwritten traditions, overlooking the roles of anti-competitive procedures, antiquated production methods, and the limitations of industrial policies grounded in Islamic law.

By this time, however, other statesmen were plainly aware that many crafts would disappear unless the guilds modernized their production methods and expanded the scale of their operations. In the Ottoman Empire, the mid-nineteenth century saw, along with legal reforms that gave recognition to corporations, official efforts to open industrial schools and regroup craftsmen within associations capable of pooling resources. But these efforts came too late to save the old guilds. The impoverished guildsmen had little capital to invest in machinery. They also lacked the organizational know-how and technical skills to compete with modern firms.[75]

RELIGIOUS OBSTACLES TO INDUSTRIALIZATION

The history of the Ottoman guilds matches, then, the general pattern of Ottoman economic history: a period of strength and creativity, followed eventually by one of senility. As long as tastes and technologies changed slowly, these guilds provided a steady and acceptable standard of living to huge numbers of artisan-shopkeepers. But they were ill-suited to a dynamic economy in which success depends on identifying production complementarities, lowering costs, marketing novelties, and reacting to shocks rapidly. A system designed to restrain adaptations in the interest of social harmony and political stability is bound to fare poorly in a highly competitive global economy replete with firms ready to destroy rivals who fall behind the times.

More than a few distinguished observers have attributed the Islamic world's helplessness in the face of competition from modern European industries to the stultifying effects of its dominant religion. In 1873, the orientalist H. Vanbery wrote that "European factories can only exist on the basis of the climatic and social relationships of Europe." He added that the spirit of commitment and hard work that generated Europe's factories "never have been nor will be conceivable amongst Moslems of Asia."[76] In the same vein, Lord Cromer, effectively the British governor of Egypt from 1883 to 1907, held that "little assistance in the work of reform" could be expected from "steady orthodox Moslems." He saw Europeanized and agnostic Egyptians as "if not the only possible, at all events the principal agent for administering the country, except in so far as it is administered by Europeans."[77] The implication of such remarks was that sincere Muslims, because of habits and dispositions rooted in Islam, could not play a significant role in the evolving modern economy.

Viewed from the perspective of Islam's entire economic history, these statements appear strikingly simplistic and grossly misleading. If Islam were incompatible with industry and productivity, what explains that for centuries Muslim craftsmen essentially held their own against non-Muslim craftsmen, both those at home and abroad? True, they benefited from various protections against competition, but so did all Jewish and Christian craftsmen, including those of Western Europe. In any case, at least with respect to the guilds whose senescence contributed to the above impressions, there is the objection that they were not specifically Islamic institutions. Born around eight centuries after the birth of Islam, their members usually included non-Muslims, and they followed practices similar to those of the Western guilds.

However, these reservations hardly establish that religion was irrelevant to the observed decline of the guilds and the slowness of their replacement by modern industries. Although neither the Ottoman guilds nor those of the broader Islamic world were inherently religious organizations, Islamic influences did give them special characteristics. Their limited autonomy, a by-product of the individualism of Islamic law, hindered experiments and reforms that might have turned them into modern firms. Their lives were prolonged because, partly as a result of the same legal limits on organizational autonomy, the economy around them retained medieval characteristics.

One might add that over many centuries the Islamic establishment supported the economic order that turned out to be a poor match for industrial capitalism. Turning a blind eye to the pro-competitive elements of the Islamic heritage, and avoiding the task of reforming Islamic law, generations of religious scholars and officials treated the fraternal relations and anti-competitive principles of the guilds as consistent with ostensibly fixed Islamic teachings. Members of the Islamic establishment also supported protectionist responses to the mounting European economic challenge, sometimes by spearheading attempts to treat Western-inspired reforms as un-Islamic.[78] Finally, as the guild system's limitations became obvious, they produced no bold ideas to revitalize the local economy. The impetus for practically every major economic reform came from groups whose ideas and inspiration originated outside the prevailing Islamic worldview.

One common lamentation about the encounter between the Islamic world and early-industrial Europe is that it generated economic and political dependence, another that it harmed local cultures.[79] Both complaints-the former typically associated with certain variants of

Marxism and the latter with nationalism and Islamism-reflect genuine realignments and dislocations. But insofar as the identified transformations were costly, they generated merely transitional costs that were swamped by the huge advantages of industrialization. From this perspective, the shock of Europe's economic renewal was a blessing in disguise.[80] Indeed, it forced the Islamic world, including the shrinking Ottoman Empire, to abandon medieval production methods and begin the arduous task of industrialization. In the absence of this encounter the old system would probably have continued, and the grand bazaars now considered so quaint may well have remained the nerve centers of the urban economy. The Islamic legal system that subsumed the guild rules harbored no internal dynamic compatible with industrialization or the other revolutionary social transformations that we now recognize as modernization.

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3 *The Travels of Ibn Battuta (A.D. 1325-1354)*, vol. 2, ed. H. A. R. Gibb (Cambridge: Hakluyt Society, 1958), pp. 418-421.

4 Claude Cahen, "Y-a-t-Il Eu des Corporations Professionelles dans le Monde Musulman Classique," in *The Islamic City*, ed. A. H. Hourani and S. M. Stern (Oxford: Bruno Cassirer, 1970), pp. 50-63; and S. M. Stern, "The Constitution of the Islamic City," in *The Islamic City*, pp. 36-47.

5 In Ottoman Turkish a guild was known as *esnaf* (pl. *sinf*), and the same term designated the artisans who made up the membership. In Arab lands the term *hirfa* or, more commonly, *ta'ifa* was used.

6 Sylvia L. Thrupp, "The Gilds," in *The Cambridge Economic History of Europe*, vol. 3, ed. M. M. Postan, E. E. Rich, and Edward Miller (Cambridge: Cambridge University Press, 1971), pp. 230-232.

7 Gabriel Baer, "Guilds in Middle Eastern History," in *Studies in the Economic History of the Middle East*, ed. M. A. Cook (London: Oxford University Press, 1970), pp. 11-30.

8 Evliya Çelebi b. Derviş Muhammed Zillî, *Evliya Çelebi Seyahatnâmesi*, ed. Orhan Faik Gökyay, vol. 1 (Istanbul: Yapı-Kredi Yayınları, 1996; orig. ed. around 1640), pp. 220-317; cited information at pp. 248-253, 254-255, 307-309, 264, 290, 236, 300. Evliya had a penchant for exaggeration, so his figures should be treated with caution. For selected portions of his account in English, see *Narratives of Travels in Europe, Asia, and Africa in the Seventeenth Century by Evliya Efendi*, vol. 1, pt. 2, trans. Ritter Joseph von Hammer (London: Oriental Translation Fund, 1846), pp. 104-251, cited information at pp. 151-156, 158-160, 240-241, 119, 216, 131, 231. For further examples and a rich interpretation, see Gabriel Baer, "Administrative, Economic, and Social Functions of the Turkish Guilds," *International Journal of Middle East Studies*, 1 (1970): 30-32.

9 Evliya Çelebi, *Seyahatnâme: Mısır, Sudan, Habeş*, vol. 10 (Istanbul: Devlet Basımevi, 1938; orig. ed. around 1676), pp. 358-386. For additional information based on this account, see Baer, "Guilds in Middle Eastern History," pp. 19-20. Although Evliya is known for his colorful overstatements, modern estimates come close to this figure. See André Raymond, "Sinf," *Encyclopaedia of Islam*, 2nd ed., vol. 9 (1997), p. 644.

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11 Abdülbaki Gölpınarlı, "İslâm ve Türk İllerinde Fütüvvet Teşkilâtı ve Kaynakları," *İstanbul Üniversitesi İktisat Fakültesi Mecmuası*, 11 (1949-1950): 88-102; Franz Taeschner, "Futuwwa, Post-Mongol Period" *Encyclopaedia of Islam*, 2nd ed., vol. 2 (1965), pp. 966-969; and Bernard Lewis, "The Islamic Guilds," *Economic History Review*, 8 (1937): 20-31.

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13 Lewis, "Islamic Guilds": 37.

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15 Hamilton Gibb and Harold Bowen, *Islamic Society and the West*, vol. 1, pt. 1 (London: Oxford University Press, 1950), p. 294, n. 2.

16 Ibid., p. 294; Rafeq, "Craft Organization": 509.

17 Ibid., p. 285.

18 *Evliya Çelebi Seyahatnâmesi*, vol. 1, pp. 255, 301.

19 Ibid., pp. 242, 288-289; Gabriel Baer, *Egyptian Guilds in Modern Times* (Jerusalem: Israel Oriental Society, 1964), pp. 27-33; and Gibb and Bowen, *Islamic Society*, vol. 1, p. 294, n. 2.

20 Nicolai Todorov, *The Balkan City, 1400-1900* (Seattle: University of Washington Press, 1983), pp. 123-124, 192.

21 Gabriel Baer, "Monopolies and Restrictive Practices of Turkish Guilds," *Journal of the Economic and Social History of the Orient*, 13 (1970): 159.

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26 Barkan, "XV. Asır,": 339-340. See also Ronald C. Jennings, "Loans and Credit in Early 17th Century Ottoman Judicial Records: The Sharia Court of Anatolian Kayseri," *Journal of the Economic and Social History of the Orient*, 16 (1973): 168-216.

27 Todorov, *Balkan City*, p. 117.

28 Barkan, "XV. Asır," p. 339. For discussion of a similar restriction imposed on the fullers of Aleppo, see Bruce Masters, *The Origins of Western Economic Dominance in the Middle East: Mercantilism and the Islamic Economy in Aleppo, 1600-1750* (New York: New York University Press, 1988), p. 203.

29 W. Heffening, "Tidjara," *Encyclopaedia of Islam*, 1st ed., vol. 8, p. 748.

30 Rafeq, "Craft Organization": 505.

31 Todorov, *Balkan City*, p. 221.

32 Rafeq, "Craft Organization": 497.

33 Shlomo D. Goitein, "The Working People of the Mediterranean Area During the High Middle Ages" (orig. French ed., 1964), in his *Studies in Islamic History and Institutions* (Leiden: E. J. Brill, 1968), pp. 267-270.

34 On the selection and duties of the guild leaders, see Baer, *Egyptian Guilds*, esp.chap. 4; Baer, "Guilds in Middle Eastern History," pp. 19-21; Todorov, *Balkan City*, p. 115-116; Ira M. Lapidus, *Muslim Cities in the Later Middle Ages*, 2nd ed. (New York: Cambridge University Press, 1984), pp. 95-105; Masters, *Origins*, pp. 202-203; and Timur Kuran, "The Craft Guilds of Tunis and Their Amins: A Study in Institutional Atrophy," in *The New Institutional Economics and Development: Theory and Applications to Tunisia*, ed. Mustapha K. Nabli and Jeffrey B. Nugent (Amsterdam: North-Holland, 1989), pp. 236-264.

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36 In a smaller guild the effect could be substantial.

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38 For a secular variant of this romantic interpretation, see Çelik Gülersoy, *Kapalı Çarşı'nın Romanı* (Istanbul: Turing ve Otomobil Kurumu, 1979), esp. pp. 45-50. An Islamist perspective is given by Sezai Karakoç, *İslâm Toplumunun Ekonomik Strüktürü* (Istanbul: Diriliş Yayınları, 1967), chaps. 4-6. Another admirer of the guild ethos of mutual cooperation, Siddiqi, *Economic Enterprise*, pp. 35-52, finds precedents in the early Islamic centuries.

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40 Gülersoy, *Kapalı Çarşı*, pp. 45-46; and Gibb and Bowen, *Islamic Society*, vol. 1, p. 292.

41 Pedro Chalmeta, "Markets," in *The Islamic City*, ed. R. B. Serjeant (Paris: United Nations, 1980), p. 109.

42 Arthur Atger, *Les Corporations Tunisiennes* (Paris: Arthur Rousseau, 1909), pp. 100-104.

43 Rafeq, "Craft Organization": 505.

44 The ideal of locational concentration was enforced more vigorously in some contexts than in others. See Goitein, "Working People," pp. 258-260.

45 F. M. Scherer, *Industrial Market Structure and Economic Performance*, 2nd ed. (Boston: Houghton Mifflin, 1980), pp. 200-205.

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49 Henri Pirenne, *Economic and Social History of Medieval Europe* (New York: Harcourt Brace, 1936; orig. French ed., 1933), pp. 182-183.

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52 Ibid., pp. 113-126.

53 Pascale Ghazaleh, "The Guilds: Between Tradition and Modernity," in *The State and Its Servants: Administration of Egypt from Ottoman Times to the Present*, ed. Nelly Hanna (Cairo: American University of Cairo Press, 1995), pp. 65-66.

54 Avner Greif, "Impersonal Exchange and the Origin of Markets: From the Community Responsibility System to Individual Legal Responsibility in Pre-modern Europe," in *Communities and Markets*, ed. M. Aoki and Y. Hayami (in press).

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60 Oliver E. Williamson, *The Economic Institutions of Capitalism: Firms, Markets, Relational Contracting* (New York: Free Press, 1985), chap. 9.

61 Ömer Celâl Sarç, "Tanzimat ve Sanayiimiz," in *Tanzimat* (Istanbul: Maarif Matbaası, 1941), p. 434. English trans. in Charles Issawi, ed., *The Economic History of the Middle East, 1800-1914: A Book of Readings* (Chicago: University of Chicago Press, 1966), pp. 48-59.

62 Issawi, *Economic History: Readings*, p. 46. For an account of similar developments in Iran, Egypt, and Morocco, see Charles Issawi, *An Economic History of the Middle East and North Africa* (New York: Columbia University Press, 1982), pp. 17-23.

63 The latter point is developed in Kur'an, "The Muslim Commercial Retreat."

64 Sarç, "Tanzimat," pp. 437-438. See also Leila Tarazi Fawaz, *Merchants and Migrants in Nineteenth-Century Beirut* (Cambridge, Mass.: Harvard University Press, 1983), p. 65.

65 Zafer Toprak, "II. Meşrutiyet ve Osmanlı Sanayii," *Tanzimat'tan Cumhuriyet'e Türkiye Ansiklopedisi*, vol. 5 (Istanbul: İletişim Yayınları, 1985), p. 1356. In addition to private manufacturing enterprises, the 19th and early 20th centuries saw the establishment of government factories employing modern production methods. Sarç, "Tanzimat," p. 435, reports that eight state-owned Ottoman factories displayed their products at the Paris fair of 1856. The majority of these were inefficient, however, and some of them ceased operation quickly. See also Todorov, *Balkan City*, chap. 14; and esp. Zafer Toprak, *Türkiye'de Ekonomi ve Toplum (1908-1950): Milli İktisat - Milli Burjuvazi* (İstanbul: Tarih Vakfı, 1995).

66 Todorov, *Balkan City*, chap. 13, esp. pp. 242-249, 264-269, 460-461.

67 Charles Lallemand, *Tunis et Ses Environs* (Algiers: Gervais Courtellemont, 1893), pp. 111, 116.

68 For an analysis of this disintegration, with an emphasis on the guilds of Tunis, see Kur'an, "Craft Guilds," sects. 4-6. On the dissolution of other guild systems of the Muslim world, see Baer, "Guilds in Middle Eastern History," pp. 22-27; idem., *Egyptian Guilds*, chap. 5; and Sarç, "Tanzimat," pp. 423-430.

69 Sarç, "Tanzimat," pp. 423-430; Todorov, *Balkan City*, chap. 12, esp. p. 218; and Masters, *Origins*, pp. 209-212.

70 Joel Beinin and Zachary Lockman, *Workers on the Nile: Nationalism, Communism, Islam, and the Egyptian Working Class, 1882-1954* (Princeton: Princeton University Press, 1987), pp. 32-35; Sarç, "Tanzimat," pp. 429-430; and Rafeq, "Craft Organization": 509-510.

71 İsmail Hakkı Uzunçarşılı, *Osmanlı Tarihi*, vol. 4, pt. 2 (Ankara: Türk Tarih Kurumu, 1959), chap. 32.

72 Baer, "Monopolies and Restrictive Practices," pp. 151-152, 154.

73 Uzunçarşılı, *Osmanlı Tarihi*, vol. 4, pt. 2, chap. 32.

74 Pierre Pennec, *Les Transformations des Corps de Métiers de Tunis*, mimeo., Institut des Sciences Economiques Appliquées-Afrique du Nord (Tunis), 1964, pp. 55-59; and Atger, *Corporations Tunisiennes*, pp. 100-104.

75 Sarç, "Tanzimat," pp. 430-432.

76 As quoted by Kurt Grunwald, "Industrializing the Middle East," *New Outlook*, 4 (January 1961): 26.

77 Evelyn Baring Cromer, *Modern Egypt*, vol. 2 (New York: Macmillan, 1909), p. 229.

78 Niyazi Berkes, *The Development of Secularism in Turkey* (Montreal: McGill University Press, 1964); Wilfred Cantwell Smith, *Islam in Modern History* (Princeton: Princeton University Press, 1957); and Bassam Tibi, *Islam and the Cultural Accommodation of Social Change*, trans. Clare Krojzl (Boulder: Westview Press, 1990; orig. German ed., 1985).

79 A bold statement of the dependency thesis lies in Doğan Avcıoğlu, *Türkiye'nin Düzeni (Dün - Bugün - Yarın)* (Ankara: Bilgi Yayınevi, 1968). For another variant, see Peter Gran, *Islamic Roots of Capitalism: Egypt, 1760-1840* (Austin: University of Texas Press, 1979). An influential variant of the cultural harm thesis was stated by Sayyid Abu'l-A'la Mawdudi, *The Economic Problem of Man and Its Islamic Solution* (Lahore: Islamic Publications; orig. Urdu ed., 1941). For a critique of Mawdudi's writings, see Timur Kuran, "Genesis of Islamic Economics."

80 I draw on Toprak, "II. Meşrutiyet," p. 1344.