As we have seen, the crisis of the seventeenth century had different effects in different regions of the Eurasian continent. Some states connected to the Atlantic economy, such as Britain, the Netherlands, and France, underwent a radical transformation that enabled them to eclipse states such as Spain and the Mediterranean merchant republics. In parts of Eastern Europe, a different transformation took place in the wake of the crisis: the second serfdom. The crisis of the seventeenth century had long-lasting effects in the Middle East as well. Imperial governments stumbled from financial crisis to financial crisis, often seeking cures that were worse than the disease. Warlords asserted themselves against weakened central governments, refused to send taxes or tribute to the imperial capital, and often waged war against representatives of the imperial government and against each other. By the end of the eighteenth century—even before the arrival of Mehmet Ali on the scene—the Ottomans had lost effective control of Egypt. Egypt would remain part of the Ottoman Empire until 1914, but its peculiar history and status within the empire almost demand that we treat it separately from the history of much of the rest of the empire. In Persia, the Safavid dynasty, weakened by tribal insurrection, collapsed under the impact of invasion from Afghanistan. Although the Qajars—a family of Turkic descent—established a dynasty that would rule Persia for a century and a half, their control outside their capital of Tehran was, according to many historians, never particularly impressive. All too often the Qajars had to balance off or bargain with local leaders. They were also at the mercy of the British and Russians who fought out the “Great Game” on their territory.

Middle Eastern sultans, shahs, and local dynasts such as Mehmet Ali were not blind to what was going on. Nor were they blind to the fact that the balance of international power had shifted to the West. Thus, beginning in the early nineteenth century, Ottoman sultans, Persian shahs, and Egyptian dynasts—later accorded the title khedive in acknowledgment of the special status of Egypt in the empire—undertook deliberate policies to reverse the process of fragmentation and to centralize and expand their authority. Their goal was to strengthen their
states in the face of internal and external threats and to make their governments more proficient in managing their populations and their resources. This process is known as defensive developmentalism.

Once rulers adopted the policy of defensive developmentalism, the process took on a life of its own. In the abstract, the process of defensive developmentalism followed a number of predictable steps. The first step was military reform. This was a logical choice: In both the Ottoman and Qajar empires, leaders understood that they could preserve the independence and unity of their empires only if they were better able to project power internally and protect themselves from foreign aggression. Ottoman sultans and Persian shahs learned from successive military defeats that their military forces were overdue for an overhaul. They therefore sought to borrow recruitment, disciplinary, organizational, tactical, and technological strategies from European states, where armies were more professional and effective. This also stood to reason. Military reforms first introduced into France and Prussia around the turn of the nineteenth century diffused throughout Western Europe and Russia, making European armies not only formidable foes but models to be emulated. Mehmet Ali also began his program of defensive developmentalism with military reform, but for a different reason. The power from which he sought to protect his regime was not European, but the Ottoman Empire. Not only did he hope that military reform would help consolidate the position of his family in Egypt, he sought to use a reformed military to strengthen the position of Egypt in the region.

The next steps in the process of defensive developmentalism derive directly from the policy of military reform. To build and support a modern army and defend their territories, Middle Eastern rulers needed to expand the sources of revenue under their control, their ability to coordinate the activities of their populations, and their ability to discipline their populations so that they might act in a manner advantageous to the state. To achieve the first goal, they encouraged the cultivation of cash crops, for example, and tried to restructure tax collection to increase tax revenues. As we shall see, encouraging the cultivation of cash crops may have been penny-wise but turned out to be pound-foolish: To protect their political independence, Middle Eastern rulers were, in effect, mortgaging their future economic independence.

To collect new taxes, man their new armies, and discipline and coordinate the activities of their populations, Middle Eastern rulers needed to eliminate tax farmers and other intermediaries who sapped resources from the state, augment their administrations, introduce uniform legal practice, and educate new administrators and soldiers. They therefore expanded access to education and standardized curricula, promulgated new legal codes, and experimented with centralized economic planning. In sum, defensive developmentalists sought, and often succeeded in building, a state apparatus capable of penetrating the lives of their populations in ways that could not have been implemented, much less imagined, a hundred years before.

Defensive developmentalism was not without its problems, however. All too often the achievements of defensive developmentalist rulers looked more
impressive from the vantage point of their palaces in Istanbul, Tehran, or Cairo than they in fact turned out to be. Sometimes plans carefully worked out in the seat of government met with local resistance. Tax farmers, for example, were rarely enthusiastic about programs designed to speed their elimination. Defensive developmentalist policies also fostered the emergence of a new class of professional soldiers, intellectuals, and bureaucrats who were educated in Western techniques. Members of this new class frequently clashed with those who either had a stake in the old order or who believed that the new ways did more harm than good.

In a way, the old guard was correct to be suspicious of the ambitions of members of the new class. The members of the new class were frequently dissatisfied with their position in society. They were educated, but they held little effective power and were rarely consulted at the highest levels of government. During the latter part of the nineteenth century and early twentieth century, members of this new class led or participated in a series of revolts in an attempt to gain access to the corridors of power. Sometimes these revolts were led by civilians who demanded a greater role in governance. They often framed their complaints in the form of a demand for constitutional rule, which, they assumed, would limit the authority of the sultan or shah and delegate more power to them. Hence, intellectuals and bureaucrats led the agitation for an Ottoman constitution, which was granted in 1876, and members of the two groups played a significant role in the Persian Constitutional Revolution of 1905. At other times, professional military officers took matters into their own hands. During one such revolt, spearheaded by Colonel Ahmad ‘Urabi in 1881–1882, the khedive of Egypt felt so threatened that he sought refuge with a British fleet anchored nearby. Another military revolt, led by Turkish army officers in 1908, succeeded in restoring the Ottoman constitution, which had been suspended for thirty years.

Local resistance and the defection of military officers, intellectuals, and bureaucrats were not the only reasons why defensive developmentalist policies might fail. Programs ran afoul of the law of unintended consequences as well. The most famous example of this was the Ottoman Land Code of 1858. The code gave peasants the right to register the lands they were working in their own names as private property. The Ottoman government designed the code to increase accountability for taxation, expand agricultural production, and end tax farming. But peasants were, more often than not, suspicious of the motives of the Ottoman government. They feared that the government made this “gift” of land merely to increase their tax burden and that registration would lead to the conscription of their sons into the Ottoman army. As a result, some fled their land, or signed it over to urban-based notables, or soon lost it because they could not afford the registration fee or because they used it as collateral on loans to usurers. In the process, a law intended for entirely different purposes became the instrument by which peasants were frequently reduced to landless tenant farmers and absentee landowners came to possess huge agricultural estates.
As if these problems were not serious enough, defensive developmentalism repeatedly faced opposition from European states as well. Europeans opposed policies that did not serve their immediate economic or strategic interests. For example, many planners in the Middle East hoped to pay for their new armies or other institutions by fostering industry. European states, on the other hand, opposed two key components that defensive developmentalists thought necessary for industrial development: government monopolies and protective tariffs. The establishment of state monopolies in their territories would have allowed Middle Eastern governments to direct and set prices for raw materials used in government factories without the fear that competition from European merchants would drive prices up or deplete their supply. Protective tariffs would have allowed Middle Eastern governments to prevent European manufacturers from destroying local industry by dumping cheaper European products on their markets. Thus, in 1828 the Russians forced the Persians to agree to a ridiculously low 5 percent tariff on goods imported from Russia. At the dawn of the twentieth century, when Russian merchants were still paying their 5 percent tariffs on Russian exports to Persia, Persian merchants were paying upward of 20 percent on select commodities. Likewise, in 1838, the British forced the Ottomans to sign a treaty abolishing monopolies in their territories and setting the same ridiculously low—5 percent—tariffs on British imports.

Ultimately, the most significant problem with defensive developmentalism in the Middle East was that it was, in a way, counterproductive. For example, to accumulate money to pay for modern armies, rulers expanded the growth of cash crops (cotton, silk, tobacco) that were exported to Europe. They then borrowed money from Europeans to build expensive railroads and modern ports to get those crops to market. Thus, to resist European military expansion, Middle Eastern rulers actually encouraged European economic expansion into, and the further peripheralization of, their domains.

So much for an overview of defensive developmentalism. Let us now turn to the specifics of defensive developmentalism in Egypt, the rest of the Ottoman Empire, and Persia.

The most striking example of defensive developmentalism took place in Egypt under the dynasty established by Mehmet Ali. For Mehmet Ali, military reform was essential to consolidate his control over Egypt and to protect Egypt's near total autonomy in the Ottoman Empire for himself and his descendants. Furthermore, Mehmet Ali wanted to expand the area under his control to ensure the supply of raw materials crucial to Egypt's economy and development and to monopolize east/west trade routes. Under Mehmet Ali, Egyptian expansion took place in three directions. First, Mehmet Ali sent his armies south into the Sudan to obtain gold, slaves, and control of the west bank of the Red Sea. When the Ottomans requested his aid in putting down a revolt in Arabia, Mehmet Ali was eager to comply: An Egyptian presence in Arabia would guarantee Egyptian control over the east bank of the Red Sea and thus the lucrative coffee trade (the importance of western Arabia in the coffee trade can be seen in the name of a port city in
Yemen—Mocha—that is to this day frequently applied to coffee, with or without the suffix latté. Finally, in 1831, Mehmet Ali's son, Ibrahim, led an expedition into Syria. As discussed earlier, the Ottomans had promised Mehmet Ali control over Syria (present-day Syria, Lebanon, Jordan, and Palestine, also known as “Greater Syria”) if he put down the rebellion in Greece. In reality, Syria was key to Mehmet Ali's plans for the Egyptian economy. Having control of Syria would give Mehmet Ali access to Levantine ports and long-distance trade routes as well as to raw materials such as timber and silk from Mount Lebanon.

While occupying Syria, Ibrahim introduced policies into the region typical of defensive developmentalists: He conscripted Syrians into armies built on the French model, eliminated tax farming and introduced direct taxation, encouraged the cultivation of cash crops that could be sold abroad to earn foreign exchange, oversaw measures to increase security in the countryside, and ordered the construction of public works to expand agricultural revenues, get cash crops to market quickly, and strengthen central control. Egypt continued to occupy Syria for almost a decade. In 1840, the Ottoman government, with British assistance, was able to reassert its control. The price paid by the Ottomans for British assistance was a high one. In 1838, the Ottomans signed the Treaty of Balta Liman with the British—the treaty that forbade monopolies in Turkish territories and set low import tariffs for foreign goods. The treaty thus assured the British continued economic penetration of Ottoman territories, including Egypt.

To support his military adventures abroad, Mehmet Ali undertook new economic policies at home. For example, Mehmet Ali abolished tax farming. He literally destroyed the mamluk tax farmers by inviting them to dinner, killing those who attended, and hunting down the remainder in the provinces of Egypt. Mehmet Ali then confiscated their lands and placed those lands directly under the control of the Egyptian government. He did the same with properties that had been set aside as religious endowments: If the holders of an endowment could not provide the proper documents proving a right to the property, they lost it. Since many religious endowments dated back to the Middle Ages, many holders could not. To eliminate the threat posed by bedouin to settled communities, Mehmet Ali gave them a choice: settle on unused agricultural lands or suffer the same punishment as had the mamluks. Because agriculture was proving to be so profitable anyway, most chose the former.

At the same time, the Egyptian government attempted to control all aspects of agriculture. It encouraged the planting of cash crops, particularly cotton. It set up a government monopoly (abolished, of course, after the Treaty of Balta Liman) that bought cotton from the cultivators and sold it to European agents. It invested in industries associated with cotton, such as ginning and spinning. These changes had important social consequences. Women were put to work in factories spinning and weaving while their husbands were recruited to perform forced labor for the government, such as digging irrigation canals. As a result, government intervention into the economy ended up upsetting established family relations.
Mehmet Ali’s encouragement of cotton cultivation further integrated Egypt into the world economic system, and Egyptian revenues became directly dependent on the price of cotton in the international marketplace. In 1800, for example, more than 50 percent of Egypt’s trade was with the rest of the Ottoman Empire and 14 percent was with Europe. By 1823, these figures were reversed.

Cotton production proved to be both a blessing and a curse for Egypt. During the American Civil War, the Northern blockade of Southern ports cut off Europe’s supply of Confederate cotton and drove prices up. This situation dramatically increased Egyptian revenues and dependency on cotton cultivation. Mehmet Ali’s successors, anticipating a lasting boom, borrowed heavily from European bankers to finance internal improvements. One such improvement was the Suez Canal, which was opened in 1869. The Suez Canal was not only an engineering marvel, it reduced by half the distance that merchant ships traveled from London to Bombay. The Egyptian government also built prestige projects, such as an opera house in Cairo. After all, every “civilized” country had at least one opera house. When the American Civil War ended in 1865 and American cotton went on the market again, the price of cotton plummeted. Egyptian revenues collapsed. Then the Egyptian economy received a second shock: the international depression of 1873. By 1876 Egyptian debts had reached more than ninety million British pounds, most of which was owed to foreigners. The Egyptian government was forced to declare bankruptcy that same year. European creditors then established a commission to supervise the Egyptian budget and oversee the repayment of Egyptian debt.

Ship passing through the Suez Canal soon after its opening. (From: The Collection of Wolf-Dieter Lemke.)
It is thus ironic that the policy originally intended to ensure political and economic independence had just the opposite effect. For Egypt, defensive developmentalism led to borrowing, borrowing led to bankruptcy, bankruptcy led to the ‘Urabi Revolt in 1881, and the ‘Urabi Revolt—which threatened the British position in the eastern Mediterranean and therefore Britain’s route to India—led to British occupation in 1882. British occupation continued, in one form or another, until 1956. Well before that time, Egypt had become an economic satellite revolving around a British star. Adding to the irony was the fact that once they occupied Egypt, the British encouraged the continued cultivation of cotton to feed British textile mills. At the same time, they discouraged investment in industries that might compete with those in Britain.

Defensive developmentalism in the remainder of the Ottoman Empire also produced mixed results. Historians commonly divide the attempts at defensive developmentalism in the Ottoman Empire into two periods. They call the first period the period of “liberal reform,” or the tanzimat period (tanzimat means “regulations” in Turkish). Historians often date this period from 1839, but its roots go back further, as we shall see. The tanzimat culminated with the announcement of the short-lived Ottoman constitution of 1876. The second period of defensive developmentalism took place during the long rule of Sultan Abdulhamid II, who suspended the Ottoman constitution in 1878 and once again centered imperial governance in the palace. This period is commonly known as the period of “autocratic reform” and lasted until Abdulhamid II was deposed in 1909.

Unfortunately, the terms “liberal” and “autocratic” are a bit misleading. Actually, both periods were autocratic—constitutionalism should not be equated with democracy, after all, merely with the establishment of a written blueprint that would expand the role of “modernizing” intellectuals and bureaucrats in governance. It is true that during the first period bureaucrats and intellectuals made more of a conscious effort to mimic the institutions and ideas of Europe that were then fashionable. Of particular importance to them were the economic and political ideas associated with British Liberalism—individual rights (for society’s elites), free market economics, and respect for private property. And it is true that the rhetoric of Abdulhamid II and his political allies drew from Islam, not Liberalism. But while the thin layer of Ottoman Westernizers may have thought it natural to couch their rhetoric in the rhetoric of British Liberalism, few others were convinced. Many embraced the idea of defensive developmentalism but found the principles of Liberalism to be distasteful. Others argued that Liberalism provided an insufficient basis for imperial revival. By the late 1870s, many Ottoman political elites had discovered a new model to emulate: the model provided by political developments in Germany and Italy after each had achieved unification in 1870–1871. This model emphasized governmental activism and change imposed from the top. And, if measured in terms of efficacy, far more development and government expansion took place in the latter period than in the former.
The Ottoman Empire that defensive developmentalists had inherited was hardly capable of swimming with the European sharks. Instead of power being concentrated in Istanbul, the influence of local notables often surpassed the power emanating from the central government. Even in those regions where the state could exercise power, however, it often did not do so, choosing instead to allow the population to organize its own affairs through informal networks. During the nineteenth century, the state not only attempted to curb the powers of local leaders, but also to expand its own authority into areas where government had never before intruded, such as education and social welfare.

Of course, military reform was of primary concern to the nineteenth-century Ottoman sultans. Sultan Selim III (r. 1789–1807) established a new military corps, known as the nizam-i jedid (new order), that adopted Western forms of drill and armament. By 1806, the corps included about twenty-four thousand trained soldiers. While Selim III was forced to abdicate by those opposed to his policies, including a jealous janissary corps, one of his successors, Mahmud II (r. 1808–1839) continued his efforts. In what became known as the “Auspicious Incident” (1826) to everyone but the janissaries, Mahmud II used the new corps to wipe out the janissaries in Istanbul and then hunt down remaining janissaries in the provinces. The achievements of Ottoman military reforms were such that they were mimicked in the Egypt of Mehmet Ali.

The creation of an effective army gave Mahmud II and his successors greater leeway in introducing new policies. Over the course of the nineteenth century, the Ottoman government legislated (unsuccessfully, as it turned out) against tax farming, restructured the central bureaucracy along European lines, and established provincial councils based on representative principles. It codified law and extended the authority of secular law. It established schools that took children after Qur'an training and prepared them for Western-style colleges. By the end of the nineteenth century, Istanbul hosted a school to educate bureaucrats, another to “civilize” the children of tribal leaders, and a third to train military officers. In all, by the beginning of the twentieth century more than thirty-five thousand Ottoman civil servants managed activities commonly associated with modern nation-states, from the administration of hospitals to the construction and maintenance of essential infrastructure.

As in the case of Egypt, the state increasingly assumed responsibility for directing the economy as well. Over the course of the nineteenth century, the Ottoman Empire backed away from the stranglehold of free trade that had done so much to integrate it into the world economy. The imperial government intervened directly to promote the economic development of the empire. Sometimes, government policy failed miserably. Attempts to establish state-run factories floundered not only because the Ottomans faced Western competition and shortages of skilled workers, but also because the empire suffered from a lack of investment capital. As a result, the state turned instead to programs that were intended to foster private industrial production. By the end of the century, the state had reorganized the guilds, assembled cooperative associations, offered tax
breaks to entrepreneurs, set production standards, and raised customs duties. The Ottoman state attempted to attract foreign investment capital by offering concessions for building telegraph lines, railroads, and tramways and for expanding port facilities in Istanbul and Beirut. The Ottoman state attempted to address the international agricultural crisis that began in the 1870s by establishing agricultural schools and issuing credits and seed to impoverished farmers. It even sent out teams of agronomists to the countryside to offer agricultural advice to peasants.

Whatever the efforts of the state, however, the effects of Ottoman defensive developmentalism were uneven. The nineteenth-century Ottoman Empire included Anatolia, the Balkans, parts of North Africa, and the Arab Middle East. The empire was so widespread that it was difficult for the power of the central government to radiate out through the provinces, even with the use of nineteenth-century technologies such as telegraphs and railroads. The diversity of the land and its peoples also obstructed the success of even the best-laid plans. Compare the Ottoman Empire with Egypt, a province that was relatively homogeneous both demographically and geographically. It was far easier for Cairo to dictate economic policy, especially because Egyptian soil and climate allowed it to base its economy on the cultivation and export of a few cash crops, particularly cotton. In contrast, the needs of Lebanese silk producers, as well as the organization of their communities, differed dramatically from those of the cotton producers of nearby Palestine, not to mention those of tobacco cultivators of the Balkans. Ottoman dependence on a variety of cash crops was hardly an effective economic strategy anyway. As in the case of Egypt, the cost of defensive developmentalism combined with the international depression of 1873 eventually led to bankruptcy and to European supervision of Ottoman finances.

Furthermore, as might be expected, the Ottoman government faced resistance to its policies. In addition to the "losers" in the process of defensive developmentalism—janissaries and tax farmers—specific imperial policies were regarded by too many as a threat. Ultimately, defensive developmentalism meant centralization, and centralization threatened the pivotal role played by informal, local networks in Ottoman life. For peasants, the policies of the imperial government threatened to bring about more efficient taxation and conscription. For ulama who were not attached to the central bureaucracy, the policies threatened to bring about a loss of prestige and limit their educational and judicial functions. For local notables, the policies meant loss of power. Because of this local resistance, many of the regulations failed to achieve the intended goals.

One of the most glaring examples of how Ottoman policies yielded unanticipated results had to do with the attempt to adjust the relationship among religious communities. During the tanzimat, the Ottoman government issued two decrees that many historians consider the cornerstones of the period of "liberal reform," the Hatt-i Sharif of Gulhane (1839) and the Islahat Fermati (1856). The documents promised all Ottoman subjects "perfect security for life, honor, and property" and offered religious liberty and equality for the non-Muslim inhabitants of
Vignette

“What Hath God Wrought”

According to legend, in 1815 the financier Nathan Mayer Rothschild received news of the outcome of the Battle of Waterloo before his financial competitors. The news enabled him to secure his family’s sizeable fortune with a timely investment in British, as opposed to French, government bonds. The means of communication between Belgium and Britain that gave Rothschild a jump on the competition? The carrier pigeon.

The story is apocryphal, but it speaks to a Britain in which long-distance communication was still carried on through semaphore relays. By 1851 Rothschild’s ploy would have been impossible: He and his competitors would have received news of the outcome of the Battle of Waterloo within minutes, via the newly laid submarine telegraph cable linking France and Britain (France permitting, of course).

Samuel F. B. Morse invented the telegraph in 1837. The first words transmitted long distance provide the title for this vignette. The telegraph rapidly became as conventional a presence in the nineteenth century as the cell phone is today. And like other nineteenth century inventions—steamboats and railroads and the Gatling gun—the telegraph proved to be an indispensable tool of imperialism. As a matter of fact, it was imperialism that provided the impetus for the construction of telegraph lines in the Ottoman Empire and Persia.

In 1857, India exploded in rebellion against the British. The subcontinent was nearly lost to Britain before anyone in London was even aware that trouble was brewing. So soon after, the British asked for, and were granted, concessions from the Ottoman and Persian governments to construct a telegraph line through their territories in order to connect Britain with its recalcitrant colony. For Britain, the empire. In other words, the Hatt-i Sharif of Gulhane and the Islahat Fermani were attempts to promote a notion of Ottoman identity, osmanlilik. Henceforth, it was hoped, the empire would consist of a community of equal citizens bound together by an allegiance that transcended their religious allegiances.

For all its good intentions, a policy that attempted to establish equality among Ottoman citizens satisfied few Muslims or Christians. Muslim political and social elites resented a policy that threatened Muslim predominance and that was so obviously European in inspiration (in fact, the Islahat Fermani was dictated to the Ottoman government by the British ambassador to Istanbul, Stratford Canning). Muslim elites objected to the fact that the documents seemed to single out Christian communities for special consideration and opened the door to granting them economic and political privileges that Muslims did not enjoy. Many Christians, on the other hand, were not pleased that the notion of equality was applied in such areas as military conscription—a privilege of citizenship most Christians would have just as readily forgone. Their protests once again enabled Christians to avoid military service through the payment of a fee, an option not open to their increasingly resentful Muslim fellow citizens. Other Christians, looking to developments in the Balkans, preferred the path
upshot was predictable: enhanced imperial control. For Persia, it was less so, but nonetheless consequential: To allocate royalties and responsibilities, telegraph construction necessitated the demarcation of exact borders separating Persia from the Ottoman Empire, British India, and Afghanistan. These borders were surveyed and delineated by the Indo-European Telegraph Department, a branch of the British government in India. As a result, the Persian piece was, at long last, fit into the jigsaw puzzle of the international state system, and the clear demarcation of Persia’s territorial sovereignty—the hallmark of the modern state system—received international sanction. Persia’s admission into the International Telegraph Union in 1865—the first such international coordinating body—followed, confirming Persia’s place within the brotherhood of nations.

In the Ottoman Empire, the telegraph rapidly became an essential tool of state. By 1874, when there were approximately 17,000 miles of telegraph line in the empire, an American missionary hailed the Ottoman postal-telegraph for “enabling the central power in Constantinople to move the whole empire like a machine.” But telegraph wires run both ways. Since the line to which the missionary was referring emanated from the palace, the telegraph came to symbolize for much of the populace a direct link to the sultan. Petitions poured into Istanbul from all over the empire complaining of mistreatment at the hands of local officials and landlords. Crowds even mobbed local telegraph stations demanding to be put in direct touch with a sultan who was responsible for ensuring their newly acquired rights. And the telegraph was a site for symbolic resistance as well: In remote corners of the empire, villagers expressed their disaffection by interrupting telegraph service, and bedouin and others estranged from Istanbul targeted for destruction the lines that symbolized, for both them and their government, imperial reach.

of nationalist separation rather than equality within a predominantly Muslim empire. It is thus ironic that the policy of promising equality to all inhabitants of the empire, regardless of religious affiliation, hardened communal boundaries and precipitated instances of intercommunal violence. In the process, it created the distinctly modern phenomenon of sectarianism all too familiar to observers of the contemporary Middle East.

The Persian experience with defensive developmentalism was different from that of either Egypt or the Ottoman Empire. Historians commonly cite two reasons for this. The first was the nature of Qajar rule. The Qajar dynasty was of recent vintage, having established itself more than two centuries after the founding of the Ottoman Empire. Unlike the Ottoman Empire, it did not build an empire from scratch, but rather on the ruins of the Safavid Empire. An entirely new political order thus did not accompany conquest as it had with the Ottomans. In addition, the ruins upon which the Qajars established their rule were extensive. As a result of the Afghan invasion that finished off Safavid rule, it is estimated that approximately 20 percent of the population of the Safavid Empire died, while the cities of Persia lost upward of two-thirds of their population. And the Afghan invasion was hardly the only disaster to strike Persia during the eighteenth century.
Not only was the Qajar dynasty new, relatively untested, and heir to a devastated land, Persia suffered from the ill fortune of being the site on which two stronger powers waged their struggle. Occasionally, Persia did benefit from the presence of rival imperialist powers on its borders. For example, Britain introduced the first telegraph line in Persia during the mid-1860s because it needed fast communications from India to London, and Persia happened to be situated in between. And sometimes the British-Russian rivalry itself left its trace on Persia: In 1891, three years after the British established the first modern bank in Persia, the Russians simply had to follow suit. But, for the most part, the “Great Game” blocked the introduction of nineteenth-century technologies and institutions into Persia. Both Britain and Russia discouraged the Persian government from seeking technical assistance or loans from its rival. For example, neither power was enthusiastic about the other building a north-south railroad in Persia for obvious reasons, so that project had to wait until 1927. There is a cruel irony here. For all its evils, in most of the world imperialism fostered institutions and infrastructure, if only to expand the reach of the imperialist power and integrate the colonized into the world economy. In Persia it all too often had the opposite effect.

If the Qajars did suffer from such internal and external challenges, then how were they able to rule for so long? The answer, according to many historians, was that they never quite ruled at all. Historians cite the fact that throughout Qajar history, governors were powerless outside the provincial capitals and local communities were virtually autonomous. The Qajars maintained their position, the argument goes, by balancing off various factions within society: tribe against tribe, province against province, region against region, social class against social class. Qajar rule was minimalist. Unlike the Safavids, the Qajars only intervened in the economy to prevent urban insurrections when prices rose too high or shortages threatened. They also allowed others to run the economy: They auctioned off governorships to the highest bidders, who then farmed out tax collection in districts and cities. They also auctioned off the right to collect customs and mint coins to the highest bidder. By 1850, the Qajars even lost control over the lands that had been granted as tiyul. This land became the virtual private property of merchants, ulama, and high officials. Their inability to project power meant that the Qajar shahs could only respond feebly to those religious scholars who resisted the government because it attempted to usurp their legal and educational functions, landowners who were unappreciative of government efforts to streamline tax collection and keep better track of titles to land, and merchants who feared they could not compete in international trade with foreigners backed by their governments.

This is not to say that the Qajar dynasty did not take a stab at defensive developmentalism. In fact, it tried twice, once during the mid-nineteenth century and a second time in the 1870s. Under the direction of two centralizing chief ministers, the government attempted to construct state-run factories, reform the budget, build a modern military based on conscription rather than tribal levies, and build
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modern educational facilities. Their efforts failed, with two notable exceptions. The first was the Dar al-Funun, a school founded in 1851 to train military officers and bureaucrats. At its peak at the end of the nineteenth century, the Dar al-Funun admitted roughly 250 students each year. Many of the graduates of the school chafed at what they considered Qajar despotism and inefficiency. They would later participate in the Constitutional Revolution of 1905. The second institution founded during the brief Persian experiment with defensive developmentalism was the Cossack Brigade, an elite military force originally led by Russian officers. The brigade, under the leadership of Reza Khan, would overthrow the Qajar dynasty in the wake of World War I. Ironically, then, the two institutions with lasting impact that were founded during the defensive developmentalist periods were two institutions that weakened, then eventually overthrew, the Qajars.

Because of their limited control over the country, the Qajars attempted to generate revenues and hasten development by granting concessions to European financiers and adventurers. That is, the Qajars attempted to encourage “modernization,” raise quick cash, or do both by selling select Europeans the right to produce, market, and export a commodity or commodities found in Persia. They also sold concessions for one or another infrastructural project that required capital and know-how unavailable domestically. The Qajars were not the only ones in the Middle East to grant concessions to Europeans. Both the Ottoman Empire and Egypt also did it: Germans built the railroads in Anatolia, for example, and French concessionaires did the same in Syria. The Suez Canal was also a concession. But the Persian case was different for two reasons. First, when it came to defensive
developmentalism, there really wasn't much else going on. Second, there was the scope of the concessions granted.

In 1872, for example, the Persian shah granted to Baron Julius de Reuter, a British subject, the exclusive rights to build streetcars and railroads, extract minerals, establish a national bank, and exploit the national forests in exchange for a modest down payment and the promise of future royalties. Lord Curzon called what came to be known as the Reuter Concession "the most complete and extraordinary surrender of the entire industrial resources of a kingdom into foreign hands that has probably ever been dreamed of, much less accomplished, in history." Because the Reuter Concession met opposition in Persia and was hardly pleasing to the Russians, the shah canceled it. Reuter retained the right to build the state bank of Persia, which financed the government, and, of course, did not walk away from an indemnity of forty thousand British pounds that the Persian government had to pay. It should not be surprising, then, that after the Reuter Concession the Persian government never again granted a concession simply to foster modernization.

But this did not stop the Persian government from granting concessions altogether. In 1890, after bribing the right Persian officials, a British adventurer acquired from the shah the right to control the cultivation, sale, distribution, and export of all Persian tobacco and tobacco products for fifty years—all for an annual payment of fifteen thousand British pounds and a quarter of the anticipated profits. Soon afterward, he sold these rights to the Imperial Tobacco Company of Britain. The announcement of the concession aroused opposition from several layers of Persian society, particularly from merchants. By the time of the Tobacco Concession, merchants were already suffering. With the onset of the Depression of 1873, both trade and the price cash crops fetched on the international market had fallen. In addition, Persian merchants found it difficult to compete with European merchants, who had better organizational and financial backing and who paid lower customs duties. Soon after the government granted the concession, merchants in Tehran, then in other cities, began to protest and urge a boycott of tobacco. They were joined by the leading ulama of Isfahan, where merchant power was concentrated. Although the higher ranking ulama in Tehran were tied financially to the court and therefore initially opposed the merchants' actions, they could not stay out of the fray once merchants began to present their case in religious terms and circulate the rumor that the most important religious scholar in Persia had issued a ruling banning the consumption of tobacco. The cleric, seeing the strength of the protest, did not disavow it.

Once again, the shah canceled the concession. Once again there were penalties. This time, the cost of cancellation was 346,000 British pounds. To pay the indemnity, the shah contracted the first foreign loans ever borrowed by a shah of Persia, to the tune of 500,000 British pounds. This, of course, created huge deficits for the Persian government, which necessitated more foreign borrowing.

But there was another penalty to be paid by the Persian government as well. The popular mobilization against the tobacco concession set a precedent for future
mobilizations against the government. In the future, all successful mobilizations would be built on alliances of various social classes united by a broad and vague ideology that often used religious symbols. Of course, none of these mobilizations were religious per se, nor were they actually led by clerics—until, that is, clerics seized control over the Iranian Revolution in 1979. Shi’ism was not a cause of these revolts. To the contrary, like most other revolts, the causes were social and economic. Nevertheless, Shi’ism provided a unifying language and set of symbols, and the involvement of Shi’i clerics would lend legitimacy to revolts in Persia for the next century.

Perhaps the concession that had the most significance for the future of Persia was granted to an Anglo-Australian adventurer, William Knox d’Arcy. In 1901 the Persian government granted d’Arcy the right to “obtain, exploit, develop, render suitable for trade, carry away and sell” petroleum and petroleum products from all of Persia in exchange for forty thousand pounds in cash and stock and 16 percent of his company’s annual profits. The British admiralty, seeking to convert its navy from coal to oil, saw the strategic value of this concession. (When criticized in Parliament for acting against the traditions of the British navy, the vice lord of the admiralty, Winston Churchill, reportedly responded acidly that the only traditions of the British navy were “rum, sodomy, and the lash.”) To prevent d’Arcy from selling the concession to the French, the British government bought the concession and created the Anglo-Persian Oil Company. This was the first oil concession granted in the Middle East and provided the model for all others that followed. By 1923, Winston Churchill would claim that the concession had earned Great Britain forty million British pounds, while the concession earned Persia a mere two million.

Overall, then, what were the effects of defensive developmentalism in Egypt, the Ottoman Empire, and Persia? If success in centralization and the spread of governmental authority into previously unregulated areas of society are the criteria, then it is possible to claim that defensive developmentalism succeeded best in Egypt, then the Ottoman Empire, but met with very modest success in Persia. However, the purpose of defensive developmentalism was to defend Middle Eastern states from Western political and economic intrusion, and in this the effort failed. During the nineteenth century, the Ottoman Empire lost most of its Balkan and North African territories, Egypt was subjected to British occupation, and in 1907 Britain and Russia conspired to divide Persia into spheres of influence. Economically, some measures—encouraging the cultivation of cash crops, foreign borrowing, and the construction of networks of communication and transportation—actually facilitated Western economic penetration of the region. Even the establishment of “modern” educational, legal, and governmental structures in the Middle East advanced the integration of the region into the modern world economy. After all, in the wake of Ottoman legal reforms European merchants doing business in Salonika or Alexandria could trust in the fact that they would be subject to a uniform set of regulations that often corresponded to those found in Europe.
But there was another lasting legacy of defensive developmentalism that bears mentioning as well. Even when they misfired, measures taken by defensive developmentalists—conscripting soldiers, standardizing education, nurturing economic development, and even promoting ideologies like osmanlilik—had important consequences. Defensive developmentalists engaged their populations in common activities, organized and disciplined those populations, and spread new conceptions about the role of the state in society and the responsibilities of the state and the populations it governed toward each other. Some defensive developmentalists were, of course, more successful in these endeavors than others. Nevertheless, by transferring the notion of the state first invented in eighteenth-century Europe to the Middle East, defensive developmentalists were instrumental in spreading the principles of the modern state and modern state system to the region.