

Development of agricultural credit in the Danubian Vilayet:

Agricultural cases in the 60s and 70s of the 19th century

By Hristian Atanasov

Faber, 2017, paperback (published in Bulgarian)



Development of agricultural credit in the Danubian Vilayet: Agricultural cases in the 60s and 70s of the 19th century by Hristian Atanasov deals with a very important topic, proceeding from

the fact that agriculture has always been an important part of the Ottoman Empire's economy. Farmers need low-interest loans to develop their activities. In the 60s and 70s of the 19th century, a major source of capital for farmers were usurers. Most of them lend money in poor conditions. There are several cases in which the obligations of farmers grow a lot (farmers run up huge debts) and are accordingly forced to sell a lot of their property to settle their debt payment with the usurer. С мова изречение съм искала да кажа, че има редица случаи, в които задълженията на селяните стават много големи и те са принудени да продават имуществото си, за да се издължат на лихварите.

With the gradual economic development the need increases for an organized system

for agricultural credit. Such a system is also essential to the development of market relations and to overcome the closed nature of the Ottoman Empire's economy. As a result of this need emerged first, albeit primitive, credit institutions – agricultural cases. Their main goal is to implement a financial support to farmers and increase the production and the income of agricultural sector.

The book *Development of agricultural credit in the Danubian Vilayet: An agricultural cases in the 60s and 70s of the 19th century* is an attempt to cover the history of agricultural credit and the creation, administration and operations of agricultural cases in Danubian Vilayet. The author clearly defines time in terms of territorial boundaries. He traces the development of the cases in the Danubian Vilayet back to the 60s and 70s of the 19th century.

The book is divided into three main chapters and an introductory part, a conclusion, the appendix and bibliography. In addition, the author includes a significant number of appendices in the form of tables. In the main text, the author has systematized data about the population of the Vilayet, the opening of the cases, cash loans from various cases, another information presented in 39 tables. The author uses a lot of original and unpublished sources. He

BOOK REVIEW

has organized his study as he goes from macro to micro level. Firstly, he begins with a review of the Ottoman Empire's economy, then he successively examines the Danubian Vilayet and the Kaza Dobrich to finish with a thorough study of two villages – Pari Fakaf and Eli Bei.

During the aforementioned period the main problems of the farmers of that peculiar agricultural sector are as follows: technical delay, higher tax burden, poor infrastructure and the high level of interest. The author quotes several newspapers which refer to these very problems and acknowledges that the sector needs modernization.

In agricultural sectors the increasing need of capital determines the higher demand. The problem is that within the Ottoman Empire there are no credit institutions which lend money to farmers under favorable conditions. Because of that the figure and the role of Midhat Pasha is very important. Not only did he lay the foundation of the agricultural cases in question, but he was also considered a very resourceful reformer. The author has devoted part of his book to Midhat Pasha. He describes his career development in detail and concludes by paying tribute to his major, as it turns out, role in the process of organizing agricultural credit and creating agricultural cases.

A large part of the book is dedicated to the history of creation, organization and the activities of the cases. They have been based on the initiative of the State and were the first form of the organized credit in the Empire. One of the main questions related to the cases is the exact date of their foundation. Different sources point to different dates. But the exact period of their establishment is not as important as their key role within the agricultural credit system. The main goal of the cases is not only to provide low-interest loans to farmers, but to try to eliminate usury. The

author describes the concept of usury, noting sustainability as a practice, even at present. During the whole period, both organized and unorganized credit forms develop and operate together. On one hand, the social effect of these two types of lending are different. It is on the basis of namely their social effect that credit is defined as good practice, whereas usury - as bad. On the other hand, the two types of credit have the same economic effect - they provide money to farmers in need.

The cases lend money under better terms and conditions than the usurer. The interest rate is fixed at 1% per month or 12% per year. On the other hand, the interest rate of the usury loans is between 3-5% per month and 36-60% per year. The difference is obvious. Yet, there are a lot of cases when farmers would prefer the services of the usurer than these of the agricultural cases.

Research in the general trends of the cases the capital follows shows that it is continuously increasing. Research in general trend of the capital of the cases shows that it is continuously increasing. Проучване на посоката на развитие на капитала на касите показва, че той непрекъснато нараства. „In a period of 10 years, the capital assets of the cases increased with by around seven times“.

(p.101) Some of the cases in the Danubian Vilayet were more active and worked harder than others, and they accordingly achieved higher growth of capital.

Another characteristic feature of the book is that it alludes not only to the benefits and the achievements of the agricultural cases but also to the problems and the weaknesses of their work. There are several examples of corruption and frauds committed by members of the cases.

The third chapter of the book *Development of agricultural credit in the Danubian Vilayet:*

BOOK REVIEW

an agricultural case in the 60s and 70s of the 19th century narrows the scope of research. It goes into further detail. The author is at his best when describing the activity of the case at the macro level. Using a variety of different data, the author examines the work and the development of the cases in two villages of the Danubian Vilayet. The chapter presents many statistical details about loans, their amount and term. - **спок на заемуме**

Evidence of the role and the importance of agricultural cases is the fact that they continue to work in the Ottoman Empire and in Bulgaria after the Liberation of 1878. The author notes that the book does not address the topics of the organization and the work of the cases in Bulgaria. He only notes that the renewed activity of the cases is eloquent proof of their vitality and deep roots. (p.178)

The book covers very interesting subject. The author has fulfilled his aim to describe the organization and the development of agricultural credit system in Danubian Vilayet. In future research he may try to compare the activities of the cases before and after the Liberation and how the cases have changed. It will be interesting to point out the strengths and weaknesses of the cases. The positive results of their work are visible but it is interesting to show and describe their major problems. Not only the lack of enough money – which is the biggest problem, but also the problems with their administrative structure, their personal and the procedure of lending money. These problems were part of the work of agricultural cases in The Ottoman Empire and then they continue after the Liberation. After such a long time of existence and much reorganization the cases cannot cope with their problems and disadvantages. The serious question is why

Development of Agricultural Credit In the Danubian Vilayet: Agricultural Cases In the 60s and 70s of the 19th Century.
Hristian Atanasov

they retained and continued to trouble their activities?

The book, *Development of agricultural credit in the Danubian Vilayet: Agricultural cases in the 60s and 70s of the 19th century*, contains a lot of contributions. Some of them are:

Firstly, the author, Hristian Atanasov shows comprehensive knowledge of research literature in the analyzed period and in particular the research topic. In the text he makes reference to a lot of Bulgarian researchers and foreign authors. He exposes his ability to retrieve information from different sources and present it in a clear and consistent manner. He thus facilitates the interpretation of the readership.

Secondly, the author has managed to organize well all appendices at the end of the text. Diverse and useful information has been systemized in 77 tables. This shows his ability to summarize the information collected from various primary sources. The tables clearly present data about the interest income of the cases, their capital assets, their staff, etc.

Development of agricultural credit in the Danubian Vilayet: An agricultural case in the 60s and 70s of the 19th century is a well-written book of great merit. The work is based on a wide range of primary sources including archival work related to the cases in the Danubian Vilayet. The book is not short on numbers and details. It represents an interesting source of information about the first organized form of agricultural credit in Ottoman Empire – agricultural cases. It has plenty to offer not only to general audience, but also to professionals of Ottoman and Bulgarian economic history.

Reviewed by Rositsa Zlatinska