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Professional Paper

MONETARY WAQF IN THE OTTOMAN STATE AND THEIR FUNCTIONS IN THE TERRITORY OF THE REPUBLIC OF NORTH MACEDONIA

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Abstract

In the Ottoman state, waqf played a key role in the social and economic realm of the state organization and the system itself. The Ottoman state can also be referred to as the "Waqf State". One of the most striking waqf that functioned in the Ottoman state was the monetary waqfs (wuquf-i nuqood). One of the main characteristics that distinguished the Ottomans from other states and civilizations was the establishment of monetary waqf that were compatible with their value system and mind-set and compatible with civilizational concepts confronting modern capitalism and its modern financial institutions that dominated and influenced the world in the modern age. They developed and expanded to almost every part of the Ottoman state, including in the territory of the Republic of North Macedonia. These institutions, with their understanding of a foundation that plays the role of a third sector outside the public and private sectors, apart from removing individual and institutional needs in the social, cultural, economic and financial fields, as well as the long-term economy, can be said to have played a vital role in maintaining financial "stability" in these territories. In this paper, with some examples, we will try to present the system of operation of monetary waqf and their functions in the territory of the Republic of North Macedonia.

Keywords: Ottoman state, monetary waqf, economy, financial stability

1. Introduction

The most concrete characteristic of the Ottoman state, without any doubt, was the fact that the population had various religious and national backgrounds, whereas the state was led, generally, by Muslims. That is the reason historians in most cases study the Ottoman state as a part of the history of Islam. In the Ottoman state, waqf had the key role in the social and economic field of the state organization and the system itself. In the Ottoman state, the craftsmen generally were producing items of same quality and had the same value, as they were one single factory. Instead of factories functioning as an independent company, they were organized in the form of small companies, in the constitution of a specific chamber. The main reason behind that lies in prevention of accumulation of capital in only one power, namely, in only one individual. However, those who became strong and made capital could upraise against the central administration and try to take over the throne. Besides that, of course, there were many rich people in the Ottoman Empire. However, those people were rich thanks to inheritance of family members, generally bureaucrats. Trade and crafts chambers were preventing the wealth to finish at some particular individuals and that is how transformation of wealth into capital was blocked. At the same time, the state could confiscate wealth from the rich, if there was a need to act so. Because of the threat of confiscation, the owners of the wealth had only few opportunities. One of the opportunities was the working area, which was taken out on a tender by the state, which could be leased or led by a particular individual, so in that manner someone could make money with the wealth he already possesses, or bury it under the ground fearing from confiscation and leave it to future generations. The second opportunity for the wealth owners was, to establish their own waqf. As the waqf wealth was an

important value and property that was carried between generations in Muslim communities. The state could not interfere in the waqf properties. The Ottoman state could also be named as the “Waqf state”. One of the most impressive waqf that functioned in the ottoman state were the monetary waqf (waqf-i nuqood).

The problem with monetary waqf was the issue of dispute about determination of cash monies in the direction of founding capital, as well as its’ functionality in the form of a debts and a debt return with certain profits, that was determined by the Islamic religion, which forbade all forms of interest, whether they are credit transactions, debt givers or debt receivers. Discussions about monetary endowments have started since the 16 century. The main reason behind these hot discussions was the problem of sharia argumentation of the monetary waqf and the manner of functionality of these waqf with profits. Many sharia lawyers took part in this discussion. In the 16th century, discussions reach the contemporary sheikh al Islam, Abu Su’ud Effendi, who issued a fatwa that monetary waqf are legal, which gave an end to the discussions. Monetary waqf, especially the ones from the 16th century, spread much faster than other waqf from the aspect of their size and number.

One of the main characteristics that differentiates Ottomans from other states and civilizations was the establishment of monetary waqf that were compatible with their system of values and mindsets and compatible with civilization concepts confronting modern capitalism and its modern financial institutions that dominated and influenced the world in the modern age. They developed and expanded to almost every part of the Ottoman state, including in the territory of the Republic of North Macedonia. These institutions, with their understanding of a foundation that plays the role of a third sector outside the public and private sectors, apart from removing individual and institutional needs in the social, cultural, economic and financial fields, as well as the long-term economy, can be said to have played a vital role in maintaining financial "stability" in these territories.

2. Monetary waqf in the ottoman state

State and waqf services in the ottoman administration were closely linked. Many of the municipal duties were done by the waqf, like the water supply systems of cities, bridges, cemeteries, numerous roads, health services, education processes, skill trainings and social aid. (Kurt, 1996) When we analyze waqf in Ottoman cities in the meaning of social and cultural services, it can be clearly seen that services that were needed in every territory were done through the functionality of waqf. Therefore, the most acceptable waqf were the ones that were offering aid for the most urgent needs of the people, as well as the fact that waqf were offering all types of religious-ethical and social services that were useful to people. Since waqf were different according to regions, time, specific abilities and way of thinking of their founders, the services provided by the waqf were also different depending on that. (Dadas, 2000) Waqf was the institution that had positive effects on the trade and the economic life in the state. In fact, almost all cities had their own trade inns. On the roads that linked between cities, caravanserais were established, as well as at important strategic locations, which were functioning non-stop, offering security of the roads and accommodation to travelers and traders. (Bayartan, 2008)As we can see, waqf were covering many territories of the economic and social life of the state. Alongside with those types of waqf, there is a type of waqf which has been discussed for centuries and which is being discussed nowadays. That waqf is the monetary waqf, known for its’ characteristics compared to other waqf and diversification orientation of the economy life.

The most characteristic feature of monetary waqf in the system of waqf institutions is to dedicate all, or a part, of the money to the waqf. The question when monetary funds appeared for the first time, the establishment of which is utterly controversial, is not known. Mandaville claims that “Monetary funds are a contribution of the Ottomans for the Islamic civilization” and that monetary funds were established in the Ottoman state for the first time. (Mandaville, 1979) Through the waqf system, a mechanism was established, which transferred the savings and wealth of individuals into a service in territories that society needed. In that direction, monetary waqf, an example that was not mentioned before the Ottoman state, are considered as an innovation that was brought with the waqf system and as a contribution to the Islamic civilization.

It is not known when monetary waqf was used by the Ottomans for the first time. Only in the letters of Bali effendi was determined that monetary waqf were practiced since the conquest of Rumeli/Balkans and they have a history of three centuries. (Sofyali, manuscript: v.39.a), It is mentioned in the sources that monetary waqf were established during the rule of Murad II and Fatih Sultan Mehmet. It is known that monetary waqf was established for subvention of butcheries that used to deliver meat to Istanbul, built by Fatih Sultan Mehmet himself. The oldest monetary waqf is the waqf of Hajji Muslihuddin bin Halil, established in year 826/1423. We find out from the waqfnama that this individual made waqf from few businesses and 10,000 money units (akches). (Özcan, 2003) Monetary waqf, which were legitimized by sharia during the rule of Qanuni Sultan Suleiman, continued to exist until the fall of the Ottoman state. (Özcan, 2003) From all monetary waqf that were functioning on the territory of modern Republic of Turkey, through a decision of the government, in year 1954, the Waqf Bank was established.³⁸

2.1 Establishment of the monetary waqf

Monetary waqf can be established in two manners: joined with another waqf or independently. The founder of the waqf could either directly organize the waqf or transfer it to the judge, or he could establish conditions in the testament which would be put in force after his death for the heritage of the property, however with a condition that it could not be more than a third of the whole property. Abu Su’ud Effendi, the sheikh al Islam during the rule of Sultan Suleiman, explained the conditions under which registration of monetary waqf is allowed and the manner of registration. The way that should be followed during registration process of the waqf in the direction of the opinion of Imam Zufer is the following: The individual that wants to establish a waqf declares his approval, determines his duties, mentions his conditions and prepares his waqfnama, where he also mentions wages of the workers in the waqf and conditions related to the waqf and hands over the waqf to be led by a legal guardian-mutawalli. After a while, along with the mutawalli, the document is to be presented to the judge-qadi. The qadi accepts the waqfnama and registers the waqf. The main capital which is the subject of establishment in monetary waqf is protected as it is, money can be made in different manners and that revenue is used for financing services that are foreseen in the waqfnama. (Özcan, 2008)

Management of the capital that belongs to the waqf is usually set by the founder of the waqf. Mutawallis have to act upon some determined duties that are foreseen in detail in the waqfnama. However, if the waqf is facing financial difficulties, the percentage that is determined by the

³⁸ Vakıfbank, with an establishment capital of 50 millions Turkish Liras, started with work on the 13. April 1954. The capital of Vakıfbank; % 25.18 is published for the public in November 2005 and 43% of the remaining capital belongs to the registered founders in the General Directorate of the waqf, whereas the rest belongs to the pension fund of this bank. See: Önk, Halime, *Osmanlı Dönemi Para Vakıflarıyla Günümüz Katılım Bankalarının Karşılaştırılması*, Dumlupınar Üniversitesi Sosyal Bilimler Dergisi Afro-Avrasya Özel Sayısı-Aralık 2016, p.13.

founder of the waqf could be increased through approval of the judge/qadi, under a condition not to be higher than 15%.

2.2 Types of monetary waqf

Ottoman monetary waqf took an important position in social life since their establishment and they also, dependably on the need, suffered changes. Keeping in line with time, they provided quick answers to the needs of society by adding new services. Since the establishment, the main types of monetary waqf are the following:

a) **Waqf for the needs of society (Awarithwukoof)**

They were established as an answer of the needs of villages and settlements. These wuqqof were especially used for paying taxes in the name of poor and needy people in villages and settlements, as well as fulfilling various needs of the population. As some expenses of these waqf, helping mosques, tekkes, poor agriculturists, orphans and credits for craftsmen were mentioned. (Özcan, 2003)

b) **Esnaf funds (businessmen funds)**

This funds establishes its' capital from the payments done in the form of donations from anyone, membership of the businessmen and tax revenues for business advancement. This money, which was used for financing common activities of the businessmen, was used to finish some common works, fulfilling needs for food and clothing for the poor and needy, covering burial expenses and other common needs. (Özcan, 2003) Associations of businessmen in the Ottoman state, that were known upon their work based on mutual cooperation, and not competition, strengthened the solidarity through the funds of businessmen that was established and maintained by themselves.

c) **Medium funds**

These are institutions for solidarity and social security of janissaries. These funds, which were unknown when they appeared for the first time, were institutions of social insurance that were established to help those janissaries that were needy and their families as well. These waqf and means that belonged to the janissaries units were transferred to the newly established military units, after the removal of janissaries and the new systematization of the Ottoman state army during the rule of Sultan Mahmud II. (Özcan, 2010)

d) **Orphan funds**

These were waqf of orphans, established for maintenance of their properties. These funds were using money by protecting the main capital of the orphans and used the profit for the needs of these children. When these children became mature, their main capital was given away to them. However, these funds were also used to help children of soldiers that lost their lives in wars. (Özcan, 2010)

II.3 Manner of working of monetary waqf

Through monetary waqf, there was a significant increase of financial means that were delivered to the credit market, by working on means that were awarded in various manners. That is how an alternative was created against the interest, and these transactions helped the relatively stable business on the credit markets. In fact, despite high interest rates, as of 40% and 50% that were practiced by the usurers, monetary waqf were offering a loan that was supposed to be returned with a profit of 10% to 15%. In some waqf, the money was awarded as an interest-free crediting to those who needed, with reliable guarantors. Through this method, waqf founders wanted to reach the reward of an interest-free crediting (qard al hasan), because with this method, it is not possible to generate any revenue. (Döndüren, 2008)

Monetary waqf that functioned in the XIX century on the territory of the Republic of North Macedonia and their capital (Bulutg, 2019):

Year	Number of monetary waqf	General capital of the waqf	Capital by every waqf
1849-1850	89	78.381,6 kurush units	517 kurush units
1875-1876	116	151.105,8 kurush units	874 kurush units
1883-1884	98	93.496 kurush units	719 kurush units
1894-1895	130	127.370,5 kurush units	849 kurush units

3. Monetary waqf in the republic of north macedonia and their function

In this part, we present examples and tables of some monetary waqf in the RNM. When the data is seen, one can also see the results of functioning and the size of monetary waqf. At the same time, data of identities of users from waqf properties is provided. As we previously mentioned, monetary waqf in the Ottoman Empire were open not only for Muslims, but also for non-Muslims.

Waqf name	Wali of the Rumeli wilayah waqf of Kara Mustafa Pasha
Waqf function	Kara Mustafa Pasha left as waqf 700,000 akches that will be used for the needs of the mosque, tekke, maktab and as aid for the population of Debar.
Establishment date	4Shawwal 1074/30April1664
Source	VGMA,Defter:623,page145-147,line:157

Waqf name	Waqf of Kamil b. Zejnel and his partners
Waqf function	Kamil b. Zejnel left as waqf 540,000 akches that will be used for the need of the public bath in Kalkandelen-Tetovo and the bridge of Pena river. From the same waqf capital, orphans of Tetovo villages will be helped.
Establishment	20Rajab 1274/6 March 1858
Source	VGMA,Defter:625,page37-39,line::23

Waqf name	Waqf of Ibrahim b. Rajab
Waqf function	Ibrahim b. Rajab left as waqf 150,000 akches that will be used for the needs of Harabati Baba Tekke in Tetovo, as well as the Sinan Celebi madrasah.
Establishment	15Jumad al Awwal 1286/23 August 1869
Source	VGMA,Defter:625,page48-51,line::15

Waqf name	Waqf of Aisha Hatuna bint Hudaverdi
Waqf function	Aisha Hatuna bint Hudaverdi left as waqf 235,000 akches that will be used for the needs of the Rifa'i tekke in Manastir-Bitola, as well as for the needs of the immigrants who came from Southern Serbia.
Establishment date	27 Ramadan1293/16 October 1876
Source	VGMA,Defter:628,page15-19,line::75

Waqf name	Waqf of Memish b. Othman
Waqf function	Memish b. Othman left as waqf 350,000 akches that will be used for crediting businessmen and craftsmen at the Kurshumli han in Skopje.
Establishment	6 Muharram 1295/10 January 1878
Source	VGMA,Defter:625,page37-39,line::23

4. Conclusion

One of the main characteristics that distinguished the Ottomans from other states and civilizations was the establishment of monetary waqf that were compatible with their value system and mind-set and compatible with civilizational concepts confronting modern capitalism and its modern financial institutions that dominated and influenced the world in the modern age. They developed and expanded to almost every part of the Ottoman state, including in the territory of the Republic of North Macedonia. These institutions, with their understanding of a foundation that plays the

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