

## Cash Waqfs in Ottoman Bosnia, 1526-1914: A Temporal Analysis of Capital Levels\*

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### Abstract

The main purpose of this study is to examine cash waqfs established in Ottoman Bosnia from the first decades of the sixteenth century to the First World War. In a first attempt to use a new data set, this study presents a comparative study of the amount of capital obtained from Bosnian cash waqf contracts (*waqfiyyas*) by periods and socioeconomic status of the founders. Employing the dataset on the titles of founders, towns, profit rates, and the number of witnesses in contracts, the analysis presents the main features of cash waqfs in Ottoman Bosnia. The findings suggest that cash waqfs of titled individuals and males had higher capital compared to untitled individuals and females, with a convergence emerging in the nineteenth century. The dataset also indicates the proliferation of cash waqfs in Ottoman Bosnia, particularly from the second half of the eighteenth century. The major finding, however, presents that capital levels of cash waqfs had a declining pattern even if their numbers increased during the nineteenth century.

**Keywords:** The Ottoman Empire, Bosnia, Cash Waqfs, Capital, Socioeconomic Factors.

## Osmanlı Bosna'sı Para Vakıfları, 1526-1914: Sermaye Seviyeleri Üzerinden Zamansal Bir Analiz

### Öz

Bu çalışmanın temel amacı, 16. yüzyılın ilk on yıllarından Birinci Dünya Savaşı'na kadar olan dönem için Osmanlı Bosna'sında kurulan para vakıflarını incelemektir. Yeni bir veri seti kullanmaya yönelik ilk girişimde, bu çalışma, Bosna'ya ait nakit vakıf sözleşmelerinden (vakfiyeler) elde edilen sermaye miktarları üzerinden dönemlere ve kurucuların sosyoekonomik durumlarına göre karşılaştırmalı bir araştırma sunmaktadır. Verilerin sınırlılıkları olsa da bu çalışma Bosna para vakıflarının temel özelliklerini sunmak için tanımlayıcı analizler kullanarak kurucuların unvanlarına, kasabalara, kâr paylarına ve sözleşmelerdeki şahit sayılarına da odaklanmaktadır. Sonuç olarak, bulgular, unvan sahibi bireylere ve erkeklere ait para vakıflarının, unvansız bireylerin ve kadınların para vakıflarına kıyasla daha yüksek sermayeye sahip olduğunu göstermektedir. Fakat bu durumun 19. Yüzyıldan itibaren değiştiği ve vakıf sermayelerinin birbirine yakınsamaya başladığı görülmektedir. Oluşturulan veri seti, özellikle 18. yüzyılın ikinci yarısından itibaren Osmanlı Bosna'sında para vakıflarının önemli ölçüde arttığını göstermektedir. Esas bulgu ise para vakıflarının artan sayılarına rağmen sermaye miktarları 19. yüzyıldan itibaren önemli ölçüde azalmaktadır.

**Anahtar kelimeler:** Osmanlı İmparatorluğu, Bosna, Para Vakıfları, Sermaye, Sosyoekonomik Faktörler.

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## Introduction

Although there is growing literature on waqf organizations of the Ottoman Empire, studies based on quantitative analysis have been slow to progress. The main reason is the lack of data in establishing a long-term dataset. The literature also lacks a comparative perspective through social and economic variables. The absence of longitudinal data makes it difficult to study the long-term changes in different characteristics of waqfs such as socioeconomic structures of the founders, capital levels, and profit rates (*rihb*). In filling this gap, this study constructs a new dataset from the cash waqf contracts (*waqfiyyas*) of Bosnia and uses these private organizations to analyze them in a long-term perspective.

Bosnia was ruled by the Ottoman Empire for almost 400 years. A substantial share of the society was Muslim during this period. Having a Muslim majority signaled the increasing numbers of waqfs over time. Bosnia became one of the most important sanjaks in 1463. Its geopolitical position made Bosnia important for the Ottoman Empire. This characteristic allowed the central authority to change its political structure as a large province in 1580. Bosnia was crucial, particularly in campaigns with its military power. Isa Bey, the governor of Bosnia Sanjak, held tax-farming rights with about one million *akche*. This economic privilege was higher than governors located in Anatolia, who had revenues ranging from 250.000 to 400.000 *akche*, under a similar contract (Oruç, 2005: 251). This province was also rich with its financial resources, including mines, agriculture, and commerce. Aladin Husic (2012: 383) divided Bosnia towns into three main types. *Fortified* towns mostly emerged for strengthening military defense. *Boroughs* represented small-size towns, and *bazaars* consisted of towns that specialized in commerce and mining. Husic (2012: 384) argued that the development of Bosnia towns increased under the rule of the Ottoman Empire. The waqfs played a crucial role in improving towns. Waqf facilities provided not only religious structures but also social and commercial ones. Increasing numbers of educational organizations, for instance, were the outcome of these facilities. Furthermore, waqfs financed commercial facilities such as bedestens and bazaars as well as infrastructures such as roads, bridges, and waterways. Religious facilities, such as mosques, masjids, and zawiya, had a role in the social integration and spread of Islam. Husic (2012: 387) pointed out such roles of waqfs in town development from the sixteenth to the eighteenth century. Thus, the towns growing around waqfs entailed increasing exchanges over time.

The economic development of Bosnia was to be pronounced during the fourteenth century. The abundance of silver-based mines made this region attractive. The formation of towns started around mining areas. Furthermore, the integration with Europe in the Adriatic Sea enhanced economic activities. Merchants administrated mines, and this improved commercial activities over time. One rough estimate indicated that Bosnia and Serbia minted one-fifth of Europe's silver during the early fifteenth century (Fine, 1987: 283-284). Increasing numbers of Jewish merchants was another important indicator of the growing economy until the eighteenth century (Husic, 2020). During the periods of Ottoman arrival, the timar and tax-farming (*iltizam*) institutions began to dominate the economic environment. The classical Ottoman system on land entailed increasing agricultural production. During the eighteenth century, stock raising and agriculture generated a substantial proportion of the economic output. Products such as wheat, corn, and barley were important commercial goods in the same period (Akbel, 2017: 7). During the nineteenth century, the ratio of stock-raising in gross output increased from 50,5 percent to 62,4 percent between 1865 and 1873 (Palairat, 1997: 140). Michael Palairat (1997: 140) also indicated that the export of cattle, sheep, and pigs enhanced to 32,9 percent from 22,9 percent in aggregate

export during the period between 1858 and 1864, while the agricultural export generated 44 percent of the total export. Mustafa Akbel (2017: 8) advocated the increase of commercial activities through the inheritance records of merchants. A merchant, Ahmed b. Davud, bequeathed 10.590 qurush, which could be considered a substantial amount for the eighteenth century. Increasing commercial activities also raised credit relations over time. Court registers of Livno town provided various disputes emerged from such relations (Akbel, 2017: 8-9).

In Bosnia, landowners could increase their economic and political powers through these institutional organizations of tax-farming contracts (Veinstein, 1995: 393-398). This situation caused struggles between powerful Bosnian landowners and the central authority, particularly from the early eighteenth century. Even if Sultan Mahmud II imposed reforms to increase the power of the central authority, strong cooperation among powerful groups entailed rebellion during the second half of the nineteenth century (Sancaktar, 2012: 3). The Ottoman Empire lost its rule over Bosnia in 1878. The dataset used in this study shows that even if Bosnia came under Austria-Hungarian rule in 1878, the Muslim population of this province continued to establish waqfs until the collapse of the Ottoman Empire (Ademi, 2018).

Cash waqfs emerged as an innovative design to organize credit relations in the Ottoman Empire. Cash waqfs were privately funded organizations. Each cash waqf provided loans for individuals from various segments of the population. The emergence of cash waqfs, however, took place in the light of legal and religious controversies among scholars (Mandeville, 1979; Kurt, 1996). Changing the economic environment entailed increasing the needs for cash capital, particularly during the sixteenth century. Furthermore, institutional change from the traditional timar to the tax-farming was the outcome of this new economic environment. The central authority changed not only the structure of agents and contracts but also the form of tax revenues towards cash. This kind of change emerged in the institutional organization of waqfs. Even if earlier Islamic societies had cash waqfs, the proliferation of cash waqfs came to the fore during the Ottoman period. Thus, despite the controversies on cash waqfs, both the Ottoman jurists and sultans gave considerable support lending through these organizations. One rough estimate argued that more than half of the newly established waqfs were cash waqfs during the sixteenth century (Karagedikli and Tuncer, 2018: 243). From this period, cash waqfs provided loans to meet demand in the absence of different financial organizations.

Earlier studies based on cash waqfs established in Istanbul and Bursa towns provided information on the role of these organizations in credit relations from the sixteenth century to the eighteenth century. Until the establishment of modern banks, cash waqfs played a crucial role as financial organizations. The increase in the number of these private organizations shows not only the proliferation but also enhancing credit relations within the Ottoman economy. According to the sixteenth-century Istanbul cadastral record book (*tahrir defteri*), the number of cash waqfs increased from 2.431 to 3.180 between 1521 and 1596 (Özcan, 2003: 14). Furthermore, Tahsin Özcan indicated that 116 cash waqfs located in Üsküdar provided approximately 1.600 loans between 1520 and 1566. During the sixteenth century, the proliferation of cash waqfs increased in important towns of Anatolia. The founders had established 200 cash waqfs in Manisa, with a total capital of 848,530 *akche* (Emecen, 1989: 70-72). Özcan also presented a comparison among different towns through reliable secondary sources, in which the total capital of cash waqfs located in Istanbul was 13.253.736 *akche*, while this figure was 3.349.047 *akche* for Bursa in 1560 (Özcan, 2003: 15). Süleyman Kaya (2010: 106) had also indicated that 70 cash waqfs located in Üsküdar provided approximately 740 loans to individuals between 1783 and 1787. A

more comprehensive analysis of cash waqfs focused on credit relations emerged in Bursa during the eighteenth century. The findings showed the increasing role of these private organizations in credit relations. Between 1749 and 1785, 2.656 borrowers used 245 cash waqfs to get a loan in Bursa (Çizakça, 1995: 335). Earlier estimates presented the increasing trends in numbers of cash waqfs as well as credit density. This trend, however, changed during the nineteenth century. Karagedikli and Tunçer (2018: 250) argued that although the number of cash waqfs increased until the early twentieth century, their capital levels declined substantially due to the political and fiscal centralization efforts as well as the rise of modern banking.

The aim of this study is two-fold. The first is to present a descriptive analysis, focusing on the functions of waqf organizations, the socioeconomic structure and the title of the founders, capital levels, profit rates, towns, and the numbers of witnesses in contracts from a long-term perspective. To achieve this goal, this study gives a historical background of waqf organizations. The main contribution of this part is to present a descriptive analysis of these variables. Despite the significant body of literature that has accumulated on the cash waqfs of Bosnia, quantitative analysis based on socioeconomic variables has been slow to progress (Oruç, 2009; Husiç, 2012; Akbel, 2017; Ademi, 2018). Secondly, this analysis contributes to the existing literature with a quantitative analysis by employing cash waqf contracts of Bosnia, for the first time. The second aim is to offer a temporal analysis by titles and gender of the founders through capital levels of cash waqfs they established. Then comes a discussion of one of the most important questions of the study, that is, changes in capital levels of cash waqfs in Bosnia. This second aim is finalized by an analysis based on the relationship between capital levels and the numbers of witnesses in cash waqf contracts. Furthermore, the findings are also used to discuss a presumption that even if the numbers of cash waqfs increased over time, capital levels significantly decreased, particularly during the nineteenth century (Karagedikli and Tunçer, 2018: 240).

This study is organized as follows. The first section gives a brief history of waqf organizations based on the emergence and proliferation of cash waqfs, as well as their functions in Muslim societies. The second section presents a novel dataset on the cash waqfs located in Bosnia from 1526 to 1914. Temporal analysis based on capital levels and socioeconomic status of the founders is the main focus of the third section. Following capital-based analysis, this section also shows the relationship between capital levels and the number of witnesses from a long-term perspective. The conclusion summarizes the major findings of this study.

### **1. Historical Background: An Overview of Waqf Organizations**

Giving alms was one of the old traditions in Muslim societies. Waqfs and their subsequent form (*cash waqfs*) emerged as an innovative design for providing alms. Waqf organizations served as trust funds established with valuable assets to provide services for society (Çizakça, 1995: 313). Waqfs, of which fundamental principles were revealed by Prophet Muhammed, were privately funded organizations from the last decades of the seventh century. In the years of foundation, these organizations had a dual aim. The first aim was religious in that they provided sustainability for charitable purposes. The second was related to increasing the social and economic welfare of the society. Thus, waqfs emerged as formal organizations from the Quranic injunctions, Muhammadan precedents, and institutional learning (Koehler, 2014: 117-18).

The aims of waqfs expanded and proliferated over time. The endowments of the founders grew substantially and came to serve different functions beyond providing alms throughout history. As

the political, economic, and physical capacity of Muslim societies started to expand, the functions of these private organizations became varied in response to the needs of the society. A study based on waqf contracts indicated that a waqf provided financial resources for education, culture, maintenance, health, security, transportation, and urban services in addition to charitable and religious purposes (Ateş, 1982: 55). The growing literature on the functions of waqfs also emphasized the importance of their role through primary sources in a historical context (Berki, 1969; Yediyıldız, 1982a, 1982b, 1993; Akgündüz, 1988; Öztürk, 1991, 1993). This part classified the functions of waqf organizations under five main characteristics: *Public Good Waqfs, Family Waqfs, Circumventing the Law, and Political and Financial Purposes*.

### 1.1 Public Good Waqfs

The emergence and rapid spread of these private organizations were mainly due to how they were perceived by Muslim rulers from the very beginning. The rulers, who promoted waqf organizations, had two motivations. Since establishing cash waqfs was one of the oldest traditions in Muslim societies, Muslim rulers were willing to maintain this tradition to fulfill the goal of connecting with Allah and Muhammadan precedents. Following religious purposes, rulers could also gain the love of subjects by providing financial resources for social and economic welfare in the society (Arjomand, 1998). The early waqfs, therefore, mostly emerged as *public good waqfs* that produced public goods for different individuals from diverse socioeconomic groups, particularly during the eighth century.

The literature on the functions of waqfs agrees on one role that these private organizations played. City dwellers, farmers, merchants, and students generate the primary beneficiaries of public good waqfs. A substantial part of these organizations transferred financial resources into poor relief by providing soup kitchens, shelters, and clothing (Peri, 1992: 167; Khan, 2015: 983). Moreover, these private organizations provided resources for productive activities. Funding infrastructures, such as waterways, bridges, roads, *bedestens* (covered bazaars), and caravansaries played a crucial role in the economic structure. In addition to the welfare-generating functions for rural people, these organizations created employment opportunities that also contributed to the urban economy (Wilson, 2015: 37). They also provisioned educational organizations such as madrasa (earlier higher education organizations), *zawiyas*, and lodges (Arjomand, 1998: 113).

Cash waqfs, in this perspective, were bottom-up organizations instead of being top-down ones in which each founder and its endowment were better positioned to ascertain the tangible needs of society (Wilson, 2015: 41). It was argued that cash waqfs were the easiest and most efficient way of providing public goods in support of the State (Barkan, 1942: 302).

### 1.2 Family Waqfs and Circumventing the Law

From the eighth century, family waqfs started to surround the institutional environment. In other words, the share of family waqfs in waqf organizations started to increase over time. Family waqf was a privately funded organization that provides financial resources to family members through internal assignments. The founders, for instance, assigned themselves or their relatives as *mutawalli* (trustee) or employees to receive income as long as the waqf existed (Layish, 1997: 386; Arjomand, 1998: 111).

The recent literature interpreted the emergence of family waqfs differently. In the first view, the primary purpose of establishing family waqf is to pass on financial resources to their descendants (Çizakça, 2000: 22). The second view argues that the main purpose of the founders was to protect their wealth

from fragmentation among many heirs (Layish, 1997: 386; Arjomand, 1998: 111). The egalitarian nature of Islamic inheritance law, however, had a crucial role in the emergence and the proliferation of family waqfs over time. This law allowed individuals to allocate their bequest among successors (Kuran, 2011: 78-9). According to the latter view, family waqfs emerged as an innovative design to protect wealth from partition for the sake of capital accumulation. By establishing a waqf, the founders circumvented the law to keep their wealth as a whole.

As a third view, it was expected that family members, who were assigned to the administrative body of a waqf, would devote themselves to maintaining the value of corpus capital for their interests (Barkan, 1942). Besides, these waqfs were important in transferring financial resources in exchange for getting education and promoting Islamic principles for assigned family members (Barkan, 1940: 151). Family waqfs, in this sense, were not only important to protect wealth from fragmentation and confiscation but also functioned to ensure long-term and sustainable financial capital.

The central authorities had also the right to confiscate wealth, particularly during extraordinary times in the Ottoman Empire (Singer, 213: 352; Çizakça, 2000: 24; Kuran, 2005: 800; Arslantaş, 2019: 1-2). Waqf-controlled financial assets attracted the central authorities' attention when they needed more revenues to cover the costs of shocks in the economy. This rule motivated founders to establish waqfs to prevent their wealth to be confiscated by the State. A typical example of how wealthier groups protected their wealth by establishing cash waqfs was pronounced in the waqf of Esad Pasha, which turned his enormous gains from tax-farming contracts into a waqf (Rafeq, 2012: 121). In another instance, the founder of a waqf, Ali Beg son of Mihal, endowed four villages and their revenues with certain deeds that included pious and social purposes in Plevne town of Bulgaria. Ali Beg, however, established two more villages on waqf properties that provided extra financial resources to the waqf. When the central authority discerned that these new villages were established after the establishment of the original waqf, tax revenues of these extra towns were directed to the central budget (Barkan, 1980: 257-58). In this sense, to protect wealth from confiscation, the founders determined deeds to provide financial resources for religious purposes, including facilities, studies, or rituals. Thus, a waqf had another function in terms of circumventing the law: protecting wealth against government claims (Barkan, 1940: 151; Kuran, 2013: 6). The reason behind protecting wealth was that waqfs – particularly traditional waqfs – controlled significant shares of tax revenues. During the sixteenth and the seventeenth centuries, waqfs collected approximately 27 percent of tax revenues, and this rate decreased to 16 percent in the nineteenth century (Kuran, 2016: 424).

### 1.3 Political Functions

This function of waqfs is mostly related to the allocation of certain economic and political privileges toward certain groups. These privileges varied from period to period on the structure of the State. The sultans, from the very beginning, established coalitions with certain groups. These had the power to organize societies around military, commercial, and religious matters. Such groups mostly consisted of *sheikhs* (religious agents), *ahis* (commercial and religious agents), and high-ranking military officers (Barkan, 1942: 292-93). Each group gained the right to collect taxes from arable lands, villages, or towns. By doing this way, they expanded their financial control over resources. The sultans granted these resources to these local partners in remuneration for economic and political returns. Privileged groups, however, devoted their granted lands or wealth to establishing waqfs. During the first decades of the Ottoman Empire, having a good reputation and honor in the community was a major incentive



for the founders (Barkan, 1980: 254; Singer, 2013: 353). To achieve these goals, waqf organizations were one of the important tools in Muslim societies.

Secondly, the Ottoman rulers promoted the emergence and the proliferation of these private organizations to sustain traditions within the society. The power of rulers was legitimate to the extent that they were traditional (Inalcık, 2018: 134). Their main purpose was to keep the balance between traditions and the needs of institutional change, particularly from the fifteenth century. In other words, they chose to develop new mechanisms out of the traditional ones instead of directly adopting European institutions. Although cash waqfs emerged as financial organizations to enhance credit relations, their functions were limited due to the rules of the game. The excess amount gained from loans should be directed toward deeds that financed public goods and religious purposes. By doing this way, rulers and the founders achieved two goals through waqf organizations. First, they preserved the traditions in the eye of society, and secondly, they could increase their reputation.

In terms of the political account, cash waqfs had also negative effects on making a modern state. The founders of cash waqfs could organize more powerful groups, which could use their influence to limit the coercive power of the central authority. The cash waqfs limited founders' ability to grow their economic capacity through endowed capital. (Kuran, 2013: 8). The main reason behind limited capital accumulation was that waqf deeds absorbed substantial shares of revenues due to social and religious purposes (Shecter, 2005: 260-61). The rules of the game that determined the conditions of establishing cash waqfs and channeling their revenues toward deeds constrained their institutional flexibility to evolve into modern firms. In sum, cash waqfs were innovative organizations, but they limited the ability of groups from using their political and economic ability to restrict the coercive power of the state.

#### 1.4 Finance Functions

Among the functions of waqf organizations, financial purposes had two separate views. The first view argued that waqfs reduced government expenditures, budget deficits, and borrowing by providing essential public goods. As a result, the central authority allocated less funding for the provision of public goods; hence, interest rates remained at lower levels. The central authority's investments in infrastructure became less costly, as compared to the absence of waqfs (Çizakça, 2000: 2; Wilson, 2015: 41).

The second view was related to cash waqfs which emerged as modern credit organizations of their time. The changing economic and political environment directed the central authority to incorporate new mechanisms into the institutional structure. The rise of the money economy became one of the most important determinants of the emergence and the proliferation of cash waqfs. The interest ban had hindered the emergence of cash waqfs until the Ottoman Period (Kuran, 2011: 144-45). Despite the long-term debates over the legitimacy of these organizations, they were not uncommon in the Ottoman Empire, especially from the middle of the sixteenth century (Mandeville, 1979; Özcan, 2003). The jurists of the Ottoman Empire had to accept the establishment of cash waqfs, which were mostly used by wealthier groups, even if these credit relations were dependent on interest rates - *riba* (Gilbar, 2012: 134).

The finance purposes had also two diverse economic effects. On the one hand, cash waqfs hindered capital pooling and prevented market-based use of corpus capital by creating an indirect and inefficient mechanism of borrowing. On the other hand, they supplied capital to the market for merchants,

producers, and consumers using a non-market allocation mechanism (Çizakça, 1995: 314; Kuran, 2011: 161). These effects mostly emerged from fixed interest rates given in cash waqf contracts. The literature that focused on the opportunistic behavior of borrowers, who mostly consisted of trustees, argued that interest rates of cash waqfs were lower than market rates, particularly in Istanbul and Ankara provinces. Interest rate premiums directed borrowers to take loans from cash waqfs with lower rates and to lend capital to sarrafs at higher market rates. (Layish, 1997: 395; Çizakça, 1995: 331; Çizakça, 2000: 48-9; Kuran, 2011: 160).

Contrary to the borrowing mechanisms in earlier European banking organizations, it was difficult to expand corpus capital. The trustee could expand capital in two ways. The first was to adjust the excess amount between expenditures and profits into corpus capital. The second depended on other endowments and their profits that were subjected to original corpus capital (Çizakça, 1995: 324). Directing a substantial share of profits towards the deeds of cash waqfs, these organizations had limited opportunity to increase their resources in credit relations. In other words, the financing of large-scale investments could only be through high-capital cash waqfs. However, the number of these was very few. Thus, establishing a long-term relationship between financial organizations and entrepreneurs was very limited due to the inefficient nature of cash waqfs in capital pooling.

### 1.5 An Assessment

This part classifies the functions of waqfs and their subsequent form (cash waqfs) in the Ottoman Empire. These five accounts are not independent. A founder can establish a cash waqf for religious and social purposes, but in addition to political power, he also enjoys material benefits for himself and his relatives. Regardless of their explicit purposes, each waqf used religious and social purposes as insurance against confiscation by the central authority. The literature, however, treats diverse functions as if they are extensions of the same fundamental account. In the real world, while one function mitigates the negative effects of changing economic conditions, another function adds other costs that changed the direction of economic performance oppositely. Thus, the history of cash waqfs, in particular, presents many faces of diverse functions in the Ottoman society. The literature still has some deficiencies in explaining which faces of cash waqfs dominated others, and which of them had better explanatory power in understanding the role of these organizations on the economic performance.

There are several lessons to be learned and new questions to derive from the literature on cash waqfs. To begin with, cash waqfs have their own economic structures, which included economic activities such as market exchanges, production, tenancies, and rents. By studying accounting records of cash waqfs, one can understand the economic conditions of provinces. Accounting records reflect prices and their changes as long as waqfs lived, values of commercial facilities, and their average revenues from their capacity to pay rents to cash waqfs. The literature argues that the financial resources of cash waqfs were depended on agricultural production under tax-farming contracts, which provided evidence for average revenues of arable lands in different territories (Orbay, 2005a: 332; Orbay, 2005b: 140-42; Orbay, 2012: 74-5).

In sum, there have been no distinct explanations of the role of waqfs in social, economic, and political environments. Diverse functions serve different purposes. The embedded structure of these functions has led to the development of different purposes in these organizations. In this sense, the main purpose of this study is to examine cash waqfs located in Bosnia through capital levels and the socioeconomic status of founders. Changing capital levels provide information for not only the economic structure



but also the perception of founders. As a result, these private organizations persisted within the institutional environment until the First World War. It tells another story other than the functions of these private institutions, whose numbers are increasing with low capital. This issue justifies the need for more attention paid to these organizations. Primary sources based in Bosnia provide reliable data to discuss such problems comprehensively.

## 2. Sources and Methodology

The dataset employed here is based on 198 cash waqf contracts covering, with gaps, the 389 years from 1526 to 1914. To construct the dataset, the microfilm copies of Bosnia cash waqfs stored in the T. R. Directorate General of Foundations, in Ankara, have been employed. This newly established dataset mostly represents the entire collection of Bosnia cash waqfs. The dataset, in this sense, has limitations in the distribution of observations by periods. Two large-scale projects focused on Bosnia waqfs also provide information to check out the dataset.<sup>1</sup> The entire collection of Bosnia cash waqfs begins in 1526 and encompasses the period from the sixteenth century to the early twentieth century. Since the earliest registers contain cash waqfs in very small numbers, the dataset is presented in the 50-year period, which includes significant numbers of contracts that improve the quality of historical data.

Prepared through cash waqf contracts at the request of founders, these primary sources provide information about the capital at the time of establishment, including cash, real estate, and other valuable assets. Each contract contains the names of the founder, including their titles, as well as the name and titles of their fathers. The titles of founders are also significant variables to examine the long-term changes in capital levels. It is expected that cash waqfs established by titled individuals (administrative/military-based or judicial/religious-based) had higher capital levels than those of commoners and females. As discussed below, it is difficult to determine whether these titles were honorific. Metin Coşgel and Boğaç Ergene (2012: 317) argues that individuals with the title of *Agha* were the wealthiest segment within administrative/military-based groups, while individuals with the title of *Efendi* represented the wealthiest segment among judicial/religious-based groups. Contracts also provide information about where they were established, and who was supposed to manage the capital as a trustee. Typically, contracts continue with the information on profit rates, and how trustees would have operated the capital over time. As given above, each waqf has its own purposes specified at the time of foundation by its founders. Although a substantial proportion of revenues covers the expenses of public goods, these organizations also employ people who are paid the wages specified in their contracts. Finally, a typical contract presents the date of establishment and lists of witnesses.

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1 Çam, Mevlüt and Ademi, Rahman (2016), *Bosna-Hersek Vakfiyeleri, 1-4*, Ankara: Vakıflar Genel Müdürlüğü Yayınları; Bulut, Mehmet et. al. (2019). *Osmanlı Dönemi Rumeli Para Vakıfları, 1-12*. İstanbul: İstanbul Zaim University Publishing.

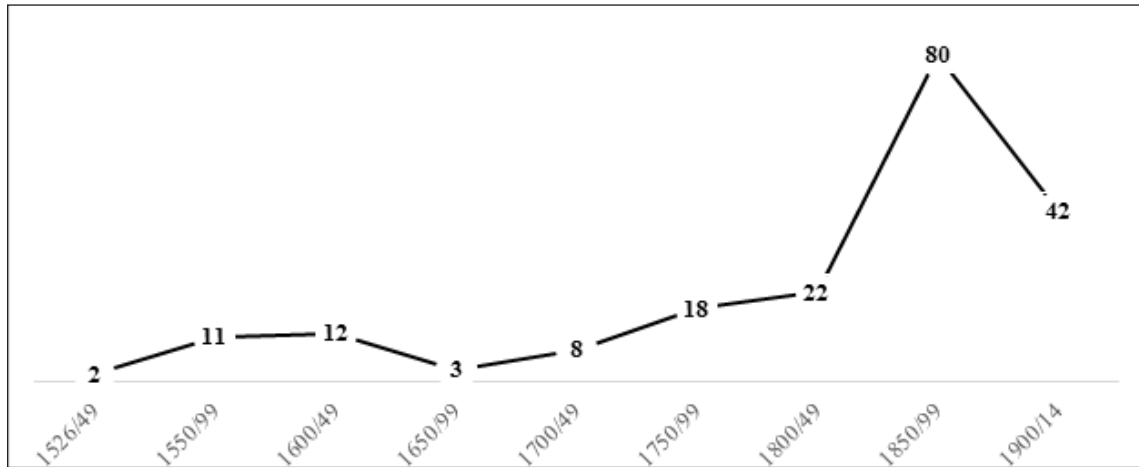


Figure 1: Numbers of cash waqfs in Bosnia, 1526-1914

Figure 1 presents the numbers of cash waqfs over time. Subjecting Bosnia cash waqfs to quantitative analysis entails methodological problems. Among these problems, determining periodical categories corresponds with a variety of questions. It is difficult to construct a dataset that contains the same numbers of primary sources for each subperiod. In identifying different subperiods for 1526-1914, employing 50-year periods allows for the examination of cash waqfs in the long-term perspective. This study divides the series into nine subperiods. The first two periods represent an era that coincided with the emergence and proliferation of cash waqfs in the Ottoman Empire. These figures are quite low compared to Istanbul for the same period. The earliest registered cash waqf dates to the first decades of the sixteenth century.<sup>2</sup> The dataset also includes another cash waqf dated 1531 within the first subperiod.<sup>3</sup> The second subperiod contains 11 cash waqfs that were established by title-holder individuals.

The seventeenth century is characterized by institutional change and a series of local uprisings, namely *Jelali* Revolts. The existing literature has argued that major exogenous shocks, such as changing military technology, the discovery of new trade routes, and silver inflow from the New World, entailed a series of changes, particularly in the organization of fiscal institutions (Pamuk, 2009: 22). The abandonment of the timar institution in favor of tax-farming institutions can be considered one of the most important endogenous changes in this period. The dataset shows that the numbers of cash waqfs were close to those of earlier periods. In the second half of the seventeenth century, there has been only three cash waqfs that were newly established. These figures indicate that the proliferation of cash waqfs was slow in the Bosnian provinces of the Ottoman Empire. Contrary to cash waqfs, the numbers of waqfs are eight during the same period (Bosna-Hersek Vakifyeleri, Vol. I-IV).

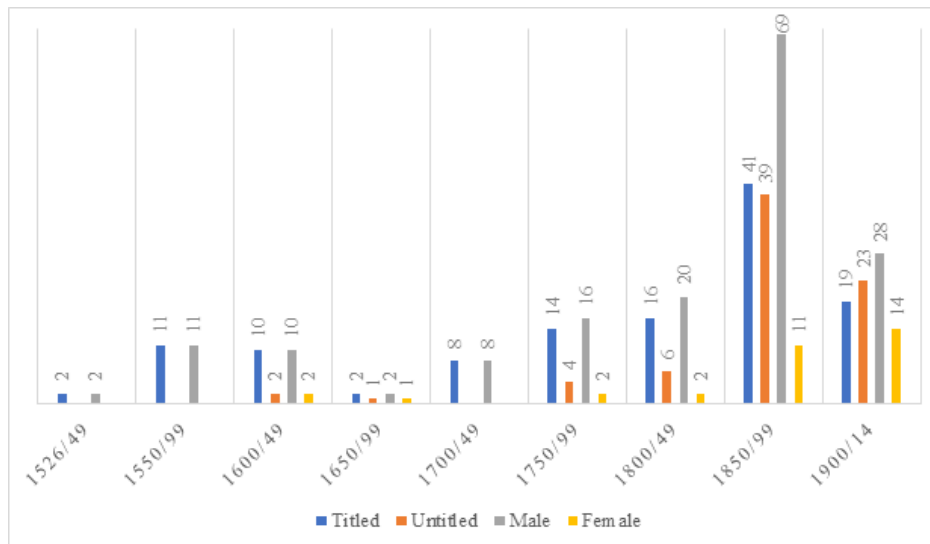
Institutional change in fiscal organizations continued during the eighteenth century, and they entailed changing political relations among powerful groups and the central authority (Tezcan, 2010; Yaycıoğlu,

2 This cash waqf belonged to an individual named Hacı Mustafa, son of Ishak. The founder endowed 43.000 dirhams (in silver) for different purposes, including religious, educational, and commercial, in 1526. This cash waqf was in Sarajevo, one of the largest towns of Bosnia (Sarajevo Gazi Hüsrev Bey Library, V-312).

3 Contrary to the former cash waqf, the founder was an administrative-military-based elite, Hüsrev Bey, Governor of Bosnia. Even if Hüsrev Bey endowed 120.000 dirhams (in silver), *corpus* consisted of valuable assets such as farmlands, ranches, houses, mills, and villages (VGMA, 633/139/48).

2016). The contractual relations based on tax-collecting rights changed in favor of new ones, namely lifetime tax-farming contracts (*malikâne*). This change led to two major outcomes. First, lifetime contracts allowed powerful groups to enhance their financial resources. As given above, elites increased their economic and political power through the privileges under the tax-farming institutions; thus, they gained the power to finance the struggle against the central authority. These privileges, however, led to increasing wealth accumulation over time. Proposed functions of cash waqfs formed one factor of their saving during the eighteenth century. Thus, the number of newly established cash waqfs increased in the first half of this century. This trend continued during the following subperiod until the beginning of the nineteenth century. Secondly, increases were the consequence of the proliferation of cash waqfs, particularly among elites (Figure 2). The growth of monetary-based economic exchanges for any segment of society led to higher levels of credit activity. As noted, the cash waqfs established in Istanbul and Bursa injected loans substantially during the eighteenth century. Although it was not as intense as in these cities, it was natural that the increasing trend in credit relations emerged in a region close to Europe like Bosnia.

The nineteenth-century had different characteristics compared to the earlier periods. The increasing intensity of struggles with elites directed the central authority to impose reforms towards the restoration of centralized structures in Bosnia. Centralizing attempts also targeted the organizational structure of waqfs in the Ottoman Empire, which culminated in the establishment of *Evkaf-ı Hümâyun Nezâreti* (The Ministry of Waqfs) in 1826. This ministry was replaced by the Bureau of Imperial Administration of Evkaf in 1840. The upshot was the increasing ability of central authority in monitoring cash waqfs. The centralization allowed the central authority to allocate financial resources of cash waqfs towards more efficient activities. More importantly, each waqf would be more secure under the state guarantee. Although these political practices led to the increasing numbers of cash waqfs during the nineteenth century, the economic structure had a crucial role in this pattern. The growing trend in agriculture, commerce, and mining increased the intensity of credit relations, particularly during the second half of the nineteenth century. Despite the heightened economic, political, and military conflicts in Balkan territories, there were 102 newly established cash waqfs in Bosnia.



**Figure 2:** Allocation of cash waqfs by the socioeconomic status of founders

Furthermore, one of the most important reasons for these rapid increases in numbers was that establishing cash waqfs became a common practice. Higher participation from different segments of society was deemed important from the second half of the eighteenth century. In the first two subperiods, cash waqfs were established by title-holder individuals (Figure 2). This continued in favor of title-holder individuals and males during the seventeenth century. Cash waqfs established by untitled individuals and females started to emerge in small numbers compared to former groups. This trend was similar in the eighteenth century. The multilateral participation of different segments of society was associated with the proliferation of cash waqfs in Bosnia, particularly during the late eighteenth century. The last two subperiods, in this sense, indicated a significant convergence in the numbers of cash waqfs established by titled and untitled individuals, as well as males and females.

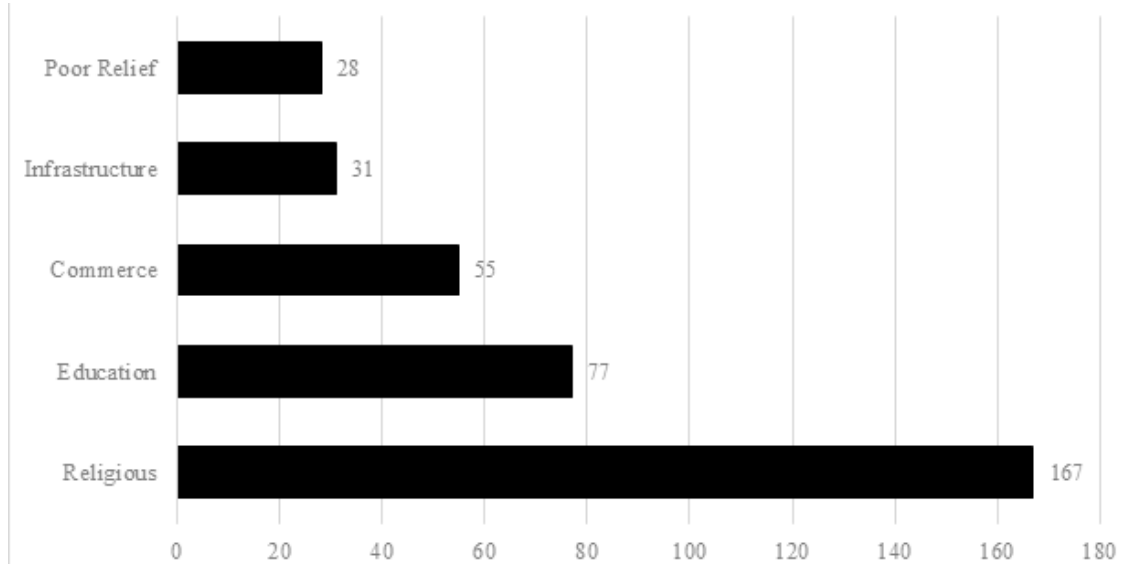
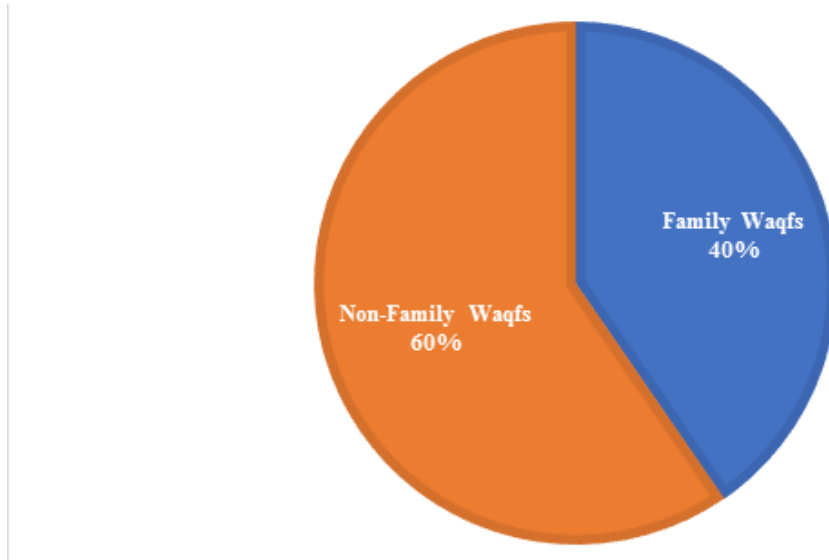


Figure 3: Financed services by cash waqfs

The dataset indicates that 167 cash waqfs out of 198 financed religious deeds. The case of Bosnia differs in that Bosnian waqfs prioritized financing education over other public goods. This practice provides financial resources for not only education facilities but also the wages of scholars. Although contracts contain information about these wages, it is questionable whether they reflect the real values. As it is known, scholars had the chance to get wages from different educational organizations in return for their services, which prevents this study from presenting wages.

Cash waqfs also provides financial resources for commercial activities as given in Figure 3. The deeds refer to financing commercial facilities such as caravansaries, *bedesten* (covered bazaars), shops, mills, farmlands, ranches, and houses. Fifty-five cash waqfs out of 198 financed the maintenance of commercial constructions and reclamation of agricultural lands, while 31 cash waqfs transferred resources to construct infrastructures such as bridges, roads, pavements, waterways, and fountains and their maintenance. Finally, 28 cash waqfs provided resources for poor relief through soup kitchens. These charitable activities also included direct financial support to low-income individuals, such as giving alms, providing food, and paying taxes.



**Figure 4:** Share of family waqfs in Bosnia

As given above, a family waqf is a way of transferring wealth towards relatives without fragmentation of capital. Family waqfs constitute almost 40 percent of cash waqfs in Bosnia (Figure 4). In this sense, the dataset indicates that a substantial proportion of founders appointed themselves and their relatives as trustees. This way, the family members secured a continuous payment as long as the cash waqf survived. Another way of pass wealth to descendants can be found in paying wages to imams and scholars.

We shall consider a particular case dated 1761 to present typical characteristics of a family waqf. Hacı Hüseyin, son of Hacı Ahmed, established a cash waqf with a capital of 400 qurushes, located in a neighborhood of Sarajevo.<sup>4</sup> The deed shows that Hacı Hüseyin appointed himself as a trustee. In other words, he became the manager, who was responsible for operating cash through credit relations in his cash waqf. Assigning himself as a trustee secured him constant returns from credit relations. Hacı Hüseyin assigned his wife as a trustee as well. Upon the death of Hacı Hüseyin's wife, she would have been replaced by Molla Ahmed, who had the right to manage the corpus. However, the contract had no information on whether Molla Ahmed was a relative of the founder. Even if the trustees were not relatives, it was a common practice to ensure that they were respected and reliable individuals of that town or neighborhood (Özcan, 2003: 314).

Although wealth is commonly pass to descendants by way of employment, a few contracts indicate that the founder could directly pass revenues to their relatives, too. We shall look at one such case dated 1646. Ayşe, the daughter of Hacı Ahmed, established a cash waqf with the capital of 7.000 *akche* at the town of Mostar located in Bosnia.<sup>5</sup> The contract indicates that the trustee was allowed to lend *corpus* with a 10 percent profit rate to borrowers. Although a certain amount of capital from the profit was set aside for a madrasah in Hacı Bali Neighborhood of Mostar to receive, Ayşe endowed the rest of the

<sup>4</sup> Sarajevo Gazi Hüsrev Bey Library, V-050174.

<sup>5</sup> Sarajevo Gazi Hüsrev Bey Library, 1/233/135.

profit to her five daughters. This practice, however, has been observed in only three cash waqfs.<sup>6</sup>

Contrary to family waqfs, almost 60 percent of the contracts are non-family waqfs that provide no evidence on whether the founders and their relatives were beneficiaries. Even if some of them include names of trustees assigned by the will of the founders, it is not possible to determine whether they were relatives. The founders could choose trustees from among the imams or titled individuals. This is probably because these individuals were better informed about prospective borrowers from local communities.

**Table 1: Towns of cash waqfs**

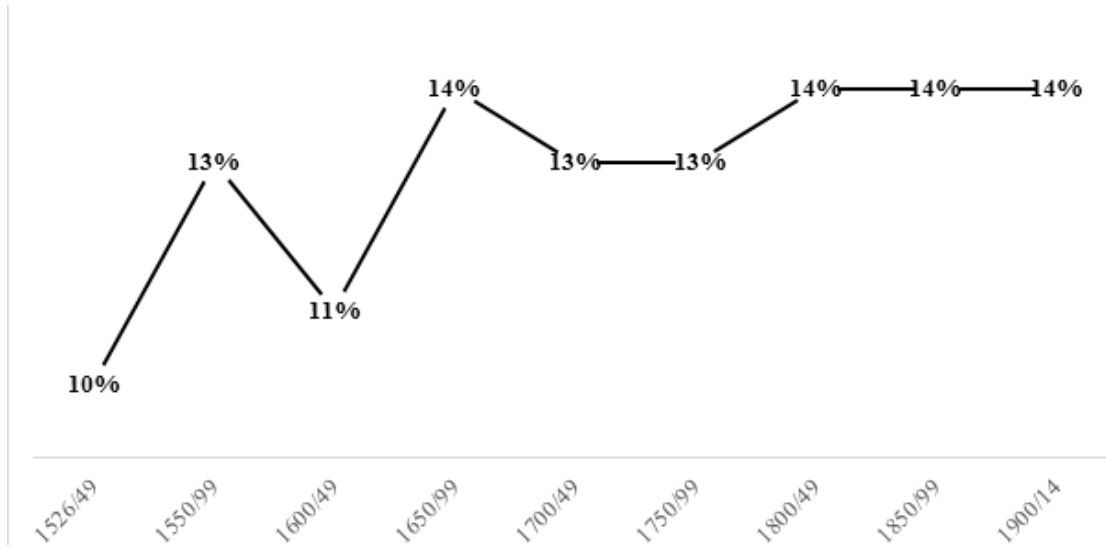
Town	Number	Town	Number	Town	Number
Bonja Luka	10	Jajce	5	Prijedar	17
Bihac	1	Klivaç (Kljuc)	7	Rogatica	3
Bijeljina	1	Koniçe (Konjic)	4	Rudice	1
Blagaj	1	Kostaice	8	Sarajevo	58
Bosaska Krupa	3	Kozarska	12	Stolaç	2
Gorajde	1	Krusevo	2	Tesenj	4
Gornji Rahic	1	Maglaj	4	Travnik	7
Gradacac	2	Mostar	10	Tuzla (Zvornik)	17
Gradiska	1	Nevesin	2	Zenica	2
Herzegovina	10	Novi	1	Zepçe	1

Table 1 shows the distribution of cash waqfs by towns. The number of cash waqfs established in towns tells about the economic and political structure of towns. From an economic point of view, one would expect larger cities to have higher capital accumulation. As given above, cash waqfs located in Istanbul have higher capital levels than those of Bursa and Manisa (Özcan, 2003: 15). The dataset provides a similar comparison among different towns of Bosnia. In the last decade of the nineteenth century, for instance, while 3 cash waqfs of Sarajevo had 36.200 qurushes capital, Kozarska town included 7 cash waqfs with only 6.600 qurushes.<sup>7</sup> Furthermore, a higher density of credit relations in larger towns led to a rise in demand for capital. The towns with more than 10 cash waqfs, in this sense, are considered highly capitalized areas of Ottoman Bosnia. From a spatial point of view, the location of towns may be an important determinant of the emergence and proliferation of cash waqfs. Proximity to the location of military campaigns may have created a negative incentive mechanism for those who were willing to establish cash waqfs. Contrary to the military struggles, the perception of founders about establishing cash waqfs could also be related to the importance of towns attributed to the central authority. The expectation of political support from the central authority could encourage the foundation of cash waqfs. Finally, the founders of cash waqfs may simply have preferred to invest in their town of residence. However, the unbalanced numbers of cash waqfs do not allow for a comparative analysis of the towns as given in Table 1.

<sup>6</sup> *The Waqf of Fatma Hanım, daughter of Halil*. Fatma Hanım endowed a certain share of cash from the profit to her son-in-law and other children directly (VGMA, 734/130/74). *The Waqf of Rüstem Ağa, son of Molla Mehmed*. Rüstem Ağa stated in the contract that the waqf should allocate a share of the profit to be given to his wife (Sarajevo Gazi Hüsrev Bey Library, 2/246/558).

<sup>7</sup> For Sarajevo waqfs, Sarajevo Gazi Hüsrev Bey Library, 2/110-111/430; 1/11/334; Bosnia Waqf Certificate-Charter, 2/58-59/390. For Kozarska, Sarajevo Gazi Hüsrev Bey Library, 1/1/346; 1/2/342; 1/2/343; 1/4/340; 1/31/316; 1/31/317; 1/108/235.





**Figure 5:** Average profit rates

The data presented in Figure 5 presents an increasing trend in average profit rates from 1525 to 1914, in Bosnia. The important point that draws attention here is that the profit rate of the first established cash waqfs is only 10 percent. Even if this figure increases up to 13 percent during the second half of the sixteenth century, profit rates have a declining trend in the first part of the following century. The profit rates, however, rise to 14 percent during the second half of the seventeenth century. These rates remain constant in the long term. This dataset is only based on information located in cash waqf contracts. These profit rates, however, reflect the figures during the establishment of organizations rather than providing rates of treatment (Özcan, 2003: 297). In other words, the trustees have the right to increase these rates over time. To examine such practices, one should focus on different primary sources. In this dataset, cash waqfs mostly charge 15 percent rates, particularly from the second half of the seventeenth century.

These findings were arguably associated with both town-specific and general economic conditions. More importantly, the amount of founding capital may have caused fluctuations in the rates. Although the dataset did not allow for an econometric analysis due to the gaps in series, the following section provides a brief comparison between capital and profit rates. As mentioned above, changes in revenue-extracting institutions created new contractual relations between the central authority and powerful groups. Decentralization arguably deteriorated credit relations, which in turn increased disputes in courts, leading to a change in the perception of economic actors. Thus, increasing risks was a reason for waqf founders to impose higher profit rates as high as possible from the second half of the seventeenth century.

Despite lapses, the dataset allows for a temporal analysis of capital levels. The following section pays particular attention to capital levels of cash waqf contracts. Note that each contract provides information about nominal capital values. To deflate the nominal values, this study employs the consumer price index constructed by Şevket Pamuk (2004).<sup>8</sup> This eliminates the effects of inflation and currency depreciation,

<sup>8</sup> Pınar Ceylan (2016) shows that even if prices differed from town to town, their trends had similar pattern in the Ottoman Empire. For this reason, using this only consumer prices index based on Istanbul would entail insignificant deviations in findings.

which makes the use of capital levels an appropriate method to establish a temporal analysis.

Cash waqf contracts included different currencies depending on the time of establishment. Commonly used currencies were *sikke*, *akche*, *qurush*, *gold lira*, *kron* and *forint*. Although *sikke*, *akche*, and *qurush* were the most common Ottoman currencies, foreign currencies such as *kron* and *forint* were increasingly used as well. The exchange rates of Ottoman currencies with each other were based on the findings of Pamuk (2000). For foreign currencies, on the other hand, this study used information provided in cash waqf contracts to convert *forint* and *kron* into Ottoman *qurush*.<sup>9</sup> According to these findings, 1 *forint* was equal to 2 *krons* in Bosnia, and 1 *kron* was equal to 6 *qurushes*. Thus, this study converted *kron* and *forint* into *qurush*, and then calculated their real values in terms of *akche*.<sup>10</sup> Therefore, real values used in the following part emerged from the calculations based on these datasets.

### 3. A Temporal Analysis of Cash Waqf Capital Levels

This section focuses on capital levels of cash waqfs established from 1526 to 1914, in Bosnia. As mentioned in the first section, the founders established cash waqfs by endowing at least one-third of their wealth. Put differently, capital levels should provide an insight into wealth accumulation in the Ottoman Empire. The periodization employed in this study allows examining capital levels for the long term. The dataset is also useful to establish a temporal analysis of capital levels of cash waqfs established by different socioeconomic groups. This section, in this sense, has a dual aim. The first is to present an analysis based on aggregate data through cash waqf contracts, while the second is to present changing capital levels in cash waqfs of different groups. As part of the second aim, this study also presents the relationship between capital levels, profit rates, and the number of witnesses from a long-term perspective.

**Table 2:** *Capital levels of cash waqfs in Bosnia (real values, in akche)*

Periods	Observations	Total Capital	Average Capital
1526/49	2	16.300.000	8.150.000
1550/99	11	10.100.000	918.000
1600/49	12	914.000	76.000
1650/99	3	296.000	98.500
1700/49	8	800.000	100.000
1750/99	18	650.000	36.000
1800/49	22	182.500	8.300
1850/99	80	1.408.000	17.600
1900/14	42	517.000	12.300
<b>Total</b>	<b>198</b>	<b>31.165.000</b>	<b>157.400</b>

Table 2 presents aggregate figures of capital levels of cash waqfs established in Bosnia. Values are in terms *akche* in the 1914 prices. The first subperiod indicates that two cash waqfs had a capital of more than 16 million *akche*. Although the numbers of cash waqfs increase in the following subperiod, total and average capital levels decrease over time. This trend, more or less, persists in both figures until the

9 Exchange rates are derived from various cash waqf contracts (*waqfiyyas*) that include monetary values (VGMA 990/68-69/59; 732/1-3/1; 990/39/33; 1595/1/1; Sarajevo Gazi Husrev Beg Library V-145533; V-081262; 2/110-11/430; Rodosucuk Court Records 08597.00004, v.15a).

10 1 *qurush* = 120 *akche*.

nineteenth century, probably associated with the participation of different socioeconomic groups in establishing cash waqfs and changing economic structures during the seventeenth century. Furthermore, the wealth of titled individuals may have decreased by being affected by economic changes. One can expect this situation to lead to a decline in capital levels. Further declines in the capital may have been prevented by the modest number of observations. These figures about the last three subperiods have justified inferences about proposed arguments, particularly for increasing numbers of observations.

The dataset indicates that the nineteenth century is characterized by an increasing number of observations and the participation of different socioeconomic groups. Higher numbers in cash waqfs of untitled individuals and females, in particular, led to lower average capital levels during this period. Although these figures are not surprising, total capital levels decrease up to 182.5 thousand *akche* during the first half of the nineteenth century as shown in Table 4. This finding may have stemmed from decreasing wealth or the change in the perception of individuals regarding establishing cash waqfs with the entirety of their wealth.

Institutional change towards more centralized structures may have led individuals to diversify their wealth accumulation. As mentioned above, centralization in the organizational structure of waqfs and the emergence of modern banks entail declines in demand for these organizations in credit relations (Karagedikli and Tunçer, 2018). Moreover, conflicts that emerged in Balkan territories should have influenced the perception of agents in establishing cash waqfs during the nineteenth century. However, the data set shows that in the second half of the 19th century, total capital increased 8 times more than in the previous period. Even if the newly established cash waqfs are four times more than the former period, average capital levels remained at the same level. This probably results from the fact that the new banking reforms that emerged in this period changed the organizational structure in which credit relations were carried out. Incorporating a different perspective based on the socio-economic structures of founders give us a sense of the fluctuations in aggregate capital levels and average values.

**Table 3:** Total capital levels of cash waqfs in different towns (nominal values, in *akche*)

	Istanbul	Bursa	Manisa	Anatolia	Macedonia	Bosnia
16th Century	13.253.734	3.349.046	848.530		101.500	18.545.746
17th Century					13.207.000	2.192.340
18th Century	7.430.280**				455.600	4.902.640
19th Century*	201.252.000	21.482.040		99.156.000***	25.311.000	163.637.460

Notes \*Includes cash waqfs established between 1900 and 1914. \*\*Only cash waqfs in Üsküdar. \*\*\*Different cities in Anatolia except for Bursa and Istanbul. The data is derived from earlier studies (Barkan, 1975: 77; Emecen 1989: 70-2; Çizakça, 1995: 335; Özcan, 2003: 15; Altay and Bulut, 2017: 221; Karagedikli and Tunçer, 2018: 249).

The data presented in Table 3 provide information on aggregate capital levels of cash waqfs by different provinces. These figures indicate the increasing capacity of cash waqfs in providing loans over time. The aggregate capital levels, however, differ according to the regions. Cash waqfs established in Istanbul have higher capitals, which increase from 13 million to 201 million *akche* until the First World War. This figure is at the modest levels for different regions. Cash waqf capitals increase approximately seven times in Bursa during the same period. Capital levels of cash waqfs established in Macedonia are close to the figures of Bursa even if these levels are much lower than in earlier periods. One estimate conducted by Karagedikli and Tunçer (2018: 249) shows that aggregate capital levels in Anatolia are lower than in Istanbul in the last period. Bosnia, however, has the second-highest capital level following

Istanbul since the nineteenth century. Thus, this figure provides historical evidence of the importance of cash waqfs established in this province.

**Table 4:** Average capital levels by socioeconomic groups (real values, in *akche*)

Periods	Titled Individuals	Untitled Individuals	Male	Female
1526/49	8.150.000 (2)	NA	8.150.000 (2)	NA
1550/99	918.000 (11)	NA	918.000 (11)	NA
1600/49	91.000 (10)	2.500 (2)	91.000 (10)	2.500 (2)
1650/99	90.500 (2)	115.000 (1)	90.500 (2)	115.000 (1)
1700/49	100.000 (8)	NA	100.000 (8)	NA
1750/99	43.000 (14)	11.700 (4)	38.700 (16)	15.000 (2)
1800/49	9.900 (16)	4.100 (6)	8.800 (20)	4.000 (2)
1850/99	16.000 (41)	19.500 (39)	16.150 (69)	26.600 (11)
1900/14	13.800 (19)	11.000 (23)	10.900 (28)	15.150 (14)

Table 4 presents average capital levels, during the period 1526-1914, in terms of *akche* in the 1914 prices. In other words, each observation reflects real values. These figures show that cash waqfs established in the first two subperiods belonged to the individuals, who held a title from different bureaucratic segments of the Ottoman Empire. Thus, the average values are similar for both titled and males. This probably results from the fact that the proliferation of cash waqfs had newly emerged during the middle of the sixteenth century. More importantly, capital accumulation should have been more convenient for such groups in the same period. In the first subperiod, the average capital value is the highest among all findings. The main reason is that these two cash waqfs were established by the members of titled individuals.

Furthermore, primary sources provided information that one of these cash waqfs belonged to the Governor of Bosnia, Gazi Hüsrev Beg.<sup>11</sup> This cash waqf had capital of more than 10 million *akche* in 1531. A second cash waqf was established by Hacı Mustafa with a capital of 220 thousand *akche* in 1526.<sup>12</sup> In nominal terms, the aggregate capital of these two cash waqf was approximately 10,3 million *akche*, and this figure was approximately 16,3 million *akche* in real terms. Thus, average capital levels emerged as 8,15 million *akche* for the cash waqfs established by both titled individuals and males during the first half of the sixteenth century. The second period, however, contains 11 newly established cash waqfs. The average capital level of this period indicates the second-highest value. The founders of these cash waqfs consist of individuals from administrative/military-based groups. Among these cash waqfs, the highest capital is that of a cash waqf established by Mehmed Pasha, the Governor of Bosnia.<sup>13</sup> Its initial capital was 1,85 million *akche* in the 1914 prices.

11 VGMA, 633/139/48. For more information about waqfs of Gazi Hüsrev Beg, see, Oruç (2009).

12 Sarajevo Gazi Hüsrev Bey Library, V-312.

13 Sarajevo Gazi Hüsrev Bey Library, 1/216/147.

The seventeenth century-cash waqfs contained these organizations established by females. All cash waqfs established by merchants belonged to females in this century (Table 4). The aggregate capital of these waqfs was approximately 118 thousand *akche*, and 115 thousand *akche* belonged to the cash waqf established by Fatma Hatun.<sup>14</sup> The dataset also showed that the numbers of cash waqfs established by females increased over time. These increases appeared to be more pronounced during the late nineteenth century. Females started to play a crucial role in economic organizations after their spouses' death. After the death of Hacı Hüseyin, *Kethüda* of candlemakers<sup>15</sup>, his wife Naile took the control of his *gediks*<sup>16</sup> that allowed her to participate in productive activities (Yakın and Aydoğan, 2019: 31). Females participated in economic activities also involved in credit relations through cash waqfs. To finance their organizations, they mostly used cash waqfs to provide funding (Yakın and Aydoğan, 2019: 32). Furthermore, females who were able to accumulate their wealth established waqfs, and they assigned themselves as trustees to manage capital in the Ottoman Empire (Başar, 2019). Particularly in Bosnia, the number of cash waqfs established by females increased in the last two subperiods. More importantly, their average wealth levels were higher than those of titled individuals and males during the same period. The rest of the cash waqfs belonged to individuals, who held a title, during the seventeenth century. The average capital levels declined to approximately 90 thousand *akche* even if all the founders were from the titled groups. This is arguably related to the fact that higher economic gains of titled individuals declined compared to those of the sixteenth century. Another possibility is that these founders established not only cash waqfs but also traditional waqfs based on immovable assets and real estates.

The eighteenth century was characterized by increasing decentralization in the Ottoman Empire (Altay and Oğuz, 2022: 80). Considering the distance of Bosnian cities from Istanbul, it would be reasonable to expect decentralized structures to emerge in this province, too. The emergence and proliferation of cash waqfs also increased in this period. However, the cash waqfs established by commoners and females remained at modest levels. The second half of this century included only four cash waqfs established by commoners, and two of them belonged to females. The dataset shows that the cash waqfs of titled individuals increased by 100 thousand *akche* in the first half of this century. Since there were no cash waqfs established by untitled individuals, the average capital level also represented the values of cash waqfs established by males. The inclusion of cash waqfs established by untitled individuals (males) reduced the average capital levels to 38,7 thousand *akche*, which was lower than those of titled individuals (43 thousand *akche*). While titled individuals established 14 new cash waqfs in addition to those of the first period of the eighteenth century, the average capital levels declined from one period to the next. This also applied to the figures representing males. Thus, the dataset indicated that even if the numbers of cash waqfs almost doubled, the aggregate levels were lower than those of the former period. This is probably because the founders, who held titles, directed their financial resources to establish traditional waqfs or partnerships with contracting parties under the tax-farming institutions.

Contrary to the earlier periods, the nineteenth century was characterized by reforms toward centralization. In terms of average capital levels, this century indicated a convergence among titled and

14 VGMA, 734/130/74.

15 The organization leader of candlemaker guild.

16 The meaning of this word is "gap", but the use of this term claims that the master craftsman was the only claimant to market related products under certain conditions. In other words, *gediks* can be considered as monopoly power and privileges granted to certain craftsmen (Yıldırım, 2011: 51-2).

untitled individuals, as well as males and females. Substantial increases in the number of observations also allowed to make a comparison among different socioeconomic groups. There was a sharp decline in the average capital values of cash waqfs established by titled individuals. As mentioned above, the conflicts that emerged in Bosnia might have led them to use their wealth in different ways. One possible response for titled individuals might have been to establish these private organizations in more secure provinces of the Ottoman Empire. Thus, the average capital values emerged as almost 10 thousand *akche* for titled individuals, while this figure was 9 thousand *akche* for cash waqfs established by males. Groups formed by males included untitled individuals, which lowered average values in the first half of the seventeenth century.

The decline in average capital levels is also valid for cash waqfs established by untitled individuals and females. The dataset shows that there was approximately a twofold difference in average capital values between titled and untitled individuals, as well as males and females during the first half of the nineteenth century. The number of observations for untitled individuals and females, however, is lower than that in earlier periods. Thus, this convergence might be based on uneven distribution of observations. The second half of the nineteenth century, on the contrary, provides different outcomes. While the number of observations increases substantially for all groups, average capital levels go up in favor of the cash waqfs established by untitled individuals and females. Even if there was an increase in the number of cash waqfs of titled individuals and males, the average capital levels of other groups compensate for those of the former groups. In other words, average capital levels reversed in the second half of the nineteenth century. As given above, this may stem from the fact that economic growth that occurred in Bosnia should have increased capital accumulation from the middle of the nineteenth century.

The last subperiod that covers the first years of the twentieth century indicates similar results as in the previous period. Even if there was a decline in average capital levels, cash waqfs established by females had the highest capital values on average, followed by cash waqfs established by titled individuals. Those established by untitled individuals and males had the same lowest average capital value.

Bosnia province was out of Ottoman control from 1878, which did not, however, constitute an obstacle to the establishment and proliferation of cash waqfs. While this period was characterized by a series of political changes and military campaigns, the number of newly established cash waqfs emerged as 42, which was the second-highest level among subperiods. The numbers indicated that there was a convergence in average capital levels. However, the lack of data hindered the execution of econometric analysis on changes in average capital levels among subperiods and socioeconomic groups.

**Table 5:** *Capital, Profit Rate, and Witnesses*

Capital (grams of silver)	Observations	Profit Rates (%)	Numbers of Witnesses
0 – 999	17	14	1
1000 – 9999	84	14	4
10.000 – 99.999	74	13	7
100.000 – 999.999	17	12	13
1.000.000 - ....	6	13	16



The primary sources used in this study also provide information about the profit rates and the number of witnesses. The previous section presents detailed information about average profit rates of cash waqfs by subperiods. Table 6 points to a relationship between the different capital segments and average rates of profit rates. As the amount of capital increased, the profit rate ratios decreased in the cash waqfs of the Ottoman Empire. Even if these rates were also dependent on the risks, it is difficult to determine how cash waqfs calculated the credit risks of borrowers. One can argue that it was done through appointed trustees (*mutawalli*). A substantial share of cash waqf contracts indicates that the founders were willing to assign trustees from local respectful individuals such as imams. The main reason for this practice should be that these individuals were better informed about borrowers.

Trustees were possibly experienced in how to collect information about borrowers. Furthermore, it may be expected that the relatives of founders would impose a series of monitoring mechanisms before providing loans to borrowers in order to mitigate the risky nature of credit relations. To determine such institutional mechanisms, further research should focus on different primary sources to obtain complete datasets.

Following the relationship between capital levels and profit rates, it would also be interesting to look at the number of witnesses in cash waqf contracts. Each contract includes a section (*Şuhûdü'l-hâl*) showing the names and number of witnesses. There has been no research examining the relationship between the number of witnesses and capital levels. Furthermore, there is uncertainty concerning how courts determined the number of witnesses. One can argue that the number of witnesses might have been higher in cash waqfs established by a well-known or titled individual. Moreover, cash waqfs established with higher capitals could have required a higher number of witnesses compared to cash waqfs with lower capital levels for the following reasons. First, wealthier individuals may be more likely to have established their cash waqfs under the witness of their own employees. The higher the capital, the more witnesses appear in cash waqf contracts. Secondly, titled individuals could be well-known figures in their residential areas, which could have made the locals willing to be a witness to their cash waqf contracts. In both cases, one would expect a positive relationship between the capital levels and the numbers of witnesses in cash waqf contracts.

The dataset used in this study indicates a positive relationship between capital levels and the number of witnesses in five different segments. Table 6 presents average capital levels in five different segments, spanning from the lowest to the highest, each of which shows capital levels in the 1914 prices. Furthermore, Table 6 also shows the average number of witnesses that were present at the time of establishment, spanning from 1526 to 1914. The cash waqf with capital levels lower than one thousand *akche* has one witness on average. These figures increase consistently with increases in capital levels. The average number of witnesses goes from one witness up to 16 on average. It should be noted that some of the cash waqf contracts have no list of witnesses (41 out of 198). Employing average capital values shows the positive relationship appears as it does.

Finally, the allocation of cash waqfs by capital levels shows that a substantial share of cash waqfs (approximately 80 percent) is those established with capital levels ranging from one to 100 thousand *akche*. The founders, who established cash waqfs with a capital of higher than 100 thousand *akche*, can be considered the wealthiest groups. On the other hand, the founders, who were able to establish cash waqfs with a capital of lower than one thousand *akche*, may be considered the least wealthy groups.

#### 4. Concluding Remarks

The main purpose of this study is to examine cash waqfs established in Ottoman Bosnia from 1526 to 1914, with a special emphasis on cash waqf contracts and economic variables included in those primary sources. Instead of attempting an implicit analysis of the evolution of these organizations, this study presents a quantitative analysis to examine the proposed functions through primary sources. The findings are in line with the view that cash waqfs transferred a substantial share of their revenues to finance religious and educational services. While commercial activities and infrastructural investments were financed through cash waqfs, direct aids to the poor remained limited according to the cash waqf contracts. These findings are also compatible with the research based on the functions of waqfs established in Istanbul (Adigüzel and Kuran, 2021: 18). Contrary to the commonly known perception of family waqfs, their numbers remained lower than those of non-family waqfs in Ottoman Bosnia (Kuran, 2001: 855).

The dataset confirms the proliferation of these private organizations increased, particularly from the second half of the eighteenth century. Even if the numbers were on the rise during the earlier periods, a substantial share of cash waqfs established before the second half of the eighteenth century had belonged to the titled individuals. The higher participation of untitled individuals and females appears in the later periods. The findings indicate that there was a convergence in capital levels of cash waqfs between titled and untitled individuals as well as males and females. Even if the findings show a declining trend in average capital levels, these figures appear at the same levels for each socioeconomic group. Karagedikli and Tunçer (2018)'s study focuses on cash waqfs established in Anatolia during the nineteenth century and provides similar findings on the trend of numbers of cash waqfs and their capital levels.

All in all, this study examines the cash waqfs of Ottoman Bosnia through contracts. The main findings indicate changes in the number of cash waqfs, their capital levels, the socioeconomic status of their founders, their profit rates, and the number of witnesses. In terms of capital levels, the findings have indicated that Bosnia cash waqfs had a crucial role in credit relations, particularly during the nineteenth century and the early twentieth century. It is shown that the aggregate capital levels of Bosnia's cash waqfs were close to the figures of Istanbul. The dataset also indicates that average capital levels of cash waqfs established by untitled individuals and females exceed the levels of titled individuals' cash waqfs. This situation signifies the growing economic performance, particularly from the second half of the nineteenth century. Therefore, these figures are important historical evidence of the role of cash waqfs and their importance in Bosnia.

This study has been unable to test the role of political, economic, and social structures in changes in such variables. Instead, the reasons for the changes are handled in the form of propositions based on certain untested assumptions. The figures presented in this study, however, are consistent with the proposed assumptions. The findings of this study are expected to contribute to ongoing debates on the cash waqf institution, and presumptions based on changing economic and social variables of Bosnia cash waqfs will be a guide for future studies.

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