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Waqf Institution and Management Cash Waqf During The Ottoman Period

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Abstract

This paper discussed the implementation and management of cash waqf during the Ottoman Empire. During the reign, waqf has become an instrument that is very successfully implemented in various sectors such as religion, education, social, and health. Waqf assets continued to increase and not only provided facilities for public but also assisted people who need capital to do business. Nazir as waqf institution (individual or institution waqf manager) have administered waqf with different schemes, such as providing loans in the form of qard hasan, mudharabah, bai'ul-inna, and bidaa. Management waqf institutionally was evaluated by the government in 1823, this evaluation led to the reformation of waqf institution and founded the new waqf institution which was known as Evkaf-I Hümayun Nezareti. This institution was the Ottoman sovereign wealth fund which functioned to manage all waqf assets. All waqf assets, as well as cash waqf, were managed by this institution with various schemes that are not much different from what has been done before. However, in this period the management of cash waqf was only carried out by this institution as the authority for managing waqf assets. The management of waqf assets under this institution lasted until the end of the Ottoman Turkish government. The establishment of cash waqf institutions in the Ottoman empire has shown an important step that has been taken to ensure the effectiveness of cash waqf development. Cash waqf management in the Ottoman empire has proof waqf as Islamic social finance in Islamic economic theory shown a significant contribution to society and the Ottoman government.

Keywords:

cash waqf; waqf management; waqf application; ottoman empire

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1. Introduction

Throughout the history of Islamic civilization from the time of prophet Muhammad PBUH, era of Sahaba (companions of the prophet Muhammad) to the last Islamic caliphate, the Ottoman Empire, waqf is an inalienable charitable endowment under Islamic law that have a great impact on the social and economic development of the *ummah* (Bulut & Korkut, 2016). Although at a certain time waqf is seen as less prominent in society, it does not mean that waqf does not have a social impact on that time, but there is no record or written evidence that can be used as a reference to be claimed as waqf assets.

Among the companions of the Prophet Muhammad (sahaba), waqf innitially has been practiced by *Umar ibn* al-*Khattab* by endowing property obtained from spoils of war (*ghanīmah*). In addition, among the other sahaba who are also known munificent and often giving waqf was *Uthman ibn Affan and* 'Abd al-Rahman ibn '*Awf. The form of waqf in the era of sahaba* varied, such as date palm gardens, war equipment, wells, etc. During the reign of the Umayyad and Abbasid dynasties, waqf was also practiced by benefactors at that time. Waqf assets at that time were not only used to help the needy and poor but also for capital in providing public facilities such as the construction of educational institutions, libraries, and others. From this waqf property, the allocation is also used to pay the salaries of his staff and other needs (Nurhayati, 2008).

During the Ottoman Empire, waqf has become a strong tradition in society. The waqf tradition is inseparable from the tradition brought by Islamic teachings which also became a belief of the people at that time. However, non-muslims were also free to live in the Ottoman lands without discrimination and could enjoy the benefits of the waqf property as well. In general, all people who live in the Ottoman territory have the same rights which were called "*millet*" or the people of Ottomans. Thus, their right to perform waqf and get benefit from the waqf property is also permitted under certain conditions (Kazancioglu, 2016).

At the beginning of the Ottoman rule, the waqf tradition in society of Ottoman Empire was generally carried out by the Sultan, the sultan's relatives, and the nobility. This is because they are the ones who have excessive wealth then endow their wealth to the people who need it in their community. Most of the waqfs established for the community are in the form of building schools, mosques, providing water kiosks (*sebil*), hostels or accommodation for travelers, hamams, etc (Özger, 2009, Bayartan, 2008, Iskandar, 2020).

The waqfs has spread and grown impressively. As a result, the management of waqf assets has developed very quickly and this has made mutawalli as the manager of wakaf institutions to manage waqf assets more organized. The Sultan and Governors at that time had expanded the scope of waqf which previously only consisted of waqf in the form of immovable goods such as buildings and land, then developed so that the community could also donate immovable assets such as agricultural equipment, books, and cash (money) (Baqutayan et al., 2018). Therefore, cash waqf has become a model of waqf that played an important role in development at that time. Waqf institutions that have been formed not only provide services for the welfare of the community but also as institutions that manage finances for the country's economic growth (Baqutayan et al., 2018; Halaçoglu, 1991). According to Çizakça (2006) waqf institution during the Ottoman Empire was a very important institution in social and economic development. Most of the expenditure of waqf property was allocated for education, health, and religion.

As it is known that cash waqf during the Ottoman Empire had a great impact on society. The success of implementation cash waqf during the Ottoman period was certainly

accompanied by good financial management. However, discussion about the management of cash waqf during the Ottoman period was hardly found. Therefore, this study will focus on discussing how the implementation and management of cash waqf in the Ottoman era. The Ottoman Empire which has been in power for approximately 700 years has left a very interesting historical record to study and can be an experience for the management of cash waqf today. The accomplishment of the Ottoman Empire had implemented cash waqf which at first was only as a religious teaching had succeeded making waqf as social finance instrument that can be used not only for the development poor people but also develop economy of the Ottoman empire. This success also motivated author to dig deeper into the management of cash waqf model that was applied during the Ottoman Empire (Iskandar, 2020).

At the beginning of the establishment of Ottoman Empire, waqf has been known as multidimensional instrument composing of economic, social, and religious aspects of human life. The impact generated by the utilization of waqf property can be felt directly by the beneficiaries, such as the purpose of building madrasas for education, hospitals for healthcare, mosques for religion and other facilities to meet sosial need (Çizakca, 1998, Şimşek, 1986, Özger, 2009, Türkoğlu, 2013). Those were only some important aspects in the society which were provided through waqf (Kudat & Ceyhan, 2020).

Waqf in the Ottoman Empire has played a supreme role in social life of its people. This can be seen from the increase in waqf assets and the expansion of the scope of waqf which previously could only establish waqaf in forn of land and building so that later they could perform waqf in the form of money or also known as cash waqf. Cash waqf in the Ottoman period had originally been practiced since the time of Sultan Orhan Gazi, since then cash waqf has continued to grow so that it is not only used as a social activity that can help the community but also an income for the state (Iskandar, 2020, Dumlu, 2015).

According to Bulut & Korkut (2019b) cash waqf in the Ottoman Empire has functioned as social charity and financial needs of society. These two functions have solved social problems that occurred in the society. The existence of cash waqf has also created a financial institution that has become a pioneer of interest-free finance. In addition, several financing models carried out through cash waqf such as mudharabah and qard hasan have been proven to help people who need capital to run their businesses by not taking interest-bearing loans.

Kudat & Ceyhan (2020) acknowledged that cash waqfs were distinctive philantropic institutions in Islamic history. They claimed three main management principles of cash waqfs had provided them an institutional strength to have sustainable philanthropy. First, they were bounded to the religious rules and laws, which provided them a holy position in the eyes of Muslims. Second, cash waqfs provided a more flexible and wider application area for charitable works. Third, religious motive of endowing cash existed for contributing to the societal well-being. It meant, Cash waqfs had the purpose of providing honorable life standards to people and advancing their living conditions in economic, social, physical ways. While Cızakca (2006) claimed that the main purpose of cash waqf in Islamic history were gaining profit and protecting the accumulation of capital. However, his view about this has brought to a debate among scholars.

The management of waqf property in the Ottoman period also underwent changes in the management of the institution or structural management. The management of waqf property was initially managed by mutawali who was registered with the local qadi (Iskandar, 2020). Then in 1826, waqf property began to be managed in a more structured

manner under one Institution known as Evkâf-ı Hümayun Nezâreti. This institution was established by Sultan Mahmud for the sole administration of all waqf property distributed belonging to the sultans and their relatives (Öztürk, 1985, Hançer, 2019), Özsaraç, (2019).

The very prominent management of waqf assets that has been implemented in the Ottoman period is the existence of an excellent record that was conducted when performing waqf. So what can be concluded from the existing literature that accounting management has been applied by waqf institutions at that time (Demirhan, Susmuş & Gönen, 2012). Gürsoy (2018) has also discussed the management of waqf money by conducting an analysis of risk management. If we examine the study further, the focus of the study is more focused on financial management strategy and risk management. In addition, his study found that cash waqf management and risk management running in parallel. At the end of his study, he suggested that there is a need for further analysis of waqf management in other service areas such as social work, education, and transportation.

2. Method

This study used qualitative research method with the historical approach. The historical approach is the most suitable method for revealing historical facts that occurred from the existing evidence, this approach is considered the most appropriate to find out how the application of cash waqf during the Ottoman period (Bucheli & Wadhwani (Eds.), 2014). The data collection carried out in this study by using library research from secondary data. The secondary data from books, articles, research results, website, and Turkish Directorate General of Foundation (VGM) archives that related to the topic of cash waqf within the Ottoman period has been employed to identify the utilization of cash waqf at that moment. Afterwards the data will be analyzed to determine the implementation of cash waqf during the Ottoman empire, in this case to obtain the management and the implementation of cash waqf. This finding is expected to be a reference for future researchers as well as comparisons or experiences from the past to current policy makers in determining the appropriate model for management cash waqf in this modern era.

3. Result and Discussion

Waqf In Ottoman Empire Period

The Ottoman Empire which ruled Asia, Europe, and Africa was a government with the most advanced civilization in the 14th century. The power possessed is not only in terms of territorial land, but also in terms of military, economic and strong influence compared to other kingdoms. This atmosphere allows them to control a lot of land, buildings that has on it (Imber, 2019). Several buildings and land in several areas have been donated by the Sultan who was in power at that time for the benefit of the Ottoman people.

The first waqf of the Ottoman Empire was the establishment of a madrasa in Iznik by Orhan Gazi as an educational institution that could provide education for people who wanted to study. Davud-I Kayseri was the first teacher at the school who later became head of the same madrasa. Davud-I Kayseri is also known as a religious scholar, philosopher, and Sufi at the beginning of the founding of the Ottoman Empire (Bayartan, 2008, Sezer & Sannav, 2018, Bulut & Korkut, 2019).

The Ottoman government has seen that waqf has a very large impact on society, the Ottoman Sultan then took policy steps to expand the scope of waqf to other sectors that provide more benefits to the community, such as: waterways, sidewalks as an infrastructure service, madrasahs, schools, kulliyahs, libraries as an educational service, hospitals, clinics,

patients as a health service, mosques, masjids, lodges as a religious service and hans, caravansaries, bazaars as a commercial service (Peri, 1992, Bulut & Korkut, 2019, Iskandar, 2020).

As explained in the literature review, in the early 16th century the application of cash waqf was debated among Ottoman's Islamic scholars. Differences in views on cash waqf had occurred among the scholars of the Madhab before the Ottoman era, but there was no significant difference among the scholars of that time. Some mazhab scholars allow cash waqf with several provisions, among the scholars who allow cash waqf are Imam Hanafi, Imam Muhammad Syaibani, and Abu Yusuf. Therefore, because the official school of thought during the Ottoman Empire was the Hanafi school, it was permissible to make waqf in the form of money or the like (ASLAN, 1998, Iskandar, 2020). Although there was a debate among the Ottoman scholars, this did not really affect the people's desire to continue to do cash waqf. This may be because they adhered to the Hanafi school which was the official school at that time.

Waqf assets are not only spread in the center of the capital, but also develop to small towns in the Ottoman territory (Özger, 2009). The facilities and infrastructure needed by the community such as buildings, markets, mosques, hospitals, schools, libraries, roads, waterways, hammams (bath houses) and others have been built using cash waqf assets. The management of waqf assets with a good system has made development during the Ottoman Empire continue to grow so rapidly. Cash waqf during the Ottoman Empire had strict procedures that had to be completed with complete records. The recording of waqf is called waqfiyah. A person or several people can perform cash waqf by registering with the Sharia Court accompanied by waqfiyah. Then the Sharia Court will provide instructions on the formation of cash waqf (Iskandar, 2020).

Debating on The Establishment Cash Waqf

The establishment of cash waqf in the Ottoman empire period was not much different from the nature form of waqf (i.e waqf in the form of land or building). In this circumtances the only difference is the object of waqf, land and buildings are categorized as immovable waqf property while money is categorized as movable waqf property. The process of establishing a cash waqf was derived from the ijtihad issued by Islamic Scholars at that time in the form of fatwa. The fatwa has stated that cash waqf is permissible and applicable to be practiced by the people of Ottoman empire. This ulema's fatwa also caused cash waqf to develop and be practiced by the people at that time (Bulut & Korkut, 2016).

Bulut, & Korkut (2019a) mentioned before the Ottoman period there were no records or evidence of cash waqf found. This can be an assumption that cash waqf has not been practiced before. According to historical evidence that the practice of cash waqf during the Ottoman period can be known from wakfiyah (waqf property records) which have been found in waqf archives that are still stored today (See figure 1.). All waqf assets during the Ottoman period were recorded by the court in waqfiyah and became a reference document for operating cash waqf. Therefore, the evidence of cash waqf found in the wakfiyah records that exist during the Ottoman period proves that cash waqf has been practiced. However, some of these records have no definite date when the cash waqf was established.

According to various literatures cash waqf in the Ottoman empire have been found at the beginning of the reign of the Ottoman sultanate (early 15th century) (Korkut, 2014, Mandaville, 1979). Cash waqf was initially allowed when Institution Seyhulislam as association of Islamic scholars issued the fatwa regarding the permissibility of cash waqf

(Atar, 2020). In 1425, scholars under Institution Seyhulislam such as: Molla Fenâri, Fahreddin-i Acemi, Molla Abdülkerim Efendi, and Molla Hüsrev Molla Gürâni issued a joint fatwa allowing cash waqf. All the scholars at the time were unanimous on this fatwa. So, there is almost no debate that occurs among scholars about the permissibility of cash waqf (Özcan, 1998, Şimşek, 1985).

The fatwa on the permissibility of cash waqf became an enlightenment on the economic activities of the Ottoman Empire. Because the fatwa has opened the way to provide credit to people in need by not using interest. The application of cash waqf also became a period in which the Ottoman government implemented a borrowing or credit system by not taking interest but using Qard Hasan (Turkoglu, 2013, Sannav & Sezer, 2018).

The establishment of cash waqf was initially able to run smoothly for approximately 120 years after the issuance of a fatwa on the permissibility of cash waqf by scholars under the Institution Seyhulislam. Then in the 16th century debate began to occur among Ottoman Turkish scholars. Even the debate that occurred at that time could be said to be very serious which made both parties defend their respective arguments (Özcan, 1998, Şimşek, 1985, Çızarça, 1995, Güney, 2019).

The fierce debate took place between Ebusuud Efendi (d. 1574) and Civizade Muhyiddin Mehmet Efendi (d. 1547). Ebusuud Efendi's opinion on cash waqf has followed the opinion of the Imam Muhammad from the Hanafi School and Ibn Shihab az-Zuhri. According to Ebusuud, cash waqf can be classified as waqf of movable property and some of Islamic scholars including Imam Hanafi agree and permissible to perform waqf by using movable property such as: agricultural equipment, books, money, etc. Although some of the scholars set the conditions for movable waqf. In addition, according to Ebussuud, the practice of cash waqf is based on the opinion of Imam Muhammad who made local customs (*'adat*) or customary usage (*'urf*) as the basic criteria in performing cash waqf (Okur, 2005).

Ebusuud Efendi's opinion was not accepted by Civizade Muhyiddin Mehmet Efendi. The reason expressed by Ebusuud follows the opinion of Imam Muhammad which states that if it is customary usage (*'urf*) to perform waqf in some places using money then the cash waqf is permissible, because it is in accordance with the rules of Islamic law which considered "urf" or customs as a legal method in producing a law. According to Civizade the reason given by Ebusuud is very fragile. Because according to him, to make custom as proof of the argument, there must be a mujtahid who lived at that time. Therefore, according to him, the customs and traditions used by Ebusuud and Imam Muhammad as evidence of the arguments used for cash waqf must be reviewed. However, Civizade does not deny that customs and traditions can be used as evidence or arguments by mujtahids in making decisions of a law (Okur, 2005, Bayram, 2019, Güney, 2019).

In 1545, Ebusuud Efendi was dismissed from the membership of Institution Seyhulislam and replaced by Civizade. After Civizade was appointed as a member of the fatwa-giver in Seyhulislam, he issued a new fatwa prohibiting the practice of cash waqf. The issuance of Fatwa from Civizade has also requested Sultan Sulaiman to issue a law prohibiting the practice of cash waqf. Thus, a new law was enacted that officially forbade cash waqf to to be implemented in the Ottoman territory. This decision made Sofyalı Bali Efendi (d.1552) wha was aslo an Islamic scholar at that time and supported the implementation of cash waqf by sending a letter to Sultan Sulaiman al-Kanuni requesting to allow cash waqf back (Gel, 2020). Bali Efendi in his letter emphasized that cash waqf has great benefits for the people and if it is prohibited it will cause great losses (Okur, 2005).

Thereafter Civizade died, the Sultan instructed the Islamic Scholars to review the fatwa

prohibiting cash waqf. The scholars at that time made a joint decree to abolish the ban of cash waqf. In the month of Rabiul Awal 955 H/1548 AD, the law prohibiting cash waqf was officially revoked and the fatwa on the permissibility of cash waqf was returned as decreed by Ebusuud Efendi. This decision was acceptable to most scholars at the time (Özcan, 1998).

After the issuance new fatwa, the cash waqfs became quite widespread. It spread extensively to the Europian regions and Anatolian regions of Ottoman Empire. The development of cash waqf was also made the Ottoman economy increased sharply. These developments also have an impact on entrepreneurs and traders who need capital. With the cash waqf, they can get waqf funds to run their business. The income from the cash waqf that was operated by using Islamic methods, such as *mudaraba*, *qard hasan*, and *ijarah*. It was spent in the direction of the waqf purposes and according to the wishes of the wakif (Pamuk, 2012, p.90).

Operations and Administrations of Cash Waqf

Since the first-time cash waqf was practiced in the Ottoman period in the early twentieth century until the second practice after the lifting of the prohibition on cash waqf, this practice continues to increase and become a culture that is practiced among the community. This shows that cash waqf is not only able to provide benefits to the community, but it has also helped people who need business capital to use waqf money as loan capital. The implementation of cash waqf was also known in the Ottoman period as the beginning of the implementation of an interest-free loan system (Turkoglu, 2013, Bulut & Korkut, 2016).

The collected cash waqf is operated in several forms or models in accordance with the provisions of Islamic law. Among the scheme models used in developing cash waqf assets are by providing loans in the form of *qard hasan*, capital loans with *mudharabah* contracts, and selling goods using waqf money and taking a small profit using *murabahah* contracts, as well as *bidaa*. According to Dönduren (2008), the most widely used operating model is the *mudharabah* contract with an agreement of 10-15% per year profit. Operating Cash waqf assets using mudharabah contracts was given by many large traders who traded not only within the territory of the Ottoman Empire but also outside the country. (Döndüren, 2008, Turkoğlu, 2013).

Qard Hasan loans were mostly given to lower middle-income people who need capital to do business or for other purposes. This qard hasan loan is usually given to the poor without taking any profit of the loan. To get a qard hasan loan, a borrower will go to a mutawalli who administered of cash waqf by bringing a guarantor. Afterward the borrower must also meet the qualifications specified in the wakfiyyah. If all the necessary requirements are met then the mutawalli will prepare registration form of records in the form of wakfiyyah to be registered to the kadi/judge (Türkoğlu, 2013). This practice was also widely practiced during the Ottoman Empire to help its people in need of loans.

Another form of cash waqf operation that was also well known and important that has been practiced during the Ottoman Empire was in the form of *mu'âmele-i şer'iyye*. This practice was carried out by the Ottoman government to produce and get benefit from cash waqf and to avoid the practice of usury. *Mu'âmele-i şer'iyye* was also known as *mu'amele* or *murabah-i mer'iyye*. In some literature it is also known as "murabaha". The profit obtained from *mu'âmele-i er'iyye* is called "*ribah*" and a business that can bring profit is called "istirbah" (Akgündüz, 1996). According to Özcan (2003) this practice was one of the most chosen scheme by those who need a loan from a cash waqf fund.

Apart from the debates of the scholars about the permissible of this contract, what we want to emphasize here is that *mu'âmele-i er'iyye* is one of the operations or methods of cash waqf used during the Ottoman empire. Even based on several sources, it has been stated that this practice also dominates the practice of cash waqf that was practiced at that time.

Management of cash waqf in The Ottoman empire obviously can be seen from registering form (*vakfiyye*) which is registered at the time of establising waqf. Toraman, Tunçsiper & Yilmaz (2007) mentioned that the register of a typical cash waqf contains some information regarding the establishment of waqf. Generally, the information recorded in the *vakfiyye* is name of the *waqif* (waqf founder), purpose of waqf, the address where the waqf property is registered, the name of the waqf manager or *nazir*, period covered by the cencus, and original capital of the cash waqf. In addition, in some *vakfiyye* also containts some additional information regarding the report of usage of cash waqf such as the balance of the new capital thus formed, the return of the investment of the cash waqf capital at the end of the year, the purpose for which the annual return was designated, names of the borrowers, amount of borrowing, address of borrowers, affiliation of borrowers and gender of borrowers.

Principally, the management of cash waqf during the Ottoman period was generally the same as recommended in Islamic teachings. Waqf property managed by a person appointed by the person who is waqf (Wakif) or appointed by a judge. In Islamic law, the person who manages the waqf property is called "wilayat". In law during the Ottoman period, the term tauliyah was used, which is a term from the same root as the word wilayat.

Wilayat is a general term used for a person who is a wali/representative in the management of waqf property. Islamic jurists, who consider that the operation of waqf usually carried out by competent state bodies or government, therefore they use the term wilayat which has a broader scope. Meanwhile, for people who administer waqf and maintain waqf custody, they are called *mutawalli*, *nazir*, or *kayyim*. These three words principally have the same meaning, however in discussing the issue of waqf every mazhab often uses certain words that refer to a person who administer waqf. For instance, the word *nazir* is widely used by the Syafii and Maliki sects, the word *mutawalli* is widely used by the Hanafi and Hanbali sects. While the word *kayyim* is rarely used by all sects, but only used in a few issues of waqf (Akgündüz, 1996).

In explaining the management and administration of waqf during the Ottoman period, we divide it into two periods, firstly the classical period and secondly the reform period. The classical period is the period from the establishment and implementation of cash waqf from 1425 to 1826. While the reform period is after 1826 until the end of the Ottoman empire (1922).

Before the Reform of the Waqf Institution (1425-1826)

In the early stages of the permissibility of cash waqf, the management of cash waqf was no different from the management of waqf in general. Cash waqf have been administered in accordance with the wishes of the wakif. If a person who wants to establish waqf must be able to meet the requirements as wakif and then appoint someone to manage the waqf property. Çiftçi (2004) in his paper mentioned that a person who wants to perform cash waqf must meet the requirements such as: akıl (a person of sound mind), baligh (mature), and independent (not a slave). Afterward waqif should prepare wakfiyah (waqf records). In the wakfiyah, it must be clearly stated the purpose of the waqf, how much money will be

donated, special terms or conditions who will manage the assets and then it must be submitted to the mutawali. After that, the wakif and mutawalli went to the qadi to get approval to establish cash waqf. The conditions for the establishment of waqf were regulated in a government regulation at that time called the "*nizamname*". The Qadi will then check all the conditions that have been determined and if all of them have been fulfilled then the qadi will ask the wakif to prove that the property belongs to him and make a pledge of the waqf contract (Yediyıldız, 2003).

After completing the waqf pledge, the wakif submits the money as waqf assets to the mutawalli. Mutawalli who is responsible managing the cash waqf assets will manage it according to the wishes of the wakif as recorded in the wakfiyyah. All mutawalli's duties related to waqf assets must be administered with a mandate accordingly. For example, Mutawalli must control the activities of the waqf property, pay or give salaries to officers who carry out the waqf property and must take preventive measures to save the waqf property from destruction (Çiftçi, 2004).

During this period all waqf assets was taken care of by mutawalli who consisted of individuals and institutions. Yayla (2011) indicated that in this era the waqf founder has given full authority to the mutawalli to manage the waqf. Although most of waqf founder at this time was established by Sultan yet the Ottoman sultans preferred to give the authority the waqf management through mutawalli. If the wakif (waqf founder) could not appoint someone as a mutawalli, subsequently the wakif automatically can be counted as a mutawalli who must maintain and manage the waqf property (Genca, 2014).

In waqf law during the Ottoman Empire was stated that to keep the waqf assets maintained and did not run out, it is better that the person appointed as mutawalli is the person closest to the wakif. However, it would be great if the mutawalli was the person who has most intelligent or good at managing waqf assets. A competent person will manage and protect the waqf assets. In order to protect the waqf assets, the wakif has the right not to put any conditions on mutawalli. In addition, to protect the waqf property from extinction, it can be managed as desired by the wakif without any state intervention, however, the state through the qadi will be the supervisor of all waqf assets that have been recorded in court (Yüksel, 1998, Yayla, 2011).

Cash waqf assets continue to increase every year. Cash waqf which began in the early 15th century continued to expand to the Anatolian region and the Balkans at the end of the 16th century (Mandaville, 1979, Korkut, 2014, Iskandar, 2020). The results or income obtained from cash waqf are also increasing so that there is a large surplus obtained from cash waqf assets. Even during this period, some of the income of cash waqf is also the state's opinion. Between the years 1456-1546, cash waqf in Istanbul alone reached 46.12% of all waqf assets (Öztürk, 1995, Turkoglu, 2013). Mandaville (1979) has also explained that cash waqf in Istanbul during the reign of Sultan Beyazid II (1481-1512) itself experienced a very significant increase. In the list of waqf records found by Cizarça on cash waqf in Bursa only between the years 1555-1823, it shows that the money waqf of the Ottoman Empire has survived with extraordinary value. This shows that cash waqf in the Ottoman period continued to increase. However, the increase in the cash waqf property was not accompanied by a massive distribution, so it caused many of the waqf assets to experience excess (surplus).

The management of waqf assets by individuals has caused problems. This problem was caused by the wakif who appointed mutawalli among themselves to avoid supervision by Kadi on their waqf. In addition, the authority given to mutawalli was upwards of the

authority of Kadi to oversee cash waqf assets. This condition made the mutawalli able to take extensive action in the management of waqf property without the knowledge of the qadi. Moreover, there were waqf management officers who were not directly elected by the mutawalli but are appointed by the wakif or by the Kadi. This circumtances of course very risky for the occurrence of fraud in the management of waqf assets (Genca, 2014).

During the reign of Sultan Mahmud II, the above problems have been tried to be resolved by giving the authority to administer waqf to certain institutions such as Seyhulislam, Sadrazam, Darussade Agası and Kadi Istanbul. The institution is given the authority to manage waqf assets that have been widely scattered and some cannot be controlled, the purpose of managing waqf under this institution is so that waqf assets can be managed better and prevent expenditures from the income of waqf assets to things that are not needed.

The transfer of authority for managing waqf assets to the above institutions does not in fact make the management of the waqf system that has been formed able to manage waqf better. Even the management at that time there were also malpractices of waqf assets and abuse of authority over the income obtained from waqf assets (Genca, 2014). These reasons prompted the government at that time to transform the management of cash waqf by using the Sovereign Wealth Fund model known as Evkaf-I Hümayun Nezareti. Under this institution, waqf assets began to be managed in a more centralized and structured manner.

The Reformation of the Waqf Institution (1826-1922)

The reforms carried out on waqf institutions were influenced by many factors, both internal in the waqf management system itself and social, political factors and government relations at that time with other countries. Hence, problems with the management of cash waqf that occurred before this time were not the main reason. Whatever the reason behind the reform of the waqf institution, it emerged from the waqf foundation system that had been formed from the previous period.

The reform of the centralized Evkaf-I Hümayun Nezareti waqf institution became a very interesting thing in the history of the Ottoman Empire. With the establishment of this institution, not only as a waqf management institution, but also as a source of finance established by the government at that time. If it is associated with today's era, this institution is an institution called the Overeign Wealth Fund (SWF).

Schena, Braunstein, & Ali (2018) mention that the sovereign wealth fund (SWF) is an organically emerging fundraising model that is related to the accumulation of surplus from income commodities. SWF was originally created to manage the excess accumulation of commodity wealth. This excess accumulation requires a new management that can accommodate the excess funds so that they can be reorganized into capital that can be used to build a government bureaucracy effectively. Regardless there are also SWFs that are made to recycle a country's surplus income so that the excess funds collected can be controlled and regulated more effectively.

Evkaf-I Hümayun Nezareti was founded in 1826 by Sultan Mahmud for the sole administration of all the scattered waqf property belonging to the sultans and their relatives (Öztürk, 1985). Since its establishment, this institution has had a dynamic structure and has begun to carry out strict supervision of waqf assets. All waqf assets managed by individuals or groups, began to be taken over to be managed again in a more structured manner under one institution. Under this institution, the problematic waqf property is taken from the manager and the income obtained from the waqf property is recalculated.

At the beginning of the formation of this institution, the waqf property that had been managed by the mutawalli and qadi was taken over gradually. The main director *Evkaf-I Hümayun* contacted the mutawalli and made a gradual shift of management. This is the consequence must be taken in reforming the management and realigning the waqf property. However, for the main purpose carried out is to strengthen the internal management of the institution such as forming an inspectorate and main management as well as building an office building that will be used for the waqf management center itself (Genca, 2014).

After the reform of waqf institutions, the management of waqf assets continues to be improved and developed. In 1831, the Inspectorate Evkaf-ı Hümayun was established which served to adjudicate cases related to waqf and cases or issues affiliated with waqf institutions and mutawalli as waqf managers. In addition, the Inspectorate Evkaf-ı Hümayun also functions to inspect or audit the wakaf property and make repairs to the wakaf property if necessary (Genca, 2014).

In 1833, Evkaf-ı Hümayun also improved the management of waqf by setting up a representative office to assist and be responsible for wakaf managed under the Darussaade institution. The establishment of this representative office was due to the large number of waqfs under Nazir Darussaade which caused overwhelmed in its management. However, to prevent the dualism of waqf administrators and public confusion over the legal waqf administrators, in 1836 Darussaade's waqf management authority was abolished and all waqf property managed under the institution was taken over completely by the Directorate of Evkaf-ı Hümayun.

The existence of the Evkaf-ı Hümayun Institution has basically brought changes to the management of cash waqf in general. This can be seen from the increase in the results obtained from the business or management carried out with cash waqf. In addition, the profits from the tax on land (avariz vakfı) imposed on the rich have also been categorized as cash waqf. This categorization has made cash waqf assets increase consequently. So Evkaf-ı Hümayun allocates and distributes cash waqf to those in need more than before. However, in practice there are still violations that continue even though a law has been issued against violators of the provisions made in waqf law (Genca, 2014). To support this reform step, the government enacted new regulations on waqf governance. In this regulation issued in 1863, it was stated that the nazir of waqf was permitted to commit those who deviated and misappropriated the waqf property after it was recorded in a court decision, they would be subject to sanctions in the form of imprisonment or would be exiled to a place of exile.

4. Conlusion

Cash waqf is a derivative of waqf which is usually conducted in the form of immovable property such as land and buildings. As a practice that is highly recommended in Islam, cash waqf has developed far from the time of the Ottoman Empire. The initiation of cash waqf during the Ottoman empire had a significant impact on society socially and economically. The impact of cash waqf is not only on the social sector of society but also has built the government's economy at that time, even part of the proceeds of waqf property has become a source of state income. The development of waqf also does not only occur in the city center but has also expanded to the villages. Cash waqf has helped people who need capital to do business.

Waqf institutions during the Ottoman sultanate played a role not only as a charity institution but also as a financial institution that had managed waqf assets. The income generated from waqf assets was allocated to the society and could also meet the needs of

the state such as providing military equipment for the Ottoman army. Along with the exchange of Ottoman's Sultan, the management of cash waqf by waqf institutions also underwent changes. A significant reform was the establishment of Evkaf-ı Hümayun Nezareti as the sole institution for waqf management. The initiation of the establishment of this institution has had an impact on the increase in waqf assets. The establishment of cash waqf institutions in the Ottoman empire has shown an important step that has been taken to ensure the effectiveness of cash waqf development. Cash waqf management in the Ottoman empire has proof waqf as Islamic social finance in Islamic economic theory shown a significant contribution to society and the Ottoman government.

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