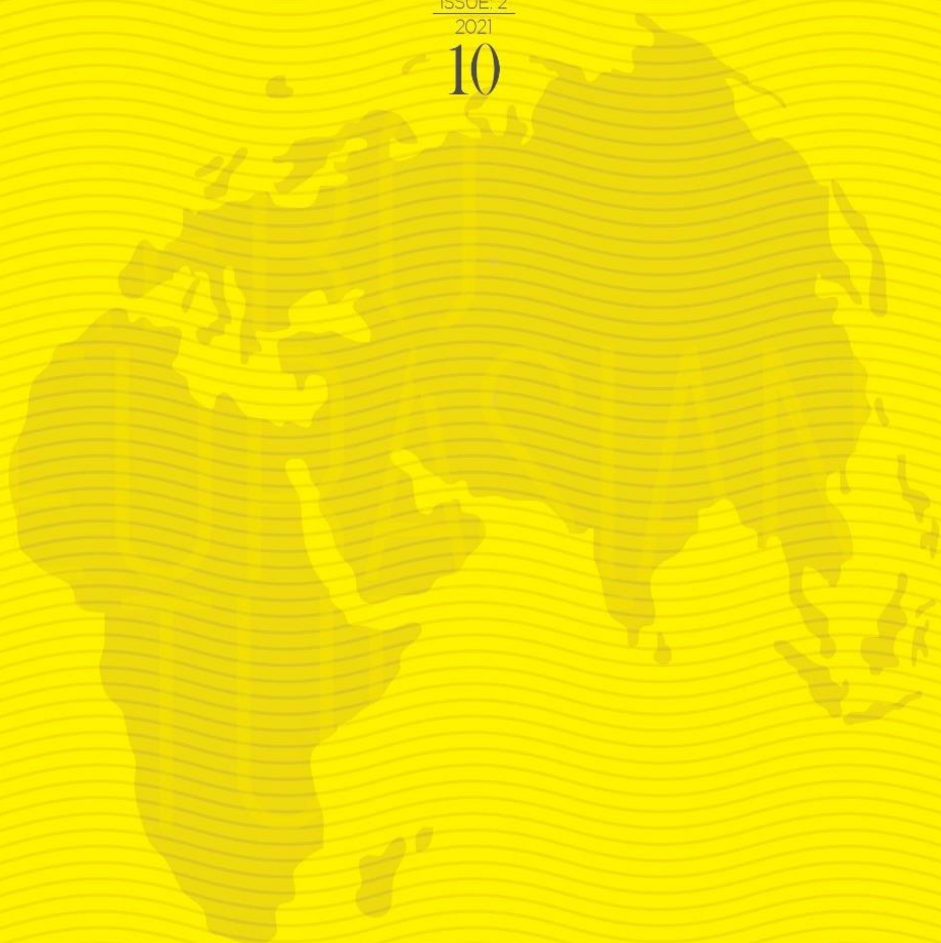


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Academic circles and popular media alike have been discussing the changes in the global economic and political balance of power. Whatever the future may bring; the region of Africa, Europe and Asia, i.e. the Old World, which was the cradle of world civilizations for millennia, is destined to play a significant role in shaping the world again.

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# THE MALIKANE SYSTEM IN OTTOMAN TAX LAW

AFRO EURASIAN STUDIES -VOLUME: 10 / ISSUE: 2 pp. 5-26

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## Osmanlı Vergi Hukukunda Malikâne Sistemi

### ÖZ

Malikâne sistemi, Osmanlı vergi hukuku bağlamında bir iç borçlanma yöntemi olarak tanımlanabilir. Osmanlı'da yaşanan siyasi ve askeri gelişmeler neticesinde devletin nakit ihtiyacını sağlamak için öncelikle geliştirilen iltizam usulünün uygulamada birtakım aksaklıklara yol açtığı anlaşılmış, bu eksikliklerinin giderilmesi amacıyla Malikâne sistemine geçilmiştir. Bu sistemle gelen yeniliklerin başında iltizam süresinin hayat boyu devam etmesi gelir. Malikânegiden beklenen, bu süre zarfında hem tasarruf hakkına sahip olduğu vergi kaynağını hem de reayayı korumasıdır. Ayrıca başta vermek zorunda olduğu muaccele bedeliyle birlikte devletin belirlediği miktarda yıllık vergileri düzenli olarak ödemesidir. Malikâne sisteminin uygulandığı dönemde büyük ölçüde devletin nakit ihtiyacını karşıladığı düşünülmektedir. Bununla birlikte bu sistemin de iltizam da olduğu gibi uygulamada bazı aksaklıkların ortaya çıktığı ve beklenen faydayı sağladığı görülmektedir. Bu sebeple de Osmanlı idaresi esham sistemine geçmiştir. Bu çalışmada malikâne sisteminin teorik çerçevesi ele alınmakta ve bunun uygulanmaya başladığı yıllara tekabül eden 49. ve 50. Konya Sicillerindeki görünümü ve pratik uygulamalara nasıl yansıdığı ele alınmaktadır. Maliyeden müdevver defterlerde yer alan malikâne fermanı ve 41. Defterde yer alan Konya'da tevcih edilen malikâne beratının içeriği araştırmada yer almaktadır.

**Anahtar Kelimeler:** Malikâne Sistemi, İltizam Sistemi, Esham, Malikâne Fermanı, Beytülmal Emni.

## The Malikane System in Ottoman Tax Law

### ABSTRACT

The malikane system can be defined as a method of domestic debt in the context of Ottoman tax law. As a result of the political and military developments in the Ottoman Empire, it was understood that the tax farming method, which was primarily improved to meet the cash need of the state, caused some problems in practice, and the malikane system was adopted in order to eliminate these deficiencies. At the beginning of the innovations coming with this system is the tax farming duration's being lifelong. What is expected from the malikane owner is to protect both the tax resource with the right of tenancy and the *raayah* during this period. Besides, it is to pay annual taxes regularly in the amount determined by the state with the *mu'accala* price that has to be paid at the beginning. It is thought that malikane system met the cash needs of the state to a large extent when it was implemented, however, it is seen that this system has some problems in practice like tax farming but provides the expected benefit. For this reason, the Ottoman administration moved into the *ashām* system. In this study, the theoretical framework of the malikane system, its appearance in the 49th and 50th Konya Registries corresponding to the years when it started to be implemented and how it is reflected in practical applications are discussed.

**Keywords:** Malikane System, Tax Farming System, Ashām, Malikane Edict, Treasurer.



## Introduction

The malikane is one of the systems developed to meet the cash needs of the treasury as a result of the change in warfare methods and the improvements in the military field in the Ottoman Empire. It refers to a new economic system that was formed by correcting some of the deficiencies in the tax farming system applied before the malikane and combining it with the policy of protecting the people in the timar system. This system is closely related to systems such as Ottoman tax law, land law, military organization and central organization. The malikane system, which was developed in line with the needs of the state and applied for a while, could not provide the expected benefit in some aspects and turned into *the ashām system*.

The malikane system is a method of domestic debt by purchasing the right of collecting taxes determined by the state throughout life provided that certain conditions are fulfilled (Özvar, 2018, p. 31). The copy of the aforementioned farman is included in the Register of Maliyeden Müdevver Defter [MAD.d., 3423, H-7-01-1109]. Mehmet Genç published the transcription of the copy of the farman in the Prime Ministry Ottoman Archive (KK 5040, pp. 1-4) Kamil Kepeci classification (Genç, 1975, pp. 285-288). Erol Özvar, on the other hand, included both the farman published by Mehmet Genç and the transcription of its copy in Maliyeden Müdevver Defter (Özvar, 2018, pp. 159-167). The malikane system came into effect with an edict issued in 1695 (*Maliyeden Müdevver Defterler*, t.y., p. 6,7). Before this year, some mukataas were turned into malikanes, while they were operated with the tax farming method. *Mukataas'* right of tenancy, that is, the authority to collect the revenues obtained here, was given to entrepreneurs provided remaining under their own responsibility for life (Çakır, 2003, p. 154; Özvar, 2018, p. 23). As stated in the foundation edict, certain rights were granted to the owners of the malikanes under the supervision and responsibility of a committee consisting of shaykh al-Islam, chief of the prophet's descendants (naqīb al-ashrāf) and kādī askars (Genç, t.y.-c, 2013, p. 106). Those who want to own a malikane in this system buy the state revenues in return for a cash price called *mu'accala* and the price paid in installments named *mueccelle* every year (Akgündüz, 1990, p. 202). The annual tax, expressed as *mueccelle* (Suceska, 2011, p. 279) is also referred to as *māl* in the sources (Cezar, 1986, p. 22; Pamuk, 2012, p. 206). The malikane system functioned as an important institution in the Ottoman financial law for 100-150 years. The prices paid by the owners of the malikanes as *muaccala* met the urgent needs of the state. The application areas of the malikane system developed gradually; while villages and wicks were given before, *mukataa* types were started to be given as malikanes afterwards (Özvar, 2018, p. 30-31). Although the malikane system was requested to provide confidence in the *timar* system and to eliminate the drawbacks of tax farming, the desired result could not be completely achieved (Akgündüz, 1990, p. 202). While the malikane system were going on till the first half of the 19th century (Şārôn, 1986, p. 278) the *ashām* system, a continuation of this system but with some differences, was adopted.

The aim of the study is to determine the malikane system's theoretical framework, to bring up the discussions about the subject and to give some examples from the 49th and 50th court records of Konya regarding the years when it began implementing. Practical applications' examples are discussed such as the *berat* given to the owner of the malikane in the relevant years, the merger of the *mukataa* with another malikane owing to the failure of the malikane to fulfill its obligations and bankruptcy, the estate problems that the owner of the malikane had with the *raayah* as the *bayt al-māl* official, the demand for the correct determination of the *mukataa* boundaries been tenant in the malikane system. It is seen that some of the principles related to the malikane system, stated in the

edict in which the malikane system came into force in *Maliyeden Müdevver Defterler*, are included in the *berat* in the Konya 41st court registry.

It is possible to evaluate some of the current studies on the malikane system as follows. In Mehmet Genç's work named *Osmanlı İmparatorluğunda Devlet ve Ekonomi*, one of the most important works on this subject, the Ottoman economic worldview is discussed, the changes that the Ottoman finances experienced through history are explained and in the second part of these developments, the malikane system's functioning, development process and importance in the economic history are examined as well as the legal condition. In Erol Özvar's book titled *Osmanlı Maliyesinde Malikâne Uygulaması*, the foundation and functioning of the malikane system, the sales of malikanes between the years 1695 and 1697 throughout the empire and the sales of malikanes by region were analyzed within the framework of archival sources. In his work titled *Osmanlı Mukataa Sistemi* (XVI-XVIII. Yüzyıl), Baki Çakır describes the malikane system within the *mukataa* undertaking methods and in the *mukataa* development and change section by examining the foundation and development of the *mukataa* system between the 16th and 18th centuries. Ottoman economic history is examined under different headings in Şevket Pamuk's *Osmanlı Ekonomisi ve Kurumları Seçme Eserleri I* while the evolution of the Ottoman domestic debt institutions between the years 1600-1850 is being explained, the malikane system, a kind of domestic debt method, is mentioned. In her doctoral dissertation titled *18. Yüzyılda Malikane Uygulaması ve Diyarbekir Voyvodalığı*, Özlem Basarir examines the theoretical framework of the malikane system, the structure of the Diyarbekir Voivodeship, the functioning of the malikane system here and the owners of the malikanes. Mehtap Ergenoğlu examines the operation of the malikane system in the Adana Sanjak and the owners of the malikanes, besides the theoretical information about the *mukataa* area, which is the financial and administrative unit, in her doctoral dissertation named *Osmanlı Maliyesinde Malikane Uygulamasının Taşra Yönetimindeki Bir Usul Olarak Kullanımı: XVIII. Yüzyılda Adana Sancağı*. In his doctoral dissertation named *Osmanlı Devleti'nde Divani Sistemden Malikane Sistemine Geçiş Süreci ve Uygulamaları (1695-1730) Ankara ve Bursa Örneği*, Hakan Doğan deals with the functioning of the malikane system throughout the state, based on the examples in Ankara and Bursa, which are the commercial centers of Anatolia, and political, military, economic and social effects created by this system in the Ottoman Empire. Bora Altay examines the tax farming and malikane system, which was formed by transforming into decentralized structures after the economic changes in the Ottoman Empire in the light of the data obtained from the Ottoman archives through game theory in his doctoral dissertation named *Coordination, Commitment and Contract Enforceability in The Ottoman Empire: The Case of İltizam and Malikane Contracts With Game Theoretic Assessment*. Hacer Ay examines the historical and geographical structure of Crete and her adventure in Crete, the state where the malikane system was last applied, in her master's thesis titled *Girit'teki Mukataaların Malikane Olarak Satılması*. Abdulkadir Atar deals with how the malikane and iltizam systems are reflected in the fatwas in a part of his work "Şeyhülislam Fetvaları Işığında Osmanlı'da İktisadi Hayat (XVIII.Yüzyıl)."

There are articles written on the malikane system. M. Özyüksel translated Avdo Suceska's article named Malikâne (Estate of Freehold of Miri Lands in the Ottoman Empire) [*Malikâne (Osmanlı İmparatorluğu'nda Miri Toprakların Yaşam Boyu Tasarruf Hakkı)*] into Turkish. This article describes the historical process of the malikane system in the theoretical plan. Although there are other studies about the malikane system, this is enough not to prolong the subject. This study describes the historical process and development of the malikane system in the theoretical plan. In addition, documents related to the malikane in the 49th and 50th Konya registers of the first periods of the 18th century, which is close to the term when the malikane system was introduced, were examined

as an example in the research. In the 41st registry book of Konya (art. 1703-1704), it is seen that the malikane berats have started to be given (KŞS 41, 2015, p. 382-385/267-1).

In order to understand the reasons for the economic developments in the Ottoman Empire during the transition to the malikane system, it would be appropriate to mention the three main principles that Mehmet Genç identified as the Ottoman economic worldview. The principles that he classifies as *iasha* (provisionism), traditionality (traditionalism) and fiscalism can be summarized as follows: According to the principle of provisionism (subsistence), the main goal of the Ottoman economic activity was to meet the needs of the people. In order to ensure this principle, the Ottoman Empire adopted interventionism on production and trade to increase the supply of goods and quality in the economy and to keep the price low (Genç, 2013, p. 41-43). Those producing the goods and services sector should first meet their own needs and then respond to the needs of the whole society, respectively. For this reason, while the Ottoman Empire was releasing imports, it limited exports as much as possible (Genç, 2013, p. 64). On the other hand, the principle of *traditionalism*, was not to change and maintain tried and proved institutions in the socio-economic field as much as possible, as they have less risk in terms when technological developments and progress are not in question or are not expected (Genç, 2013, p. 65). Fiscalism was to take the necessary measures to maximize the revenues of the treasury and to maintain its position. Among these measures is to reduce expenditures when necessary, as well as increasing revenues as much as possible, (Genç, 2013, p. 60). The two most important reasons why the *timar* system, which was applied regularly in the classical period, underwent some changes in the following centuries and became implemented with tax farming, malikane and *ashām* systems, are to take measures for increasing the revenues of the treasury and for protecting the *raayah*. Therefore, this classification provides convenience to understand the change and transformation of tax systems.

### **I. Classical Period Ottoman Land Regime and Tax System**

The basis of the Ottoman land regime was the *timar* system. German historian Ranke states that one of the three elements forming the power of the Ottoman Empire was the *timar* system. *Timar* (dirlik/livelihood) is the transfer of all or part of the annual income of a certain part of the *mīrī* land to a person in return for the specified services (Cin, 1987, p. 56, 57). It is possible to mention the views on the origin of the *timar* system like those arguing that came from the Islamic *iqtā'* system, those claiming that it passed from the Sassanids to the Arabs and from there to the Turks and those claiming that it was taken from Byzantium (Cin, 1987, p. 57-64). There are also different approaches to the Ottoman society and land order. While some say that the Ottoman society and land system is unique and not similar to the feudalism in the West, some think that it is similar to the centralized feudalism with its own specific details and some resemble it to the "Asian Type of Production" (Cin, 1987, p. 76-86; Dinler, 1983, p. 1-2).

The Ottoman Empire wanted to lay solid social foundations in the lands conquered. For this reason, he followed some policies to erase the traces of the farmer's oppressive practices by the previous feudalism in the newly conquered areas. Practices such as lowering the taxes that the *raayahs* had to pay in advance, preventing the oppression of the public by determining the powers of the tax collectors, appointing the previous ministerials as cavalryman (public administrators) instead of excluding them completely, not to pressure them to change their religion, etc. ensured that administrative/financial structure in the conquered regions was based on a solid foundation and continued (Aydin, 2020, p. 26-27).

The land system of the Ottoman Empire could not continue with the same system for 600 years. From its foundation to its last period, it underwent changes for some reasons (Dinler, 1983, p. 10). The *timar* system between the years 1300-1600 known as the classical age of the Ottoman Empire was the main pillar of the military-administrative organization. The *timar* system functioned as the determining factor of the *mīrī* land system functioning, the status of peasant-farmers, the tax determination they would pay and the agricultural economy (İnalçık, 2011, p. 117). In the *timar* system, lands belonging to the state were allocated to the military-administrative officials (İnalçık, t.y.). With this system, while the state was giving its own tax revenues to its officials in return for some obligations at the source of income without transferring to central treasury, many services were carried out interconnected (Doğan, 2018, p. 105). In this system, tax resources were allocated to soldiers and clerks because of difficulties such as the transportation of tax revenues collected as a crop, encashment and their collection and distribution by the central authority. Thus, while the public services were running without interruption, the system continued in harmony with the financial and economic opportunities and the tax source was protected (Genç, 2013, p. 96).

The reason why this system was one of the most important financial methods of the Ottoman Empire was that the owner of the *timar* (cavalryman) provided the maintenance, adjustment and development of the tax resource and protected the *raayah*. In addition, while the tax obtained from *timar* was collected easily and inexpensively, the formation of intermediaries was prevented by ensuring the compliance of taxes with services (Genç, 2013, p. 96). Implementing these systems changed over time, the main aim of the Ottoman Empire was to protect the local producer, the *raayah*, from the possible pressures of proxies such as tax farmers (Altay, 2018, p. vii). Cavalrymen were rural officials of the Ottoman administration, to whom the *timar* lands were entrusted. While the cavalryman was administering the *timar* land, he served in times of war in ways determined by the state in turn. As a result of this service, he would have the right to collect the taxes of the *timar* lands that he did not own (Karpat, 2014, p. 24-25).

Towards the end of the 17th century, the military function of the *timar* system weakened (İnalçık, t.y.). The weakening and transformation process of the *timar* system can be summarized as follows: In the Ottoman Empire, the land system was formed to support each other as financial and military organization (Faroqhi vd., 2004, p. 663). In the Ottoman order, the trained central army began to form during the foundation term. Going on its improvement over time, this army increased its importance gradually and became unable to fit into the *timar* system. In order to meet the needs of this army, the cash requirement of the central treasury emerged (Genç, 2013, p. 96). In addition, as a result of the developments in time, cavalrymen losing favor with the central bureaucrats weakened the *timar* system. The Ottoman administration's need for cash to transfer to the expanding army and the weakening situation of the cavalrymen determined the future of the *timar* lands (Karpat, 2014, p. 61, 62).

However, the Ottoman financial system consisted of *havāss-ı humāyun*, *havāss-ı umerā* and *timar*. The *timar* system included *havāss-ı umara* and *timar* lands. It became necessary to take precautions in the Ottoman army against European infantrymen using firearms owing to the reasons such as the change in the *timar* system, the changes and advancements in the armies of western states, and the decrease in the influence and importance of the Ottoman cavalrymen in the army. Over time, both the number and importance of soldiers using firearms in the Ottoman army increased (Faroqhi vd., 2004, p. 663). The duties of the cavalrymen have changed. The increase in the number of salaried soldiers in the Ottoman army and the decrease in the cavalrymen earning a living as *timarholders* affected the Ottoman finances (Özvar, 2018, p. 16). The new solution that the Ottoman Empire found and

developed except the *timar* system to meet the cash needs of the central treasury was the tax farming method (Genç, 2013, p. 96). Tax farming can be defined as the type of contract dealing with the right for collecting taxes (Altay, 2018, p. iv). Towards the middle of the 16th century, the *timar* system and the tax farming (*iltizām*) method became two elements forming a whole (Genç, 2013, p. 98).

One of the situations affecting the Ottoman finances in the 17th century was the long-term wars and the expenses they caused. Especially the siege of Crete and II. siege of Vienna required a significant expenditure of human and financial resources. The Ottoman finance managed to get through this process with some precautions and policies, without being worn out as much as its contemporary European rivals, but also by experiencing some problems (Özvar, 2018, p. 17). Although institutions similar to the tax farming (*iltizām*) and malikane system exist in the west, they are not exactly the same. The functioning of the *iltizām* and malikane systems, which were considered as decentralized institutions in the Ottoman Empire, and the institutions in the west were different. By keeping the ownership of the land in the state, the Ottoman Empire prevented the tax farmers (*multazims*) from becoming an organized institutional structure through making joint action arrangements. On the other hand, in European states, the lords who had the right for collecting taxes owned the land. For this reason, the lord class caused restrictive effects on the kings (Altay, 2018, p. vii).

Although efforts were made to adjust the *timar* system in the Ottoman Empire in the 17th century, it did not give the desired result. In the second half of this century, the Ottoman central army grew. The treasury's need for cash continued to increase because of the needs of the central army (Genç, 2013, p. 96; Özvar, 2018, p. 20). The fact that the central treasury or other influential people seized the *timar* lands for their own benefit and became a source of livelihood that could be purchased with money other than military purposes changed the *timar* system (Doğan, 2018, p. 106). During the long wars, the Ottoman Finance paid central soldiers (*kapikulu* soldiers) and *ulufa* soldiers quarterly *mavācib* (salary) and *julus* payments due to throne changes. Ottoman finance managed to overcome this burden with the measures it took. To summarize these measures briefly is to reduce military expenditures and the number of soldiers in times of peace, to postpone treasury debts, to impose new taxes and tax additions such as *djizya* reform, war tax (*imdād-ı safariyyah*) and *timar* price (*bedel-i timar*), confiscation, to connect *timars* to the central treasury by making *timar* fields as *mukataa*. In addition, this measures can be considered such as to meet the cash needs of the state within the tax farming (*iltizām*) system by giving tenders to tax farmers (*multazims*) by means of payment called "in advance / *pashin*" and to change the tax farming (*iltizām*) system into a malikane system and becoming applicable. In this case, it is possible to evaluate the malikane system as a system developed to meet the cash needs of the state emerging due to long-term wars and to end some of the negativities caused by the tax farming (*iltizām*) system (Özvar, 2018, p. 17-20).

It would be appropriate to mention the edict here explaining the benefits of the malikane system to the state and the precautions taken during the functioning of the system. We can analyze here the content of an edict (*farman*) sent to the province of Karaman. In the relevant edict (*farman*), it is requested to continue the practice in the form of handing over to the treasury the *in advance* cash amounts received from the land and income (*mukataat*) taken from the bailiff who aspires to the malikane and allocated with the tax farming (*iltizām*) method. It is stated that the salaries of the levends (*levendât*) and other soldiers will be paid with these incomes and it is important to receive the advance payments from the malikane without delay. In the edict (*farman*), the bailiff, who took on the duty of the malikane, is asked to collect the cash before the year starts, to demand taxes from the tenants without delay, to imprison those who do not pay their debts on time and ignore the warnings, and to make their malikanes invalid as a penalty after the receivables are collected from

such persons. The edict wants the necessary action to be taken by informing the governors and *kādīs* of Karaman Province about this issue (KŞS 49, 2015, p. 658,659/270-2).

In the edict, there are issues such as the advances taken from the malikane owners, the expense places of the taxes, the importance of making the tax payments on time, the penalty of the malikane owners when they do not make the payments and loss of their malikanes. In the year 1138/1725-6, in the sample registry document about the use of the taxes collected from the malikane owners for military expenditures, it is required to spend from the taxes of the province for the needs of the volunteer raiding forces (bouncers) called “right strangers” (the soldiers on the right side of the sultan from the sultan’s *kapikulu* troops class while on the way to war, *gurabā-yi yamīn*) (Özcan, t.y.), if there is not, to transfer from the *mīrī mukātaa* as per the order of the sultan, and to be taken eleven day’s food (*ta’yīnât*) in exchange for the collectors’ debts to the *Konya İhtisāb Mukātaa* with the malikane method from tenants Ahmed Aga and Mustafa Çelebi, who were the deputy governors of the fees. Some measure units to be taken for food are specified at the beginning of the document (KŞS 50, 2014, p. 2/2-3, 2-4).

## II. Mukātaa, İltizām and Malikane Systems

The regions where the malikane system was applied have developed gradually (Özvar, 2018, p. 30). Because of the increase in the number of *ulūfa* soldiers, *timars*’ staying empty and the *timar* owner’s conversion of one *timar* into a *mukataa* in order to save two sword *timars*, *timar* areas began to be transformed into state *mukataas* (Çakır, 2003, p. 43,44). *Mukātaa*; refers to the tax revenue unit in Ottoman finance and the tax unit that is the subject of tax farming (*iltizām*) or malikane (Cezar, 1986, p. 21; Genç, t.y.-d). The revenues obtained from the *mukataas* were transferred to the central treasury by various methods (Tabakoğlu, 2011, p. 404). The subject of the *mukātaa*; can be getting the right of tenancy of a real business such as a mine, a saltpan land, a mint, and also be the collection of taxes such as customs and (*ispence*) tax taken from the non-muslims (Basarır, 2009, p. 24). In the first periods of the application of malikanes, the places that were subject to this system were generally the sources with low tax revenues and spreading throughout the Ottoman Empire. Although the villages not in the *mukātaa* were given as malikanes, in cases they did not pay their taxes, they could be combined with other villages that could pay their taxes and they were turned into *mukātaa*.

An example of an edict (*farman*) on combining a *mukātaa* with another *mukātaa*, which was operated by the malikane method and later on because of non-payment of taxes and accumulation of debts, is as follows: In the *Farman*, the *kādīs* of the towns in Karaman Province were informed about the unified management of the Eşkun Mukātaa and the Suğla Mukātaa. Eşkun and dependent *mukataas* have three loads eleven thousand five hundred and eleven akce goods per year. Mehmed and Abdullah, the tenants of this malikane, went bankrupt. Since they had unpaid debts for about five years, their malikane registration was removed. An auction was held to give the malikane to someone else, a person named Ali was a bidder and it was decided for him. However, since Ali did not give a guarantor for the annual goods and *kalamıyya*, which was included in the conditions of the malikane, he was considered an unknown person and the malikane remained empty. Since the confiscation time of Eşkun and dependent *mukātaa* is in March, it must be received and transferred (*tafwīd*) as the inspection of goods is insignificant and majority of the goods are free of charge (*tayyārāt* means revenues from the heaven. It refers to the revenues received from the public for unplanned expenses (See Tabakoğlu, t.y. *Tayyārāt* are form *tekālif-i orfıyya*. Küçüker, 2019. p. 83). For this reason, the deputy voivode, malikane owner of the Suğla Mukātaa states that they will confer the Eşkun Mukātaa to Haji Ahmed on the condition that they fulfill the conditions of the malikane. Accordingly, by

submitting 1000 penny (kurush) cash payment (*mu'accala*), he will have the right to gather and collect the taxes on all crops, both general and partial, starting from the beginning of March. According to the edict, Haji Ahmed will manage the Mukātaa of Suğla and Eşkun from one hand and keep it in an order and discipline, collect his goods (taxes) without implicating anyone (KŞS 49, 2015, p. 644-645/264-1).

The practical application of concepts and practices can be seen in the *farman* such as *mu'accala* price, auction, timely payment of annual taxes to the state, taking their malikanes from those who cannot pay their annual taxes and transferring it to someone else which are taken part in the malikane system theory. As can be understood from the documents, single *mukātaa* could be the subject of a malikane or they could be processed together with other *mukātaas*. While the revenues of some of the *mukātaa* were directly transferred to the central treasury, the revenues of some of them could be allocated to the members of the military group in return for certain duties. These allocations were mostly tied to the *hāssas* (special guard forces), tax officials conferred with tax farming (*iltizām*), supervision, officers and voivodeships, or to the seedbeds used for military, agricultural, public works and similar expenditures. The central authority could change the status of *mukātaas* at will (Özvar, 2018, p. 33-35).

The undertaking (*deruhte*) methods of *mukātaas*, which are tax units in the Ottoman Empire, are consignment (*amanah*), tax farming (*iltizām*) and malikane (Çakır, 2003, p. 115; Özvar, 2018, p. 7; Tabakoğlu, 2011, p. 404). Consignment; It is the collection of taxes with the help of salaried state officials called *amin*. *Amins* did not have to be salaried and specialized personnel of the financial organization. Those who worked in other institutions of the state could be an *amin*. *Amin* used to fulfill this duty in return for the salary or livelihood he received from the state. *Amin* could be the collector of an individual tax unit or could be assigned to collect some or all taxes of a subprovince. *Amin*, who was given the task of collecting all the taxes, oversaw the taxes collected by the agents assigned with him. *Amin* could also be authorized to collect tax resources that were not aspired by the taxfarmer or militarily important. The collection of tax resources left behind due to some reasons such as war was carried out on consignment (Özvar, 2018, p. 7-8). *Mukātaa* could be operated with the consignment method for reasons such as the desire to determine the annual income of an income source turned into *mukātaa*, the lack of demand because of the low income of the *mukātaa*, and the failure of the taxfarmer (*multazim*) to comply with the operating conditions (Çakır, 2003, p. 150-151).

One of the methods of collecting taxes in *mukātaas* is the *iltizām* system. The functioning of the *iltizām* system helps to understand the malikane system. There were periods when the malikane system and tax farming were used together (Genç, 2013, p. 107). It can be said that tax farming (*iltizām*), which can be expressed as the collection of taxes by tender, has been used under different names since the early periods of Islam (Başarır, 2009, p. 30). It is thought to be a system that has been applied in similar ways in all states with similar economic conditions because of financial needs (Genç, 2013, p. 98). The tax farming system is the collection of state revenues by entrepreneurs called tax farmers. With the tax farming system, the Ottomans transferred the duty of collecting taxes to persons acting as private enterprises within certain rules (Genç, t.y.-b; Özvar, 2018, p. 8).

Although it is not known exactly when the *iltizām* system started in the Ottoman Empire, the first examples as a practice were seen in the second half of the XV century. When the examples of tax farming are examined, the developed and established terminology and mechanisms bring to mind the idea that this system has already started (Genç, t.y.-b). In a way, tax farmers working as private entrepreneurs were obliged to collect taxes in the amounts determined by the laws, generally in kind,

from taxpayers and to transfer them to the state treasury (Genç, 2013, p. 97). The tax farming system was developed due to the need for cash for the salaries of the central army and the central bureaucracy, the necessity of collecting taxes in kind (crop) in remote areas of the state, storing them and converting them into cash. The safest and easiest way for the state was to make cash payments at regular intervals through tax farmers (Başarır, 2009, p. 31; İnalçık, 2019, p. 60). It can be said that the Ottoman administration applied and developed the tax farming system as a precautionary measure (Genç, 2013, p. 96).

The taxed *mukātaa* units were transferred to private entrepreneurs called taxfarmer (*multazim*) by auction in the center or in the countryside (Yörük, 2021, p. 219). The Ottoman treasury gave the highest bidder the right to tax *mukātaa* for periods varying between 1-3 years, which is expressed by the term *tahwil* / *bond* (Genç, 2013, p. 97). It was expected from the entrepreneur, who would assume the right to operate a *mukātaa*, to be in good shape, to show a guarantor, and to bid the highest price for the taxes of the *mukātaa* he aspires to at the auction. A tax farmer should have known his profit and loss. Because if he did not pay the dues to the treasury on time, he would pay the loss from its own property or the guarantor might have to pay. In the tax farming system, some measures were taken to prevent entrepreneurs and tax farmers from making excessive profits. When the bond period approached, the entrepreneurs would apply to the finance department with a higher offer in order to undertake the high income *mukātaa*. If the taxpayer could undertake to pay more than this price, the business would remain with him. Otherwise, it could switch to a new taxfarmer (Özvar, 2018, p. 8). It was expected from the entrepreneur who gained the right to become a tax collector to behave well to the taxpayers (*raayah*) and to increase the tax revenues in the region (Başarır, 2009, p. 30).

### III. Transition Process from Tax Farming to Malikane System

Despite the benefits of the tax farming (*iltizām*) system to the central treasury, some problems began to emerge. After the second half of the 17th century, the emergence of budget deficits, the shortening of the bond periods of *mukātaa* due to the cash shortage caused by the long wars, the constant change of tax farmers, and the pressures they gave to save their pursuit or profit owing to these changes adversely affected the *raayah*, the tax source and the production capacity. The destruction of the tax source caused a decrease in tax revenues and an increase in the cash need of the treasury (Özvar, 2018, p. 22). As stated in the malikane conferred *Berāts*, another problem for the *raayah* in the tax farming system is that the *raayah* has to borrow from the interest holders (*murabahacı*) to meet some of their needs such as seeds, animals, and loans in order to be able to collect taxes regularly. The debts of the *raayah*, who could not pay the debts from the products they obtained, increased as the debts of the *raayah* were postponed, and a situation that was not in the beneficiary of the *raayah* emerged. The malikane method has been developed to prevent such damages (Bay 2007, p. 136; Genç, 2013, p. 101). Here, we can cite a document that mentions the issue's reasons as an example:

“Memâlik-i mahrûsemde vaki Şâm ve Haleb ve Diyârbekir ve Mardin ve Adana ve Malatya ve Ayntâb ve Tokad câniblerinde ve sâir bazı mahallerde vali ve muhassıl ve voyvodaların t iltizâmları altında mîrî mukātaa dahilindeki ekser köyleri ricâl-i devlet ve ayân-ı vilâyetten bazı kimesneler uhdesinde olup lâkin üzerlerinde müstekar olmayup her biri birer tarîkle senede birkaç âdeme deruhde olduğundan reâyâ fukarası gözedilmeyüp ve kuvvetleri için vakit ve zamanıyla tohum ve sair ihtiyaçları olan malzemelerine iane olunmamakla bizzarure faizcilerden (mürabahacılar) bir katı (dî'fi) ile akça aldıklarından her sene ziyade bulan kazancın (istirbah) edasına ziraat ve ekim (hırâset) ve bağ ve bağçe ve sâir kâr ve kesplerinin hâsılı vefa itmediğinden gayrı üstlenenler dahî “zapt edeceğim bir sene veyahud iki senedir” deyu cümle hâsılların almak için cevri ve eziyet



eylediklerinden ekserî perâkende ve perişan ve hâl ü harap ve bakiye kalanlar dahî kuvvet-i... (KŞS 41, 2015, p. 267-1/382).”

The fact that the central government started to use the tax revenues of the future as guarantee for debt started to transform the tax farming (*iltizām*) system into domestic debt. The deterioration of the Ottoman financial situation caused the state to use tax revenues as guarantee for debt, that is, to use the tax farming system for domestic debt, and to extend the bond terms for longer periods. An increasing part of the price determined at the auction began to be taken in cash (Pamuk, 2010, p. 136). In the tax farming (*iltizām*) system, the obligation to pay a part of the tax-farming price in advance during the auction caused a group of non-Muslim money changers to be included in the system besides the military group. The fact that this group having technical knowledge and ability about taxation is not interested in protecting this tax resource, which it has undertaken for a short time in order to make high profits, has started to have a devastating effect on the economy. In order to keep financial resources in shape, it became necessary to re-establish the protection and security conditions in the *timar* system (Genç, 2013, p. 98-99).

For this reason, the method of giving taxfarming began to become widespread provided that the members of the military group gave their salaries to the state and regularly paid the cash taxes recorded in the treasury books as long as they survived (*kayd-i hayat*). Thus, while the Ottoman Empire met the *mevâcib* payments required for the central army without any loss of income, the *raayah*, as in the *timar* system, had a protector who for self-interest took care of a tax resource whose lifetime profit belonged to it, gave them confidence and protection (Genç, 2013, p. 99). It is understood that before the malikane system, the practice of giving taxfarming for life started. However, there is no clear information about when this practice started (Özvar, 2018, p. 22). But, it can be said that the process has progressed towards the binding of mukataas on the condition of registered life. In summary; *Mukātaas*, which started to be given to the military group in return for their salaries from the state on the condition of registered life, started to be given to all entrepreneurs with the malikane system in order to fulfill the necessary conditions (Genç, 2013, p. 100-101).

Thanks to its financial capacity and the nature of the *iltizām* system, the tax farming sector could provide short-term loans. On the other hand, the owner of the malikane could receive the remaining part as his own profit in the malikane system after the fixed tax determined by the state was paid to the treasury (Genç, t.y.-a). In the tax farming system and malikane system, the Ottoman State transferred the right to collect taxes to the taxfarmer or the owner of the malikane in return for a certain payment. In the tax farming system, the tax collector, who promised to pay the highest tax by auction, assumed the right to collect tax for a certain period of time, while in the malikane system, the owner of the malikane, by promising to pay *mu'accala* price by auction, won the right to collect taxes throughout his life (Altay, 2018, p. vii). Thus, the owner of the malikane, who had the right to collect taxes throughout his life, would treat the raayah better and long-term increases in production and tax revenues would be provided. The most important innovation brought by the malikane system compared to the tax farming system is that the Ottoman Empire had the opportunity to get into debt for a longer period by guaranteeing its tax revenues (Pamuk, 2012, p. 206).

#### **IV. Sample Documents Regarding the Implementation of the Malikane System**

In order to be able to undertake the malikane, the entrepreneur had the right of tenancy for the *mukātaa* throughout his life by paying the annual income as the fixed income and *kalamiyya resmi* firstly in three and then four installments besides due payment named *mu'accala* (Çakır, 2003, p. 154). In order to qualify as a malikane owner, it was necessary to participate in the auction and to be

able to pay the highest *mu'accala* price. It was possible for the prepaid *mu'accala* price to vary between 2 and 10 times of the the average annual profit to be obtained from *mukātaa* (Çelik, 2020, p. 257; Özvar, 2018, p. 23). While the minimum amount for due payment in the auction was determined by the finance department (Özvar, 2018, p. 23), the malikane was given to the highest bidder. If the bids did not reach the minimum bid, the sale would not be made. If a sale was made even though the bids didn't reach the minimum limit, this sale would be deemed void and a re-auction would be made (Genç, 2013, p. 102).

The possibility of giving *mukātaa* to another taxpayer who made a high bid before the contract term in the tax farming system and the problems caused by this situation were resolved with the malikane system (Özvar, 2018, p. 23). When the malikane owner obtained the authority to collect taxes, he was given a *berāt* indicating the authority and rights he had acquired as the malikane owner. In this *berāt*, issues such as the *mukātaa*, in which the right to collect taxes were sold, and the taxes that he was obliged to collect were mentioned (Genç, 2013, p. 103; Özvar, 2018, p. 23-24). In some documents in the registry, it is seen that the malikane owner filed a law suit against the raayah regarding the amount of taxes collected from his estate.

For example, it is mentioned in a document as follows: Mustafa Çelebi, who was the malikane owner in the Mîrâbiya Mukātaa, filed a lawsuit against a person named Sayyid Hasan from the *raayah*. The subject of the law suit can be summarized as follows: Sayyid Hasan plants agricultural crops for paint on one acre of property land on the Mîrâbiya Mukātaa land. Eight kantar paint, each weighing 180 okka, are produced. The malikane owner Mustafa Çelebi demands the tithe of the paint. But Sayyid Hasan says that he obtained two kantars from an acre of field. He denies the rest. He is offered to swear an oath, but he does not want to swear. For this reason, the document (*emr-i âlişân*) belonging to Mustafa Çelebi is examined. According to the law, since the paint is considered as a crop, it is necessary to take a tithe. Since Sayyid Hasan was afraid to swear the oath, the court ordered him to pay the tithe required for eight kantars to Mustafa Çelebi (KŞS 50, 2014, p. 554-555/236-2).

In another case example in which the limits of the malikane owner's *mukātaa* were discussed, Haji Ahmed Aga, who was the owner of the Sugla Mukātaa in the Karaman Province with the malikane method, filed a law suit against some of the village residents named Göderegömu in the Larende district with the help of the person appointed as a bailiff by the governor of Karaman, Mehmed Pasha. The subject of the case is asking by saying that they do not want to pay despite payment is requested for half of the (crop) since the Ibrahim Bey Evkâf's İbra Hamlet and Hatuniye Madrasa Foundation's madrasa hamlet, Kal'a Mosque Hamlet, Kalecik Border Hamlet, Corner Hamlet and Tuta Hamlet, which are at the disposal of Göderegömu people, are irrigated with miri creek; and warning about paying. The people state that these lands they plant and protect belong to the Ibrahim Bey Foundation, therefore they are exempt from payments and this is known by everyone. They also state that they settled for 45 kurush every year as a Mîrâbiya tax since this issue had become a problem between them before. Haji Ahmed Aga accepts the previously made peace and states that the issue of peace was realized for Göderegömu land as it is also included in the witness document. But he says that the mentioned six hamlets are not included in this peace. The Court orders the raayah responsible for the planting and protection of these hamlets to give half of their crops to the voivode Haji Ahmed (KŞS 49, 2015, p. 32-33/18-1). The effort of the malikane owner to obtain the income of the *mukātaa* he bought after giving the necessary advance payments (*mu'accala*, annual tax) to the state and committing to give it draws attention in both examples. It is seen that the malikane owner sued the raayah in order to obtain the income of the *mukātaa* he bought. In both cases, the malikane owner was justified (KŞS 49, 2015, p. 32-33/18-1).

In addition to his financial rights, the owner of the malikane also had some administrative and disciplinary rights. That except for the *kādīs*, who had administrative and disciplinary powers, no civil servants had the right to interfere with the malikane owner is taken part in the *berāts* (Genç, 2013, p. 103; Özvar, 2018, p. 23-24). The malikane owner had promised to pay some fixed annual cash taxes and fees varying between 5-20% of this tax amount in installments every year, apart from *mu'accala* price (Genç, 2013, p. 104). The annual payment amount (*māl*) was determined by the state before the auction (Pamuk, 2012, p. 206). It is seen that the payments made by the malikane owner are given in installments and documented. For instance, Hidayetzāde Mustafa Çelebi and Haji Osman Aga were the tenants of the Mīrābiye Mukātaa in Karaman Province in 1136 with the malikane and tax farming method. This registry document is a *temessuk* (the document given to the other party in cases such as giving, paying or delivering the debt in the Ottoman bureaucracy (Kütükoğlu, t.y.). It has been prepared that the appointed bailiff collects the first installment of *akças* paid by the owners to the state in cash and the goods (annual tax) that should have been given to the state in previous years and delivers them to the treasury. It states that 400 kurush, some of which is the previous debt and some of it is the first payment of the 1136/1724 year's installment were received by the state (KŞS 49, 2015, p. 13/8-2).

The Ottoman state promised not to increase the taxes it received from the owner of the malikane without their consent. In some exceptional cases, raises could be made with the consent of the malikane owner. Annual tax payments were allowed to be delayed in case of a large drop in revenue for the tax unit. If the revenues of the *mukātaa* were constantly decreasing, the state did not demand the amount of annual tax, and allowed the owner of the malikane to leave his malikane to the treasury without making any demand, that is, without demanding the *mu'accala* price back (Genç, 2013, p. 105). The malikane owner had the right to sell his *mukātaa* to someone else, transfer and waive except for returning it to the treasury. This transfer process was called *kasr-ı yed*. *Kasr-ı yed* transactions were carried out under the supervision of the *kādī*, recorded in the registers and a witness document was issued. However, the approval of the Anatolian-Rumelian *kādīasker* was necessary for it to be taken effect. In *kasr-ı yed* transactions, it was neither impossible nor necessary for the parties to perform this transaction in return for an agreed price. While no tax was charged for transfer transactions at first during the transfer process, after 1735, the tax named "*resmi kasr-ı yed*" became levied. While the owner of the malikane was handing over the *mukātaa*, it was decided that 10 percent of the *mu'accala* price paid at the beginning would be given as the *kasr-ı yed resmi*. There were also cases where the malikane owner lost the *mukātaa* without his own will. If he oppressed the raayah by taking the unauthorized tax, if he misused his duty by not fulfilling his responsibilities, he could lose the *mukātaa* and *mu'accala* price he paid (Genç, 2013, p. 104; Özvar, 2018, p. 25).

In an edict in the registry, informed about the issue, Karaman Beglerbeg Mehmed and the *kādīs* in Karaman province were ordered to take necessary action. It is known that there is an edict if the malikane owners didn't deliver goods' (annual tax) *mukātaa* income till the end of the year 1135, and if the accounting is not seen, the malikanes under the tenant of them are taken from their hands and resold to others. For this reason, according to the notebook copy sent by addressing the *kādīs* with the information of the bailiff, it gives orders the fact that the taxes of the year 1135 be collected, the necessary precautions be taken and these transactions be carried out without delay, the malikanes be removed from those who still do not obey the order and their imprisonment, their debts be collected from their goods and belongings, the state be informed on sale of the malikane to someone else (KŞS 49, 2015, p. 679-680/280-1).

With the death of the owner of the malikane, his *mukātaa* would be escheated. Escheated (*mahlūl*); It is a term expressing that the state tax unit can be returned to the state after the death of the owner of the malikane and can be offered for sale again. The main problems encountered in the malikane system were that the escheated malikanes were not reported to the state and operated by other people. For this reason, the state appointed a minister to the provinces to prevent and control this situation. The ministers' responsibilities were to detect and resell malikanes that were escheated or abandoned. Ministers had the right to receive two percent of the *mu'accala* revenues from the transactions of transferring the *mukātaa* that were escheated or abandoned to their new owners (Özvar, 2018, p. 26).

Although the owner of the malikane had the right to sell his *mukātaa*, if he died, this right passed to the state. The deaths of the malikane owners began to be kept secret over time. Abuses of owning a malikane began to appear without paying the *mu'accala* price, by making it appear as if the malikane owner had sold his malikane before his death. For this reason, in 1705, a procedure was introduced for those who wanted to sell their malikane to come to the registrar themselves, and if it was not possible to come, financial officers such as tax official and voivode of the region were requested to report this situation in an official letter. Moreover, even if the malikane was sold with these methods, the sale of the old malikane owner who died within forty days would not be obeyed and the *mukātaa* would be deemed to belong to the state (Genç, 2013, p. 104). Despite the measures taken regarding the death of the malikane owner, the return of the malikanes to the state could not reach the desired level. For this reason, efforts to increase tax revenues reaching the state could not reach the desired level (Pamuk, 2012, p. 207).

## V. People Entitled to Own a Malikane

In the malikane system, which is a domestic debt method, the central authority kept the social zones that could lend to the state as wide as possible in the early days (Özvar, 2018, p. 31). In order to own a malikane, there was no distinction between being a man or a woman, a *raayah* or a soldier. After 1714, *raayah* and women were forbidden to own malikanes except the sultan's daughters (Genç, t.y.-c). The reason why the *raayah* is prohibited from owning a malikane is that it is not considered possible for the malikane system to assume the duty of watching over the *raayah*, which is one of the main reasons for the entry into force of the malikane system. (Genç, 2013, p. 103).

Since higher *mu'accala* prices have to be paid for large *mukātaas*, these *mukātaas* were allowed to be taken jointly by a few people before in order to ensure that the malikane system becomes widespread. For example, see: "Bin yüz on dört senesi rûz-ı hızırında zabt etmek üzere ber-vech-i te'yîd ve malikâne duhân gümrüğüne 'ale'l-iştirâk mutasarrıf olan Mustafa Ağa asâleten müstereği olan Hüseyin Ağa tarafından husûs-ı âtiyyü'l-beyâna vekîl-i şer'îsi olan Mehmed bin Mustafâ Beg ve Ahmed Çelebi ibn (boş) mahzarlarında üzerlerine da'va ve takrîr-i kelâm idüp ..." (KŞS 41, 2015, p. 127, 128). In 1714, this number was limited and it was accepted that maximum two partners could own a malikane (Genç, 2013, p. 103). In a document on the crop of the Yorukan Mukātaa, the mîrî good' (annual taxes) collection of the yoruks in the province of Karaman in 1136 and taking them from the raayah were carried out by Sayyid Mehmed, and when the ledger was examined, it was noticed that some of them were not inadvertently registered when the Yorukan Mukātaa was given to the malikane in March hijri 1135. For this reason, there is an edict in the document regarding re-registration of the Yorukan raayah and their goods and reporting of the forgotten ones and collecting the mîrî goods in the debit of the Yorukan group. One of the malikane owners of this *mukātaa*, the kitchen manager Haji Halil, is trying to ensure the collection of taxes by presenting it to the divan and

expressing that he is the malikane owner of the Yorukan Mukātaa in partnership with another person (KŞS 49, 2015, p. 641/262-2). It is understood from this document that it is possible to be a joint owner of a malikane. In addition, that the attention of the malikane owner about the income of his malikane, the effort of the state and the measures it has taken in order to regularly pay the annual taxes included in the conditions of the malikane procedure draw attention.

When the malikane owner wanted to transfer his share to someone else with his own consent and this situation was accepted by the official authorities, a new *berât* was given. If the malikane owner had an adult son at the time of his death and wanted to assume the right to collect taxes, the malikane could preferably be tendered to him on the condition that participating in the auction and paying the highest *mu'accala* price (Bay, 2007, p. 136). An example document regarding this is as follows:

“...mefrûzü'l kalem ve maktû'ü'l-kadem min külli'l-vücûh serbest üzere hayâtda oldukça malikâne te'yiden mutasarrıf olmak şartıyla yedlerine berât-ı şerifim i'ta olunup ve mutasarrıflarımdan birisi hâl-i hayâtında karyesin bir âhar kimesneye kasr-ı yed ve ferâgat eylemek murâd eylediklerinde ma'rifet-i şer' ve hüsn-i rızâsıyla ferâgât-ı hüccet-i şer'îye olunduktan sonra berâtı üzerine fermân olunup ferâğ ve kasr-ı yedinden müceddeden berât virilüp ve sâhibi bi-emrillahi teâlâ vefât idüp karyesi mîrîye 'âid ve râcî oldukta müzâyede ve rağabât-ı inkıtâ'ından sonra verdiği muacceleği verir ise zabt ve rabta kâdir olur evlâd-ı zükûruna verilüp, olmadığı sûretde tâlibine tekrar fûrûht (boş) akçası teslîm-i hazîne olunmak üzere mezâdda 'avn-ı bâriyle terfiye-i 'ibâd ve ta'mîr-i bilâd için hayr hâhân-ı devlet-i 'Aliyye'm makbûl ve münâsib görüp cümle ittîfâk ile...” (KŞS 41, 2015, p. 267-1/383).

Therefore, when the malikane owner passed away, the malikane would not be passed on to the heirs as a rule (Suceska, 2011, p. 280). An example of the practical theories described about the malikane is as follows. The application of the malikane system takes place at the beginning of the document, which includes the *berât* of the Eşkun mukātaa. In addition, the document informs the divan that Eşkun mukātaa was *escheated* and wanted to be bought again with the malikane method because Zenneci Haji Ahmed, who was the previous malikane owner of the Eşkun mukātaa and owned half of the shares, passed away. By looking at the ledger, from Eşkun mukātaa's three loads of 51,511 akças goods per year, 47,213 akças of the specified amount starting from the beginning of March to the missions, two loads of 76,510 akças of 7900.5 okkas of rock salt (saltpetre) consisting of 35 right akças for each okka to the state's gunpowder quarry and 27900.5 akças to the treasury's bill of lading, it was decided to sell the *escheated* malikane on the condition of giving the goods (annual tax) and official document payment every year. After the auction was held and the demand for the malikane ceased, it was decided to give 500 kurush *mu'accala* to the deceased person's sons, Sayyid Osman and Sayyid Mustafa. On the twelfth day of Recep 1138, by taking the being malikane owner *berât*, the malikane will be given to them forever as long as they are alive from the beginning of March. According to this *berât*, there is a warning that no one should interfere with them if 47,213 akças of three loads of 51,511 akças are delivered to the missions at the end of the year, that each year 7900.5 okkas of rock salt from 35 akças per okka is sent to the state gunpowder quarry in return for two loads of 76,517 akças and a sealed *temessuk* is received, 27,781 akças are sent and the required payments are made with the partner in four installments. At the end of the edict with the kâdî supply when owners' fulfilling the aforementioned conditions, it is warned the malikanen not to be taken from them and it is asked to fulfill the requirements of the edict (KŞS 50, 2014, p. 645-646/276-1).

This edict is one of the examples of the practical application of the malikane system. In the edict, it is seen that factors such as the amount of *mu'accala* price in the malikane system, the payment of annual tax payments in installments, the tax amounts, the declaration of the expense of these taxes by the

state, the escheated of the malikane and the fulfillment of the necessary conditions in order to become a malikane owner again after it has been escheated are taken into consideration.

In the malikane system, the malikane owner, after fulfilling certain conditions, was entitled to receive all the income included in his *mukātaa* he bought. In a document of the registry, that the issue of taxes collected by the malikane owner from the raayah is clarified. It is stated that Sayyid Osman and Sayyid Mustafa, who shared half of the Eşkun mukātaa with the malikane method in the Karaman Province, the beytulmāl-i amme, the beytulmāl-i hāssa, the yava (lost animal), the escaped servant and the concubine mujdegāne [this can be defined as the monetary award given to those who inform and help detecting the dead people without a heir (Bilgin & Bozkurt, 2010, p. 8); It is understood that this award is also given to those who help in finding lost animals and escaped slaves. It is included in the taxes called bād-ı Hevā (Sahillioğlu, t.y.)], which were added to the Eşkun mukātaa, mahlūlāt-ı mābeyn, walnuts counted by numbers, tayıārāt and castles' fixed mīrī goods, and tithe, crops and state taxes of the villages affiliated to the Eşkun mukātaa will be collected as before. It is reported that Alicanzade Sayyid Veli Çelebi, who was appointed as a proxy, will collect these revenues from the beginning of March, 1118 (KŞS 50, 2014, p. 646-647).

Beytulmāl-i āmme and hāssa is called *mukātaas*, which are established to direct the estates that do not have heirs to the state treasury or to the spending area determined by the center. Mukātaa officers would confiscate estates without heirs, determine the amount of the estate goods and put them up for sale. In some places, *mukātaas* given together or under the responsibility of a person could be operated separately from each other, or they could be combined with other *mukātaas* and tax farming could be given. Beytulmāl mukātaas could also be given to a person (Bilgin & Bozkurt, 2010, p. 1, 4, 16). In the examples of the registers, it is seen that the owners of the malikanes filed a law suit against the raayah regarding the income of the beytulmāl included in the *mukātaa* under their responsibility.

A person named Halil filed a law suit against Mustafa Çelebi, who is the tenant of the Mīrābiya mukātaa with the malikane method and is the officer of the beytulmāl collecting. The subject of the case is that the plaintiff, Halil demands that the estate of the son of Mehmed's uncle, who died before, be given to him and his mother Fatima, since he is his heir in terms of lineage. However, Mustafa Çelebi claimed that Mehmed did not have an heir and collected the estate. Halil proves with the witnesses that he has the right to have the estate, and Mustafa Çelebi, who is the owner of the malikane and is in charge of collecting beytulmāl, is asked to hand over his right in the estate to Halil (KŞS 49, 2015, p. 66-67/31-4). It is seen that the same malikane owner, Mustafa Çelebi, was the subject of other inheritance lawsuits as an officer in bayt al-māl collecting (KŞS 49, 2015, p. 231-232/101-2; 235-236/103-1; 249-250/108-2; 339-340/144-3; 432-433/181-2; KŞS 50, 2014, p. 311-312/136-2).

In these documents, the person named Mustafa confiscated the estate, which he claimed to be ownerless, but the court found the parties who proved their heirs with witnesses justified and ordered that the estates be handed over to them. In one of these documents, it is seen that the malikane owner Mustafa Çelebi was named "amīn", which means the official appointed by the state. In another document still, Mehmed, as the deputy of the malikane owner Mustafa Çelebi, seized the estate of İbrahim as the deputy of the beytulmāl officer and İbrahim proved that he was the heir and he was ordered to take the estate. In another case, the malikane owner Mustafa Çelebi confiscates the estate of Ayşe, who has no known heir, on behalf of bayt al-māl. The plaintiff Ayşe's chosen heir states that she chose him as a heir, and demands from Mustafa Çelebi to hand over the amount he stated for

the fulfillment of his wills. The court orders Bayt al-māl official Mustafa Çelebi to deliver the specified goods to the selected guardian Omar. There is a document related to an inheritance case in which Mehmed, the deputy of the Mīrābiya Mukātaa malikane owner and the beytulmāl officer Hidayetzāde Mustafa Çelebi, took part as the bayt al-māl officer. According to this document, the deputy of the bayt al-māl officer does not hand over the estate to Molla Mehmed, who is appointed as the guardian for the delivery of the estate to the heirs. Molla Mehmed proves that he is the guardian and the court instructs the bayt al-māl officer to deliver the goods to the guardian (KŞS 50, 2014, p. 311-312/136-2). It is understood that the owner of the malikane is involved in the transactions related to the estates that do not have heirs in his own region, as a malikane owner and as an officer in the bayt al-māl collecting.

## VI. Discussions about the Malikane System

The malikane system was abolished for one year in 1716, twenty-one years later. The chief treasurer, Sarı Mehmed Pasha, who was influential in the abolition of this, stated that giving *mukātaas* as malikanes was a *badāyi-i sayyia* (a bad start) and that this system was to the detriment of the Ottoman state (Özcan, 1983, p. 242; Özvar, 2018, p. 26). According to Sarı Mehmed Pasha, even if the malikane system provided temporary benefits, the losses that the Ottoman Empire could suffer owing to this system were clearly visible. While the state benefited a little from the *mu'accala* price by the malikane owner, the malikane owner was benefiting from all the advantages of the malikane that he had the right of tenancy throughout his life. He thought that the military benefits of the state in the previous systems were not in the malikane system, and that the condition of the military group might be miserable (Özcan, 1983, p. 242-243). With the coming into force of the military malikane system, they undertook from the state by giving advance payment appropriate for their financial situation and showing a guarantor, accepted the profit they would earn in return for their salary and made the necessary preparations for the war comfortably. With the malikane system, the military class would be deprived of this opportunity and the rise of wealthy people who were not in government service would be inevitable (Çakır, 2003, p. 58). Sarı Mehmet Pasha expresses this thought with the following words:

“Although when all the treasury land (mīrī land) services are sold in the malikane (method), an amount of akça is apparently generated per year from the due price (*mu'accala*) and paid to the mīrī land (treasury land); since the person who bought the malikane confiscated it as long as he was alive, the benefit from the income belongs only to him every year. However, in the past years, when services were sold, they were given to the military. They used the income as a source of livelihood given to them by the treasury with a suitable advance service and a guarantor and would not have any inability or trouble even in making preparations for war when necessary. The military classes were then deprived and hopeless of this benefit, and their condition was devastated. Non-military senior civil servants become prominent as wealthy. If fore-sighted scholars had considered this view appropriate from the foundation of the Ottoman Empire to the present, they would have been expected to implement it in some way up to now. They did not limit it because they considered it to be something ugly (*kabīh*) apparently. Other than that, some of the *mukātaa*'s crop in this category is tithe, but most of it is taxes, which are also an overhead. It is not permissible to sell something that is not original but overhead as property. Although this time, because of the long wars, it was tolerated to meet the essential needs of the treasury, but some fore-sighted scholars expressed this in contemplation and consideration, as results were not expected. God always allow the state authorities to appreciate the measures of good deeds” (Özcan, 1983, p. 242).

Another of the main reasons of the malikane system's abolition is the annual taxes, which the malikanes could not increase as they promised in the foundation edict. The malikane system was abolished in many places in order to increase the fixed annual taxes of *mukātaas* (goods, *muecceler*) by 50% to finance the increased war expenses between 1714-1717. When the malikane system was abolished, annual taxes were increased in line with the benefit of the treasury and they were given to the tax farming system again and managed with trust to learn the revenues, it was returned with the provision of these issues (Genç, 2013, p. 109; Özvar, 2018, p. 27).

After Sarı Mehmed Pasha's epitomizing the harms of the malikane system, the malikane system was abolished throughout the Ottoman Empire. It was decided to continue the system only in the lands of Damascus, Aleppo and Diyarbakir, where the malikane system was first implemented. As in his epitomising mentioned, Sarı Mehmed Pasha complained that, during Kösec Halil Pasha being provincial treasurer, after some *mukātaas* were given as malikanes under conditions in the surrounding regions, especially in Damascus, Aleppo and Diyarbakir, it became widespread in other parts of the country. He mentions that *mukātaas* were taken into the hands of everyone who was in good financial condition and they started to have tenancy like their own property. He draws attention to issues such as; after receiving the right to undertake the *mukātaas* from the provincial treasurers, benefiting from their income in turns with some other taxpayers, those who benefit from these *mukātaas* are limited to five or ten people, the landlords who used to live on tax farms became poorer, the owners of the malikanes undertook the *mukātaas* in return for their income, the buyers who want to get the money they gave to the *mukātaas* grove to the poor raayah and oppressed as much as they could, and after the raayah complained, the owners of the malikanes claimed that they had the right to this and that they were banned from the intervention of the governors and judges. Along with this epitomising, he announced that the tax farming system could be re-applied in *mukātaas* except counted places for the aforementioned drawbacks and that the malikane system was abolished (Özcan, 1983, p. 243-244).

However, after a short time, Sarı Mehmed Pasha was taken from the office of the treasurer and in 1717, after his murder, the malikane system came into effect again. The re-enforcement of this system can be attributed to the alleviating the financial burden from time to time. As, after 1703, the owners of the malikanes alleviated the burden of the treasury with the additional taxes they paid to the treasury at certain times, such as the *julūs resmi*, the equipped soldier (*jabalu*) municipality, apart from the *mu'accala* price (Özcan, 1983, p. 245). *Julūs resmi* is a tax that is expected to be paid by the owner of the malikane to the treasury with each new sultan's accession to the throne. The malikane owner would give the *julūs resmi* at the rate of 25% of the *mu'accala* price he had invested for *mukātaa*. On the other hand, equipped soldier (*jabalu*) municipality is a tax that is given by the owner of the malikane at rates varying between 10-15% of the *mu'accala* price, specific to the war years. It is possible to explain this tax as the conversion of the obligation to participate in the war into a cash obligation in short (Genç, 2013, p. 111).

After that considering the developments in the implementation of the malikane system, it becomes clear that the criticisms of Sarı Mehmed Pasha, who made the malikane system abolished in 1716 and returned to the tax farming system, are right (Özcan, 1983, p. 245). After the extensive powers given to the malikane owner with the aims of drawbacks of the tax farming system and protecting the tax resource and *raayah*, it could be expected to make investments in order to increase the efficiency of the tax resource for his own benefit, to ask the *raayah* increase their production and to show effort for this. Although there were malikane owners acting in this manner, they remained as an exception. In general, the malikane owners were a class living in Istanbul, far from the tax source, and managing



their malikane with tax farming. Therefore, the malikane system did not abolish the tax farming system and even became two systems applied together (Genç, 2013, p. 107). For instance, there is a document, in which the good behavior of Haji Huseyin Aga, the owner of Lârende *mukâtaa* with the malikane method, was registered in a parliament where Konya governor, Haji İbrahim Pasha was also there. It is a document in which the witnesses inform of his good condition, stating that he is the owner of the malikane on his own and that he has given his malikane to someone else with a tax farming fee and that he is not prosecuted in any matter (KŞS 50, 2014, p. 19, 20/12-2). In this document, it is seen that the malikane owner can give the malikane to another person in return for the tax farming fee.

Some changes different from the tax farming system in the intertwining of the malikane and tax farming system were lived. In tax farming system, the state chose those fulfilling the conditions while allocating *mukâtaas* through tax farming auction. When the malikane system was introduced, while the malikane owner was choosing a tax farmer who was not usually close to him and managing his *mukâtaa*, it could be expected that he was careful in choosing one who took care of the raayah, valued the tax source, and tried to increase his income. The malikane owner always had the right to choose his tax farmer as he wished, to dismiss him if he wished, or to replace him in line with the benefit he would obtain from his *mukâtaa*, which he had the right of tenancy throughout his life. Therefore, the malikane owner became a group that took on the responsibility of protecting the tax source between the Ottoman State and the tax farmer and received a certain amount of shares in return (Genç, 2013, p. 108). It has not always been possible for the malikane owner to protect his *mukâtaa* and raayah by using his authority and responsibility. The tax farmers chosen by the malikane owners for the tax resources under their responsibility caused more abuse by using the powers of the malikane owner. It has not always been possible for the malikane owners to prevent tax farmers at the desired level. Tax farmers who were in the malikane system later emerged as malikane owners (Genç, 2013, p. 108-109). Thus, this system formed a basis for the formation of a wealthy landed proprietor class, which became a problem for the Ottoman Empire over time (Özcan, 1983, p. 245).

After the malikane system, some changes were made because of the burden on the treasury due to the long wars with the Russians between 1768 and 1774, and a transition to the *ashām* system was made. Although the malikane system, which was put into practice to meet the cash need, did not exactly meet the expected benefit, it responded to important needs considering the spending areas it allocated (Özvar, 2018, p. 27). *Ashām*, on the other hand, was a new domestic debt system linked to previous systems (Pamuk, 2010, p. 138). By dividing the predetermined annual tax income into shares, the *ashām* system is selling the excess income obtained from these shares to the buyers during their lifetime in exchange for a fixed income called *muaccele*. The reason for the transition from the malikane to the *ashām* system is the desire to spread tax revenues from a small number of shareholders who have the right to collect taxes through auctions, to the benefit of more shareholders by dividing them into shares (Genç, t.y.-a; Pamuk, 2010, p. 138). The Ottoman finances continued the domestic debt with the muaccele price they received from the shareholder for each share and spent for the expenses. Although it was beneficial in the short term in terms of bringing new income sources to the treasury (Cezar, 1986, p. 84), the expected benefit from the *ashām* system could not be achieved owing to the inability to prevent the purchase and sale of shares between individuals and the heirs of the first buyers continuing to receive income from the state after the death of the first buyers (Pamuk, 2010, p. 138,139, 2012, p. 207).

## Conclusion

After the increase in the cash need of the treasury owing to some negativities in the political and military fields in the Ottoman Empire, some economic policies were sought. While the tax farming method became widespread by transforming the timar areas into *mukātaa*, the malikane method was developed in order to solve some of the negativities caused by the tax farming method over time. The malikane process developed gradually and spread throughout the state. The malikane system differs from tax farming in some respects. The most important difference that distinguishes the two systems from each other is that the right to collect taxes, obtained by paying the muaccele price with the auction method in malikane continues throughout the life of the owner (*kayd-i hayat*). In addition, with the malikane method, the malikane owner pays the annual tax in installments determined by the state to the treasury or to the areas determined by the state. In return for these responsibilities, he gains the right to collect the taxes within the boundaries of the malikane. While the malikane method became effective with the edict passed in the research in 1695, it started to be applied throughout the Ottoman lands over time. It is seen in a document in the 41st Konya court records (1115-1116/1703-1704) of the malikane system that came into force in 1695 that the malikane berat was given in Konya. It is seen that the malikane system started to be implemented in Konya no long after it came into effect.

In the research, the 49th (1135-1136/1723-1724) and 50th (1138-1139/1726-1727) court records of Konya were examined and it was determined what kind of cases was reflected in the registers of the malikane system in Konya. It is seen that the malikane berats are given in the malikane system in Konya. In addition to the malikane berats, it is noteworthy that the malikane was taken from the bankrupt malikane owner who did not pay the taxes, and that it was given to a different reliable malikane owner known for paying taxes on time, after fulfilling the necessary conditions. Most of the cases between the raayah and both the malikane owner and the bayt al-māl officer are about the confiscation of the estate by the bayt al-māl official. The court found the raayah who proved that he was a guardian or heir right, and decided that the person who is the malikane owner and bayt al-māl official should withdraw from the estate. In some of the cases regarding the malikane in the registry, it is requested that the boundaries of the *mukātaa* purchased as a malikane be determined clearly. Thus, the taxes collected from the raayah within the boundaries of the malikane would be calculated more accurately. As a result of the death of the malikane owner in one of the malikane berats, an auction was held, and the sons of the old malikane owner became the new malikane owner, provided that the necessary conditions were met. According to the registers examined, it is understood that the malikane system was duly fulfilled in Konya and that the principles specified in the edict in which the malikane system came into force were implemented.

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## THE COMPARISON OF ADVERTISEMENTS OF CONVENTIONAL AND PARTICIPATION BANKS: THE EXAMPLE OF TURKEY, ENGLAND, EGYPT

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## Konvansiyonel Bankalar ile Katılım Bankalarının Reklamlarının Karşılaştırılması: Türkiye, İngiltere ve Mısır Örneği

### ÖZ

Reklamlar işletme faaliyetlerini duyurmak, anlatmak ve alıcıları ikna etmek için kullanılan önemli bir araçtır. İşletmeler yüksek maliyetlere katlanıp, en etkili reklamlar için çaba sarf etmekte, dikkat çekici ve yenilikçi reklamlar konusunda rakipleri ile yarışmaktadır. Fon fazlası bulunanlar ile fon ihtiyacı olanlar arasında köprü görevi gören bankalar reklamlar aracılığıyla bu yarışın içerisinde tüketicilere ulaşma çabası göstermektedir. Ancak işleyiş bakımından birbirlerinden farklı özelliklere sahip olan bu iki banka türünün reklamları bankaların çalışma prensipleri ve ulaşmak istedikleri hedef kitlelerine göre değişiklik göstermektedir. Bu çalışmada konvansiyonel bankalar ile katılım bankalarının reklamlarında yer alan benzer ve farklı yönleri ortaya çıkarmak amacıyla bu bankaların reklamları içerik analizine tabi tutulmuştur. Bu kapsamda Türkiye, İngiltere ve Mısır'dan seçilen konvansiyonel ve katılım bankalarına ait 150 civarında reklam incelenmiştir. İncelemeler sonucunda katılım bankalarının reklamlarında ahlaki değerlerin ön plana çıkarıldığı, dini mekân ve öğelerin kullanıldığı, dini hassasiyetleri olan gelenekçi toplumlara hitap edildiği, helal kazancın vurgulandığı, reklamların tarihi, turistik ve dini mekanlarda çekildiği görülmüştür. Konvansiyonel bankaların reklamlarında ise insani ve kültürel değerlerin önemsendiği, çağdaş/modern toplumlara hitap edildiği, en iyi kazancın vurgulandığı, reklamların tarihi ve turistik mekanlarda çekildiği tespit edilmiştir. Sonraki çalışmalarda televizyon reklamı haricinde farklı kanallarla gerçekleştirilen reklam faaliyetlerinin çalışmaya dahil edilmesi ve farklı ülkelerdeki reklamların da dahil edilmesi literatüre yeni katkılar sunacaktır.

**Anahtar Kelimeler:** Katılım Bankaları, Konvansiyonel Bankalar, Reklam, İçerik Analizi, Türkiye.

## The Comparison of Advertisements of Conventional and Participation Banks: The Example of Turkey, England, Egypt

### ABSTRACT

Advertisements are important means used to announce and explain business activities and persuade buyers. Businesses lean on the high costs, strive for the most effective advertisements, and compete with their competitors in attractive and innovative advertisements. The banks which function as a bridge between those with excess funds and those in need of funds make an effort to reach consumers in this race through advertisements. However, the advertisements of these two types of banks, which have different characteristics from each other in terms of functioning, show an alternation according to the working principles of the banks and the target audience, they want to reach. In this study, to reveal the similarities and differences in the advertisements of conventional banks and participation banks, the advertisements of these banks were subjected to content analysis. Within this framework, around 150 advertisements were examined that belong to conventional and participation banks selected from Turkey, England, and Egypt. It has been seen that moral values are emphasized, religious places and elements are used, traditional societies with religious sensitivities are addressed, halal earnings are emphasized, advertisements are shot in historical, touristic, and religious places, in the advertisements of participation banks at the end of the reviews. It has been determined that in the advertisements of conventional banks, human and cultural values are considered important, contemporary/modern societies are addressed, the best profit is emphasized, and advertisements are shot in historical and touristic places. The inclusion of advertising activities carried out through different channels other than television commercials will make new contributions to the literature in future studies, beside this the inclusion of advertisements in different countries will provide new contributions to the literature.

**Keywords:** Participation Banks, Conventional Banks, Advertising, Content Analysis, Turkey.

## **Introduction**

The businesses offer their products and services to the market to carry out their activities, make a profit and survive in changing market conditions. While some businesses continue their way with their existing products, some businesses increase their presence in the market by developing new products. However, the existence of products alone is not enough for businesses. It is important for institutions to create a positive image in the eyes of consumers by promoting the products to the target audience with marketing communication activities and encouraging and persuading them to buy. With the increase of globalization, industries are constantly changing, the new businesses are constantly entering the market and the use of e-commerce sites widespread have led to increased competition. In this intensely competitive environment, the importance of marketing communication activities is increasing day by day. Marketing communication, the other name is promotion. It is defined as a communication process that consists of conscious, programmed, and compatible activities to persuade the customer, carried out under the control of the producer-marketing company to facilitate the sale of a company's goods or services. (Torlak, 2013, p. 128). Various tools are used to reach the target audience in marketing communication and one of these tools is advertising. Advertising is defined as the presentation and promotion of products, services, or ideas for a certain fee and through mass media such as newspapers, magazines, television, or radio, in a way that makes it clear who pays the fee. Advertisements are used by lots of organizations to convey some messages about the businesses themselves, their products and services, or behavior patterns to a predefined target audience to create a reaction in consumers (Kotler, Armstrong, Saunders, & Wong, 1999, p. 793). Conventional banks, which are a type of business, are institutions that collect funds in return for a certain interest, make these funds available to those who request funds at a certain interest rate, and carry out various banking activities such as foreign exchange, credit card, and valuables safe rental. On the other hand, the participation banks can be defined as businesses that carry out the activities of conventional banks within the framework of the interest-free principle. The banks carry out their activities in an intensely competitive environment with many competitors, in both national and international markets. The advertisements become very important in this competitive environment, in terms of reaching target audiences and giving the message that they are different from their competitors.

## **Marketing and Advertising**

Generally, it is accepted that production is the most important factor that increases welfare. However, production is only a part of the welfare issue. The other parts of the subject are the products and services produced. Also, It constitutes the subject of marketing activities such as delivering the products and services produced to the consumers at the desired place, time, and amount (Ünlü, 1978, p. 5). In this context, marketing can be explained as the creation of place, time, and property benefits (Mucuk, 2001, p. 7)

As a marketing tool advertising is an activity of promoting a product or service to large audiences by using the press and media (Ünlü, 1978, p. 7). The people are directed to a certain place with this promotion and also their attention is sought by giving information about a product or service (Kaya, 2018, p. 100). Advertising directs the consumer to a product or service, a brand, or an organization. Even though there are different shapes or types, advertisements are made for a certain fee. Advertising has become an indispensable phenomenon for companies, businesses, producers, and consumers like other elements used in marketing communication. (Elden and Kocabaş, 2015, p. 13). The swiftly changing market conditions cause the competition to increase gradually, the production of many similar products, and the

increasing importance of advertisement day by day. If a simple and clear definition of advertisement is wanted, it can be expressed as information work, persuasion process, and art of creating demand (Akbulut and Balkaş, 2006, p. 13).

### **Conventional Banks and Participation Banks**

The notion of the bank is defined as *"institutions operating based on accepting deposits and providing loans on their own behalf and the branches in Turkey of such institutions established abroad"* in the Banking Law No. 5411 published on November 1, 2005 (Law No. 5411, 2005, p. 9538). Banks are institutions that collect funds in return for a certain interest and make those who demand to use these funds with a certain interest and carry out all kinds of banking activities such as foreign exchange, credit card, and rental of valuables.

According to their types, conventional banks are divided into three, which are public banks, foreign banks, and private banks. Banks whose capital is provided by the treasury on behalf of the state are called public banks. Banks whose capital is provided by foreigners are called foreign banks. Banks that are provided by private individuals and institutions that do not have a share of the state are called private banks (Arabacı, 2018, p. 28).

While the banks, which act as a bridge between those who have surplus funds and those who need funds, aim to find the funds they can offer at the lowest cost to their funders, at the same time, they aim to obtain the highest profit while making use of the funds they find. Meeting the needs of their customers and fulfilling all financial transactions has turned banks into service businesses (Kale, 2017, p. 210).

Participation banks, which have various names such as Islamic banking and interest-free banking are defined as *"organizations operating primarily to collect funds and extend loans through private current and participation accounts, and the branches in Turkey of such organizations established abroad "* in the banking law. (Law No. 5411, 2005, p. 9538)

Participation banking is institutions that carry out all kinds of banking activities as part of the principle of interest-free working interest-free, collecting funds with this principle, partnership, trade, leasing, and so on in the situations. These institutions are named with the word "participation" based on the principle of participating in profit and loss (TKBB, 2018, p. 2).

The main beginning point of participation banks is the rules set by the religion of Islam (Sümer and Onan, 2015, p. 297). The prohibition of interest in Islam has been an important factor in the emergence of participation banks. People with religious sensitivities stay away from conventional banks and keep their funds "under the pillow" due to this prohibition. This situation leads to idle and non-economic funds. On the other hand, the people who have similar sensitivities avoid obtaining the funds they need from conventional banks. In this situation, it generates both funds that do not interfere with the economy and traders who cannot make commercial ventures because they do not have funds. Participation banks are a type of bank that collect idle funds outside the trading system following Islamic principles, make them available to those in need of funds with profit-loss sharing following Islamic principles, and perform all kinds of banking transactions as interest, to fill this gap.

While the participation banks both when collecting and using funds in accordance with principles such as avoiding interest-based transactions, not providing funds to religiously unsuitable (Haram) business lines, and staying away from uncertainty and high risk. (Yanpar, 2015, p. 139)

### **Methodology**



Choosing the right target audience in advertisements and designing the advertisement message in accordance with the target audience is important in terms of achieving the purpose of the advertisement. From this point of view, content analysis was conducted to determine which points conventional banks and participation banks emphasize in reaching their target audiences, and also content analysis was conducted to reveal the similarities and differences in the advertisements of these banks in this study. In this context, Turkey, where the Muslim population is very dense and a western lifestyle is common, England, where the majority of the population is Christian, but where participation banking activities are widespread with its large Muslim population, and the number of Christian Arabs in its population is not to be underestimated, about 150 videos were examined, content analysis was made and the points emphasized in the advertisements of the banks were discussed advertisements made by conventional banks and participation banks from Egypt, an Arab country with a dense.

The content analysis, which is the analysis method used in the study, is the objective, systematic and quantitative description of the presented content of communication (Berelson, 1952, p. 17). The content analysis is a research technique used to make reproducible and valid inferences from texts (or other meaningful items) about contexts of use, and it helps a researcher understand particular events or phenomena, and it provides information about practical actions (Krippendorff, 2004, p. 18). The content analysis can analyze textbooks, essays, newspapers, novels, magazine articles, cookbooks, songs, political speeches, advertisements, or pictures (the content of all kinds of communication) (Fraenkel, Wallen, & Hyun, 2012, p. 478). Similar and different aspects were tried to be revealed in the advertisements of conventional banks and participation banks through the content analysis. First, the advertisements of banks in Turkey were examined and compared in this context, and then, bank advertisements in England and Egypt were examined, respectively.

## **Findings**

The advertisements of the conventional banks and participation banks operating in Turkey, England, and Egypt, were examined within the scope of the research. The study was first handled separately for each country and the similarities and differences in the advertisements that were tried to be revealed. After that, three countries were evaluated together with the extreme data.

### **Turkey Advertisements**

When the advertisements of conventional and participation banks operating in Turkey are examined, it is seen that the matters of announcing technological innovations such as mobile banking and internet banking are common for both types of banks in terms of savings, investment, production, and at the point of giving a reliable bank message. The fact that these matters are emphasized in the advertisements of both conventional banks and participation banks is directly related to both banking activities and the purposes of advertisements. Even if the targeted segment or the bank's operating style is different, banks were established to support individual customers to save, invest in companies or corporate customers, and profit from this business. So, it is so natural for both types of banks to use similar messages regarding banking activities and to emphasize technological innovations in advertisements.

When the different issues in the advertisements of conventional banks and participation banks in Turkey are examined, it is seen that the sensitivities of the addressed society are also reflected in the advertisements. In the advertisements of participation banks that operate according to the rules of the Islamic religion and work without interest become prominent the religious days, religious motifs, and emphasis on halal earnings. Father's Day, New Year's Day, and even if the best earnings are emphasized in the advertisements of conventional banks. The points where the advertisements of conventional banks operating in Turkey and participation banks differ from each other are given in Table 1.

**Table 1: Differences in the Advertisements of Conventional and Participation Banks Operating in Turkey**

Conventional Banks	Participation Banks
Human and cultural values	Religious, humanitarian, and moral values
Religious motifs; <i>Mevlana, whirling dervish, people with turbans, etc.</i>	Religious motifs; <i>Calligrapher and calligraphy, ney, jewelry with Arabic letters, calendar, tambourine, whirling dervish, Mevlana, people who perform ablution, pray and read the Quran, mosque, etc.</i>
Togetherness, solidarity, and mutual gain	Helping, sharing, and gaining together
The best earnings	Halal earnings
Contemporary society	Traditional society
To ensure the satisfaction of the consumer	To ensure the satisfaction of the consumer by considering the values
Reliable bank image	Reliable bank image with religious sensitivities
Special days; Father's Day, Christmas, etc.	Religious days; Eids, Ramadan, etc.

### England Advertisements

The advertisements of conventional and participation banks operating in England were examined and it was emphasized that in the advertisements of both types of banks, people were supported to have a job, online and mobile transactions could be made easily, and the minister made lives of people easier. There is a different picture that emerges from Turkey when the differences in advertisements are examined. The majority of the society in Turkey is Muslim. Even though the advertisements do not include any religious emphasis, the symbols are not used belonging the other religion. It is striking that in the advertisements of conventional banks, Christian symbols and symbols such as churches and crosses are used, while in the advertisements of participation banks, it is emphasized that transactions are carried out following Islamic rules, in England, since the majority of the population is Christian. The differentiating points in the advertisements of conventional banks and participation banks operating in England are shown in table 2.

**Table 2: Differences in the Advertisements of Conventional and Participation Banks Operating in England**

Conventional Banks	Participation Banks
Woman in hijab (in 1 commercial)	Long-bearded men and women in hijab
Banking transactions with interest	Interest-free banking transactions
Supporting the agricultural sector and students	Supporting small businesses and entrepreneurs
European-looking people	Arab-looking people
Financial aid to companies, financial guidance	Charity activity, charity work, care for orphans, helping the poor
Working for the benefit of people	Supporting activities that do not harm the environment and nature
Icons and symbols such as churches and crosses	accordance with Islamic conditions and rules.
Funding large and important projects in various countries <i>Panama Canal</i>	Bank emphasis used by non-Muslims
Long service life	Risk-free and safe

### Egypt Advertisements

Some points that are different from those in Turkey and Egypt leap out, when the advertisements of conventional banks and participation banks operating in Egypt are examined. It is possible to see western clothing styles, western music genres, and western cultural elements both in daily life and in advertisements of banks even though, the societies of Turkey and England contain various cultures. However, it should be stated that the elements of the local culture of Egypt are much more visible and dominant in advertisements in Egypt compared to Turkey and England. It can be said that this visibility or dominance has been transferred from the routines of daily life to advertisements in a wide range from the dressing style and music of the society. Even though the technological innovations and transaction facilities offered by the bank can be seen in the advertisements of both conventional banks and participation banks in the examples of Turkey and England, in the advertisements of both conventional banks and participation banks operating in Egypt, elements belonging to the local culture of Egypt. It is possible to see people in local clothes, local music, men and women in religious clothes, or yesterday's motifs in various parts of the advertisement.

In addition, when the bank advertisements in Egypt are examined, in parallel with the examples in Turkey and England, it is seen that Egypt's bank, the best profit is emphasized in the advertisements of conventional banks, while Islamic banks and halal earnings are emphasized in the advertisements of participation banks in Egypt, as in the other two countries. The points where the advertisements of conventional banks and participation banks operating in Egypt differ from each other are given in table 3.

**Table 3: Differences in Advertisements of Conventional and Participation Banks in Egypt**

<b>Conventional Banks</b>	<b>Participation Banks</b>
Historical and touristic sites	Historical, touristic, and religious sites
Special days; <i>Wedding</i>	Religious occasions; <i>Eid al-Fitr, children collecting candy, visiting relatives, pilgrimage, Umrah, etc.</i>
Supporting people to reach their dreams and goals	Providing interest-free financing for Umrah and Hajj
Contemporary society	Traditional society
Reliable, protected bank image	Image of a bank with religious sensitivities
Value; <i>Human, moral values</i>	Value; <i>Religious, traditional values</i>
common future; <i>"from childhood to old age, we are with you in sickness and in health" message</i>	Common future; <i>Support messages to the business, education costs, health expenditures, production</i>
To ensure the satisfaction of the consumer	To ensure the satisfaction of the consumer by considering the values
Helping and Solidarity	Helping, sharing, praying, doing good without expecting anything in return
Bank of Egypt	Islamic Bank, Islamic Finance
Earning in the best way	Halal earnings
Religious motifs; <i>People with fez and turban</i>	Religious motifs; <i>Jewelry, Arabic letters, calendar, women in hijab, mosque, etc.</i>

### **Turkey, England, and Egypt Advertisements**

It can be said that examining the conventional banks operating in Turkey, England, and Egypt and the participation banks separately for each country provided data that will help to reveal the similarities and differences between bank advertisements based on countries. The study will show the similarities and differences in the ways of addressing the target audiences of conventional banks and participation banks operating in different cultures, combined evaluation of the bank advertisements in the three countries included. The similar aspects in the advertisements of the banks in the three countries mentioned can be

listed as technological innovations and conveniences provided to customers, the support provided to various sectors, various social responsibility projects, and activities carried out for the benefit of society. It can be said that both conventional banks and participation banks emphasize their banking activities and social practices in their advertisements.

It is possible to list the differences seen in bank advertisements in Turkey, England, and Egypt as the emphasis on interest-free transactions, the distinction between special days and religious days in the advertisement, and the contemporary or traditional characteristics of the society shown in the advertisement, and the distinction between the best earnings and halal earnings. There are some points in the advertisements of participation banks and conventional banks operating in Turkey, England, and Egypt that differ from each other are given in table 4.

**Table 4: Differences in Advertisements of Conventional and Participation Banks Operating in Turkey, England, and Egypt**

<b>Conventional Banks</b>	<b>Participation Banks</b>
Interest-bearing transactions	Interest-free transactions
Special days Birthdays, fathers, mother's day, Christmas	Religious days Ramadan, holidays
Contemporary/modern society	Traditional society
Famous characters	Folk characters
Human and cultural values	Religious and moral values
General motifs <i>Cultural and historical places, some women in hijab, paintings, jewelry, and accessories</i>	Religious motifs <i>Mosques, historical places Calligraphy, people with beards and turbans, women in hijab, whirling dervishes, and jewelry.</i>
General consumer satisfaction	Satisfaction consistent with consumer values
The best earnings	Halal earnings

## Discussion and Conclusion

In this study, approximately 150 video advertisements of conventional banks and participation banks from Turkey, England, and Egypt were subjected to content analysis. At the end of the examination, it has been seen that the advertisements of conventional banks and participation banks have similar aspects in all three countries, and there are some differences between the advertisements of these banks.

It can be stated that the similarities in the advertisements of conventional banks operating in Turkey and participation banks are mostly related to banking activities, while the differences are shaped by the lifestyle of the target audience addressed by the banks. Although the application methods are different in the banking business and transactions such as fundraising and fund distribution, using credit cards, internet banking, or mobile banking are the transactions available in both conventional banks and participation banks. Therefore, it is natural that the advertising messages describing these applications are not very different from each other. However, the target customer profile of participation banks that act according to the rules of the Islamic religion and the target customer profile of conventional banks that carry out traditional banking activities are different from each other. So, this difference leads to the differentiation of the social elements in the advertisements.

It is understood that the similarities seen in the advertisements of conventional banks operating in England and participation banks are parallel to the advertisements in Turkey. The promotion of banking applications to customers through advertisements is done similarly in the advertisements of conventional banks and participation banks in England. However, in England where the majority of the population is Christian, Christian symbols, churches, and crosses can be seen in the advertisements of conventional

banks unlike in Turkey. Islamic elements are featured such as women in hijab and bearded men in the advertisements of participation banks.

It has been examined that the similarities seen in the advertisements of conventional banks operating in Egypt and participation banks are more than the similarities seen in advertisements in Turkey and England. The advertisements with messages for the target customer group differ, while the messages describing the banking activities in the advertisements of both types of banks in Turkey and England are similar to each other. However, the similarities in the advertisements of conventional banks and participation banks in Egypt are not only related to banking practices. It has been observed that some social emphasis is also similar in the advertisements of both types of banks. When it is thought that banks prepare messages suitable for the lifestyles, daily routines, and beliefs of the target customer group, it can be said that people who prefer conventional banks and people who prefer participation banks in Egypt are culturally similar to each other. The advertisements, which differ in certain points in Turkey and England, cause us to think that the factors (lifestyle, beliefs, habits, etc.) that affect the bank choice in these societies are different. This difference causes us to think that social groups with different bank type preferences are different from each other in terms of lifestyle or belief. It can be interpreted as less cultural diversity the difference, which is understood to be less between social groups in Egypt. The people who grew up in a single or a few different cultures have lifestyles and preferences that are more similar to each other.

It has been understood that the similar points in the advertisements of conventional banks and participation banks in the three countries examined are the matters related to banking activities and practices. It has been seen that the different aspects in the advertisements of these banks are the messages aimed at influencing the preferences of the target customer group. Even though the philosophical basis on which they base their activities is different, conventional banks and participation banks are banks and they aim to profit from their activities in the end.

It will be enough to reach every segment of the society, every person from any point of view, with similar messages for its activities to result in profit. While describing internet banking, mobile banking, and money transfer, there is no need to use cultural or religious messages. However, while describing the service it offers (making a profit, offering interest income, providing halal income, etc.), it is natural for the bank to consider the sensitivities of the target customer group. While the conventional banks try to reach customers who want to earn high-interest income with the message that they offer high-interest income, the participation banks try to reach their customers who do not want their principal to be involved in interest, with messages about interest-free banking. For this reason, the messages of the banks are differentiated so that the advertising message is created following the expectations of the customers.

It can be considered as a limitation of the perceptions of the customers were not determined, and the fact that the study was conducted only by examining the advertisements of the banks.

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## **Approxism or Socio-Existential Realism: Investigation on Contemporary Revolutionary Aesthetics in the African Novel: A Critical Reading of Seydou Badian's in "Storm"**

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## **Yaklaşımçılık veya Sosyo-Varoluşsal Gerçekçilik: Afrika Romanında Çağdaş Devrimci Estetik Üzerine Bir Araştırma: Seydou Badian'ın Fırtına'da Eleştirel Bir Okuması**

### **ÖZ**

Romantik evrende gerçekçilik, seyirciyi beklenmedik hareketlerle dolu bir yaratığa dönüştürerek varlığının dışına iten harika bir tiyatro oyununa benzetilebilir. İnsanın toplumdaki varlığını aynaya yansıtan bu gerçekçilik, sapiens varlıkları, toplumlarını, hatta zaman içinde doğalarına içkin değerleri ve kozmik pratikleri analiz etmeleri, eleştirmeleri ve gerekirse yeniden inşa etmeleri için bilgilendirerek evrensel çağrılar yapmaktan asla vazgeçmez. Bundan böyle bu toplulukta “Yaklaşımçılık” olarak da adlandırılabilir gerçekçilik, eğer isterseniz, hareketin içindeki bir güç halini alır. İnsanı derin uykusunun ortasında uyandıran, ayrılmaz bir parçası olduğu toplumdaki varlığının güzergâhındaki tüm olumsuzluklara karşı tepki vermesi için uyaran bir Aquilon'dur. Bu durumda var olan insan, bulunduğu toplumda üzücü yeniliklerle yüzleşmek zorundadır. Afrika edebiyatında “sosyo-varoluşçu yaklaşık”ı karakterize eden böyle bir konumdur. Bu çalışma, çağdaş Afrika romanının eleştirel ve devrimci bir araştırmasını yapmamızı sağlıyor.

**Anahtar Kelimeler:** Gerçekçilik, Yaklaşımçılık, Edebiyat, Varoluşçuluk, Toplum ve İsyan.

## **Approxism or Socio-Existential Realism: Investigation on Contemporary Revolutionary Aesthetics in the African Novel: A Critical Reading of Seydou Badian's in “Storm”**

### **ABSTRACT**

Realism, in the romantic universe, can be compared to a drama of marveled theater pushing the spectator outside of his being by transforming him into a creature full of unexpected gestures. This realism which reflects in the mirror the existence of man in society never ceases to launch universal calls by informing sapiens-beings to analyze, criticize and, if necessary, to rebuild their society, even the values and the cosmic practices immanent in their landscape over time and history. Realism, which henceforth, in this company, can also be designated as “Approxism” is “a force that goes”, if you will, a force in movement. It is an aquilon that awakens man in the midst of his deep sleep, warning him to react against all the negations in the itinerary of his existence in the society in which he is an integral part. In this case, the man who exists must face upsetting novelties in the society where he exists. It is such a position that characterizes “socio-existential approxism” in African literature. This work allows us to make a critical and revolutionary investigation in the contemporary African novel.

**Keywords:** Realism, Approxism, Literature, Existentialism, Society, and Revolt.



## Introduction

« ... but you know, I feel more solidarity with the vanquished than with the saints. I have no taste, I believe for heroism and sanctity. What interests me is being a man » (CAMUS, A. La Peste : 209).

After the epistemological horizon of Karl Marx, socio-existential realism. Can be referred to as the conflict or struggle of becoming between individuals and the overwhelming forces of society as reflected in the artistic approximation by a novelist or writer. Through the landscapes of literature, socio-existential realism is the term or statement that describes the usual fashion, in literary epochs and forms, of human life and experience in literature. This is the presentation that **seems accurate** of the human situation in society.

**Realism, (henceforth, approxism)** is the literary and artistic current of the second half of the 19th century, which claims the approximate, non-idealized presentation of social events. In other words, it is a philosophical current that takes off more specifically in France, from the second third of the 19th century. With Daumier, Millet and Above all Courbet taking sides against the plastic conventions of neoclassicism and romanticism. (cf. the great Illustrated Larousse, 2015).

**Socio-Existential:** Relating to the phenomena or problems that confront the existence of human beings who find themselves irretrievably in the subjugated society under the weight of plastic or natural storm.

**Existentialism:** This is a current of modern philosophy that places existence at the heart of its thinking. It rejects the spirit of system and affirms the primacy of freedom. The main representatives are Soren Kierkegaard, Martin Heideggere, and Jean Paul Satre. This literary as well as revolutionary movement has its roots in France and in particular cultivates the absurd of Albert Camus. (= This explanation is demanding insofar as the “socio-existential” compound refers us to the philosophy of existentialism). It is this fierce philosophy that supports the thought of Seydou Badian in his committed writing.

Having identified the conceptual definitions present, it therefore requires a panoramic reflection on the two key words of this work. Namely, realism (approxism) and existentialism.

## Objective of work

This work aims to launch an appeal to the young generation to fight against all social evils in our society, in particular contemporary society, by drawing the ideology of realism that we have modulated by the term of Approxism in this work and that of existentialism. The assignment focuses on the novel *Sous l'orage* by Seydou Badian with the aim of affirming whether this novel can be assigned a seat in the field of contemporary revolutionary aesthetics.

“under the storm” is a text of revolutionary aesthetics which touches on the notion of anticolonialism, marital revolt, protest against political vices, generation conflict; just to mention a few.

Although this novel has been written for years, it still serves and is still useful in our current society. One cannot distance the experiences in Bamako society that Seydou Badian paints from what is happening in our real landscape. This is why T. S. Eliot reasons that “elements of the past and visions of the future are all necessary and demanding to build our present home. Badian's romantic philosophy would serve us as

a good tool in our social reconstruction. We must therefore protect the future by the experiences of the past and those of the present.

## **Methodology**

We consider it useful to use the philosophy of existentialism of Jean Paul Sartre, to bring out the revolutionary feelings of Seydo Badian in *Sous L'orage*, and also to give substance to the term "socio-existential realism", which we would like to rigorously replace by the statement "socio-existential approxism".

## **THE CONCEPT OF REALISM**

Realism, according to the idea conveyed, is an artistic and literary movement that appeared in France around 1850. Born from the need to react against romantic sentimentalism, it is characterized by the artist's attitude towards reality, which aims to represent the as faithfully as possible to reality, with subjects and characters chosen from the middle or working classes. The novel thus enters the modern age and can now address themes such as paid work, marital relations, or social clashes. This movement will spread throughout Europe and America. ([https://fr.wikipedia.org/wiki/R%C3%A9alisme\\_\(litt%C3%A9rature\)](https://fr.wikipedia.org/wiki/R%C3%A9alisme_(litt%C3%A9rature))).

## **REALISM OR APPROXISM?**

The realistic novel, however, must embody facts held in society. But we do not say "exact reality" because the phenomena can be transformed, at least partially, during enunciative transports. Literature as much as it is a written corpus cannot, in its entirety, represent a human society. It is rather a socio-existential approximation expressed to the general public by means of an aesthetic architecture of the writer. Any literary work designated as realistic can be, from this point of view, characterized under the name of approxism. This implies that it is a writing that tries to be "very" close to daily events in human society. We therefore insist that the be-named "realism" in the more attentive sense, gives way to the neologism of "Literary Approxism", artistic creation, in all literary genres, which is very close to human unfoldings in its geographical or anthropological environment. . It is only in this sense that the term "likelihood" retains its value in the field of literature. Literature, we further insist, is not a reflection of "reality" in society. Rather, it is a rough reflection of the facts unfolding in the human landscape over time and the passage of history. This is not the society we see in the novels.

On the contrary, it is the painting of humanity in the Voltaire country. "Art does not reproduce... all of reality, it makes a choice, it transforms this reality with its magic wand..." (Hugo: 13).

This is how Sartre J.P underlines: "discourse points to the object, but does not reach it; like the mirror, it is the illusion of the thing, even if it says everything about it. It may seem obvious that this so-called external knowledge cannot succeed where the approach has not worked! (see Philosophical: 312).

Knowing that there is no earthly reality but man, therefore all discursive or Cartesian phenomena, whoever, which surround him are only an approximation.

Of course, the one who presents himself in front of the mirror receives its testimony or, if you like, the report of his image, but not of his own "being." Literature therefore conveys the message of contiguity and not of totality or exactness inasmuch as the latter functions, according to Victor Hugo, as a "mirror of concentration.

## **Existentialism**

Existentialism, as a literary and philosophical current, considers that the human being is the essence of his life and this is manifested by his actions which are not predestined by any philosophical or theological doctrine. Each individual according to this doctrine is master of his actions.

### **THE SOCIO-EXISTENTIAL APPROXISM IN SEYDOU BADIAN'S SOUS L'ORAGE.**

To answer the question of socio-existential approximation, we choose in *Storm* by Seydou Badian, noting that existentialism declares that "... I want to be a man". It is the declaration of being that conveys the authenticity of humanity as an individual. In this first novel by Seydou Badian, the younger generation has faced up to what it does not accept by saying that social vices must make way for virtue; innovation and universal justice.

In the spirit of existentialism, Kany and Samou fight against poor social condition by employing the universal approach, as Kany affirms: "Samou, nothing in the world can separate us". (N/A 79).

: According to Camus with regard to such a feeling:

« One of the only coherent philosophical positions is thus REVOLT... It is a perpetual behavior of man and of his own darkness... This revolt is only the assurance of a crushing destiny, minus the resignation who should accompany it (From the existentialism of CAMUS, A., Lagarde and Michard, 1993:609).

In this case, this enterprise focuses on the side of female socio-existentialism as put in the simplest approximation in Seydou Badian's in *Storm*.

### **MOLIERE AND BADIAN FOR AFRICAN WOMEN**

Through the novel in *Storm*, Seydou Badian, shaded by the spirit of Molière, stages the conditions of women in Africa by articulating how African women (represented by Kany, Mama Téné etc.) are prevented from even giving a decision to matters that concern them.

« It is not a question of loving... you must obey; you do not belong to yourself and you must not want anything. It is your father who is the master and your duty is to obey. Things have always been like this" (S.O. 72).

African tradition holds that a woman (illiterate or educated) has no value unless she is married with a large trousseau spread over her. Moreover, whether the African woman likes it or not, the husband is imposed on her whomever the family has blindly decided.

But this gesture has sparked a resounding revolt in which young people are seeking to restore the place of women in "contemporary" African society. For them, the woman is more of "something" because she can contribute not only to the development of the family but also to the transformation of the nation in general. This is how priority attention is given to the emancipation of women in all human domains. The 17th century playwright, Molière, is not a distanced voice from this ideology (See the school for the women).

### **PRICE OF LIFE**

« It is revolt that gives life its value and its grandeur, exalts the intelligence and pride of man grappling with a reality that surpasses him, ..." (CAMUS, A), André, Lagarde and Michard , 1993:609).

The gesture of existence led by Kany and his friends against the elders of the village is an affirmation that the woman is no longer a network of the making of descendants. It goes further than that because the

woman plays, today, the sustained role in the development of the family, even in the progress of the nation. Society advances very quickly and it requires us to take steps with it. In the same vein, Seydou Badian (1972) agrees that we must move forward because things must not remain as they were centuries ago. It is in this sense that Birama maintains: "...everything changes and we have to live with our times" (In Storm: 55-56). According to Victor Hugo: "When the body changes, how could the clothes not change?" (Hugo, Victor. 1949: 50).

Kany does not feel like entering a polygamous household. She finds that property is not everything in the marriage because money does not always bring happiness and it is so.

She raises the flag of confrontation against an outmoded tradition by saying that she is not a commodity or a loincloth for sale. Thus broke a storm of conflict between tradition and the younger generation that Kany and his friends represent. She rejects (misalliance) Famagan to accept Samou (compactibility) who is a student and who has no money, but embodies progress.

### **REVOLT AND SELF-EMANCIPATION**

Across the traditional African landscape, women (educated or uneducated) are valueless unless they can attract a bountiful dowry from a stately suitor. So the main objective of educating girls is to bring back property from the suitor who is very rich. The woman should not express her impression on the choice of a husband.

"Don't talk about these things...Shut up! it is your father who decides: with him, we are nothing, neither you nor me" (S.O: 74-75).

She has no other activity than to take care of the housework, and the kitchen, and of procreation in a family condemned to polygamy, especially in the Islamic religion. Certainly, on the contrary, the African woman in contemporary society (in the image of Kany) reacts against this anti-social condition.

Seydou Badian presents to us by means of his literary approximation, the marriage debate where the girl concerned should not be consulted. However, as much as a genuine being, Kany does not agree to marriage without her consent. She demonstrates that she has some generational value. It is because to exist, in its revolutionary opinion, we consider, is to know and to know what one is worth. This is why she keeps saying:

« If so, I will never appease Famagan.

He gets tired for nothing. I love Samou and I will always love him» (S.O : 75).

«I don't like Famagan, I don't like Famagan...

forgive me, but I can't be Famagan's wife.

Do with me what you want, I'd rather die. » (In Storm : 72)

This revolutionary statement serves to show the case where the younger generation has decided to distance themselves from the marital scourge existing in the ancient African society. However, this awareness serves as a jaquemart to contemporary people across the African landscape. Moreover, this craving for the death of distancing signaled by Kany is a phenomenon that characterizes the transcendence or triumph in the best fashion of life in African cosmology.

Kany demonstrated precisely that the woman of our generation is no longer anyone, insisting that the African woman must stand up to challenge the shackles of tradition that aim to discourage the positive horizon of women. It was under this overwhelming storm that she opposed the position of her father (Benfa) by launching a universal question:

" What's the point ? Why live when it was no longer possible to be yourself?» (S.O. : 77).

### **EXISTENTIALISM AGAINST TO MESALLIANCE IN THE WORK**

When Father Benfa and his friends (older generation) try to compare the governable or submissive character of Maman Téné (a simple illiterate villager) to that of revolting Kany. They notice that things are at the mercy of the storm of the younger generation.

We can testify that, as the character of Juliette manifests in *Three pretenders ... a husband*, by Guillaume Oyôno Mbia, Cléante in *L'Avare* by Molière, Kany in the "in Storm" by Seydou Badian, we must no longer lower our eyes to her parents regarding the choice of a husband who is very rich but rather a husband who must love her. This is how Seydou Badian condemns misalliance and early marriage in African society. This is why he makes his character speak in these grave dells:

" No ! My. But I want you to understand that what you envision is impossible. So why do you refuse Samou? Why don't you let me continue my studies? I beg you !» (S.O. : 72).

In the universe in storm, even that of the old African society, the woman does not have the right to go to school because education betrays the sensitivity of the woman. The so-called civilized woman is devoid of all loyalty. She behaves on the same footing as man. That is to say, the educated woman tends to make the decision by herself without consulting the man; which is the opposite of traditional African orchestration. This situation is so regrettable for Father Benfa:

« Young people, because they know how to read and write, want to lead us. I have always had difficulties with my children who are in school. This time, I'll prove to them that I'm still alive. » (S.O. : 159).

The emancipation or revolt of Kany as much as an evolved girl is manifested in the rejection of a decision imposed on her. She must marry in Famagan according to her father's choice and decision. On the contrary, Kany insists that she prefers Samou who owns the fashion of contemporary life, and also a college student. This saw the birth of a dispute embodied in the gently oppressive speech of Maman Téné, and the unexpected and very revolutionary gestures: of Kany, but at the same time sensitive:

«You are no longer a child, know how to see and understand certain things; I suffered in this house, I still suffer there.... I accepted and I am ready to continue... but if you rise up against your father, you will increase my suffering... » (S.O. : 73).

These words of Maman Téné, without doubt, seem to break Kany's heart by arising the miseries suffered by his mother in the polygamous home. Nevertheless, Kany demonstrates a sustained episteme in instructing his mother.

« ... you wouldn't want me to suffer like you suffered, would you? So, don't force me to be a teacher, you will have nothing more to marry Famagan, let me continue my studies and, when I become a teacher, you will have nothing more to fear. I will help you maintain my young brothers Karamoko and Nianson » (S.O. : 74)

Finally, thanks to the exceeding wisdom of Father Djigui (grandfather of Benfa), Kany shouts his "cocorico" and sings his "tralala" by raising his flag of victory over and against the outmoded system. The latter did not marry Famagan.

Your uncle Djigui, in a message, asked Father Benfa to let you continue your studies, to leave you in school until you become what you want to be. That he wants it that way. Father Benfa conveyed the message to Famagan. The latter replied that he was not going to spend his life waiting for a girl when there are thousands of them in the city. (S.O : 150).

It is by this that she has demonstrated that the woman (humanity) in the new generation has the right to undertake a decision and to carry it out without confusion of parents, wise men and elders in the village. The African woman who serves as a microcosm of humanity in Seydou Badian's revolutionary aesthetic has done what it takes to establish her peace and freedom. Because social existentialism equals freedom, audacity, responsibility ...

« ... until you become what you want to be"» (S.O. : 150)

In the work of in Storm, Seydou Badian presents us with three different generations in which we find dispositions and visions that are sometimes radically antagonistic. The generation of parents, symbolized by Father Benfa and his older allies, the latter maintain absolute and unequivocal respect for traditions. Maman Téné, the father Djigui and the Fou represent for their part, amphibologies and reservations on these own outmoded habits.

As for the generation of children, the one symbolized by the young schoolgirl Kany, it is positively in revolt against the anathemas of traditions and the usurpations of the latter on the lives of young people in contemporary Africa.

Maman Téné more specifically personifies the virtues and vulnerabilities of the traditional African woman. Respectful of customs and traditions, even when these prove to be unfair and unfavorable to its existence. It subscribes that the woman is an auxiliary being to the man and subjects herself without any other form of the debates to the protocols which support the interests of the man to the detriment of hers.

In his belief, the woman should neither display nor impose herself in a society dominated by the law of man. The law declared as singularly valid.

In the African society where we meet Mama Téné, the education of the girl emphasizes blind loyalty and allegiance rather than the aggravation of personal vision and self-personality. But thanks to the magic wand of Seydou Badian who has contributed to the positive awareness of the African world in favor of the realization of the possibilities of women.

### **Critical Observation**

« Man is the future of man, man is what he makes himself...

... Man is therefore responsible; He is condemned to be free»

(J. P. Sartre) André, Lagarde et Michard, 1993 : 593-594)

It is an obvious that literature conveys the culture and politics of the people as man travels the landscape of time and history. He therefore demands that the novelistic mirror of the writer must be a real reflection of critical observation drawn up on the facts and experiences of the time in which the novelist lives who functions like the aquilon described by Victor Hugo in his poem "Stella », bearing the duty to awaken those who sleep, warming them to determine their own value as an authentic being.

In this sense, that is to say, following the artistic footprints of the novelists responsible for this awakening, our current generation must learn how to force the doors, make it known that we exist, with an exalted and sustained intelligence, and moreover, that one is a determined partisan of the power of social reconstruction, and above all, that one can be distinguished and promoted. According to Napoleon Bonaparte: "The policy of revolt is the mainspring that decides **«at this moment»** the destiny of men. And whoever wants to move forward must take sides" (Bonaparte, B. Max Gallo, 1997: 201). It is therefore necessary to act like the younger generation in the work of in Strom by Seydou Badian. It is because a generation which does not have the dynamism of agitation against social ills, or which does not cultivate the revolutionary spirit considered sublime and trained to contribute to the positive reconstruction of social ideology, It's more of a barren land.

The phrase "in this moment" implies that our present society as much as the black world in particular, needs revolutionary reorientation with contemporary consciousness to triumph over the cruel irons and rocky edicts by which freedom and the right of the people are all tied up. According to Kard Marx:

the art linked to the life of the people is a powerful factor of social progress. It fulfills its function through the artistic perception of the world, through the satisfaction of the aesthetic needs of man. It reflects reality in artistic images and through it influences people's thoughts and feelings, aspirations, actions and behavior. The best works of art are transmitted from generation to generation and serve both as a means of knowing social life and as a means of ideological, aesthetic and moral education of new generations (Karl Marx (Konstantnov, 1982: 350)).

## Conclusion

In conclusion, it must be emphasized that "socio-existential approximateism in African literature reveals the plausible facts that take place in human society. Our approxism presents a more approximate reflection of everyday life. And as man is confronted by the elements that are against his destiny, he begins to designate the definition of life, he begins to engage in the definition of the self. This is how man sinks into the fight against the "plague" of society in order to establish his freedom to which he has already condemned. It is this position that appeals to the philosophy of existentialism in the African novel of which in Strom is a part. In the novel in Strom, Seydou Badian awakened existentialists, like himself, to wage psychological and intellectual battle against social ills and outdated ideology. In any case, faced with the immanent condition in our current society, revolt is the only remedy that can make life bearable. It must be chimed to this point that the contemporary revolutionary demand is not intended singularly for women, nor for men, but we consider humanity as the whole unity in the cosmic. We consider that our own existentialist duty does not consist in this little struggle. Of course, it's somewhere else. It is universal. «... Nothing in the world can separate us » (S.O. : 79).

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## AN OVERVIEW OF THE LITERATURE AND PRACTICES OF ISLAMIC ECONOMICS AND FINANCE IN EUROPE

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## Avrupa’da İslam Ekonomisi/Finansı Literatürü ve Uygulamaları Üzerine Genel Bir Değerlendirme

### ÖZ

Avrupa’da İslam iktisadı ve finansına yönelik çalışmaların önemi, 20. yüzyılın ortalarından günümüze kadar geçen zaman diliminde artmıştır. Bu makalede, İslam iktisadı ve finansı alanındaki çalışmalar ve uygulamalar ile birlikte bunların Avrupa’daki gelişim süreçlerinin gösterilmesi hedeflenmiştir. Avrupa’da İslam iktisadı ve finansına yönelik çalışmamıza dâhil olan ülkeler ise şunlardır; İngiltere, Hollanda, Almanya, Fransa, İsveç, Litvanya, İtalya ve İsviçre.

Çalışmada, Avrupa’da İslam iktisadı ve finansının ilk olarak nerede ve nasıl ortaya çıktığı hususlarına değinilerek hangi araştırma merkezlerinde bu alanla ilgili çalışmaların yapıldığı detaylıca incelenmiştir. Ayrıca Avrupa’da İslam iktisadı ve finansının gelişimi ile ilgili çalışma yapan kişilerin bu alanla ilgili yayınladıkları makalelerine, tezlerine ve kitaplarına da yer verilmiştir. Özellikle modern İslam iktisadının ve finansının gelişimindeki tarihsel eğilimler, kaynaklar, bilgiler ve metodolojiye dayanan imkanlardan çıkarım yapılarak tavsiyelerde bulunmaktadır. Bu çalışma hem teori hem de uygulama açısından Avrupa’da İslam ekonomisi ve finansı alanlarında önemli araştırmalar ve incelemeler yapıldığını ortaya koymaktadır. Ayrıca İslam iktisadı ve finansı alanındaki çalışmalara öncülük eden çok sayıda uzman ve akademisyen olduğu, Avrupa’daki finans merkezlerinin de küreselleşme yolunda önemli adımlar attığı yine bu çalışma kapsamında açıklanmaya çalışılmaktadır.

**Anahtar Kelimeler:** Avrupa’da İslami bankacılık; AB’de İslami Bankalar, İslam Ekonomisi, Bankacılık Literatürü, Avrupa’da İslami Finans.

## An Overview of The Literature and Practices of Islamic Economics and Finance in Europe

### ABSTRACT\*

The importance of studies on Islamic economics and finance in Europe has increased from the middle of the 20th century to the present. It is aimed to show the studies and practices in the field of Islamic economics and finance, as well as their development processes in Europe in this essay. The countries that included in our work about Islamic economics and finance in Europe are as follows, UK, Netherlands, Germany, France, Sweden, Lithuania, Italy and Switzerland.

It was examined in detail in which research centers study on this field were carried out by touching on where and how Islamic economics and finance first emerged in Europe in this study. Also, the articles, theses, and books, published by experts working on the development of Islamic economics and finance in Europe, are included. In particular, recommendations are given deductively from historical trends, sources, information and methodological possibilities in the development of modern Islamic economics and finance. This study reveals that important researches and studies have been carried out in the fields of Islamic economics and finance in Europe in terms of both theory and practice. Also, it is observed that there are many experts and academicians who leading the studies in the field of Islamic economics and finance, and that financial centers in Europe have taken important steps towards globalization.

**Keywords:** Islamic Banking in Europe; Islamic Banks in the EU, Islamic Economics, Banking Literature, Islamic Finance in Europe.

\* This article has been prepared on the basis of Halil Şahin's master's thesis titled accepted in 2020. "The studies on Islamic economy and finance in Europe countries and applications

## **1.The Emergence of Islamic Economics**

There are different dates in the literature regarding the first emergence of the concept of Islamic economics. Although it is stated in the literature that this concept was introduced by Sayyid Ebu'l-A'la Mawdudi in the 1960s, according to Abdul Azim Islahi, Muhammed Hamidullah, who had been working on Islamic economics since 1936, should be the researcher who brought this concept to the agenda for the first time (Islahi, 2014, p. 19). In addition to being a modern concept that has been brought to the agenda in the aforementioned years, it has emerged as a reaction to mainstream economics. Today, Islamic economics studies have started to be seen in the literature since the second half of the 20th century. At first, Islamic economics studies were mostly handled within the data and practices of the capitalist system. The spread and awareness of this concept has been thanks to the work of the citizens of the Muslim states that gained their independence after the Second World War, especially the Indian Muslims (Atar, 2017, p. 1030).

For Indian Muslims knew Arabic and Persian, they tried to explain the economic views of Islam in terms of modern economic concepts and institutions by going beyond fiqh books. Afterwards the concept of Islamic economics was adapted to Arabic literature and Arabic. The concept of Islamic economics to Turkey was introduced by Indian Prof. Dr. Muhammed Hamidullah. Prof. Dr. Sabahaddin Zaim dealt with the subject of "Modern Economics and Islam" at the conference held in Kadıköy Community Center in 1967 (Eskicioğlu, 1999, pp. 8-10).

There were important developments in the field of Islamic economics after the year 1967. Especially, the number of studies on this field has increased, after the World Congress of Accounting Historians in 1976. Research centers have been established in Cyprus International Islamic Banking and Economics Institute, Melik Abdulaziz University in Jeddah, Islamic Universities of Islamabad and Malaysia, and Islamic Development Bank. Especially, Islamic banking and finance subjects received great attention and many books and articles were published (Eskicioğlu, 1999, pp. 8-10).

## **2. Development of Islamic Economics and Finance in Europe**

Due to the difficulties experienced in the emergence of the concept of Islamic economics as an alternative model in mainstream economics, the field of Islamic finance, which occupies a special place in this concept, has become more effective and visible (Kutval, 2017, p. 11). The Islamic Foundation was established in 1973 as a respected center in the UK with the aim of promoting a better understanding of Islam and disseminating Islamic knowledge to all communities. The foundation established its own Markfield Institute of Higher Education (MIHE) in 2000 and building on its involvement in Islamic teaching with various local and international universities since 1978. The board chairman of foundation Professor Khurshid Ahmad and Managing Director Dr. it is maintained under the dynamic leadership of Manazir Ahsan. The Islamic Foundation established an academic link with Leicester Polytechnic (De Montford University) through a teaching agreement between 1979 and 1980 years. King Abdul Aziz University in Jeddah, Saudi Arabia in the mid-1970s have been made agreements with various academic institutions at home and abroad that contributed to the establishment of a research project on Islamic economics (Siddiqui, 2003, p. 510). Besides these, the Islamic Foundation took an active role as a mentor in the educational aspects of the World of Islam Festival in England in 1976 and helped to establish the Islamic Council of Europe. These kinds of mentorships and agreements with other universities continued until the 1980s. The Islamic Foundation did a unique job in 1993 by inviting British government employees and public officials create to participate in a two-day cultural awareness training program about "Islam and Muslims". This foundation made a deal with Loughborough University to teach Islamic economics as a

module in a course in the graduate program in economics in 1995. Thus, Loughborough University accepted Islamic economics as a subject to be taught as part of the economics discipline. There was an agreement which was signed between the University of Leicester and the Islamic Foundation to teach Islam and Pluralism as part of a postgraduate course run by the 'Research Center for Religious and Political Pluralism' in 1997 years. The Islamic Foundation was exploring possibilities to establish a higher education center in 1998 years. The Islamic Foundation has found a willing partner at the University of Portsmouth to endorse the Markfield Institute of Higher Education (MIHE)'s Islamic Research Programs. Thus, a three-year contract was signed and as of September 2000, graduate courses began to be taught at MIHE (Siddiqui, 2003, pp. 510-511). Especially in 2000, the fourth World Economic Congress on "Islamic Finance" was held for the first time in a European country, at Loughborough University in England, with the encouragement of the Islamic Development Bank. In this congress, decisions were taken to expand Islamic banking (Durmuş, Güney, & Koçdoğan, 2015, pp. 77-78).

Moreover, The UK is also a world leader in Islamic finance. When London's pioneering and historical experience as a financial center is added to the fact that there is little time difference with the Middle East, these features have brought the UK to the forefront in terms of Islamic finance transactions. When we look at the Global Islamic Finance report from 2011 to 2021, it is seen that England is the most developed among European countries. The UK ranks 18th in Islamic finance in 2020-2021. Thanks to the nearly two million Muslim population in the UK, a faster development has been achieved with the relatively high demand for Islamic finance products and services. Islamic finance practices date back to the 1980s in England. Al Baraka International, which started to operate in the field of housing finance in England in 1982, is known as the first Islamic financial institution in this country. Financial transactions based on murabaha emerged in the UK markets after this date. After the 1990s, different financial institutions such as the United Bank of Kuwait, which provided housing finance services, were established. These institutions could not maintain their existence for a long time because of the higher cost compared to their competitors using traditional methods in the market. After 2000 years, Islamic finance started to gain momentum in the UK. Especially at the beginnings of this year, conventional banks such as City Group and Hongkong and Shanghai Banking Corporation (HSBC) started to offer Islamic financial services called "Islamic Window" to their customers. In 2001, an Islamic finance working group was established by the UK-based Bank of England. In case of 2003, another working group was formed by the Ministry of Treasury and the Revenue and Customs Tax department to understand the details and technical structure of Islamic finance (Güçlü and Kılıç, 2019, pp. 285-286). The double taxation system was abolished by making arrangements in the tax legislation in these years. Despite a Muslim population of approximately two million living in the UK, Islamic Bank of Britain started its operations in September 2004 years. European Islamic Investment Bank, the country's first Islamic investment bank, was established in 2005. In case of 2014, it was purchased by Qatar-based Masraf Al Rayan Bank and its name was changed to "Al Rayan Bank". Islamic banks which operating in the UK are Abu Dhabi Islamic Bank, Al Rayan Bank, Bank of London and the Middle East, Gatehouse Bank and QIB UK. The Islamic departments that they include in conventional banks and the banks that provide Islamic financial services are as follows: ABC International Bank, Ahli United, BNP Paribas, Bank of Ireland, City Group, Barclays, UBS, West Standard Chartered, IBI International London, J. Aron & Co. Lloyd's Banking Group, Bristol and Deutsche Bank, United National Bank and Royal Bank of Scotland (Güçlü ve Kılıç, 2019, s. 285-286). Especially the UK has proven itself as a global financial center for Islamic financial activities and continues to attract investors to the country with Islamic trade (UK Excellence in Islamic Finance, 2014, p. 9).

### **3. Some Essay Studies and Applications Written in the Field of Islamic Economics and Finance in Europe**

Alandejani and Asutay (2017) published the essay titled “Nonperforming Loans in the GCC Banking Sectors: Does the Islamic Finance Matter?” in the Netherlands. The effect of sectoral distribution finance and Islamic finance growth on non-performing loans, which determine the non-performing loans in the commercial banking industry of the Gulf Cooperation Council countries, is examined in this essay. The generalized moment method technique was applied in the period of 2005-2011 in order to make this study. It is emphasized that the determinants of financial stability are controversial and important in this study. The non-performing loans are known as an important factor for financial stability and a source of concern, as in developing and developed countries. One of these concerns is the size and nature of non-performing loans as part of the credit risk and management process. The non-performing loans are known as an important source of risk in traditional banks. It has been suggested that such a study was conducted because of there is no research that examining the growth of the sectoral firm and the effect of Islamic financing methods on NPLs. The evidence of this study show that the growth rates of sectoral financing differences have a negative effect on NPLs. Shortly, GMM (Generalized Moments Method) models were used to examine the effect of the sectoral distribution of Islamic finance on NPL (National Price List) in the banking system of the Gulf Cooperation Council (GCC) in this study. Thus, the effect of sectoral Islamic financing methods on the determination of non-performing loans in the banking sector of GCC is determined in the study. Consequently, the growth of Gross Domestic Product (GDP) supports the 'welfare' hypothesis, and it has been determined that real macroeconomic growth has a negative effect on NPLs in this study (Alandejani and Asutay, 2017).

Gheeraert (2014) published the article titled “Does Islamic Finance Spur Banking Sector Development?” in the Netherlands. This article focuses on the development of Islamic finance in the banking sector in the Middle East and Southeast Asia in the last 10 years. Although Islamic finance has developed and grown in recent times, the role of Islamic banking in the economy is still heavily debated and there are some empirical studies. It is being examined that the empirical impact of Islamic banking on the development of the banking sector in this essay. It is mentioned that although Islamic finance has continued to grow recently, the debate on the economic role of Islamic banking continues and there are very few studies in the literature on this issue, in this study. Also, it has been tried to be explained that the empirical effect of the Islamic banking industry on the development of the general banking sector of Muslim countries in the recent times. It has been emphasized the role of Islamic banking as a determinant of the overall banking development of countries with large Muslim populations (Gheeraert, 2014).

The named essay of Al-Jarhi (2004) "Islamic Finance: An Equitable and Efficient Option" which is published in Germany, and it deal with four questions:

- (1) Why all this discussion about interest rate?
- (2) Is Islamic finance viable and efficient as an alternative to interest-based debt financing?
- (3) What is the importance of Islamic finance for the whole economy?
- (4) Given that Islamic finance is indeed viable, why hasn't it been adopted on a wider scale?

Generally, it is also mentioned about of two advantages Islamic financial instruments in this essay. This essay argues that Islamic finance introduces a measure of efficiency and stability and is subject to lower levels of moral hazard and adverse selection. The greater latitude gives financial intermediaries the advantage of being more effective in mobilizing resources and attracting investors on the other. When the traditional economic intermediaries increase the interest rate to save much more, they have to charge higher interest rates depending on the investors. In other words, the intermediaries offer higher profit-sharing rates to savers in Islamic finance. So, they can save more. Thus, all costs which including profit

financing costs, are derived from investment net. In other words, it is mentioned that saving more will offer more investment opportunities in Islamic finance in the mentioned study (Al-Jarhi, 2004).

In the essay of titled “Notes on Islamic Economics and Finance” by Othman Cole, Khaled Soufani and Terence Tse (2013), published in Switzerland, there are some basic concepts related to Islamic economics and finance were mentioned, and the increasing interest in this field of study and the main differences in the modern economic and financial system. The 2008 global financial crisis by mentioning and some basic concepts related to Islamic economics and finance are introduced, emphasizing the fundamental differences in the modern economic and financial system in this study. It is foreseen that with the application of Islamic economics in daily life, solutions can be found to prevent unfair distribution of income, unemployment, poverty and environmental problems. It is expected that this system will also encourage the concept of corporate social responsibility in such a case. It is seen that there has been an increasing development in a rapidly growing segment of the global financial sector, namely Islamic finance, and banking after this financial crisis. This study presents a concise approach to create a comparative assessment with the modern economic and financial system and provides some evidence about this field and raises some questions that are emphasized in academic studies (Cole, Soufani, & Tse, 2013).

The essay which is titled “Principles of Islamic Finance and Principles of Corporate Social Responsibility: What Convergence?” has been written by Simona Franzoni and Asma Ait Allali (2018) and it has been published in Italy. It is being identified the convergences between the principles underlying conventional Corporate Social Responsibility (CSR) and examines CSR in Islamic financial institutions in this essay. In the study, the Islamic finance model is seen as a financial and economic model based on principles and moral values, which sustainable development and social responsibility play a fundamental role. Especially, it has been focused on the analysis of the causes of the 2008 crisis, corporate governance, corporate social responsibility and a business management center based on sustainable development in the medium and long term. The alternative finance models focus on the religious principles and values of Islam and focus on Islamic finance inspired by an economic model. The Islamic finance model is based on the Quran and Sunnah. Most theoretical studies have found convergence to the religious principles underlying the proper functioning of Islamic financial institutions and the definition of CSR formulated by the Islamic Financial Institutions Accounting and Auditing Authority (AAOIFI). This convergence is effective when a company has a responsibility and through a managerial behavior that considers stakeholder protection and sustainable value creation. Shortly, this essay has analyzed the founding principles that make the Islamic financial system a socially responsible model by starting from the religious principles of Islamic finance. The main aim of this analysis is to determine whether there is any convergence among the religious principles of Islamic finance and the corporate social responsibility principles recommended for conventional companies (Franzon and Allali, 2018).

In the essay titled “2008 Financial Crisis and Islamic Finance: An Unrealized Opportunity” by Fahad Al-Zumai and Mohammed Al-Wasmi (2016), published in the Netherlands, it has been assessed the Islamic finance industry in the current financial crisis. It also identifies the differences from traditional finance by revealing the management and ethical basis of Islamic financial institutions. The structure of Islamic financial institutions in the governance framework and the role of their organs were discussed and a comparison was made between the ethical framework and traditional institutions in this study. It also reveals the evaluation of the Islamic finance sector in financial crises and whether the governance and ethical basis of these institutions are separated from traditional finance. Especially, the study is evaluated by emphasizing the governance structure of Islamic financial institutions and the unique characteristics of these institutions. The role of supervisory boards and governance of Islamic finance in practice have been investigated (Al-Zumai and Al-Wasmi, 2016).

When we look at the first part of the essay titled "An Economic Theory of Islamic Finance" by Mabid Ali Al-Jarhi (2017), published in England; it details what we can learn from the theories of money, banking and finance related to Islamic finance. The second section provides a short explanation on which the Islamic finance model is based. The third section tries to list the advantages of Islamic finance based on these theories. In the fourth chapter, the problems about the mixed banking and financial system and are discussed that how to overcome them. Policy recommendations are given in case the last section. It is emphasized that traditional finance, which is based on the classical loan contract, has been practiced in the ancient world for centuries in this study. Even in the 12th century, the origin of modern banking dates back to Italy. It has been emphasized that the interest free Islamic finance system started with the birth of Islam based on a series of investment and finance agreements (Al-Jarhi, 2017).

When we look at the first part of the essay titled "Islamic Finance and its Contribution to Solving the Current Financial Crisis" by Mohamed Sharif Bashir (2010), published in England; there are a few key concepts related to Islamic finance are examined and emphasized the current global financial crisis. In the second part, the solutions for the problems that cause the current economic recessions are presented to both international and national institutions on the financial system of Islam and financial crises. In the last part, the results of the policy were evaluated, and some recommendations were made with some inferences. In the study, it is mentioned that the concepts related to Islamic banking and finance date back to before the 14th century, but the world's first modern bank was not opened until 1975. The crisis, which affected more countries than global finance, affected both Islamic finance and traditional finance. It raises awareness about stronger economic frameworks and financial instruments, as a result of the effects of the global financial crisis on the world. Islamic finance contributes to overcoming the challenges posed by the current credit crisis, with the emphasis on asset-based transactions in the essay. When the methods used in Islamic finance are applied correctly, there is a close relationship between investors and assets, so some countries focus more on Islamic financial institutions and support the growth of these institutions at the present time (Bashir, 2010).

In the essay "The Rise of Islamic Finance in the United Kingdom" by Victoria Rowley (2014), published in England, it is discussed the subject of Islamic finance, which is gaining popularity in the United Kingdom. The study begins with an introduction outlining the current plan of government to become the first non-Muslim state to issue an Islamic sukuk and bonds. Especially, the study begins with an introduction outlining the current government's plan to become the first non-Muslim state to issue an Islamic sukuk and bonds. It is being focused on the prohibition of riba and interest in these basic principles and examines the response to this prohibition in the field of finance in the form of sukuk bonds. It is emphasized that alongside the increase in oil prices, which brings wealth to the oil-rich Middle East countries, the right conditions exist to encourage the growth that has become modern Islamic banking at the present time in this study. For getting rid of economic recession Islamic finance follows different manners for the diversification of the UK and the creation of new business areas. Especially, the UK government supports this sector and offers incentives to provide a basis for Islamic finance to flourish. The global financial centers are considered high potential competitors of UK for Islamic finance. An organizer legal framework has been established to support the growth of Islamic finance in the UK, as well as the increased flow of Middle Eastern capital to London over the past 30 years. The London Stock Exchange has played an active role in the Islamic finance market. Islamic finance; It has been used to finance major UK infrastructure projects such as "Olympic Village, the Shard, Harrods" (Rowley, 2014).

In the essay titled "Islamic Finance in the UK: Regulation and Challenges" by Michael Ainley, Ali Mashayekhi, Robert Hicks, Arshadur Rahman and Ali Ravalia published in the UK, it has been stated that Islamic finance has grown rapidly around the world. According to the article this growth conservatively is

10% per annum. When considering the UK is one of the leading international financial centers, it was mentioned that it is not surprising that this growth took place in London, which is seen as a global “centre” for Islamic finance. It has been emphasized that the existence of sharia-compliant transactions in the London financial markets dates to the 1980s, although the growth of Islamic finance in the UK has taken a more active role in the last five years. The commodity murabaha-type transactions on the London Metal Exchange are used in significant amounts to provide liquidity to Middle Eastern institutions and other investors to stimulate the development of the wholesale market in the UK. At the present time, it has been emphasized that London is becoming an important global financial center for Islamic finance by many companies, which including Islamic and non-Islamic ones (Ainley, Mashayekhi, Hicks, Rahman, & Ravalia, 2007).

The essay titled "Islamic Banking Challenges Lie in the Growth of Islamic Economy Despite of the Free Interest Loans Policy: Evidences From Support Vector Machine Approach" by Nesrin Benhayoun (2014), Ikram Chairi, Amina El Gonnouni and Abdelouahid Lyhyaoui has been published in the UK. It has been examined the practice of Islamic finance and the financial impact of companies in this essay. There is an instance of the financial data of 20 companies was examined to measure the effect of interest loans on the solvency of the firm between the years 2009-2011 in this study. It has been emphasized that Islamic banking and finance applications have been accepted as an alternative model in the last decade and this model will play an active role in current crisis situations. It was concluded that interest loans can greatly increase unexpected financial crises with the SVM forecasting model by using Regression Model and Support Vector Machine Model (SVM), proving the high impact of interest loans and financial behavior of companies (Benhayoun, Chairi, El Gonnouni ve Lyhyaoui, 2014).

In the essay of Habib Ahmed (2010) “Islamic Finance at a Crossroads: The Dominance of the Asset-Based Sukuk”, published in England, while examining an important legal issue in legal cases in terms of Islamic finance, it also emphasizes the discussion of form and substance. It is emphasized that income, occupation, and education level affect the demand for Islamic finance in England by using logit regression in this study. It is claimed that Islamic finance is primarily involved in the duplication of conventional finance practices according to most critics. By doing this, it has been mentioned that Islamic financial transactions are formally in conformity with Islamic law, but it can not meet the essence and spirit (Ahmed, 2010).

#### **4. Some Studies and Practices Written in the Field of Islamic Capital Markets in European Countries**

In the essay titled "Islamic Capital Markets: Developments and Issues" by Michael J. T. McMillen (2006), published in England, the subject of Islamic finance is examined, as well as the factors affecting the risk assessment of transaction participants in the capital market. The main factors are mentioned affecting the development and growth of Islamic capital markets in this study. It provides an overview of the expectations of the transaction participants to increase sensitivity to the main issues that need to be addressed in enabling capital market products in the field of Islamic finance. Thus, the situation of capital market products is evaluated with a general point of view (McMillen, 2006).

The essay titled “Asymmetric Information and Securitization Design in Islamic Capital Markets” by Zairihan Abdul Halima, Janice Howb, Peter Verhoevenb and M. Kabir Hassan (2019) is published in the Netherlands. It is explored the securitization of sukuk that a new Islamic financial instrument with an interest in a structured which funding arrangement according to Islamic finance norms in this essay. It also shows that the traditional determinants of securitization design for traditional debt, specially those related to information asymmetry and market segmentation, are equally applicable to corporate sukuk (Halim, How, Verhoeven, & Hassan, 2019).



The aim of Junaid Haider Muhammad Azhar's thesis (2010) titled "Islamic Capital Market Sukuk and Its Risk Management in the Current Scenario" published in Sweden is to analyze Islamic bonds and Islamic capital market for today's capital financing. It is emphasized that risk management of the Islamic capital market is a new and dynamic concept that gained more importance with the growth of sukuk throughout the world during and after the 2008 financial crises in this study. The aim of this research is to identify the main challenges and obstacles faced by the risk manager regarding the sukuk structure (Azhar M.,2010).

## **5. Development of Islamic Banking in Europe**

The interest-free banks which established to meet the needs of Muslims and non-Muslims operate in many countries in Europe. Dar-Al Maal Islam, Al Baraka and Al Rajhi groups were the first to initiate interest-free banking practices in European countries. Luxembourg was the first country to start interest-free banking in Europe with a capital of 3.5 million USD in 1978. The interest-free bank, which started its operations in Europe in 1978 under the name Luxembourg Islamic Banking System (now known as the Islamic Finance House), does not deal with direct financing and it generally finances financial institutions in which it has majority shares. Although the name of the bank established in Luxembourg is Luxembourg Islamic Bank, the first interest-free Islamic bank is known as the Danish International Islamic Bank which was established in Copenhagen, the capital of Denmark in 1983 years. It is also the first Islamic bank that works and functions in terms of banking. The main feature of this interest free bank is to provide financial connections of Scandinavian companies in their financial transactions with different Islamic investment and Islamic banks companies. The most important financial centers of Europe are London, Amsterdam, and Frankfurt. The London financial center continues to develop more than any other at the present time. In Germany, Kuveyt Türk Participation Bank has operated as an interest-free bank until today (Kelleroğlu, 2017, p. 46). The large Muslim population in Germany facilitated the establishment of the first interest-free bank. The UK is a country which continues to develop Islamic banking as it has one of the most developed Islamic markets in the Western world. The largest banks of the Middle East have taken the UK to the most important position by taking place in the financial center and large international companies offering Islamic products, especially in London. Also, the London Metal Exchange continues its activities with the principle of collecting deposits based on the mudaraba method. Islamic finance activities based on the mudaraba method started in England in 1980 years. The companies from Gulf countries based on mudaraba method developed the opportunity of asset-based financing model together and turned to sukuk export in the times after 1980-1990. There are two main purposes for the government to support the interest-free financial system in the UK. The first of these; It is not to prevent anyone from entering the financial products market due to their belief and to generate income in this way. Second of these; It is trying to make London the center of Europe in terms of international global interest-free finance center (Kelleroğlu, 2017, p. 46).

Generally, Islamic banking activities in European countries continue to develop with a stable development process. There are very few banks in the EU that offer Islamic financial products and services. According to Sobol (2015), the first involvement of European banks in Islamic banking took place in the 1920s, in the early 20th century. The Eastern Bank that the predecessor of Standard Chartered, was allowed to open a branch in Bahrain on the condition that it avoids all interest-based transactions during these years (Sobol, 2015, pp. 186-195). When the first Islamic banks were established in the Middle East, the banks operating in Europe contacted interest-free banking in the 1970s. Newly established Islamic banks had problems in the management of their liquidity because they could not use the tools available for conventional institutions in those years. Because they are trading at the interest rate at that time. Many banks operating in later times, especially Saudi International Bank and United Bank of Kuwait, started to offer sharia compliant liquidity management services to Islamic banks in the Middle East. They accepted deposits

based on a commodity murabaha structure with short-term trading on the London Metal Exchange. In 1982, the big step towards the implementation of Islamic banking services in the European financial system took place in Jeddah when Al Baraka Investment Company purchased licensed depositor British Hargrave Securities and converted it into an Islamic bank. The newly established Al Baraka International Bank served the Muslim and non-Muslim population to a limited extent. This bank made a breakthrough in British Islamic banking in 2004 years, which becoming the first Islamic retail bank to receive a license from the Financial Services Authority (FSA). The Islamic Bank of England was the first fully fledged Islamic bank not only in the UK but also in the entire European Union in those years. The number of Islamic banks in the UK began to increase in the following years. There were six full-fledged Islamic banks in 2014 years. These are Abu Dhabi Islamic Bank, Al Rayan Bank, Bank of London and the Middle East, Gatehouse Bank, European Islamic Investment Bank, QIB UK. Also, Islamic services were only offered by a few Islamic windows in France, Germany, and Luxembourg during these years. Eurisbank is the first fully fledged Islamic bank in the Eurozone, it was established in Luxembourg at the end of 2014 (Sobol, 2015, pp. 186-195). There are also fully fledged Islamic banks in France and Germany, because the two European countries have the largest Muslim populations at the present time. Although there are only two branches of Islamic banks in the Middle East operate in France Kuveyt Türk Participation Bank which is a participation bank serving in Germany and Turkey, has a branch in Manheim (Sobol, 2015, p. 186- 195). There is a comparison of the Global Financial Center (GFCI) and Islamic Finance Country Index (IFCI) published annually for the year 2020-2021 is made in table 1 below. It is seen that London is the leading country in the global financial center, while Indonesia and Malaysia are the leading countries in the Islamic finance country index. Also, it is observed that the UK is more developed among European countries according to the Islamic finance index.

**Table 1.** Comparison of 2020-2021 Global Financial Center Index (GFCI) and Islamic Finance Country Index (IFCI)

Country	2021-(IFCI) Rank	2020-(IFCI) Rank	Center	2021- (GFCI)30 Rank	2020-(GFCI)29 Rank
Indonesia	1	2	Jakarta	66	93
Saudi Arabia	2	4	Riyadh	101	105
Malaysia	3	1	Kuala Lumpur	48	47
Turkey	11	11	İstanbul	61	74
The United Kingdom	18	18	London	2	2
Switzerland	30	29	Zurich	21	10
Germany	43	41	Berlin	60	45
France	48	46	Paris	10	25
Spain	50	48	Madrid	24	33

**Resource:** Global Islamic Finance Report 2021 and the Global Financial Centres Index 30.

## 6. Some Essay Studies and Practices Written in the Field of Islamic Banking in Europe

The essay titled “Issues in Islamic Banking and Finance: Islamic Banks, Shari’ah-Compliant Investment and Sukuk” by Mansor H. Ibrahim is published in the Netherlands. It has been mentioned that the recent interest in Islamic banking and finance is not only because of the rapid growth, but also to the recurring financial crises in the last 10 years, with the global financial crisis in 2008 being very severe in this essay. It

is emphasized that the Islamic finance sector is now an organization that not only fulfills the religious obligations of Muslims, but also operates to meet the needs and demands of customers in this study. The global financial crisis of 2008, the discovery of Islamic finance in their search for a viable and flexible alternative financial system has made significant contributions both to practitioners, monetary authorities and academic. Also, there are lots of articles on Islamic banking address the ongoing debate about the "Islamic" nature of Islamic banks, in line with a fundamental principle of profit-loss sharing. Especially, although there are relatively a few studies on sukuk, its development has received more and more attention in recent years and the list of research on the sukuk market continues to expand (H.Ibrahim, 2015).

In the article titled "Finance-Growth Nexus and Dual-Banking Systems: Relative Importance of Islamic Banks" by Pejman Abedifar, Iftekhar Hasan and Amine Tarazi, published in the Netherlands, it explores that whether the coexistence of Islamic and conventional banking contributes to financial development. There are various features of Islamic banking and finance are analyzed in the study. These are Mortgage loans, investment finance, securitization, relationship banking, stability, business models, yield, risk, loan default rates, mutual funds and valuations. This study tries to fill the gap by investigating the characteristics of Islamic banking from a growth perspective. It also explores the relative importance of Islamic banks in banking and financial development and economics alongside their conventional counterparts. This study found a significant positive relationship between the market share of Islamic banks and the development of financial intermediation, especially low-income or predominantly financial intermediation, financial deepening, and economic welfare. This determination was made by using a sample of 22 Muslim countries with dual banking systems in the period 1999-2011. Consequently, it is revealed that a larger market share potential Islamic banks is related to their higher efficiency than traditional banks (Abedifar, Hasan, & Tarazi, 2016).

Mohammad Bitar, Kuntara Pukthuanthong, Thomas Walker wrote the essay titled "Conventional Banking: The Role of Capital and Liquidity". They explain that the efficiency of conventional banks depends not only on bank capital and liquidity, but also on the level of bank efficiency where the relationship is not certain for Islamic banks. The evidences in the study provide insights into how capital and liquidity can shape bank efficiency. Also, it allows the examination of a non linear productivity relationship and conditional quantile regression approach which is preferred over other approaches. This essay has an important operational level impact on the type of regulation suitable for Islamic banks. They have been investigate the effect of holding a higher liquidity ratio and capital ratio on the efficiency of traditional and Islamic banks and also whether this effect between differs banks and less efficient by using conditional quantile regressions. It is suggest that capital and liquidity ratios are positively correlated with the current efficiency of the two types of banks and are less pronounced for Islamic banks at the result of the study.

In the essay titled "Islamic Banking and Risk: The Impact of Basel II" by Alexandra Zins and Laurent Weill, published in the Netherlands, it has been determined that whether Basel II standards affect the risk characteristics of Islamic banks. The information is being given about the main areas of interest to explain how financial stability affects the development of Islamic banking in this study. This study contributes to the literature on the impact of Basel II standards, especially how risk effects are affected by the structure of the banking industry between Islamic banks and conventional banks by examining (Zinsa and Weill, 2017).

In the essay titled "A Contemporary Survey of Islamic Banking Literature" by M. Kabir Hassan and Sirajo Aliyu, published in the Netherlands, it is emphasised that placed on future research methods by conducting an empirical study on Islamic banking. After the 2008 crisis it is mentioned the impact of the Islamic finance banking and discussions on this field in recent years in this study. Especially, he discusses the issues related

to Islamic banking and emphasizes that different paths may arise for future research in his study (Hassan and Aliyu, 2018).

The essay titled "Liquidity Creation Performance and Financial Stability Consequences of Islamic Banking: Evidence From a Multinational Study" by Allen N. Berger, Narjess Boubakri, Omrane Guedhami and Xinming Li, is published in the Netherlands. The angle of creating bank liquidity and the financial stability practices of Islamic banks compared to traditional banks are investigated in this essay. It is mentioned that Islamic bank and conventional bank models show differences in creating business models and developing hypotheses about liquidity in this study. It has been examined the effect of creating liquidity in two different types of banks on national financial stability.

It is emphasized that two previously unknown benefits of Islamic banking and it is mentioned that the liquidity formation of conventional banks negatively affects national financial stability in high-income countries and does not have a significant impact on incomes at the result of the research (Berger, Boubakri, Guedhami, & Li, 2019).

In the article titled "Islamic Finance Made in Germany-A Case Study on Kuveyt Türk (KT Bank): Germany's First Islamic Bank" by Matthias Casper and Asma Ait Allali, published in Germany, it is being focused development of Islamic finance in Germany. The role of the Shariah Supervisory Board is investigated which certifies whether the financial product complies with Islamic law, in the preferences of Islamic bank customers for sharia-compliant financial products in this study. There is also an incidence study about Kuveytturk bank. It is mentioned that discussion on new forms of financing with many scandals such as the manipulation of exchange rates and "Euribor" interest rates, the 2007-2008 global financial crisis and its aftermath arouse (Casper and Allali, 2017).

In the essay titled "Islamic Banking and Finance as an Ethical Alternative: A Systematic Literature Review" by Johanna Pesendorfer and Othmar Lehner, published in England, focused on bringing a new perspective to current studies on Islamic banking and finance. It was observed that there are a lots of literature on Islamic banking and only a small section is represented in the best journals in this study. In addition to criticizing the perspective on the conventional banking and financial system, economic events, Islamic banking is gradually accepted as an ethical alternative in the Western world as well. Because the origins of business models stem from ethical and religious considerations, it has been emphasized that while Islamic banks observe basic Sharia principles, they also comply with applicable guidelines such as Basel III and are flexibly adapting to ever-changing customer demands. Shortly, it has been discusses the expansion and development of Islamic banking in Europe in this essay. Some countries in Europe are acting as pioneers rather than legislative changes paving the way for Islamic banking in Europe such as the UK. Especially, it is tried to reduce the skepticism in the attitude of western world towards Islamic banking and finance by informing people about Islamic banking in the study (Pesendorfer and Lehner, 2016).

Abdelrahman Yousri Ahmad wrote an essay "Does Islamic Banking Help in Economic Development of Muslim Countries?". This essay is published in Germany. It attempts to assess the role of Islamic banking in development over the past four decades on the basis of what is expected and achieved from this system in this essay. Shortly, it is presented recommendations in this study that will enable Islamic banking to perform satisfactorily in the future. In the essay titled "Islamic Banking in the European Union Countries" by Iwona Sobol published in Lithuania quantitative and qualitative analysis methods were used mainly based on scientific literature, market reports and statistical data. The opportunities and challenges have been analyzed for the development of Islamic banking in European Union countries by identifying in this study. It has been answered the question of whether Islamic banks will be more important in the European

financial market in the future than it is today with analyzes (Sobol, 2015). In below table 2 shows the names of Islamic banks in Europe, their establishment dates and in which country they operate.

**Table 2. List of Banks Implementing Islamic Finance in Europe**

Country	The Names of Islamic Banks	Establishment Date	Origin of Fund Country
England	Islamic Bank of Britain	2004	England
England	Qatar Islamic Bank	2008	Qatar
England	European Islamic Investment Bank (EIIB)	2006	England
England	HSBC Bank	2003	Hong Kong
England	Habib Bank	2009	Pakistani
England	National Bank of Pakistan	2001	Pakistani
England	Riyad Bank	1983	Saudi Arabia
England	Saudi American Bank (UK)	1980	Saudi Arabia
England	Arab Bankers Association	1980	England
England	Habibsons Bank Ltd.	2015	England
England	Arab Bank Corp (BSC)	2007	Bahrain
England	Qatar National Bank	1977	Qatar
England	Arab African International Bank	2007	Egypt
England	Bahrain Middle East Bank	2009	Bahrain
England	Arab Bankers Association	1980	Lebanon
England	Dallah Al Baraka	1991	Saudi Arabia
Malaysia	Deutsche Bank	2009	Germany
Germany	Natural World Industrial Group Germany	2011	Germany
Germany	ABC International Bank Plc	2020	Bahrain
Germany	Bank of Tokyo-Mitsubishi UFJ Ltd.	2006	Japan
Switzerland	Faisal Private bank	2006	Bahrain
Switzerland	Swiss Islamic Banking	2006	Switzerland
Switzerland	Habib Bank AG Zurich	1974	The United Arab Emirates
Switzerland	Shirkan Finance Ltd.	2002	Holland
France	Qatar Islamic Bank	2009	Qatar
Italy	ABC International Bank Plc.	2020	Bahrain
Italy	Tokyo-Mitsubishi UFJ, Ltd	2006	Japan
Holland	Bilaa-Riba Hollande Leiden	2012	Holland
Belgium	Fas Banque Populaire	2012	Morocco
Belgium	Tokyo-Mitsubishi UFJ, Ltd.	2006	Japan
Ireland	Dallah Albarakah (Ireland) Ltd.	1999	Saudi Arabia
Ireland	Islamic Bank of Britain	2004	England
Finland	Bank of Finland	2002	Finland
Denmark	Maersk Logistic Odense	1904	Denmark

**Resource:** <https://listofbanksin.com/ListofBanksinEuropa.htm>

## **7. Some Studies and Applications of Essays Written in the Field of Sukuk in European Countries**

There are two different purposes in the article "Corporate Governance Mechanisms with Conventional Bonds and Sukuk' Yield Spreads" by Noriza Mohd Saad, Mohd Nizal Haniff and Norli Ali, published in the Netherlands. The first aim is to examine the significant average difference between sukuk yields and traditional bonds. The second aim is to determine the relationship between corporate governance mechanisms and yield differentials. It is mentioned that sukuk has a shorter maturity compared to traditional bonds and that sukuk instruments imitate traditional bonds in this study (Saad, Haniff and Ali, 2019).

The impact of the sukuk market development on the profitability of banks is investigated by using a dataset including 13 Islamic banks and 146 conventional banks in the essay titled "The Impact of Sukuk on the Performance of Conventional and Islamic Banks" by Karim Mimouni, Houcem Smaoui, Akram Temimi and Moh'd Al-Azzam published in the Netherlands. It has been focused on the increase in global sukuk issuance and the developments in the emerging market size in this study. It is mentioned in detail in the study, emphasizing that the evidence on how sukuk affects the banking sector is limited at the present time (Mimouni, Smaoui, Temimi, & Al-Azzam, 2019).

The discussions about the difference between sukuk and conventional bonds have been addressed by investigating the yields and volatility spreads of sukuk and equity-based global bonds. It is emphasized that the importance of sukuk in strategic asset allocation and hedging of international investors in the study (Maghyereh and Awartani, 2016).

In the essay titled "Does Sukuk Market Development Spur Economic Growth?" by Houcem Smaouia and Salem Nechi, published in the Netherlands it explores the impact of the development of the sukuk market on economic growth, using an example from all countries that issued sukuk from 1995 to 2015 years. It has been concluded that the development of sukuk markets may have promoted financial inclusion by removing the negative effects that encourage economic growth and investment (Smaoui and Nechi, 2017).

In the essay titled "Dependence Structure Between Sukuk (Islamic Bonds) and Stock Market Conditions: an Empirical Analysis with Archimedean Copulas" by Nader Naifar, Shawkat Hammoudeh and Mohamed S. Al dohaiman, published in the Netherlands it explores the dependency structure between major local sukuk (Islamic bonds) yields in a Muslim country and various stock market conditions represented by national, regional and global stock returns. Especially, the increasing risk and instability in recent major financial crises has been mentioned in the traditional financial markets of Islamic financial instruments (Naifar, Hammoudeh, & Al dohaiman, 2016).

The qualitative research method was used in the essay titled "A Bibliometric Review of Sukuk Literature" by Andrea Paltrinieri, Mohammad Kabir Hassan, Salman Bahoo and Ashraf Khan published in the Netherlands. The study examines the sukuk literature between 1950-2018 years. The sukuk market has emerged as a new phenomenon in the global financial system after the financial crises. Therefore, a large literature on the subject has been published along with the issuance of sukuk (Paltrinieri, Hassan, Bahoo, & Khan, 2019).

In the essay titled "Global Factors Driving Structural Changes in the Co-Movement Between Sharia Stocks and Sukuk in the Gulf Cooperation Council Countries" by Chaker Aloui, Shawkat Hammoudeh and Hela ben Hamida published in the Netherlands it is determined that whether there are differences in the mutual relationship between Islamic stocks and sukuk. It is well known that sharia-compliant stocks and sukuk are primary investment vehicles for the creation of optimal Islamic and non-Islamic investment portfolios in Islamic financial markets (Aloui, Hammoudeh, & Hamida, 2015).

In the essay titled "An Introduction to Islamic Securities (Sukuk)" by Pegah Zolfaghari, published in Sweden instruments are compared with the issues that sukuk is not used specifically in Islamic markets and is used as a financing tool in other capital markets. The study aims to introduce, compare and examine sukuk with various other securities. Sukuk is considered as Islamic financial instruments created for medium and long term financing due to certain limitations existing in the Islamic financial system that cause common bonds not to be used. Sukuk are very similar to common bonds but there are some differences between them. They have the characteristics of stock in some cases (Zolfaghari, 2017).

In the essay titled "Exploring International Economic Integration Through Sukuk Market Connectivity: A Network Perspective" by Mehmet Asutay and Amira Hakim, it is intended to measure the degree of international financial and economic integration among the eight sukuk issuing countries for the period 2004-2014. The study aimed to explore the link between the emergence of sukuk markets, financial activity and degree of integration and sukuk issuing countries. There is a hedging strategy used in traditional risk of finance management can also be used to manage currency-related risk. So, it is known to be more stringent the practice of hedging in the sukuk market because it has to avoid speculation and comply with sharia compliance. For the use of sukuk and conventional bonds were exposed to the same risk during the 2008 financial crisis, their performance was equally affected (Asutay and Hakim, 2018).

## **8. Conclusion**

Islamic economics, whose theoretical infrastructure was developed towards the middle of the 20th century, made a great leap forward especially in finance and banking, thanks to the great wealth (petrodollar) and liquidity abundance obtained by the Muslim Arab societies with the oil crisis in 1973. For example, Bahrain-based Albaraka Group, which operates in 15 countries today, opened the first Islamic bank in Jordan in 1978. Albaraka Turk in Turkey was put into service in 1985 as the sixth country of the group. The same group opened an Islamic bank in Germany in 2018. Kuwait-based Kuwait Finance House, on the other hand, was established in 1977 and chose Turkey as the second country in which it conducts its operations, and started its operations here in 1989. In 2015, this group opened the first fully-fledged Islamic bank in Germany. These individual examples show that these Islamic banks, which emerged after the mid-1970s, have started to be opened in the centers of Europe in recent years and their prevalence has increased.

The British government has established a global financial center in the city of London in order to attract and manage the excess liquidity caused by the rise in oil prices of the Gulf Cooperation Council countries from 2003 to the present, and to provide access to the financial markets. When we look at the "The Global Financial Centers Index 30" report published in September 2021, it is seen that London is in the second place in Islamic finance. The Global Financial Center London is in a leading position in the world. London is also an important center for Islamic finance. According to the "Global Islamic Finance 2020-2021 Report" published every year, the UK ranks 18th in the world, increasing its score by 44.61% compared to the previous year. This shows that the UK is in the direction of becoming a leading country in the field of Islamic finance every year. Particularly in the UK, academic studies included in the research focused on studies in areas such as Islamic finance, Islamic banking, and Islamic capital market. In addition to this, more

academically in Germany; Islamic finance, Islamic fund and Islamic banking studies were carried out. Although academic studies are focused on Islamic finance, takaful, Islamic banking and sukuk in the Netherlands and Italy, Islamic finance products are not applied much in these two countries. There are studies on Islamic capital market and sukuk as academic studies in Sweden. There are legal changes for Islamic finance practices in France, and an increase is observed in the number of conferences, academic publications and programs in this field in the country. In France and Switzerland, various incentives are offered to attract petro-dollars, focusing on Islamic finance, Islamic banking and sukuk. It can be said that these articles, which are discussed in the field of Islamic economics and finance in Europe, are especially important in terms of contributing to the awareness of Islamic economics and finance in the European public opinion. It would be beneficial for researchers and general readers in the fields of economics and finance to expand these topics even more.

It is foreseen that Islamic financial institutions will become more widespread in the field of application so that the Muslim community, whose population is increasing day by day, consists of millions of Turks and other nationalities, to access the legitimate financing and investment opportunities they need. In this sense, both theoretical studies and Islamic banking and insurance practices have great potential in Europe.

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