

# Ottoman Cash Waqf System: An Alternative to the Western Capitalist System

Izzatul Muna, Yasdi<sup>2</sup>

Department of Islamic Economics and Finance

Doctorate Student of Istanbul Sabahattin Zaim University

<sup>2</sup>Sekolah Tinggi Ekonomi dan Bisnis Islam Al Rosyid, Bojonegoro

Email: [muna.izzatul@std.izu.edu.tr](mailto:muna.izzatul@std.izu.edu.tr), [yasdistebia@gmail.com](mailto:yasdistebia@gmail.com)

## Abstract

*The purpose of this article is to investigate and analyze the Ottoman cash waqf system as a distinct economic model from capitalism, concentrating on its principles, operational mechanisms, and social impact. This study employed a literature review methodology and compared the Ottoman currency waqf system to the western capitalist system. This study reveals that the Ottoman cash waqf system was founded on the principles of social justice, solidarity, and equitable distribution, as opposed to the capitalist principles of prioritizing individual gain. This system provides solutions to problems of social and economic inequality and safeguards the most vulnerable members of society. In spite of its positive potential, the Ottoman cash waqf system confronts a number of obstacles, such as lack of effective management, proper regulation, and public awareness. This article explores the potential of the Ottoman cash waqf system as a different response to social and economic challenges that are viewed as an attractive alternative to the western capitalist system, despite the fact that the western capitalist system can have negative systemic effects.*

**Keywords:** Ottoman, Cash Waqf System, Western Capitalist System

## Abstrak

*Artikel ini bertujuan untuk menyelidiki dan menganalisis sistem wakaf tunai Ottoman sebagai model ekonomi yang berbeda dari kapitalisme, berkonsentrasi pada prinsip, mekanisme operasional dan dampak sosialnya. Studi ini menggunakan metode tinjauan literatur dan membandingkan sistem wakaf mata uang Ottoman dengan sistem kapitalis Barat. Studi ini mengungkapkan bahwa sistem wakaf tunai Ottoman dibangun di atas prinsip keadilan sosial, solidaritas, dan pemerataan dimana berlawanan dengan prinsip kapitalis yang mengutamakan keuntungan individu. Sistem ini memberikan solusi atas masalah ketimpangan sosial dan ekonomi serta melindungi anggota masyarakat yang paling rentan. Terlepas dari potensi positifnya, sistem wakaf tunai Ustmaniyah menghadapi sejumlah kendala, seperti kurangnya manajemen yang efektif, regulasi yang tepat dan kesadaran publik. Hasil studi ini mengeksplorasi potensi sistem wakaf tunai Ustmaniyah sebagai respon yang berbeda terhadap tantangan sosial dan ekonomi yang dipandang sebagai alternatif yang menarik dari sistem kapitalis barat, meskipun sistem kapitalis barat dapat memiliki efek sistemik yang negatif.*

**Kata kunci:** Ottomona, Sistem Wakaf Tunai, Sistem Kapitalis Barat

## Introduction

In today's economy, the economic system that is widely adopted in many countries is the capitalist system. The definition of capitalist, according to the origin of the word capital which means an economic system that considers capital as the driving force of the economy. Capitalism recognizes the power of investors as the engine of the economy that invests their capital<sup>1</sup>. Western capitalist systems based on individual profit and wealth accumulation are frequently characterized by inequality, injustice, and economic imbalance. In this situation, the Ottoman cash waqf system appears to be an attractive alternative, as it is founded on the principles of justice, solidarity, and equitable distribution.

In the other side, Muslims are familiar with public financial instruments that secure strategic assets so that they may be utilized for the common good by the larger community. This instrument is known as waqf. Waqf is a public financial resource possessed by Muslim communities and a manifestation of the significance of public participation in enhancing the welfare of society. With public participation, the burden of alleviating poverty and distributing prosperity more equitably becomes broader and simpler. It would be different if all of these burdens were borne solely by the state, which relied solely on taxes for funding. Taxes are a mandatory and coercive form of public participation, whereas waqf is a form of voluntary participation<sup>2</sup>.

Waqf is an immovable religious donation regulated by Islamic law, typically involving religious or charitable structures or property. Waqf is also a component of the Ottoman system of charity, which has eliminated destitution for six centuries by means of the waqf system<sup>3</sup>. The Ottoman cash waqf system has a long history and has previously been used successfully throughout the Ottoman empire. This method is based on cash waqf, which is the utilization of waqf monies for broader social and economic reasons such as education, health, and communal welfare. The waqf institution manages the ownership and management of waqf assets in this system and is responsible for ensuring that the money is utilized for public purposes<sup>4</sup>.

Western capitalist system has many weaknesses. Social inequality is a problem that is quite prominent in the capitalist economic system. But apparently, the problems caused by the capitalist system can be reduced and suppressed by the Islamic system, namely waqf. The Ottoman Empire

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<sup>1</sup> Choirul Huda, *Ekonomi Islam dan kapitalisme: menurut benih kapitalisme dalam ekonomi Islam*, Jurnal *ecoomica*, vol. 07, Numb. 01, 2016. P. 3.

<sup>2</sup> Nurul Abdillah, *Endowment and Waqf Funds In Malaysian Higher Education: A Conceptual Study*, Jurnal *Syariah Malaysia*, April 2021.

<sup>3</sup> Jennifer Çelik, *Daily Sabah: Waqf: The backbone of Ottoman beneficence*. June 09, 2015.

<sup>4</sup> Hamid Fahmy Zarkasyi, *Worldview Islam dan Kapitalisme Barat*. *Tsaqafah*, 9(1), 2-013, p. 15-38.

is an example of a successful government system that builds and manages a waqf system properly, including cash waqf. From this paper, the authors would like to identify how cash waqf can be a good alternative in overcoming the problems of the western-style capitalist economic system.

### Research Method

The literature research method is applied for this type of research. The literature research method is defined as research that is synonymous with text or discourse analysis activities that analyze an event, whether in the form of an act or writing, in order to gain accurate facts by determining the origin, the true reason, and so on. Furthermore, Mardalis claimed that library research is a study that is utilized to collect information and data from many types of library materials like as documents, books, periodicals, and historical stories<sup>5</sup>.

The research method employed is library or literature research, in which researchers rely on different iterations to collect research information and employ a qualitative approach because the material provided is in the form of words or descriptions. Library research, also known as bibliographical research, is research that investigates written works. The research in this study was carried out using similar or related research. The measures to be taken in this research methodology are as follows:

1. Literature Review: At this step, an in-depth examination of the relevant literature on the Ottoman cash waqf system and the western capitalist system is conducted. A literature review will be conducted to gather information regarding the core principles, objectives, strengths, and shortcomings of these two systems. Books, scientific journals, articles, and other authoritative and credible sources of information will be used as literature sources.
2. Case Study Analysis: Following that, a case study analysis will be conducted to acquire a better understanding of the Ottoman cash waqf system's implementation in a real-world situation. Several pertinent case studies, both historical and contemporary, will be chosen for in-depth examination. Documentation, interviews, and observations linked to the implementation of the Ottoman cash waqf system will be used to collect data. This case study will provide insight into the triumphs, problems, and possibilities that have been encountered in adopting this system as an alternative to the western capitalist system.
3. Analysis: The data gathered from the literature research and case study analysis will be qualitatively analyzed. This analytical method will entail grouping, categorizing, and discovering patterns in data. The findings of this analysis will be utilized to back up the claims presented in the paper.

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<sup>5</sup> Milyasari dan Asmendri, "Penelitian Kepustakaan (Library research) dalam Penelitian Pendidikan IPA", Vol. 6, No. 1, (2020), p. 43.

4. Interpretation and Conclusion: The fourth stage involves data interpretation and conclusion formulation. The findings of the analysis will be utilized to assess the Ottoman cash waqf system's strengths, shortcomings, prospects, and challenges as an alternative to the western capitalist system. Conclusions will be formed from research findings and arguments developed throughout the study.

It is intended that by employing this methodology, this research will provide a full understanding of the Ottoman monetary waqf system as an alternative to the western capitalist system.

## **Result and Discussion**

### **Definition of Capitalist System**

The capitalist system is based on private ownership of resources and industrial equipment and is controlled by supply and demand-driven market mechanisms. In a capitalist society, people, businesses, and institutions are free to own, manage, and distribute economic resources such as capital, land, and labor in order to turn a profit.

Some experts define capitalism as a system that began to apply in Europe in the 16th to 19th centuries, namely during the development of European commercial banking where a group of individuals or groups could act as a certain entity that could own or trade in property. Personal assets, especially capital goods, such as land and people for the process of changing from capital goods to finished goods<sup>6</sup>. Adam Smith is a figure of the classical school and can be said to be the father of capitalism. The understanding of the liberal economic doctrine originating from Adam Smith marked a revolutionary change in economic thought.

Furthermore, Umer Chapra mentions five characteristics of Capitalism:

- 1) Believes that the expansion of wealth can be accelerated, maximum production and satisfaction of desires in accordance with individual preferences is very important for welfare.
- 2) Unlimited individual freedom to create personal wealth, own and manage it as a matter of individual initiative.
- 3) Individual initiative and decision-making in a free market as a condition for optimum efficiency of resource allocation.
- 4) There is no need for the role of government and collective values in allocative efficiency and distribution justice.

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<sup>6</sup> Fuad Riyadi, Sistem Dan Strategi Pengupahan Perspektif Islam, Iqtishadia, Vol 8, No. 1, Maret 2015.

- 5) Fulfillment of personal interests by all individuals will automatically fulfill social interests.

The existence of free market competition, in which the cost of products and services is set by market forces based on supply and demand, is the primary characteristic of the capitalist system. Economic actors in this system are primarily motivated by profit and economic expansion. Market forces that manage resource allocation based on effectiveness and customer demand control investment, manufacturing, and distribution of goods and services<sup>7</sup>.

Individuals have the ability to own private property, enter into contracts, and operate businesses in a capitalist economy without a lot of interference from the government. This system also places a strong emphasis on the role that individual initiative, innovation, and economic expansion play in generating wealth. The capitalist system has evolved into the cornerstone of many economies around the world, particularly those that follow market economies. However, there are also drawbacks and difficulties with this system that may be disregarded, including issues with social and environmental effects, corporate dominance, and economic inequalities.

Capital accumulation in a capitalist economy is made possible by individual or corporate ownership of the resources and tools of production. In this situation, anyone or any company with enough capital can invest it to make more money. It is anticipated that market competition and economic freedom will promote economic growth, innovation, and efficiency. The freedom of employment and social mobility are other tenets of the capitalist economy. Individuals are free to select the type of employment and job they like, and they also have the chance to improve their social and economic standing through hard work and success<sup>8</sup>.

However, the capitalist system also presents numerous difficulties and obstacles. Due to the unequal distribution of resources, one of them is economic inequality. The accumulation of capital by a limited group of individuals or businesses can exacerbate the economic disparity between them and the rest of society. These disparities can affect some individuals' access to education, health care, and economic opportunities. Furthermore, the capitalist system is criticized for its effect on the environment and its sustainability. Environmental impacts such as environmental degradation, the sustainability of natural resources, and climate change can be overlooked when economic growth and profits are prioritized.

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<sup>7</sup> Mas'od, M. A. (2012). Serangan ideologi barat terhadap pemikiran umat Islam dan implikasinya kepada iman. *Jurnal Penyelidikan Islam*. Volume, 25, 99-118.

<sup>8</sup> *Ibid.*

Capitalism is based on the principle that capital must be invested with the goal of generating a profit, and anyone who works diligently can achieve financial success. However, the current state of society demonstrates that a disregard for the welfare of individuals and their shared interests can lead to social imbalances and destitution. When wealth is concentrated in a relatively small group of people, while the majority of people struggle to meet their basic requirements, social inequality exists. For instance, the wages garnered by employees are not proportional to the profits earned by business owners, resulting in significant income inequality.

Alternative concepts such as the Ottoman Cash Waqf System emerged in this context. This system is viewed as an alternative to the capitalist system of the West due to its emphasis on social values, general welfare, and sustainable resource utilization. Islamic principles are incorporated into the Ottoman Cash Waqf system, which prioritizes profit and social sustainability over the accumulation of individual wealth.

### **Weaknesses and Criticism of the Capitalist System**

Even while the capitalist system possesses a number of benefits and advantages, it is nonetheless open to criticism and demonstrates a number of deficiencies. The following are examples of common complaints that are leveled against the capitalist system<sup>9</sup>:

1. **Economic Inequality:** Capitalist systems frequently result in substantial economic inequality. There is a tendency for wealth and resources to be concentrated in the hands of a few individuals or corporations, while the majority of the population experiences injustice and economic hardship. This can result in social polarization and hinder social progress as a whole.
2. In a capitalist system, access to resources and opportunities is frequently contingent on social status and affluence. This can lead to social injustice, in which less fortunate or disadvantaged individuals struggle to attain social well-being and mobility. This type of injustice can engender difficult-to-break cycles of poverty and social inequality.
3. **Impact on the Environment:** The capitalist system tends to promote maximum economic growth and profits without adequate consideration of the environment. An emphasis on excessive production and consumption can result in the depletion of natural resources, harm to the environment, and climate change. This threatens the viability of our planet and increases the likelihood of future environmental crises.

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<sup>9</sup> Kriyantono. *Teori-teori public relations perspektif barat & lokal: Aplikasi penelitian & praktik*. Jakarta: Kencana, 2014, p. 95-185.

4. The capitalist system is susceptible to financial crises, which can have negative effects on the global economy. The desire to maximize short-term profits frequently encourages speculative behavior, market manipulation, and excessive debt. The effects of a financial crisis can be detrimental, including recessions, corporate bankruptcies, and an increase in unemployment.
5. Everything is commodified: In the capitalist system, many aspects of existence are commodified, or transformed into tradable goods and services. This includes natural resources, labor, education, and health, as well as social relationships. This strategy is frequently criticized for disregarding social values, humanism, and non-monetary factors.
6. The emphasis on enhancing social welfare is an attempt to reduce inequality and inequity within the capitalist system. Governments can bolster social protection systems, such as health insurance, affordable education, and redistribution of wealth policies, to ensure that economic benefits are shared by all.
7. Sustainable Development: Promoting sustainable development is a way to combat the negative environmental effects of the capitalist system. Governments, businesses, and communities must collaborate to implement environmentally favorable practices, such as the use of renewable energy, proper waste management, and ecosystem protection.
8. Economic Socialization: One of the proposed alternatives is economic socialization, in which the community collectively or the state exercises ownership and control over economic resources. This approach prioritizes social welfare over individual profit in an effort to reduce economic inequality and provide more equitable access to resources.
9. It is essential to institute strict regulations on economic and financial activities to prevent practices that are detrimental to society as a whole. The government can supervise and control acts of monopoly, speculation, and environmental exploitation that are detrimental to the public interest if it has effective regulations.
10. Public Education and Awareness: Educating and informing the public about the flaws of the capitalist system can be the first step in effecting positive change. With a greater understanding of the consequences of existing economic systems, society can support equitable and sustainable policy and practice changes.

Combining these alternatives can aid in reducing the vulnerabilities and criticisms of the capitalist system, creating a system that is more inclusive, sustainable, and better able to preserve social welfare.

## **History of Waqf and the Ottoman Cash Waqf System**

The history of waqf and the Ottoman cash waqf system were crucial in the establishment of an alternative economic system to the capitalist system. Waqf is an Islamic charitable tradition in which assets or property are surrendered or dedicated for societal objectives such as education, health, and general welfare. This practice stretches back to the early days of Islam and has become an important component of the Muslim world's religious and cultural heritage<sup>10</sup>

The first Ottoman sultan to establish a waqf was Orhan Gazi. He established a madrasah or an educational institution in Iznik as a place where society seeks religious science. The first graduate of this madrasah was David Kayseri, a famous scholar, thinker, and architect of the Ottoman era. Orhan Gazi also donated part of his wealth to cover the cost of madrasah. The establishment of this madrasah is very important, because it is recognised as the first Madrasah of the Ottoman Sultanate<sup>11</sup>.

Waqf also assists nations in meeting their requirements and reducing their financial burdens. In addition, the use of this waqf continued to expand until the Ottoman dynasty. In what most historians refer to as the period of waqf civilization, Ottoman society had a distinctive and advanced system of waqf. The Ottoman period did not invent the waqf system, but rather inherited it from earlier Muslims and continues to implement it today. The waqf system is based on charitable activities in order to obtain Allah's pleasure. During the Ottoman era, waqf ownership grew to become the third greatest financial sector, following the public and private sectors. During the Ottoman era, waqf accounted for between 12 and 50 percent of the total financial system. The administration of Waqf during the Ottoman era was also exemplary. During the Ottoman era, management and administration of waqf were carried out successfully<sup>12</sup>.

In addition, the Waqf system, which was originally used only as a service in the form of educational institutions, mosques, and hospitals, has now expanded to offer a wider range of services. Waqf is spread not only in the centre of the capital, but also in the provinces. Buildings, markets, mosques, hospitals, schools, libraries, roads, waterways, hammams (bathrooms) and other facilities and facilities needed by the community were built using Cashwaqf assets. Managing Waqf assets

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<sup>10</sup> Ash-Syahid, S. M. B. (2002). *Keunggulan ekonomi Islam: mengkaji sistem ekonomi barat dengan kerangka pemikiran sistem ekonomi Islam*. Zahra Publishing House. P. 98.

<sup>11</sup> Mehmet Bulut, *A Look to Cash Waqfs as an Indicator of Ottoman Financial Mentality*, MPRA Paper No. 94784, 04 Jul 2019.

<sup>12</sup> Iskandar. *Implementasi Wakaf Uang Pada Masa Kesultanan Utsmaniyah*. Al-Hisab: Jurnal Ekonomi Syariah Vol. 1, No. 1 (Desember 2020)



with a superior system was the reason why the development in the Ottoman era flourished rapidly<sup>13</sup>.

Looking closer, waqf has played an important role since ancient times, as was the case in Egypt at the time of the pharaohs. In ancient Egypt, people gave their land and buildings to monks both as dwellings and for prayer. Waqf provides good progress for the development of Islam. As in Egypt, the Waqf land succeed to build the oldest Islamic educational institution that later developed into an educational institute. The establishment of Al-Azhar University is one of the achievements of waqf in building society in the field of education<sup>14</sup>.

In ancient times, waqf consisted primarily of physical assets such as land and structures. However, during the Ottoman era, the implementation of waqf with "cash" occurred during its development. Waqf, which is equipped with a "cash" system, enables the creation of investments in religion, education, and social services. Cash Waqf Certificates will be exchanged for community income, and income from managing Cash Waqf will be used for a variety of public benefits.

The waqf system underwent significant development during the time of the Ottoman Empire. The Ottoman Empire introduced a financial waqf system, which became an alternative to the developing Western capitalist economic system. In the cash waqf system, waqf assets are converted into currency or productive investments to provide economic and social benefits to society. Islamic principles, such as justice, sustainability, and social welfare, were combined with economic principles distinct from capitalism in the Ottoman cash waqf system. Cash waqf enables the collection of funds from the community in the form of donations, zakat, or infaq, which are then used to fund waqf initiatives that benefit the community<sup>15</sup>.

The Ottoman cash waqf system has developed numerous development initiatives, including education, health care, infrastructure development, and social assistance for the needy, with great success. This system's success exemplifies how alternative economic practices can provide alternative solutions for overcoming the economic injustice and social inequality that frequently occur in the capitalist system. There were a lot of discussions about Cash Waqf among Ottoman scholars. The first scholar who gave permission to CWs and wrote a treatise about it was Kemal Paşazade (1469-1534). Ibn Kemal agreed that there had been a positive opinion and decision on the establishment of CWs that was taken previously by a qadi, a Muslim judge. Thus, this established a precedent and could not be ignored by other qadis. On the other hand, some

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<sup>13</sup> Mehmet Bulut, *A Look to Cash Waqfs as an Indicator of Ottoman Financial Mentality*,... 2019.

<sup>14</sup> Ibid.

<sup>15</sup> Piliyanti, I. (2009). *Menggugat Sistem Kapitalisme*. *La\_Riba*, 3(1), p.46-55.

believers deny cash. One of them was Çivizade Muhyiddin Mehmed Effendi (1476-1547), who banned cash payments in the province of Rumeria. However, the prohibition is not accepted, rather the cash Waqf is used to meet the vital needs of the community, and the ban is the only one that causes chaos in the cash Waqf service<sup>16</sup>.

Despite the fact that the Ottoman currency waqf system has its own advantages and benefits, it is essential to comprehend the historical and cultural context that influenced it. Each alternative economic system has its own benefits and drawbacks, and it is important to consider how this system can be implemented and adapted to the conditions and challenges of the present day. The history of waqf and the Ottoman currency waqf system offers an intriguing perspective on efforts to develop alternative economic systems that are more sustainable, inclusive, and oriented toward social welfare<sup>17</sup>.

There are various examples of projects that have been effectively implemented in the Ottoman cash waqf system. One of these is the establishment of madrasas, or Islamic institutions, which offer free education to the community. Madrasahs can be created and operated with cash waqf funding without imposing educational costs on students. This broadens and more equitably distributes educational opportunities for people of all socioeconomic backgrounds.

In addition, the Ottoman monetary waqf system made it possible for hospitals and other health care facilities that provide services to those who are in need to be developed. Waqf financing can be used by hospitals to make improvements to its infrastructure, pay their medical staff, and provide low-cost or free medical care to individuals who are unable to afford it. Both the accessibility and the quality of medical treatment in the community will improve as a result of this.

The Ottoman cash waqf system's effectiveness in carrying out these initiatives demonstrates the possibility of an alternative economic system founded on the principles of justice and social welfare. Through the utilization of waqf monies for public purposes, this system promotes wealth redistribution and the fulfillment of society's basic necessities. In this scenario, Ottoman cash waqf can be viewed as an alternative capable of overcoming some of the capitalist system's faults and inequities<sup>18</sup>.

Waqf became very widespread during the Ottoman period and was used in educational and religious institutions (madrasahs, schools, mosques, cottages, etc.), infrastructure services (paths, bridges, bell towers,

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<sup>16</sup> Mehmet Bulut and Cem Korkut. (2022). The Impact of the Elite (Ulema) Class on the Ottoman Economy: The Case Study of Cash Waqaf. *International Journal of Economics, Management and Accounting* 30, no. 1.

<sup>17</sup> Ash-Syahid, S. M. B. 2002. *Keunggulan ekonomi Islam: mengkaji sistem ekonomi barat dengan kerangka pemikiran sistem ekonomi Islam*. Zahra Publishing House.

<sup>18</sup> Piliyanti, I. (2009). Menggugat Sistem Kapitalisme. *La\_Riba*, 3(1), p. 55.

etc.) and charitable works. All these services made the Ottoman Empire known as the Waqf civilization. The Waqf that finances social life is also one of the determinants of economic life by creating jobs for society and funding investment. The practice of cash waqf still makes it one of the government's revenues. Waqf profits are used to organize the territory to meet the needs of the community. The financial wealth accumulated during the Ottoman Empire was continued and converted into necessary facilities for society and also distributed to help the poor.

At the time that the Ottoman Empire was coming to an end, there was a specialized organization that was in charge of handling the monetary waqf. After the fall of the Ottoman Empire and the establishment of the Republic of Turkey, the cash waqf system was eliminated by the new government. However, it came up once more, which was to establish a financial institution. This financial institution is known as Vakıf Bank Türkiye. The Vakıf capital of this bank was the result of cash during the Ottoman Empire<sup>19</sup>.

However, the Ottoman cash waqf system, like any other economic system, has its issues and limitations. For example, competent and transparent management of waqf money is required to guarantee that the monies are used correctly and give adequate benefits to the community. Furthermore, social, political, and economic changes might have an impact on the cash waqf system's long-term viability. It is critical to conduct additional study and studies on the Ottoman cash waqf system and its modern adaptation. With a better knowledge of these systems, opportunities to adapt or combine them with relevant new economic concepts to meet broader goals of sustainable development and social welfare may emerge<sup>20</sup>.

### **Ottoman Cash Waqf System as an Alternative to the Capitalist System**

The Ottoman cash waqf system is a unique economic system from the Western capitalism system. This system is founded on Islamic ideas and waqf practices that date back to the Islamic caliphate. Cash waqf is a type of waqf in which money or cash assets are donated for philanthropic and humanitarian causes. The goal and objective of economic activity is one of the primary distinctions between the Ottoman cash waqf system and the Western capitalism economy. Individual wealth increase and private gain are the major goals of the capitalist economy. In contrast, the

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<sup>19</sup> Mehmet Bulut and Cem Korkut. The Impact of the Elite (Ulema) Class on the Ottoman Economy: The Case Study of Cash Waqaf. *International Journal of Economics*, 2022.

<sup>20</sup> Ash-Syahid, S. M. B.2002. *Keunggulan ekonomi Islam: mengkaji sistem ekonomi barat dengan kerangka pemikiran sistem ekonomi Islam*. Zahra Publishing House.

major goal of the Ottoman cash waqf system was communal service and general welfare.

Assets or monetary assets were contributed to establish and operate numerous social organizations like as hospitals, schools, mosques, social activity centers, and so on in the Ottoman cash waqf system. The major goal is to help society and improve the quality of life for Muslims and those in need. The Ottoman monetary waqf system promoted social justice and equal distribution as well. Property owners who execute waqf not only amass money for themselves, but also actively assist the less fortunate. This idea of social justice is one of the key differences between the Ottoman cash waqf system and the capitalism economy, which produces huge social inequities<sup>21</sup>.

Furthermore, the Ottoman cash waqf system prioritizes long-term and sustainable management. The waqf property is administered effectively and efficiently in order to deliver long-term benefits to the community. This approach promotes economic stability and prosperity by generating a continuous economic cycle. In this context, the Ottoman cash waqf system is viewed as an alternative to the Western capitalism system, which is primarily concerned with individual wealth accumulation. This method demonstrates how Islamic values like social justice and general well-being can be utilized in the economic sector to build a more sustainable and inclusive society.

The Ottoman cash waqf system offered an option that had the potential to diminish social and economic disparities while also fostering social inclusion. This was accomplished through the use of the system's monetary donations. This system places an emphasis on social values and fairness, and it employs economic rewards in a manner that promotes the common good and the empowerment of communities. Within the context of the Ottoman cash waqf system, a number of the system's key components can be singled out as the system's strengths and distinctive features.

The ottoman waqf system seems to be able to reduce the consequences of the western capitalist system which can be detrimental. First and foremost, the Ottoman cash waqf system was founded on the ideas of solidarity and social fairness. Income from waqf assets is used to assist those in need, such as the poor, orphans, and homeless. This helps to alleviate social inequality while also protecting the least fortunate<sup>22</sup>. Second, the idea of equitable distribution is equally prioritized in the Ottoman cash waqf system. Income created by waqf assets is dispersed

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<sup>21</sup> Kriyantono. *Teori-teori public relations perspektif barat & lokal: Aplikasi penelitian & praktik*. Jakarta: Kencana, 2014.

<sup>22</sup> Ash-Syahid, S. M. B. 2002. *Keunggulan ekonomi Islam: mengkaji sistem ekonomi barat...* p. 123.

properly for the benefit of the entire community, rather than just certain individuals or organizations. The proceeds can be utilized to fund social infrastructure, education, and overall quality of life. Furthermore, the Ottoman cash waqf system reflected societal cultural and religious beliefs. Waqf has deep origins in Islamic beliefs, which emphasize the concept of blessing and social empowerment. This approach encourages people and groups to work together to construct and strengthen society<sup>23</sup>.

While the Ottoman cash waqf system is an appealing alternative, there are significant issues and restrictions that must be addressed. One of the most difficult difficulties is managing waqf assets in an efficient and transparent manner. To ensure that waqf monies are spent effectively and not misappropriated, a strong control mechanism and high accountability are required. Furthermore, using the Ottoman cash waqf system in a modern setting necessitates creative thinking as well as the ability to reconcile traditional values with modern economic and social dynamics. Changes in technology and worldwide trends can also have an impact on the execution of this system, thus adjustments must be done to maintain it relevant and effective. In this context, the purpose of this research is to examine the potential and challenges of the Ottoman cash waqf system as an alternative to the western capitalist system. This study will undertake a complete literature analysis, analyse case studies, and use critical thinking to evaluate the system's strengths and flaws in order to reach this goal. It is envisaged that this research will contribute significantly to the understanding of alternative economic systems capable of promoting social justice, solidarity, and sustainability.

The pricing revolution, on the other hand, was a momentous event in Spain in the 16th century. The Spanish price revolution had a close tie with the Ottoman economic structure. The Spanish price revolution was a period of severe inflation in Spain during its colonial days in America. The arrival of treasures from the Americas, such as gold and silver, resulted in an overabundance of money in Spain. This occurrence caused severe inflation, with prices for goods and services rising.

The Spanish price revolution had an effect not just in Spain but also in the Ottoman Empire, which was located to the east of Spain. At the period, the Ottoman Empire was a dominant economic force that participated in trade around the globe. They established business connections with a number of nations, one of which was Spain. The inflation that occurred in Spain had an effect on the prices of commodities and imported goods that were traded with the Ottomans<sup>24</sup>.

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<sup>23</sup> Ibid.

<sup>24</sup> Piliyanti, I. (2009). Menggugat Sistem Kapitalisme. *Jurnal La\_Riba*, 3(1), p. 55.

The increase in the prices of commodities and goods imported from Spain due to inflation had an impact on the Ottoman economy. These rising prices could be detrimental to economic security and financial stability in the Ottoman area. In addition, price fluctuations can also affect people's purchasing power and trading activities in the country. In response to changes in the global economy affected by the Spanish price revolution, the Ottoman government adopted various economic policies. They controlled imports from Spain and other European countries to limit the effects of inflation. In addition, the Ottomans also encouraged the development of the internal economic sector and trade diversification with other countries<sup>25</sup>.

Overall, the connection between the 16th century Spanish pricing revolution and the Ottoman economic system is that economic changes in Spain had a substantial impact on commodity prices and trade with the Ottomans. To maintain economic and financial stability within its borders, the Ottoman Empire had the difficulty of regulating the consequences of inflation that happened in Spain. The Ottoman waqf system made a considerable contribution to the government in resolving different issues caused by inflation in Europe. In this context, waqf serves as a reliable and long-term source of income that is unaffected by global economic swings. Waqf funding contributes to economic stability through funding infrastructure, education, health, and social empowerment programs. Furthermore, the waqf system offers social security to persons affected by inflation, including as welfare support, housing, and access to basic services. As a result, the waqf system offers an efficient answer to Europe's inflationary concerns while also promoting sustainable and inclusive development.

Cash waqf is associated with socioeconomic issues affecting Muslims, such as inadequate capital, education, and welfare. A case study conducted in Bangladesh with BRAC demonstrates that cash waqf can serve as a budget and source of loans for groups in need, such as merchants, farmers, and women seeking to expand their enterprises<sup>26</sup>. In addition to providing financial assistance, cash waqf can also address the issue of social inequality. The distribution of waqf funds for community-led business development aids the growth of micro and small businesses. Thus, cash waqf generates employment opportunities and fosters the growth of community-based enterprises in order to reduce social inequality.

In conclusion, cash waqf is one solution for addressing capitalist problems like social inequality and destitution. Giving cash waqf creates

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<sup>25</sup> Mas'od, M. A. (2012). Serangan ideologi barat terhadap pemikiran umat Islam dan implikasinya kepada iman. *Jurnal Penyelidikan Islam*. Volume, 25, 99.

<sup>26</sup> Zaman, Hassan. (1999). *Assessing the Impact of Micro-credit on Poverty and Vulnerability in Bangladesh*. RePec. p.5.

employment opportunities and promotes the growth of modest businesses. Giving monetary waqf can also better the economic life of Muslims in society, thereby enhancing their well-being and balancing the social life of society as a whole. Therefore, cash waqf becomes essential for attaining greater economic sustainability.

### Conclusion

In the end, this research examined the Ottoman cash waqf system as an alternative to the Western capitalist system. Based on Islamic principles, the Ottoman cash waqf system involved the donation of cash assets for charitable and humanitarian objectives. This study demonstrates that the Ottoman cash waqf system had several advantages and significant differences from the Western capitalist system.

*First*, unlike the capitalist system, which focuses on the accumulation of individual wealth, the Ottoman cash waqf system prioritizes service to society and public welfare. This system leads to asset management, which offers the community long-term and sustainable advantages. *Second*, the Ottoman monetary waqf system stresses social justice and equitable distribution values. Property owners can help the less fortunate by practicing waqf and decreasing existing socioeconomic inequities. *Third*, the Ottoman cash waqf system established a long-term economic cycle with effective administration. This promotes economic stability as well as general well-being.

Finally, this research shows that the Ottoman cash waqf system differs from the Western capitalist system. This system exemplifies how Islamic concepts like community service, social justice, and environmental sustainability can be used to build a more inclusive and just economic system. Taking these benefits and disparities into account, the Ottoman cash waqf system can be used to build an alternative economic system that is better in line with society and general welfare concerns. This article discusses Ottoman cash waqf from a particular standpoint; it is hoped that future researchers will investigate deeper and explore Ottoman cash waqf from a broader and more comprehensive perspective.

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