

The Legacy of Vakıf Institutions and the Management of Social Policy in Turkey

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ABSTRACT

This paper attempts to compare and contrast the public-service-provision paradigms during the Ottoman era and the post-2001 crisis, i.e. the Justice and Development Party (AKP) period in Turkey with a focus on social supports. Regarding the social services/supports targeting the lowest-income population, the legacy of vakıf has been re-interpreted in the latter period with the increase in the service capacity of the two vakıf-related entities (the Social Assistance and Solidarity Vakıfs and the Directorate General of Vakıfs). However, this paper argues that these vakıf institutions *per se* cannot provide credible commitment for social insurance during the economic depressions although the quality of political commitment has strengthened over the last decade.

Keywords: Islamic Public Administration, vakıf, the state, Ottoman Public Administration, Turkey, welfare policy, economic crisis (Turkey), counter-cyclicity.

1. Introduction

The purpose of this paper is to analyze the legacy of the *vakıf*¹ institution within the contemporary social-policy-making framework in Turkey. Therefore, understanding the continuities and changes of the conceptualization of this institution from past to present becomes a crucial task. Does the vakıf system serve to conceptualize the role of the state regarding the provision of major social services during the Ottoman era? And how has this institution changed in its social-service-provision paradigm?

Vakıf is a system of financing and producing charitable services. The vakıf system comprises three elements: *hayrat*, *akarat* and *vakıf*. *Hayrat*, the plural form of *hayr*, means "goodnesses" and refers to the motivational factor behind vakıf organization; *akarat* refers to *corpus* and literally means "real estates" implying revenue-

¹ The words "vakıf" is the Turkish transliteration of the original Arabic word "waqf". The word 'foundation' is also used to mean "vakıf", however, the latter is preferred in this text as a reference to semantic legacy of the word. Because of the frequent use, the words "vakıf" and "madrassa" are not used in italicized form.

generating sources, such as markets (*bedestens*, *arastas*, *hans*, etc.), land, baths² and *vakıf*, in its narrow sense, is the institutions providing services as committed in the vakıf deed such as madrasas, public kitchens (*imarets*), *kervansarays*, mosques, libraries (Yediyıldız 2014; Ivanova 2003, 14).³

Drechsler (2013) proposes a framework to cluster public administrations in three distinct categories: Western, Chinese and Islamic. In this framework, the Ottoman case is regarded as the archetype of Islamic PA. This paper attempts to contribute to this literature by analyzing the *vakıf*, an “Islamic” institution, by tracing its historical and contemporary implications from a social-policy perspective.

The *vakıf* system reached its fullest development during the Ottoman era (Barnes 1986, 154). Therefore, though views on its institutional origins vary (Köprülü 1942), it is clear that the *vakıf* system as an institution developed on the basis of the interpretation of Islamic scholars and practitioners along the institution’s life trajectory. It is widely accepted that broad interpretations of the Islamic law on the legality of some debated practices within the vakıf system led to the proliferation of *vakıf* institutions. Two examples are often cited for this claim: the justification of the unreal/family vakıfs (*adi vakıf/aile vakfi*) during the Abbasi period with the consent of the Abu Yusuf, one of the leaders of the Hanefi school of the Sunni tradition; and the innovation of cash vakıfs (*para vakfi*) approved by means of the *fetwa* of Ebussuud Efendi who was the *şeyhülislam* (sheikh of Islam) during the reign of Suleiman the Magnificent (1520-66) (see Çizakça 2000; Yediyıldız 2003). Therefore, the vakıf system needs to be considered an institution of Islamic PA not because it explicitly originates from Sharia law, but because Islamic societies innovated it by creating or improving its organizational form(s), legal framework and set of values.

The literature on vakıf approaches the issue from varying perspectives, such as “underdevelopment” of the Middle East, Islam and capitalism, social welfare, and colonialism. Within the colonial context, vakıf was a barrier for colonial powers as it was, from Islamic legal tradition, entitled to immunity from confiscation of the sovereign. For example, in Algeria the colonial powers took over sources of vakıfs, while they met resistance in Tunisia and had to change their strategies in Morocco (Çizakça 2000, 138). Similarly, seeking to exert its ideology over Central Asia, the Soviet rule distinguished institutions with a logic as between purely “religious”, such as mosques, and “cultural”, such as primary/secondary schools and orphanages. Afterwards, the “religious” institutions were taxed to delegitimize them, “cultural” ones were made exempt with a claim to promote “progressivism” (Pianciola and Sartori 2007). Mosques were subject to systematic “closures and destruction” in the 1920s, and their properties were given “socially useful” aims (Khalid 2007, 72).

Similarly, during the development of nation-states domestic rulers sought to centralize power and re-define the relationship between state and religion. For example, in Egypt, the establishment of the Ministry of Social Affairs in 1939 brought “charitable work of every description” under control (Pollard 2014).

² Whether cash would be a legitimate source of vakıf revenue under Islamic law was controversial in history. Yet cash vakıfs were legalized by Ottoman courts in the 15th century (Çizakça, 1998). Yediyıldız (2012) cites cash among examples of *akar*.

³ See Radushev et al. (2003) for a more detailed description of vakıf.

In the Ottoman era, the vakıf system served as a semi-autonomous mechanism in the provision of public services, in the absence of direct state commitment. With this system, neither did the state commit with its capacity to provide major public services, nor did it completely ignore their provision and leave the related activities and resources completely out of its control. Especially, the composition of vakıf founders and their proximity to the emperor imply the empire-aristocracy-society relations, revealing its “imperial and aristocratic nature” (Barnes 1986, 156). As Singer (2003) states, “the actions of private individuals such as sultans and viziers can hardly be divorced from those of the state in the premodern period because the state was the sultans and the viziers to a large extent.” The freedom to establish vakıfs by the individuals of aristocracy and the possibility of licencing the state-owned (*miri*) landed property (*temlik*) to generate income for their vakıfs imply a state policy, incentivizing public-service provision through the agency of individuals.

Moreover, the authority to inspect belonged to local judges (*qadi*) and *Babüssaade Ağası/Darüssaase Ağası* (the Chief Black Eunuch) at the imperial level completes the arms-length relationship of the state with the vakıf institutions (Singer 2003). Yediyıldız (2003) shows that in the 18th century, regarding the control of vakıfs, 64% were subject to the control of *qadi* (local judge), and for the remaining 36%, the control duty was given to different people as conditioned by the founders of vakıfs. Meanwhile, the emperor, as the ultimate owner of the licenced property, had the right to inspect every time and confiscate the vakıf property if the purpose of the deed was breached (Köprülü 1942) or if the vakıf was used to circumvent the rules and capture the state land for private interests (Yediyıldız 2003, 59-60). From the early period of the Ottoman rule, sultans appointed high officials for the management of their vakıf insitutions. Sultan Orhan and Mehmed II appointed their viziers, while Bayezid II appointed the Sheikh of Islam; and Hürrem Sultan, the wife of Suleiman the Magnificent, appointed the Black Eunuch for her vakıfs in Istanbul. Mehmed II and Murat II also appointed inspectors in every province for the control of non-imperial vakıfs. General control duty was laid on the Judge Officer (*Kadiasker*), who is a member of the Sultan’s *divan*. Some sultans founded a special unit to administer imperial vakıfs. As part of his centralization efforts, Mahmut II convened his vakıfs and some other imperial vakıfs under a section (*Evkaf-ı Hamidiye ve Mülhakatı İdaresi*) within the organization of the Ministry of Printing (*Daire-i Amire Nezareti*). Furthermore, to prevent corruption, the Imperial Vakıf Ministry (*Evkaf-i Humayun Nezareti*) was founded in 1826 (Öztürk 1995, 64-67; Akar and Güneş 2002, 58). Therefore, as Singer (2003) claims, being under state control, vakıfs served as the “precursors of modern state-provided social services”.

These features embodied in the vakıf system add up to our knowledge on the role of the state in public-service provision in the Ottoman era. Then, what, if anything, does the vakıf legacy imply for contemporary Turkey? To find this out, I will attempt to compare and contrast the paradigms then and now with a focus on the post-2001 crisis era, namely when the Justice and Development Party (Adalet ve Kalkınma Partisi, AKP) of Turkey promoted the idea of vakıf legacy. In this period, vakıf-related public agencies assumed a crucial role in the distribution of social supports.

The next section of this paper will briefly visit the foundational values of the vakıf system in the pre-modern states with a focus on the Ottoman Empire and question to what extent these principles and values are supportive of a social-policy-making framework favouring the lower segments of the society. In the third part, the service scope of the vakıf system will be briefly analyzed to demonstrate the paradigm of the day in the provision of social services. The idea here is that an understanding of the legacy may shed light on the modern-day policies because of, *inter alia*, institutional continuities, path dependencies and cultural values. In the fourth part, I will describe the post-2011 crisis context to explain how constraints conditioned a particular type of social policy in this era. I will argue that the need to establish economic stability after the tumultuous 1990s, the urgency to compensate the economic vulnerability of the fragile social classes and the use of direct support mechanisms are the components of the context of social-policy-making post-2011-crisis era. It is relevant in this context that the election victory of the AKP in 2002 was made possible by the mass mobilization of largely low- and middle-income strata whose social-security demands needed to be fulfilled within the constraints of “hard time” conditions.

In the fifth part, I will analyze the social-support policy of the state. Especially two public agencies, the Directorate General of Social Assistance (DGSA)⁴ and the Directorate General of Vakıfs (DGV), have taken a role in channeling social support after 2002. The DGSS is responsible for the coordination of the Social Support and Solidarity Vakıfs (SSSVs), a network of 973 dominantly centrally financed vakıfs founded at the provincial and district levels across the country. And, the DGV is the administrative institution which replaced the Ministry of Vakıfs (*Evkaf Nezareti*) of the Ottoman Empire. With the selection of the two institutions, I expect to follow the legacy of the vakıf institution in conceptualizing the role of the state in social-policy-making. The last section concludes.

2. Vakıf as an Islamic social institution

The vakıf system has been studied often to explain the “underdevelopment” of Islamic countries. This paper does not have such a claim. Equally important is to uncover the legacy of institutions conditioning the paradigm and the role of state in public-service provision, however challenging it is, for the roles, functions, structures and underlying values change by space and time.

Quranic verses and the hadiths of the prophet are often cited to justify the widespread existence of vakıfs in Islamic cultures, such as, but not limited to these:

It is not piety, that you turn your faces to the East and to the West. True piety is this: to believe in God, and the Last Day, the angels, the Book, and the

⁴ Coordinating entity of SSSVs evolved from being a secretariat affiliated with the Prime Minister between 1986 and 2004, to the Directorate General of Social Assistance and Solidarity with a special law and legal entity affiliated with Prime Minister in 2004, and to the Directorate General of Social Assistance within the organisation of the newly-established Ministry of Family and Social Policies as of 2011. The establishment of the ministry can be regarded as a milestone in the institutionalization of social policies.

Prophets, to give of one's substance, however cherished, to kinsmen, and orphans, the needy, the traveller, beggars, and to ransom the slave, to perform the prayer, to pay the alms ... (Quran 2:177).

For every nation there is a direction to which they face (in their prayers). So hasten towards all that is good... (Quran 2:148, translated by Mohsin Khan).

The idea is that the fundamentals of Islam, primarily the Quran and the hadiths of the prophet, incentivize the “giving” in whatever form it may be. Yediyıldız (2014) cites the latter to claim that Turks materialized it through vakıf. On the other hand, numerous verses encouraging people to share with the poor can be cited from other religions, too. For example, the Bible reads as:

“Water quencheth a flaming fire, and alms resisteth sins” (Ecclesiasticus 3:33). “Give alms out of thy substance, and turn not away thy face from any poor person: for so it shall come to pass that the face of the Lord shall not be turned from thee” (Tobias (Tobit) 4:7). “Son, defraud not the poor of alms and turn not away thy eyes from the poor” (Ecclesiasticus 4:1).

Therefore, purely religious rules are not likely to explain fully the prevalence of the institution in the Islamic states including the Ottoman Empire. Yediyıldız (2003, 27-29) argues that a multitude of cultures, such as the Roman, Byzantine, Babylonian, Arabian and Islamic ones, etc., are likely to have affected the ultimate shape(s) of the vakıfs during the interaction with and expansion to these cultures; leading scholars argue that vakıf is not an “Islamic institution” in the sense that it directly originates from the Islamic law (Köprülü 1942; Barnes 1986, 8; Yediyıldız 2003, 35).

Likewise, the justification of the major innovation within the vakıf system, i.e. the creation of the family vakıf model during the Emevi rule, coincided with a period when the ancient Eastern political structures, such as Byzantine and Iranian practices, were emulated and the political system was developed into a dynasty, which constituted a substantial decay of the Islamic character of the state mechanism (Köprülü 1942; Yediyıldız 2003, 36). During the Abbasi rule, the challenge became how to legitimize the family vakıf. Imam Yusuf, who was a judge cognizant of the importance of local tradition, justified the family vakıfs by adapting the Islamic *jure* to the *de-facto* practice (Köprülü 1942) and hence protected the material interests of bureaucracy under the cover of Islamic principles (Yediyıldız 2003, 41; Barnes 1986, 154). With this “problematic” justification in mind, it is questionable to what extent the Quranic principles which favoured the lower segments in the society were under consideration through the vakıf system.

First and foremost, the *zakat* is mandatory, according to the Quran, for all Muslims as one of the “five pillars” of Islam. The Quran (9:60) reads that “*Zakaat expenditures are only for the poor, and the needy, and those who collect them, and those whose hearts are to be reconciled, and to free the slaves, and the debtors, and for the cause of Allah, and for the wayfarers, a duty imposed by Allah.*” So, from these categories, the poor and the needy are defined among the legitimate beneficiaries of the *zakat*, and therefore, the sum of *zakat* becomes “the rightful share” of the poor (Jalili 2012, 186). Jalili continues “[t]hese payments are clearly redistributive in nature and are aimed at reducing poverty, eliminating needs, and helping the impoverished” (186).

However as Singer (2008) claims, beneficiaries of vakıfs were not necessarily the destitute. She identifies two broad categories of beneficiaries: the “faqir” and the “miskin”. A miskin is a person with a robe and an axe. Being a “faqir”, however, suggests falling into relative poverty compared with his/her normal living standards due to such reasons as excessive taxation, natural disasters, wars, etc. Therefore, the relative definition of *faqir* makes a broad spectrum of groups eligible for the “benevolence” in case that they “unveiled their face”, i.e. after they became “shamefaced poor” in the Western historical context. On the other hand, the lists of beneficiaries included relatively privileged classes such as madrasa professors and students, high-level guests, *dervishes* of nearby religious lodges. In the same context, Lev (2005, 160) defines medieval Islam as “[a charitable society] which does not necessarily mean a [welfare society]” implying that, giving *sadaqa* was religiously motivated. He argues that “alleviation of poverty and misery” was not the primary objective of *vakıf* institutions, and, therefore, “Islamic charity was an *inadequate tool for dealing with welfare problems*, but was better suited to providing religious services and learning.” (Emphasis added)

3. The scope of public services offered by the vakıf system

Vakıf as a paradigm of public-service provision of the day fulfilled a myriad of services that were not met by the state. Some of the core public services fulfilled through the vakıf system will briefly be analyzed in this section.

3.1. Education

Unquestionably, educational institutions were essential for the livelihood of the Ottoman state and society, and they comprised non-formal institutions such as mosques, *zaviyes*, *tekkes*, which were in principle open to everybody, and madrasas, which provided more formal education. Mehmed II and Suleyman the Magnificent are among the emperors who attempted to organize madrasa education. After the conquest of İstanbul, Mehmet II founded a Complex (*Fatih Külliyesi*) composed of a mosque, a public kitchen and the *Sahn-ı Seman Madrasa* (the Eight-Sectioned Madrasa), which was formed under the influence of the renowned scientist Ali Kuşçu. He codified the existing rules under a framework named *Kanunname* (Legal Code), in which a section was devoted to madrasa instructors⁵. So, madrasa as an institution funded by vakıf system was subject to state regulation. The professors of Sahn-ı Seman Madrasa were considered the highest in ranking, and in state protocol they were positioned before city governors (*sancak beyi*). Also, they enjoyed the highest salary (60 akçe/silver coin) among madrasa instructors, the lowest salary being 20 akçe. Later, when Suleyman the Magnificent established his complex, his

⁵ Some important achievements made during the reign of Mehmet II. For example, Aksemseddin, who is the Conquerer’s professor claimed in his book *Maddetu’l Hayat* [Life’s Material] that every disease had a seed, leading some authors to claim that he preceded Pasteur in discovering the microbe. Moreover, a physician, Sabuncuoğlu, presented a book to the emperor which included information that he applied some medicines on cats and chickens before giving it to humans as a cure against poisoning (Akar and Güneş 2002, 38). Ali Kuşçu’s contributions are claimed to have affected Regiomontanus and Copernicus (Unat and Uymaz 2011).

madrasa became the highest among others. The students were provided meals and daily stipends of two akçe per person. By 1869, the number of madrasas in operation was 166 in İstanbul (İhsanoğlu 2004).

Madrasas are classified into two groups in terms of their purposes: general madrasas and specialized madrasas. The former produced graduates for general positions such as judges (qadı), instructors (müderris) and religious officials (mufti), while the latter specialized in three fields: the life of the Prophet, recitation of the Quran, medicine. Due to the high demand in the general posts, the general madrasas were distributed everywhere; in some cases, they were founded in villages (Karakök 2013). According to İhsanoğlu (2004), between the 14th and the 16th centuries, 88 madrasas were founded in Anatolia and 142 in İstanbul. The number of madrasas founded in the period in the greater Ottoman territory amounts to 1015.⁶

However, from the end of the 16th century on, various issues of degradation were registered, and several reforms were attempted by statesmen (Karakök 2013; Çizakça 2000, 79). The vakıf system was directly involved in the decay as they were instrumentalized to channel the sources from public service to private interests. A summarized excerpt from Yediyıldız (2003, 18-19) provides a striking example:

A Sheikh Ibrahim, the son of Kasım, founded a semi family-waqf for the operation of a madrasa in 1726 in Urfa, Turkey. The “madrasa” premises included a large classroom, a residence for the mudarris, nine cells each for two students, a school for Quran, a pool etc. The Sheikh donated nine orchards, a grove, 17 shops, four fields of 25,300 wine tree, an olive field of 700 olive trees and three farms. According to the conditions laid down by the deed of Sheikh Ibrahim’s vakıf the personnel were to be selected from the children of Sheikh Ibrahim and later from his children’s children and their children, continuously. Being the employees they had the entitlement for a salary, therefore, the müderris was entitled to have 600 akçe (whitish, silver coin) while the total wages of water minister, doorkeeper and 18 students amounted to 1,230 akçe. Furthermore, the surplus after the costs was to be distributed among the family members.

As Yediyıldız says, in comparing the rich sources of the vakıf, only a small amount was given for the public service funded by this revolving fund, while the remaining was transferred to family members.

3.2. Public health

The *darüşşifa* (Hospital) founded by individuals is a major institution financed through the vakıf system. Demirci and Somel (2008) claim that the state was not directly involved in public health during the Ottoman era until Sultan Selim III

⁶ The number of madrasas founded in other different cities and regions are given by İhsanoğlu (2004) as follows; İzmit (4), Bursa (36), Edirne (31), Balkans (39), Syria (3), Hejaz (6), Yemen (1), Greece (189), Bulgaria (144), Albania (28), Bosnia-Herzegovina, Croatia and Montenegro (105), Kosovo, Macedonia, Serbia, Slovenia and Vojvodina (134), Romania (9), Hungary (56).

(1789-1807), who founded the *Tibhane* (Institution of Medicine) with a quality comparable to the European hospitals.

However, the Ottoman State exerted a significant amount of authority on the hospitals through the head physicians (*Hekimbaşı*). All health institutions were under the control of the head, and he appointed all physicians, surgeons, oculists and pharmacists in hospitals and mental hospitals. In addition, opening a private practice was subject to the approval of the head physician in Istanbul. He had the authority to terminate the licenses of private clinics if they were found to be insufficient upon inspection, dismiss physicians and issue licenses to eligible practitioners (Fazlıoğlu 1997). This scope of control verifies that the state took responsibility in the provision of health to establish public health and order. Moreover, the provision of health services for free constitutes a salient “social” characteristic of the vakıf system (Shefer 2003). For example, the Bezmialem Homeless Hospital, founded in 1843 by Bezm-i Alem Mother Sultan, mother of Sultan Abdülmecit, conditioned in its vakıf deed that, “in the hospital funded by this vakıf, only the poor, the needy and the destitute will be examined” (Bezmialem 2014). The deed of the vakıf states that, “the destitute will continue to be treated (free) in this hospital, even if the price of a kilo of onion reaches to one gold” (Akar and Güneş 2002, 37).

3.3. Public kitchens

In the Seljuks era, the “*imaret*” (public kitchen) was known as “*dar uz'ziyafe*” (joy house), and during the Ottomans it was used as a “food house”. Indeed, imarets were a compilation of institutions for various services including the provision of free food. These institutions were the substitutes of caravansaries in towns and cities and probably the successors of Akhi hospices during the Seljuks era, as Ibn Battuta (2005: 123-137) mentions in his travelling notes. İmarets used to serve morning soups, lunch or dinner, or both lunch and dinner, to madrasa students, dervishes, local poor people, travelers and captives. In some cases, money was allocated to cover the costs of medicine and physician’s service for the treatment of guests. In addition, in some imarets, daily stipends were also being distributed to the guests. Research shows that 30,000 people in Istanbul alone were served free food through imaret institutions. For example, in the 15th century, the Conquerer’s imaret served 1,650 people twice a day. In his imaret, the amounts of yearly honey consumption was 5,760 okka (an okka: ~1.3 kg), daily flour consumption was 30 kile (a kile: ~200 kg), and daily meat consumption was 240 okka (Akar and Güneş 2002, 43-44).

However, whether these institutions aimed to reduce poverty is open to question. The perception of the poor and “deservedness” was up to the idea of the givers, and the “poor” were only one of the beneficiary groups ranging from travellers to privileged guests, to madrasa students and to members of various religious lodges. One common practice of imarets is that the poor are served last among these beneficiaries. So, these institutions fulfilled various purposes, such as justification of the Ottoman rule, satisfaction of the religious benevolence and symbolization of the strength of the empire, among others (Singer 2005).

Along with free food, education and health, the vakıf system provided a range of other social services: garment help, credit for new businesses, consumer credit, sti-

pendes for orphaned children, assistance for the disabled and refractory patients, payments to freed slaves, funeral services for solitary persons, marriage counselling for poor couples, animal protection, contribution for capital needs of small entrepreneurs, payments for local services, such as roads and pavement, and water financing can be counted among them (Al 2008; Singer 2005).

3.4 Defamation and reformation of vakıf in Turkey

From the 17th century on, various statesmen and authors cited a need for reform in state administration, including the unjust allocation of state property to the vakıf system. For example, Koçi Bey, in his treatise on government, advised the Sultan Murad 4 (1623-1640) that the reason for the deterioration of the imperial order was the unjust allocation of land to vakıfs and private interests, among other reasons (Koçi Bey 2008, 5). Indeed, even Mehmed II (1451-1481) and Selim I (1512-1520) attempted to abolish vakıfs, which were merely dependent on treasury (*miri*) lands (Barnes 1986, 155), and Mehmed II is known to have abolished and registered the property as revenue to the state treasury (Yediyıldız 2003, 59-60).

After the end of the Ottoman rule, the first years of the Republic saw profound changes in the re-organization of public services. With the Law on the Unification of Education (Tevhid-i Tedrisat Kanunu) and the Law on the Abolition of the “Ministry on Religion Affairs and Vakıfs” in 1924, madrasas were closed and religious services and vakıf institutions were either abolished with their properties liquidated or taken under the supervision of the state. The “Directorate General of Vakıfs” (DGV) was founded as the central managerial and supervisory authority for vakıfs (Öztürk 1995, 379-420).

Consequently, in modern Turkey, vakıf institutions ceased to be major public-service providers in areas such as education, health, etc. From the beginning of the republic until the end of the 1960s, the vakıf system went through a period of decline as a result of a “deliberate state policy” (Çizakça 1998). With the liberalization atmosphere of the 1980s under the political leadership of Özal, a change in state policies towards the vakıfs can be observed. Below is a short account of social policies implemented through the living examples of vakıf mechanism. However, private vakıfs are outside the scope of this paper. Therefore, only two major vakıf-related institutions now in operation in Turkey will be analyzed. These are the “Social Support and Solidarity Vakıfs” and the “Directorate General of Vakıfs”, though the former’s relationship with the central government raises some questions on whether the term “vakıf” is the proper word to define them.

In order to put these institutions and the policies implemented through them into context, the general social-policy-making environment in Turkey needs to be explained, especially after the 2000s, when these two institutions came to prominence. I will argue that the economic context, the ruling-party ideology and the choice of vakıfs as a policy instrument are complementary factors.

4. Social-policy-making in the context after the 2001 crisis

Due to three decades of high inflation, frequent crises, immigration and terror, the serious impacts of poverty were deeply felt in Turkey by the time the AKP took power in 2002 (Öniş 2006; Yücel 2011). Especially in the context of the triple crises of 1999, 2000 and 2001, the year when the economy slumped by 5.7%, poverty skyrocketed both in urban and the rural settings, though it was extreme in rural areas (see Table 1).

Table 1: Poverty Rates in Turkey

		Poverty Rates (%) by Year										
		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Total	<1.00 \$	0.20	0.01	0.02	0.01	.	.	.	.	.	.	.
	<2.15 \$	3.04	2.39	2.49	1.55	1.41	0.52	0.47	0.22	0.21	0.14	0.06
	<4.3 \$	30.30	23.75	20.89	16.36	13.33	8.41	6.83	4.35	3.66	2.79	2.27
Urban	<1.00 \$	0.03	0.01	0.01	.	.	.	.	.	.	.	.
	<2.15 \$	2.37	1.54	1.23	0.97	0.24	0.09	0.19	0.04	0.04	0.02	0.02
	<4.3 \$	24.62	18.31	13.51	10.05	6.13	4.40	3.07	0.96	0.97	0.94	0.60
Rural	<1.00 \$	0.46	0.01	0.02	0.04	.	.	.	.	.	.	.
	<2.15 \$	4.06	3.71	4.51	2.49	3.36	1.49	1.11	0.63	0.57	0.42	0.14
	<4.3 \$	38.82	32.18	32.62	26.59	25.35	17.59	15.33	11.92	9.61	6.83	5.86

Source: TurkStat

Therefore, the incoming AKP government prioritized the fight against poverty as a flagship policy in its Emergency Action Plan (EAP). However, the EAP was structured on the basis of the IMF Stability Program, which the previous government had signed. The technocracy of the IMF was extremely powerful in conditioning domestic policy-making so that all major parties promised to stick by the Program during the 2002 election campaigns. In other words, alternative policy choices were scarce. For AKP, too, implementing the IMF Program to improve macroeconomic indicators was the primary objective. Accordingly, the EAP of the AKP was prepared “without disturbing the main framework” of the IMF Program (Konukman 2003), which would mean austerity measures implying possible harmful effects on the poor.

The question of why developing countries in particular follow procyclical fiscal policy has been analyzed by various authors. For example, Wibbels (2006) argues that developing-country policies are more procyclical compared to developed countries, mainly for three reasons: first, counter-cyclicality is deeper in developing countries because of their increased exposure to international trade; second, during the crisis, the amount of credit flowing to the developing world decreases and external resources become scarce; and third, the volatility of deficits and real

exchange rates compel decision makers to find a trade-off in domestic tradeables as retrenchment on social spending becomes a less contested policy option to sustain a balanced budget due to the “political weakness of the poor”. Kaminsky et al. (2005) further argue that “the capital flow cycle and the macroeconomic cycle reinforce each other” in the developing countries (especially in higher-middle-income countries) i.e. “when-it-rains-it-pours.” Nölke and Vliegenthart (2009) claims that “dependent market economy” conditions constrain the developing countries of Eastern Europe, and this prevents these countries from pursuing independent economic policies. However, even though the problem is pronounced in developing countries, there are also strong arguments that the developed ones are not immune to procyclical policies. For instance, Galle and Klick (2010) claim that the revenues of US states are “tied to the business cycle, so that budgets get tighter just when the need for counter-cyclical spending increases.”

Concerning Turkey’s export-oriented economic policy after the 1980s and its significant share of foreign capital in the “commanding heights” of Turkey, i.e. automotive, banking, telecommunications as well as high budget deficits around the years of the 2001 crisis Wibbels (2006) and Nölke and Vliegenthart (2009) are applicable to understand the constraints Turkey faces in pursuing an expansive fiscal policy.⁷

Therefore, committing to a self-disciplined fiscal policy proved to be a “second best” policy for Turkey within the limited policy choices left for political policy makers in the conditions of a low domestic saving rate, heavy dependence on foreign capital and major imbalances in its macroeconomic indicators. Taking these framework conditions into consideration, even though the electorate base of the AKP demanded more and better social services, it followed a macroeconomic policy with “self-imposed barriers” (Onis and Güven 2010), and budget discipline dominated over the Party’s economic and social policies even during the 2008-2009 crisis when the AKP refused to sign a stand-by agreement with the IMF.

However, improvements favouring the lower-income people have been seen in various policy fields. Concerning education and health, lower-income and the excluded people gained more and better access opportunities during the AKP rule since 2002. The scope of beneficiaries of social supports expanded. Furthermore, access to services has been equitable due to the development of objective criteria and the use of information technologies during the means-testing processes. The *political* commitment has been high in these areas, and the policies have proven to have a redistributive quality in favour of those with lower incomes and the largely “invisible ones”.

5. Social-policy practice through vakıf-related governmental agencies

In the following section, I will argue that within the policy constraints of the crisis atmosphere, the AKP prioritized lower-income people and the “invisible ones”

⁷ Alesina and Tabellini (2005) explain the procyclicality in most developing countries as a result of a “political agency problem”. The lack of trust in governments and the fear of political rent appropriation lead to increased electorate demand in the boom times and borrowing during the bust times.

through the agency of the vakıf institutions, which are either funded by or affiliated to the central administration. However, there are two problems in the social-support-provision mechanism in this field. First, the quality of commitment in the social insurance provided through the agency of the vakıf institutions is weak. Second, therefore, counter-cyclicalities of the services is not guaranteed. As Galle and Klick (2010) claim, in the absence of “binding institutional commitments and short time horizons on the part of politicians”, spending is procyclical, i.e. greater in boom times and less in bust times.

5.1. The Social Support and Solidarity Vakıfs

5.1.1 Foundation

Turgut Özal, a liberal politician, founded the Social Support and Solidarity Vakıfs (SSSVs) and the Encouragement of Social Assistance and Solidarity Fund (ESASF, Fund) to finance the vakıfs in 1986. The foundation of the vakıfs was controversial – during their enactment a laic-anti laic debate took place. During this debate, the legislators of the Motherland Party (Anavatan Partisi – ANAP) of Özal suggested that the vakıf institution was a proper legacy of the Turkish-Islamic tradition. Therefore, it would serve well as a social-justice mechanism for the poor, the needy, the orphans and the patients who needed some kind of provisional direct support until the time when the whole population had social security. The vakıfs would also bring together the central administration, local administration and civil society. The Populist Party (Halkçı Parti) opposed the idea mainly for two reasons: first, it would lead to dependency of a population without solving the problem; and second, the principles of “laic Constitution” were excluded, implying the Islamic character of the vakıf system (TGNA 1986). Özal forged a coalition with the Nationalist Democracy Party (Milliyetçi Demokrasi Partisi) and passed the law successfully.

Under its law, the purposes of the Fund were identified “to help *those who are outside of the scope of the social security institutions* and those who can become productive with a small and provisional support; to take precautions to ensure a just distribution of income and to encourage social cooperation and support.” (Emphasis added) From among these people, those who are “impoverished and needy” would be eligible as beneficiaries (Law Nu. 3294). So, the Fund was mainly created as a “provisional” social-risk-insurance facility for the “outsiders” without providing stable social support.

5.1.2 Revenue structure

On the other hand, the revenue structure of the Vakıf Fund reveals that it is quite procyclical. The revenues are composed of: 1 – maximum 10% of other public funds, 2 – annual budget allocation, 3 – Half of all traffic fines, 4 – 15% of the advertisement revenue of the Radio and Television Authority, and 5 – 2.8% of total income and corporate tax revenue, 6 – Donations and other.

When the structure of the Fund is analyzed, it shows that the bulk of revenues is dependent on other central-government revenues, which means that the budget of the

Fund is vulnerable to the decrease of central-government incomes. In other words, the income of the Fund is likely to decrease when it is needed most, i.e. during a crisis. Therefore, with this structure the SSSVs do not function as income stabilizers like welfare institutions.

5.1.3 Decision-making process and the allocation of transfers

The distribution of the Fund is subject to the decisions of the Fund Board, which is composed of the Minister for Family and Social Policies and the Undersecretary of the Minister; the Undersecretaries of the Prime Ministry, the Finance Ministry, the Health Ministry, and the Ministry of Internal Affairs; and the Directorate Generals of Vakıfs, and Social Assistance. The decisions of the Board become effective upon approval of the Prime Minister.

The Fund money is distributed through the Social Support and Solidarity Vakıfs (SSSV) numbering 973 in the city and district governorates in total. Each SSSV has a legal personality as in the examples of Ottoman and Byzantine foundations. Their management is assumed by the Board of Vakıf Mutewellis, the heads of which are the governors of the provinces or provincial districts (GDSA 2014). Other board members are the heads of central government representatives⁸, the city mayor and the representatives of NGOs and of citizens. With this nature, vakıfs are very localized in their services but strongly connected to the central government.

Table 2: **Transfers from the Fund to local vakıfs (2002-2012)**

Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
USD (million)	66.7	65.8	113.6	144.3	164.1	208.5	362.7	299.3	361.8	384.5	344.7

Source: Annual Reports of Ministry of Family and Social Policies (2012), General Directorate of Social Assistance (2006, 2007, 2008, 2009, 2011)

The shares of local SSSVs are calculated according to a composite index calculated by TurkStat. Furthermore, the Eastern and Southeastern regions – the least developed ones – receive 50% more after this basic calculation. As is seen from Table 2, periodic transfers to SSSVs increased steadily from a level of \$66.7 million in 2002 to \$344.7 million in 2012. However, in the crisis period of 2008-2009, a counter-cyclical trend is not observed overall. While the sum of allocation from 2007-2008 increased steeply from \$208 million to \$362.7 million, in the year of crisis, i.e. 2009, it decreased to \$299.3 million. However, in the recovery year of 2010, the amount of allocation increased to \$361.8 million. All in all, the expenditures increased steadily since 2002. This increase was accompanied both by GDP growth and a slump in poverty rates. So, it can be said that high poverty rates, especially after the 2001 crisis, were deci-

⁸ Province/provincial-district-level representatives of the ministries of National Education, Health, Fiscal Affairs, Agriculture, Family & Social Policies and the representative of the Presidency for Religious Affairs.

sive in the steady increase of social supports. However, the fluctuations of fund allocation show that allocation did not necessarily react counter-cyclically to the crisis.

5.1.4 Services

A diverse spectrum of social supports targeting low income has been provided through the agency of SSSVs. They include free textbook distribution for all primary and secondary school students, food packages and fuel (coal) supports, micro-finance for local entrepreneurs, trainings, etc. However, the most important project undertaken by the SSSVs is the Social Risk Management Project (SRMP). Therefore, its implementation will be explained below under a separate subheading.

Among these projects, free distribution of textbooks was launched in 2004 and proved very popular, especially among the poor lower-income families with many children. The funds allocated for this project increased from \$130 million in 2005 to \$141 million in 2011.

Table 3: **Social Transfers through the SSSVs (million USD)**

Years/ Kind of Support	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Food	31.0	21.3	39.5	66.9	110.7	98.9	187.0	246.6	62.1	68.5	70.2
Fuel		0.7	1.2	1.4	1.3	1.3	2.0	1.5	1.5	1.3	1.1
Textbook				130.7	146.6	147.7	185.8	152.9	168.0	170.8	141.6

Source: Annual Reports of Ministry of Family and Social Policies (2012), General Directorate of Social Assistance (2006, 2007, 2008, 2009, 2011)

From 2002 on, food supports were distributed right before two religious holidays every year. As is shown in Table 3, from June 2008 until April 2010 food was distributed four times a year, demonstrating a counter-cyclical response to the global crisis. The sum of fund allocation increased from USD 98.9 million in 2007 to USD 187 million in 2008 and USD 246.6 million in 2009. In 2010, the amount decreased to USD 62 million, below the 2005 level.

Similarly, fuel supports (coal) began in 2003 and were subject to means-testing. This type of support also proved to react slightly counter-cyclically as the number of families receiving fuel support was highest during the 2008-2009 period. However, the support is not highest in the year 2009. Overall, there is a substantial number of families receiving fuel support in times of both boom and bust.

5.1.5 Implementation of the Social Risk Management Project (SRMP)

The Social Risk Management Project (SRMP) has been a World Bank (WB)-Turkey joint-financed project since 2001. Under the agreement, the WB provided USD 500 million and Turkey contributed USD 134 million to be distributed through the SSSVs under the SRMP. The Project had two components: 1 – the adjustment portion, in

other words, a “rapid response” mechanism for the “poorest of the poor”, 2 – the investment portion which comprised three sub-components: a) the Institutional Development component for capacity-building of state institutions undertaking social projects, b) Conditional Cash Transfers (CCT) targeting the children of the families under the absolute poverty line (1 USD), and c) Local initiatives (LI) for those who are “economically vulnerable”, such as those in the informal sector (Şener 2010, 6-8). The SRMP have been managed through a project-management office within the organization of the Directorate General of Social Assistance and Solidarity. So, the project was implemented within the capacity of the SSSVs throughout the country.

Through the CCT, the SSSVs provided conditional support for children of the poorest families if the families sent their children to school or demanded essential health services for their children. The target group of CCT was the lowest 6% of the population by income. In the short and medium runs, the aim was to decrease the effects of the 2000-2001 crises, while in the long run it aimed to prevent the transfer of poverty over generations by investing in education and health. The scheme began in 2003 and continued during and after the global crisis, though the WB share ended in 2008 (Esenyel 2009, 18).

5.1.6 Assessment of the Social Service Provision by the SSSVs

Some features of the SYDV implementation are summarized below. First, SSSVs radically differ from a traditional prototype in that they are directly founded, financed and controlled by the central administration, but managed with a local-governance model. Therefore, they are subject to parliamentary control that ensures a citizen-based service rather than its more discretionary nature in the pre-modern era. Namely, the inclusion of the central government in the administration of the Fund guarantees a minimum administrative and democratic control over its functioning. The Green Card scheme provides an example to this claim. Until 2012, some portion of the medicine and treatment costs of the lower-income people within the Green Card scheme was financed by the Fund while most treatment costs were paid from the budget of the Ministry of Health. When the General Health Insurance (GHI) scheme was introduced in 2012, the appropriations for the Green Card holders’ medicine and health expenditures began to be allocated from the budget of the Ministry of Health. Both the GHI and the change of revenue source (i.e. from the Fund to the central-government budget) provide citizen-based health services for all, including the poor. To wit, social supports of previously precarious character evolved to a citizen-based, permanent and universal health service during the last decade.

However, in its current structure, the process of budget allocation through the central Board of the Vakıf Fund and the requirement of the Prime Minister’s approval for the Board decisions to be effective have at least two implications: it shows the commitment at the highest governmental level, and this commitment is imperfect, by nature. Compared to the welfare regimes bound by statutory rules, the fund-allocation process and, therefore, subsequent social services in the Turkish SSSV case constitute an imperfect policy commitment because the sustainability of fund allocation and services is subject to political time inconsistencies (Pani and Perroni 1999).

Furthermore, although the vakıf idea depends on the “altruism” of private persons, in Turkey private contributions to the co-financed fund play a meager role within the budget of the SSSVs. In 2012 it was registered as zero in the SSSV budget. Roberts (1984) uses the term “zero private charity”, implying the crowding-out of private contributions in the presence of state involvement. To sum it up, SSSVs are not self-sustainable without central-government allocations, analogous to the Ottoman practice of the allocation of state lands for vakıfs.

Regarding its agency in the fight against poverty, about 56.5% of the beneficiaries of the Vakıfs are employed and 60.2% of them are looking for a job (Şahin 2012, 115). This picture depicts the fact that the beneficiaries of the SSSVs either are poor workers or unemployed. In other words, the SSSVs reach the target group in their programmes to an extent, but need to be supported with policies to pull the beneficiaries out of poverty, in addition to embodying a counter-cyclical feature in its expenditures, overall.

5.2 The Directorate General of Vakıfs

The Directorate General of Vakıfs (DGV) is a private-budgeted agency affiliated to the Prime Ministry. It is responsible for controlling all vakıfs in operation in Turkey. Moreover, since 1924 the DGV has been the successor of the Ministry of Vakıfs of the Ottoman Empire as the latter was abolished as part of Atatürk’s major reforms for modernization. Especially from the 2000s on, vakıf, both its idea and practice, was given importance within the concept of the “vakıf civilization” by which is meant its encompassing feature of the various aspects of life in the Turkish-Islamic conception of the world.

The DGV offered various services, such as public kitchens (*imaret*), student sanctuaries, free university education, scholarships and support in kind to fit its historical mission. I will briefly analyze the activities of the DGV within the concept of the historical vakıf legacy and question if these activities fit the needs of contemporary economic conditions. Specifically, assuming that the crises are a salient feature of capitalism, I will try to find out if vakıf-based social supports and services are designed to meet the social-security needs of the poor.

First of all, there are certain public services such as health and education that were funded by the vakıf system in the Ottoman era. In this respect, there are several attempts to revitalize and strengthen the legacy. Two examples are the foundation of Fatih Sultan Mehmet Vakıf University and Bezmî Alem Vakıf University. Fatih Sultan Mehmet University was founded in 2010 by the DGV relying on the vakıf deeds and income sources of five historical vakıfs: the Vakıf of Mehmed II (the Conqueror), Architect Sinan Vakıf, Nurbanu Sultan Vakıf, Hatice Sultan Vakıf and Abdullahoğlu Hacı Abdulaziz Ağa Vakıf (FSMU 2014). Among these, the Vakıf of Mehmed II dates back to 1471, and it included Sahn-ı Seman Madrasas. To emphasize the nexus with the legacy, the university changed its foundation date to 1471 in 2014, claiming to be the successor of the Sahn-ı Seman Madrasas.

The foundation of Bezmîalem University is an example showing that the DGV continues to pursue the vakıf legacy in the provision of health services. The University has been funded by the Bezmîalem Mother Sultan Vakıf (*Bezmîalem Valide Sultan Vakfı*) together with two historic vakıfs, and it has a research hospital

for teaching and therapy. The hospital itself is the renewed form of Bezmialem Homeless Hospital, which dates back to 1843, when it was founded by Bezm-i Alem Valide Sultan, Sultan Abdülmecit's mother. This hospital was converted to a research hospital and was affiliated to the Bezmialem Vakıf University, Faculty of Medicine in 2010. The endowment deed of Bezmialem Mother Sultan Vakıf mandated as mentioned above that, "in the hospital funded by this Vakıf, only the poor, the needy and the destitute will be examined." Today, the Hospital strives "to provide health services for the poor and the destitute at the same size and quality, aligned with (their) mission in the history", as cited in its mission statement (Bezmialem 2014). Bezmialem Vakıf University and Fatih Sultan Mehmet Vakıf University exemplify the vakıf legacy in contemporary Turkey, though today the role of the DGV is symbolic in the provision of education and health services.

Another widespread vakıf service in history was the *imarets*, i.e. the facilities providing food and bed for the poor among vakıf facilities. As shown below, food support has become an essential part of social supports, reminiscent of *imaret* services, though its historical form has been foregone or radically changed. Regular stipends for the orphan and the disabled and, since 2006, scholarships to primary and secondary school children are the main social services provided by the DGV. Considering the patterns of social services against the crises, however, they do not seem to have followed a counter-cyclical trend (see Table 4).

Table 4: Social Transfers through the DGV⁹

Years	Food support*	Food support (USD)	Salary for Orphan & Disabled *	Salary (USD)	Scholarship*	USD
2002	20,285	1,956,807	1054	80		
2003	25,965	5,218,830	1215	95		
2004	50,705	6,530,016	1607	130		
2005	51,705	22,489,838	2557	155		
2006	81,93	42,261,192	3642	166	3000	37
2007	149,13	67,702,391	4287	177	10000	35
2008	149,53	79,245,551	4433	233	10000	43
2009	137,1	56,259,263	3629	194	10000	33
2010	82,153	9,503,035	3662	213	10000	34
2011	82,544	10,807,992	3806	222	15000	39
2012	82,544	9,382,607	3513	205	15000	32
2013	82,544	-	3507	230	15000	34

* Number of people receiving social support.

Source: DGV Annual Reports (2006-2013)

⁹ The figures have been converted to USD from Turkish Lira on the basis of the exchange rate valid on the first working day of the respective year.

The most common social supports provided by the DGV are food packages, salary for the orphaned and disabled and scholarships for primary and secondary school children. The lack of statistics about the pre-2001 crisis period prevents a complete comparison. However, the social-support policy during the 2008-2009 crisis does not show a clear counter-cyclical trend. For example, in 2007 when the economy grew by 4.7%, the number of people receiving food support and orphan and disabled salary reached 149,130 and 4,287 respectively. In 2008, these numbers steadily increased; however, in 2009, when the GDP slumped by 4.8%, the number of families that received food support decreased to 137,100, and the number of salaries decreased to 3,629. As of 2010, the food supports stood around 82,000, while salaries were more or less at the 2009 level. So, the crisis of 2009 was not the boom year for these social supports, implying a certain degree of procyclical trend, aside from the general increasing trend during the AKP leadership. In short, the 2001 crisis and its social risks motivated the ruling party to commit to fighting against poverty and the DGV proved to be one of the available tools, although the rejuvenation of the institution can be also attributed to the “cultural conservatism” of the AKP.

In the experimentation of the vakıf legacy in social-service provision, the general economic development was reflected in the increase of social expenditures. The level of social transfers has steadily increased from 0.5% of GDP in 2002 to 1.4% in 2014. However, overall social transfers in Turkey stood at 16.4% by 2011, a level well below the OECD average (MLSS 2014). Furthermore, it proved that the type of services needed to be tailored to needs and circumstances. For example, food supplies changed from ready-made-food deliveries to dry-food deliveries, and new forms of benefits, e.g. scholarships, were added. Concerning the deliveries to the houses of the poor, the legacy of the understanding that “the left hand should not know what the right hand gives”, proscribing a victimization of the poor, was often referred to in rhetoric. From the 2001 crisis to the 2008-2009 one, response capacities of institutions increased considerably. However, there has not been adequate change to create the institutional framework to ensure income stability of the lower strata against the crisis conditions.

6. Where to locate Turkey’s welfare system?

The recently issued “National Employment Strategy (2014-2023)” states that the level of unemployment in Turkey has been persistent at around 10% since the 2001 crisis. Therefore, the document recognizes the fact that macroeconomic stability was a necessary but insufficient condition to create employment. The high unemployment, in turn, increased the claims for social transfers, but it states that social transfers have not proven as effective in decreasing poverty. Therefore, one of the main targets of the strategy is to strengthen the link between social supports, training, and employability, by adopting the “flexicurity” approach, i.e. the Nordic way (MLSS 2014). In this endeavour, SSSVs offer an available institutional infrastructure in fulfilling the tasks of the Strategy. However, recognizing the main pillars of the coordination mechanisms, which are “historically determined”, may help clarify policy choices (Hall and Soskice 2001, 219).

Varieties-of-capitalism (VoC) literature cites Turkey among the “Mediterranean” economies (Hall and Soskice 2001, 21). Molina and Rhodes (2007) defined these economies as mixed market economies (MMEs), implying an impure nature of the institutional complementarities of their economic coordination. In MMEs, neither market nor corporatist institutions are the ultimate coordination mechanisms, but the state is the main field of contestation for the redistribution as the latter assumes the “[compensating] role (which) includes state-funded wage-compensation schemes during industrial restructuring and a *social transfer-oriented welfare state*” (Hancké et al. 2007, 3; Emphasis added).

Where the state is the main redistributing mechanism, the “proportional” or “majoritarian” character of the political system becomes important in that major changes are vetoed in the former, while majoritarian governments are more responsive to the electorate demand. In the AKP era, there are indications that Turkey has been transitioning from the proportional political structure of the crisis-stricken 1990s to a majoritarian character, implying the possibility of major reforms. Indeed, the expansion of the welfare state during the AKP period became possible with the support of the median voter.¹⁰ Otherwise, in an era of proportional democracy with multiple veto players within the government, these changes would be less likely.

Esping-Andersen (1990, 26-27) defines broadly three “welfare regimes” clustering the advanced capitalist countries: “liberal”, “corporatist” and “social democratic” welfare states. Drawing on VoC theory and Esping-Andersen, Turkey’s welfare regime can be seen as a “mixture”, gathering elements especially from liberal and corporatist prototypes for the following points: First, Turkey’s social security system was originally defined on an occupational basis, a feature shared with the Bismarckian/corporatist welfare model. Another commonality with the corporatist regime is the central place given to the family in the provision of child and elderly care, as the male is considered to be the single breadwinner of the family (Hemerijck and Eichhorst 2009). Accordingly, women’s participation is low at 25.9% by 2011 in Turkey (TURKSTAT 2014). Second, the vakıf-based entitlements, which target the lower strata on a means-tested basis, fall under the liberal welfare regime. Another commonality with the liberal welfare regime is that vakıf-based entitlements are commensurate with the “liberal work-ethic norms” (Hemerijck and Eichhorst 2009, 26), i.e. they are not high enough to divert workforce from the labour market.

However, changing demographics put a further strain on the Turkish welfare regime. One important aspect is that due to urbanization weakening the ties with the rural, traditional family structure it is not possible to depend on it as an infrastructure of welfare, such as child-care and elderly-care. Still, the AKP incentivizes family-based care through vakıf-based incomes, by which low female participation is also compensated to a degree through state support in exchange of female’s social work at home. This policy diverges from universally-based social care by the state in social-democratic welfare regime. An important change during the AKP has been

¹⁰ The electorate support to AKP in general elections increased from 34.4% in 2002, to 46.7 in 2007 and 49.9 in 2011 and the party controlled the seats in the parliament by 66%, 62% and 59%, respectively.

to equalize the health services for all citizens in 2006 by means of the General Health Insurance Law, which eliminated the stratification of public-health service according to one's occupational position. Prior to the law, being a civil servant, a worker or self-employed had defined one's entitlements to a stratified quality of health service with university research hospitals only accessible to civil servants. So over the last decade, public services evolved to have a more encompassing social citizenship with more egalitarian and accessible welfare benefits, although means-tested supports are ungenerous.

7. Conclusion

This paper has attempted to trace the continuities and changes of the legacy of vakıf, which is the central form of public-service organization with an emphasis on social services during the Ottoman era. Vakıf can be given as an example of Islamic PA institution, as framed by Drechsler (2013), in that it has been historically innovated by the Islamic societies, and it was applied as a policy choice within the context of the liberalized era of the post-1980s and more so during the AKP's rule since 2002.

Comparing the vakıf system in the Ottoman era and the contemporary re-interpretation of it, this paper argues that the provision of social services through vakıf-related public agencies in modern Turkey and the Ottoman vakıf practice are comparable regarding the fact that both provide imperfect state commitment for relevant public services. The context of the post-2001 crisis sets the constraints and boundaries of policy choices. The imperatives of a high level of poverty rate, on one hand, and limited state capacity due to the high budget deficits and "dependent market economy" conditions, on the other, are among the constraints which explain why vakıf-based public agencies providing low commitment were picked to deliver social welfare. Second, neither SSSVs nor DGV ensure "countercyclicality" in their transfers and social services, implying design failure in the social support provision if assessed with contemporary needs against the vagaries of capitalism. It is explicit that there is a major difference in conceptualization of social-service delivery between welfare institutions, which are based on "automatic stabilizers", and largely procyclical social provisions delivered through vakıf institutions. A major reason of this flaw is that the already low level of social expenditures pressures political actors against any deferral in social supports during years of economic growth. Finally, in the current practice the vakıf-based social-supports/services paradigm can be located under the category of the MMEs due to the role of the state as the compensator of last resort, a feature rooted in the history of the vakıf institution.

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