There is a common saying about the extent to which foundations (vakif, in Turkish) in the Ottoman Era affected people's lives: it was possible for a person to be born in a vakif hospital, study in a vakif school, work in a vakif institution, and be buried in a vakif graveyard. Given that more 35,000 foundations were functioning during this period, it is quite likely the saying held true for many.

The history of Ottoman foundations is full of richness in both assets and activities and considered a very important part of Turkish (not just Islamic) culture and tradition. Although foundations have continued to play some role in society, they are still more commonly known through their rich legacy.

Foundations reached their peak in the 18th century, ranging from Anatolia to the present-day Balkans and Thrace, and reaching into Syria and Egypt. With significant assets in the form of land and, later, cash, foundations constructed caravansaries, schools, hospitals and roads, serving many of the same functions of basic service provision performed by today's modern welfare state. Yet the role of foundations was significantly curtailed, starting in the late Ottoman period, and this continued throughout the beginning of the new Turkish Republic—from the mid-to-late 19th century to the early 20th century.

The foundation sector was weakened greatly by both external forces and internal politics, yet the philanthropic impulse of Turkish people remained. While fewer incentives and strict state controls made foundations less appealing for many, this did not prevent a small but powerful segment of society from continuing this tradition, and allocating private wealth for public good—and today, reaching beyond that to supporting positive social change. Currently there are more than 3,000 privately established foundations in Turkey.

The view of Turkey as a 'paradox of tradition and modernity' or a 'bridge between east and west' can also be applied to the foundation sector. Today, many foundations—characterized as 'traditional'—in Turkey bear a striking resemblance to their ancestors of the Ottoman period. Their most common characteristic is the practice of building institutions such as schools, hospitals and museums. There is also a 'modern' generation of foundations that have gone beyond building institutions to undertaking policy analysis, advocacy and innovative programmes aimed at social change, taking an active role in creating a democratic and civil society. In this sense, foundations are beginning to search within and across borders for new ways to serve—perhaps even redefine—the public good, in a society undergoing a remarkable political, economic, social and cultural transformation.

A great deal of this momentum for change is owed to the EU accession process, yet the effects of changes in the greater global context are also felt within Turkey's borders. Some call this momentum a 'silent revolution', indeed its effects may not be seen or heard immediately. Yet these changes are slowly carving out a more prominent role for modern foundations, parallel to Turkey's political and economic development.

As the title of this book suggests, philanthropy in Europe has a rich past and a promising future. And as one of the oldest institutional forms of philanthropic endowments, the Ottoman vakifi is the basis of Turkey's very rich past; while Turkish foundations are a testament to both its present and its future. This chapter attempts to describe the foundation sector in Turkey in just this way, with highlights from its rich past, assessments of its present, and a number of opportunities for realizing its promising future—many of which may be pursued in cooperation with European foundations.

A rich past
What is commonly known in the West as a 'foundation' is in its most basic form very similar to the institution known as waqf in Arabic (or vakif in Turkish). At their very core, vakif and foundations share the following main characteristics:
- There is an endowment of private wealth for a specified activity of public benefit.

- Objectives, purpose and detailed directives on how revenue from the endowment is to be managed and allocated are stated in a founding document.

Philanthropic endowments have a history considerably older than Islam, and are likely to have been influenced by earlier civilizations including ancient Mesopotamia, Greece, Rome and pre-Islamic Arabs. It is still unresolved to what extent Islamic waqfs were influenced by these traditions; however, it is likely that Muslims adopted this practice from earlier civilizations. Some scholars suggest that medieval Europe may have learned of these institutions through the vakif system. Some go as far as to suggest that it was not Roman or Germanic law but Islamic waqfs that greatly influenced the development of the trust law of England and throughout the Christian Mediterranean.

Despite the lack of agreement on the various factors that may have influenced its emergence, the institution of vakif became known after the death of the Prophet Mohammed and its legal structure was firmly established during the second half of the second century. According to the Foundations Directorate of Turkey, the earliest documentation of a vakif in Anatolia dates back to 1048. Yet this was probably just one of many, as there were an estimated 2,773 foundations active in year 986.

The role of vakifs in Ottoman society

Vakifs are often referred to in an Islamic context, leading many to think that they are actually part of the religious text and practice. They were established within the framework of Islamic law, which was in practice during the period when vakifs emerged. However, what fascinates scholars about the emergence of the vakif as an institutional form is that it is not referred to specifically in the Koran, but it was-and continues to be-widely used as a vehicle through which pious Muslims could realize, in perpetuity, their religious obligations. Such obligations include charitable deeds, which are described in great detail in the Holy Book. While many foundations during this period did adopt religious observation as a central objective, their role was much broader in serving public benefit. And, as described in this chapter, this would change significantly in the era of the modern Turkish Republic where foundations now play a very limited role in promoting religious practice.

Although foundations were active for many centuries, it was during the Ottoman Era that these institutions reached their peak in terms of numbers, acquisition of assets, services to the public and institutional development. It was, intact, a vibrant sector. In the absence of government or central! ezd regulation-which came at a later point-common procedures and frameworks were developed that practitioners today would consider self-regulatory.

One of the most important reasons for this exponential growth was the major role foundations played in delivering basic services to society. The responsibility of the Ottoman state to its people was solely to provide just ice, safety, freedom of religion and the possibility of individual self-development. As such, there was no budget or system for the provision of all other basic services. In the absence of this, foundations became the sole providers of basic services, from municipal services (the water system in Istanbul was entirely developed by foundations) to education, health, culture and religion.

Foundations also developed sophisticated tools for economic generation, offering services similar to microfinance and modern banks, at times providing major injections of capital into the economy. Funds endowed were lent to borrowers without the borrowing rate charge and gains with interest were put back into the foundation, with revenues spent on social and pious purposes.

The rise and fall of the vakif

There are many gaps in figures and statistics, mainly due to the lack of centralized registries for many centuries. Yet scholars estimate more than 35,000 foundations were established and operational throughout the Ottoman Era. During the 16th century, there were approximately 2,860 foundations in Istanbul alone and 485 in Aleppo. Foundations were established not only by elite segments of society, but also by middle-income individuals and families. Even more fascinating is that women established almost 40 per cent of these foundations. Although no statistics are available, this number is likely far smaller today.

Given the vast scope and sophistication of foundation services, their financial assets constituted a significant
portion of the Ottoman State budget. Foundations had two major forms of 'corpus' or endowed assets: cash (movable) or property (immovable). By the 16th century, most foundations were cash foundations, giving them greater liquidity. It is estimated that foundation assets comprised approximately 12 per cent of the state budget in the 16th century, slightly higher at 18 per cent in the 17th century, and peaking at 27 per cent in the 18th century.13

Until the early part of the 19th century, foundations enjoyed a relatively laissez-faire relationship with the state and were granted full autonomy. However, this was to change dramatically in the 19th century due to internal politics and economic challenges, as well as external pressures from guarantors in Europe on the Ottoman state following the Crimean War, which mandated the weakening of the vakif system. As a result, the revenue base of foundations was cut almost in half *and a majority of their assets were centralized through many state operations.

Yet their wealth was of such great proportions that, regardless of these conditions, foundation revenues continued to be a vital source for funding of basic public services in the first ten years of the establishment of the Republic in 1923.15

The turn of the 20th century brought a new paradigm of state administration, and with it a school of thought influenced greatly by the French, which atone point discouraged the emergence of intermediary actors such as foundations serving public needs and services to citizens. The ethos of the Turkish Republic reflected this position,16 and it was not until after the new Civil Code of 1926 that a new legal framework for foundations was created.

A portrait of the present
Even today, the revenues and assets of Ottoman foundations are of massive proportions and continue to play a significant role in modern Turkish society. There are currently more than 65,000 movable and immovable assets of Ottoman foundations (commonly referred to as eski vakıflar or simply 'old foundations'), which are managed directly by the Foundations Directorate, the central regulatory authority.

Most are property and land; the buildings, including mosques, medreses (Islamic theological elementary schools), libraries, bridges and schools, are considered historical artefacts. The Foundations Directorate ensures they are preserved according to cultural heritage regulations and, if possible, used as public spaces and/or museums. Their revenues continue to provide charitable support to the poor and needy in the form of food, assistance and scholarships. Valuable properties are now being rented and sold for real estate development projects, and revenues being re-invested in foundation endowments to serve their original charitable purposes. In this way, 'old' foundations are revalued within the system of Turkey's vibrant market economy.

The 4,449 foundations established since the new Civil Code in 1926 are referred to as 'Civil Code' or 'new' foundations; these are also regulated by the Foundations Directorate. Though governed by a new set of laws, the vakif has retained its main institutional characteristics as inherited from the Ottoman period - an endowment, a specific purpose and a founding document outlining management details. Yet, as time has changed, so has the way in which foundations realize their charitable purposes.

A majority of new foundations - almost 1,900 of the 4,449- were established between 1967 and 1985, with a major growth surge between 1995 and 1997, with a peak of 439 in 1996. This growth surge was primarily a result of the Habitat II Conference organized in Istanbul, which gave a huge boost to the development of civil society. There is still a lack of centralized data collected and made available to the public. "However, what we do know about new foundations-excluding the 1,200 government-established foundations- is based on a recent study commissioned by TUSEV.18

Most of the data reveals that, as in most countries, the majority of the assets in the sector are in the hands of a few foundations. A rough estimate suggests that only the top five foundations have a collective sum of several billion euros. However, a majority tend to rely more on donations, which account for 57 per cent of income. This also suggests that a greater number of foundations are established with smaller assets and thus have little endowment income to rely on.

Tradition and modernity
Looking more closely at their purposes and programmes, private foundations can be categorized as either traditional or modern. Traditional foundations resemble Ottoman foundations in many ways; they have significant assets, most of which are endowed by wealthy industrialists of the modern Turkish Republic era. They do not operate programmes,
nor do they make grantsperse. They provide scholarships and build dormitories, schools, hospitals, teachers’ centres and other key institutions, which are then transferred by protocol to respective state ministries and run under their auspices. The first of these foundations emerged in the 1960s, The founder of the Vehbi Koç Foundation, Vehbi Koç, is considered to be one of the main architects of the post-Ottoman foundation sector in Turkey.

Traditional foundations have played a prominent role in the development of sophisticated higher education institutions, having funded and established approximately one-third of the country’s universities. The first was Bilkent, founded in 1984 by İhsan Doğramacı Foundation, and many thereafter, including the Koç University (Vehbi Koç Foundation) and the Sabanci University (Sabanci Foundation). Many of Turkey’s best hospitals and prestigious museums are also foundation investments.

New roles for traditional foundations

Ottoman foundations were very likely important role models for some of these traditional foundations, given their role in institution building. However, this practice also bears a great resemblance to the foundation practices in much of Europe, and the early days of the major US foundations, both of which were quite important influences on the development of foundations in Republican era Turkey. These foundations continue to allocate the bulk of their funds to institutions; however, they are also leaning towards new initiatives. For example, the Education Reform Initiative (ERI)19—a watchdog and think-tank for education reform in Turkey and part of the Istanbul Policy Centre at the Sabanci University—has been able to attract support from traditional foundations such as the Koç Foundation. ERI’s objective is to reach foundations supporting education mainly by building schools and getting the foundations more involved in addressing what happens inside the schools they help to build.

Some foundations are taking their work a step further. For example, the Aydın Dogan Foundation has engaged in a partnership with the UN Development Programme to address pressing concerns of sustainable development and to develop an organic farming system in the Black Sea region. The Sabanci Foundation is the first to undertake a substantial effort to develop a new programme strategy beyond institution building. This effort included an internal and external assessment, exploring new programmes and tools (grants, fellowships, research) and the development of the foundation’s capacity (see Sabanci profile, p157). Yet for the most part, the traditional model is still a very popular one, even among new philanthropists such as Husnu 6zyegin,20 who is committed to building more than 100 dormitories for schools across Anatolia in the next five years.

Institution building and scholarship provision remain an important contribution of many foundations today. Indeed, the need for this form of support remains significant, although it is officially a function of government. At the same time, changes in the broader context, primarily democratization reforms and a more legally enabling environment, economic growth and state policies that favour greater partnership in social policy and service provision, have created the space and opportunity for the modern foundation to emerge. They share the same legal framework as traditional foundations, but modern foundations have some distinct characteristics in terms of founders, objectives and funds. For example, modern foundations tend to be established by a group of individuals—most of them social visionaries from a broad range of sectors and backgrounds.

Their objectives are not the buildings and ‘hardware’ of institutions, but the programmes or ‘software’ of social change.

The emergence of the modern foundation

The number of modern foundations increased dramatically in the 1990s. This was due primarily to the restrictive association law enacted in 1980, which greatly limited freedom of association. As such, foundations became a more attractive and feasible structure for collective efforts for social services and change.

Modern foundations tend to focus on issues such as poverty, economic development, human rights and democracy. Their programmes combine service delivery with a research and policy change agenda. Because a modern foundation operates extensive programmes, they tend to have professional staff with expertise, and their national and international linkages are more extensive. They use a broader array of tools, including publications, training and policy analysis, and spend considerable amounts of time convening with other organizations, policy-makers and beneficiaries. In the absence of large endowments, modern foundations rely mainly on funds raised from donors. The bulk of their funding comes primarily from funding institutions such as the EU and international foundations, as well as some individuals committed to their particular mission.

Today, these foundations—which resemble the ‘operating yet fundraising’ foundations or large-scale NGOs in
Europe and the US take on a critical role both in service delivery and in setting and shaping the policy agenda. The Mother Child Education Foundation (ACEV) incubated early childhood education and maternal literacy programmes, which are now being incorporated in government programmes. The leading environmental organization, TEMA, is the driver of policies and government practices to ensure greater environmental sustainability. The leading think-tank TESEV feeds the policy-making process with critical analysis and recommendations regarding issues such as migration, poverty and governance. The TOG (Community Volunteers Foundation) mobilizes thousands of young people in universities to take a more active part in community development.

TUSEV (Third Sector Foundation of Turkey) was established in 1993 as part of this wave of new foundations. Formed as an advocacy platform for foundations, it was established with the foresight that the foundation sector needed an organization that would conduct research, promote networking, and amplify the voice of the foundation sector. The European Foundation Centre (EFC) was an important model for TUSEV, which was EFC's first Turkish member. Celebrating its fifteenth year in 2008, TUSEV brings together traditional and 'modern' foundations in one network. Programmes are focused on promoting the sector, working for policy changes, promoting international partnerships, and introducing new concepts and practices to the foundation sector in Turkey, such as grantmaking and community foundations.

Foundations and the EU accession process
The recent surge of activities among the modern foundations is closely linked with developments in the broader context. The main agenda for social change is about bridging economic, ethnic and religious divides within Turkey and between Turkey and EU nation states. Reforms of the fundamental frameworks of the state establishment—rule of law, individual freedoms and rights, gender equity and improvement of basic services—are all essential for Turkey's future prosperity. Although there is significant internal political will for reforms in pursuit of a 'better Turkey', it is well accepted that the EU process is the strong wind at their backs. And for all involved, there is no doubt that this process—perhaps better defined as a journey—will be quite complex and lengthy.

One of the most vital aspects of this journey of development and democratization is the inclusion of a civil society. This is not, by any means, unique to Turkey. In almost every corner of the globe, the presence of a civil society is at the forefront of development agendas. In writing about comparative perspectives of foundations in Europe, author and researcher Helmut Anheier claims that the political climate in the EU has led to a reduced role for the government and a greater space and responsibility for private actors. It seems there has been a similar effect in Turkey. This may explain why the EU is spending more than ever—some €21.5 million in funding the Civil Society Dialogue Programme in Turkey. This includes addressing areas such as youth, towns and municipalities, strengthening professional organizations, universities, and culture, as well as providing funds for NGOs to participate in events in the EU, and developing joint projects and addressing critical social issues of disadvantaged populations. This is also a testament to the goals put forth by the EU in creating more space for the voluntary sector and foundations.

Comparatively speaking, €21.5 million pales in comparison to the hundreds of millions of euros traditional Turkish foundations spend in building and operating state-of-the-art educational, health and cultural institutions in Turkey. Yet the strict focus on software means EU funds are helping to both spark and support programmes that are critical to development beyond foundation funds, which have been limited mainly to funding the 'hardware' of physical institution development. Yet this is precisely where the future opportunities lie for traditional foundations, and an area that they can support with funds, convening power and leverage.

Foundations today—insurmountable opportunities
A wise man once said: 'We are confronted with insurmountable opportunities.' The challenges of Turkey's present are also full of opportunities that sometimes seem difficult to transform into tangible actions. What are these opportunities and what are some specific ways foundations can take advantage of them? Is there a role for European foundations in the process?

One important opportunity for foundations is the promise of a more enabling legal framework and greater political support from the government. Just as the new associations law of 2004 helped bring a new level of dynamism to the NGO sector, the new foundations law of 2008 (pending Parliamentary approval) is likely to have similar effects on...
the foundation sector. In addition, changes in attitudes of policy-makers and the bureaucracy will also help shed a new light on the added value of foundations rather than them being perceived as a threat.

A more enabling environment has also created more opportunities in the sector. With greater numbers of NGO actors working to address critical challenges facing Turkey, from both a service delivery and a policy change perspective, there are more actors and potential partners for foundations to work with. Adding new approaches such as grantmaking, partnerships and fellowships will allow foundations to carve out a new role in helping the third sector be a stronger player for reform and development. In adopting new ways of working, foundations will also be forced to think more strategically about designing initiatives and using these tools and their leverage to push change forward.

Although the ‘partnership mantra’ has been a frequent subject of debate in the global foundation sector, the topic is still rather new to Turkish foundations and another significant opportunity to tap into, especially vis-a-vis European foundations. Existing networks such as TUSEV and the EFC offer fertile ground for coming together to discuss common interests and develop relationships. In this light, the EFC Annual General Assembly in Istanbul (May 2008), hosted by TUSEV, is taking place at the most opportune moment. Organized under the theme of Fostering Creativity, this conference will be a real tipping point for further developments in Turkish-European foundation cooperation.

This is not to say that there is no history of cooperation to date—recent projects related to migration, research on Turks in Belgium, and mother-child education supported by the King Baudouin Foundation, and initiatives of Korber Stiftung and Bosch Stiftung related to Turkish-German relations are some examples of this budding potential.

In the cultural arena, the European Cultural Foundation has been increasingly active in supporting media and culture projects with a particular focus on Turkey. The Gulbenkian collection at the Sabancı Museum, the Aydın Dogan Foundation political cartoon exhibition in Brussels, and Istanbul’s election as the 2010 European Capital of Culture are also important examples of how cultural exchange has been an important starting point for Turkish-European foundation cooperation.

Given the due course of EU-Turkey relations and the important role of foundations in fostering ‘parallel diplomacy’, such partnerships are likely to increase. Organizations such as NEF (Network of European Foundations for Innovative Cooperation) will be even more valuable in their role of connecting foundations on specific projects on issues such as migration, youth and education—all subjects which are of mutual interest to both Turkish and European foundations. Turkish foundations can be valuable counterparts in design and implementation of programmes both in Turkey and with Turkish communities in Europe—quite significant with an estimated 3 million Turks living in Germany alone. European foundations have much to offer Turkish foundations in terms of sharing the know-how of strategic programme management and delivery.

A promising future

Turkey’s rich legacy of foundations tells a fascinating story—albeit still lacking many details as a result of limited research of our past and present. While we must certainly invest more in learning about where we have come from and where we are, we must not miss the opportunity that the current political, economic and social conjuncture in Turkey offers: an opportunity to take a more proactive role in discussing the future role of foundations.

There are many issues to discuss in this light, as this chapter attempts to touch briefly upon—internal management, strategy, programmes, tools and relationships with other foundations and stakeholders—to name a few. Yet a particularly important opportunity is to nurture relationships with European foundations, which are at the minimum neighbours in the region, and possibly in the future partners in an enlarged EU.

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2 The author uses vakıf and ‘foundation’ interchangeably.
4 Fuat Koprulu, Vakıf Muesessesi’nin Hukuki Mahiyet ve Tarih Tekamulu Vakıflar Dergisi sayi 11, 1942.
5 www.vakiflar.gov.tr
6 Tahsin Ozcan, Osmanlı Devletinde Eğitim Finansmanı, Osmanlı Araştırmaları Vakfı www.osmanli.org.tr
5. Ottoman foundations are discussed inclusive of the Selcuk, Beyliks and Ottoman periods.

6. Nazif Ozturk, SosyalSiyaset
   Actisindan Osmanli Donemi Vakillari
   www.sosyalsiyatset.com


11. Ibid.

Ottoman foundations are discussed inclusive of the Selcuk, Beyliks and Ottoman periods,

Nazif Ozturk, SosyalSiyaset
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www.sosyalsiyatset.com

Cizakga, op cit.

Ibid.

Cizakga, op cit.

Çizakga, opcit.

Foundations’ financial records are not considered public information and are not required to be published as such.


See www.sabanciuniv.edu/erg


European Commission, Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions: Civil Society Dialogue between the EU and Candidate Countries, COM(2005) 290final, Brussels, 2005.


Walt Kelly, American cartoonist, 1913-73.