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CONTRIBUTIONS TO THE OTTOMAN INSTITUTION OF THE İLTİZAM

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1. On the nature of the Ottoman İltizam

Until the mid-twentieth century the researchers dealing with the Ottoman economic history were unanimously of the opinion that the Ottoman İltizam was to be regarded as tax-farming.

In 1955 L. Fekete the well-known Hungarian historian of the Ottoman studies disagreed with this opinion in so far as he declared the view that in the case of the İltizam one cannot speak of tax-farming.\(^2\) In order to be able to open a debate with his opinion we present his arguments in English translation - as far as it is relevant to our formulation of the question:

«The taxes paid by the subjects either in kind or in cash, the duties, the wages and rents of the state-owned real estates were handled by the Ottoman administration of inland revenue according to the Arabian or Persian system\(^1\) inasmuch as these services were held together by certain delivery units or districts. The area and the boundaries of these delivery units or districts were determined (to determine =

1 This paper was presented on the international symposium «Staatliche Dezentralisierungstendenzen und Steuerpacht 1500-1850 : Osmanisches Reich, Iran und Indien (= State-decentralization Trends and State-lease 1500-1850 : Ottoman Empire, Iran and India) which was held in München on 2nd-5th of May, 1990.


3 Cf. Berthold Spuler, Iran in früh-islamischer Zeit. Wiesbaden, 1952, p. 457, 464 sqq. - This note is originated from Fekete and its original number was 27.
and these delivery units were called muqājā'ā or 'determined delivery units'.

Therefore the expression muqājā'ā meant a determined delivery unit, a taxing district, a unit of a state-property, or a unit of a stately-supervised public property or the right of its utilizing, as well as the mode of its administration and exploitation, furthermore it also meant an actual lease or rent.

Consequently in the Ottoman Empire there were remarkably numerous and extraordinarily many kinds of muqājā'ā since in a district all the incomes belonging to the state were presented as muqājā'ā. So the collection of each different tax could constitute a distinct muqājā'ā such as for example the sheep-tax or the must-tax of a district (or only that of a community), in cities the collection of the obligations due by the slaughterhouses or boza-pubs [boza = beverage made of fermented millet], the price of the market-places, the ferry-fee, and the duty paid at city-gates. Therefore the number of the muqājā'ā-s in the Ottoman Empire came up to several thousands so in the defterbâne of Istanbul quite a few departments were occupied with them.

According to the dictionaries muqājā'ā has the following meanings: 'delivery' (Ablieferung), 'rent' (Pacht), 'lease' (Pachtung), 'state-lease' (Staatspachtung), 'financial lease' (Finanzpachtung) and other similar meanings. The word muqājā'ā is used in the same sense in history works too. (Fekete, the author in his earlier works wrote Pachtung and Pächter as well.) Nevertheless in the light of archival research this question should be judged in a significantly different way, which now will be touched upon more deeply.

The state assigned a person to be in charge of the collection of the handing in (or simply the money) coming from the muqājā'ā. That person won the assignment who competed for it and as an applicant (tütib) either by auction or in the form of a written proposition committed himself to hand in the biggest sum and besides could present one or more guarantors (kefil) for the money in question. The assignment (Betrauung) was valid for a year or for an even shorter period of time.

The assigned person was called emin 'assigned' (Beträuter), or múltesiz 'who undertakes the business' so he was indicated as the person who undertakes' (Übernehmer) or 'entrepreneur' (Unternehmer). These two words could stand in status constructus as well: emin-i múltesiz or 'the assigned one who undertakes the business'. The enterprise was called emnēnet 'assignment' (Beträuung) or iltizām 'enterprise' (Unternehmung). Another frequent expression in the same context is der 'ahte-i... in the enterprise of...'

Concerning the assignment the state allocated the enterprise with a decree (nihat-i jārîf) with a uğra. For the time of his activity the
emin was granted a daily salary ('ulufa) and was compelled to do bookkeeping on the incomes. Consequently the emin was a state-employee obliged to do accounting.

For those who were not in know, who noticed merely that every year or every half-year there was another person at the ferry or in the market-place collecting state-dues, it might have seemed that the collector was a lessee for the collecting of certain dues. But getting to know the data presented above it is doubtlessly mistaking to define the position of this person as that of a lessee. The emin was not a renter but an entrepreneur or commissioner who undertook this business because he received a daily salary for the term of his office and in addition he could obtain unauthorized extra earnings. The administration of inland revenue demanded that he should pay the sum which he had taken upon himself to collect, he was punished severely if he postponed paying but most of the time the administration did not bother about the circumstances to the collecting.

According to Fekete's approach, which is not without contradictions, the emin or mültezim or emin-i mültezim was not a tax-farmer because

1) «he was a state employee obliged to do accounting»
2) «he was assigned»
3) he was a «person who undertakes»
4) «he was an entrepreneur»
5) «he was an assigned person who undertook the business» and «he undertook the business because he received a daily salary for the term of his office...». The fact that «in addition he could obtain unauthorized extra earnings» was a less significant one for Fekete.

Let us examine Fekete's arguments one after the other. The designations «assigned» (Beträuter) and «one who undertakes» (Übernehmer) can be easily straighten out since these are not technical terms. If someone is assigned to a business or he undertakes it hereby the nature of the business is still not defined. The same applies to the designation «the assigned who undertakes the business».

The term «entrepreneur» (Unternehmer) is a different matter. This word, as one of the terms of economics, is generally known in the meaning of «the owner of an enterprise who on his
own responsibility (independently) takes the risk of acting. Here the question emerges: to what extent can we find Fekete’s attempt valid when he indicates the mültezim as an “entrepreneur”. Without doubt it is true that he took his own risk in his activity. But it is questionable that to what extent did he act on his own responsibility (independently) when it was the administration of inland revenue which gave the assignment. Even if the mültezim is considered to be an entrepreneur there is still no evidence that he was not a tax-farmer. Throughout history in the field of production and services the most various kinds of enterprises appeared and appear. Why could not tax-farming be regarded as an enterprise?

That argument of Fekete which says that “the mültezim should be regarded as a state employee obliged to do accounting” seems to be more significant since the free enterprising activity can hardly be connected with the functions of an official who is confined by state-instructions.

To solve this problem it seems to be appropriate to compare the Ottoman mültezim with the range of activity of the European tax-farmers. The general definition of the European tax-farming is the following: “Generally every kind of tax-collecting in the name of the state done by private individuals but to the individual, action de se séparer; contribution, revenu ferme pour un an; muqā’āt başılamak ‘prendre à ferme’ (Bianchi-Kieffer, II, 971); ‘für bestimmte Zeit eingegangene Pachtung, Staatspachtung, Finanzpachtung’ (Zenker, 869); ‘a branch of the public revenue of Turkey farmed out for a term of years for a fixed sum, the farmer collecting the dues for his own account’ (Bianchi-Kieffer, 1937). Muqāṭā’ “préposé des douanes; fermier; ‘a revenue-farmer’. - This note is also originated from Fekete and its original number was 28.

5 J. Hammer, Staatsverfassung I, 333 sqq. (Similarly earlier times it is “tax-farming” for the Persians as well. See H. Spuler, op. cit., p. 457). What is said about the muqā’ā in new Turkish works is summarized rather shortly and is not always verifiable. - The German original of this note is also from Fekete, its original number was 29.

6 This definition is provided in German by Eugen Heberkern/Joseph Friedrich Wallach, Hilfswörterbuch für Historiker. Mittelalter und Neuzeit. Zweiter Teil, L-Z. Dritte Auflage, München, 1972, 598 sq.
individual’s own account. In the narrow sense the tax-collecting is passed to a private individual for an annual lump-sum."

This definition is valid for the Ottoman iltizam as far as in this business the collection of the taxes (and that of other state revenues) are similarly done «to the individual’s own account» and «in the name of the state». In the case of the iltizam the tax-collecting was accomplished for an «annual lump-sum» and here the question whether this lump-sum was fixed for a year or for any shorter period of time is irrelevant.

Finally there is one issue to be cleared and that is the legal position of the mültezim. In contrast with the European tax-farmers he was not exclusively a private entrepreneur since as an emin he received salary from public funds. On the other hand he was not exclusively a state employee either, considering that during his activity he had his own risk and his own economic interests. Considering the laws of economics he was in an ambiguous position although his two Janus-faces were not entirely identical. In the definition of his nature out of the two features that is the significant what he himself considered to be the more important one.

Did he undertake this serious financial risk in order to receive the regular salary of a state executive, in which case he could also improve his pay with a small and not really legal «extra». Or was the income of the taxation more important to him and the only purpose of the salary was to ease the risk undertaken or to provide the prestige of a state official?

This question can be understood only after we acquired data on the mültezim’s income of two kinds contrasted to each other. If the salary was higher than the income of the taxation then he was a corrupt official. In the other case he was rather a private entrepreneur, more precisely a tax-farmer, who sought and found his economic goal in the maximization of the profits.
2. *A firman on the Remittance of the Ottoman Tax-Farming Units in the Sixteenth Century*

The firman on the administration of inland revenue, which is the basis of our following argumentation is found in the Prime Minister's Archives of Istanbul (Başbakanlık Arşivi)\(^7\).

Considering the fact that it provides an interesting insight into the Ottoman tax-farming system, it is of some interest to publish it here *in extenso* together with an English translation and a short commentary.

\(^7\) More precisely it can be found in the collection of documents called: «Ali Emiri Tasnif, Kanuni». 
سلمان بن سلم خان مظفر داية

قدوة الغشاة والكلام معدن الفصل والكلام

(1) ناديسي زياد نفحة توقع رفع

هاريون واقل اوليقات معلوم اولا كت

حالة مقرس ؛ سلانيكن موسي تام يبيدي دركة

ملامه كوب سلانيك واقي اولان كمر

مقاطعته هن ناظر تعين اولانوب

حاص اولان اقية بين معرفة هن كبيت اولانوب

و يتم مهرم داخي بسه اولم بيرولوه حاليا

مقاطعة ؛ مزرور به هن اثني وخمسين وسعاته

ذى الحماية يكرسي يسبنه واقع اولان مارث

اوقدن اوج بيب اجمكر اوج كر وير بيك وداحي

الل بلين

(2) اقية محصول كومرما بر وجه التزام كان اولان

يلرنه شرطن موجيته مغمر طورق عطاده

(3) تحويل آخريه مزرورلك الفيزنده قر يبيك

اقية زيراد وبرمة التزام ابدرم وفرس حاله

برار والته تادر كفيلل داخي وبيرهم ديو بدلري

(4) ببروم هك حم شريفن اوردنه مزرور موسى

وكفلنر احا مادب اواك وجلبه تفنين

ابدوب كوردن مزرور ملجم وكفلر برلا

(5) والته قادر اولقرني ناما اتكي وكي اوره

ملام افقنمركر مزرورك التزاس وكفليركس

(6) تمصرن وثٍ بأرون واقع اولقرني بيربلبة اقبانه

قود اندركند حك كرها ملامة

(7) مخلل بنور بقدرئن شويل بلاسن علات شريفه

(8) تبر ربيع الآخر من ثلاث وخمسين وسعاته

بقام

قسطنطينية

ف (9)
Süleyman bin Selim Han, mu'azzfer dayma!

(1) Qudvet ul-quzat vel-ḫükkmäm, ma'den ul-fažl vel-kelâm —— qâçisi, zide fažılıhü. Tevqî'î refî'-i hümâyûn vâşl oluççaq ma'llûm ola ki :

(2) Ḥâliyya mafrûse-yî Selânikden Mûsâ nam yehûdi dergâh-i mu'allâma gelüb : «Selânîkde vâqi' olan gümrük muqât̄a'asına nazar ta'ayyûn olûnub

(3) hasil olan aççe benûm ma'rîfetûmle žabî olûnub ve be núm mührûm dañî bile olmaq buyurlûrûsâ Ḥâliyya muqât̄a'î mezbûreye sene-yî ışnâ ve Ḥamsîn ve tîs'ami'e

(4) žîl-ḫâcesinû qûrûmû yedîsînde vaqû' olan mûrt evvelinden üç yila qûrîmî üç kerre yüz bîr ve dañî elli bîr

(5) aççe mañsal güûrûmûe ber vech-i iltizâm kâtib olanlar yerlerinde şarîlar mûçibinçe muqarrer þurmaq şarîyle

(6) tahvil-i âhûnmda mezburûrûn iltizâmından qirq bîr aççe ziyâde vêrûneq iltizâm ûderim. Ve žâzar-i mâla

(7) yarar ve mâla qûdîr kefiiler dañî vêreyûm» dêyû bildûrdû. Êndî buyûrûm ki ḥûkm-i şerîfûmle varduqda mezbu er Mûsâ-yî

(8) ve kefiillerin lûzär etdûrûp oñat vechile têftîs edûp göre-sîn. Mezbûr múltûzûm ve kefiilleri yarar

(9) ve mâla qûdîr oldûqlarî temâm aşîl ve şañîhî üzere ma'lûm olduğandan şonîra mezbûrûn iltizâmûn ve kefiillerînûn

(10) isîmîlerin ve istihlârlarûn ve sâkin oldûqlarî yerlerîyle sicîllată qâyûd etdûrûkûn şonîra dergâh-i mu'allâmâ

(11) mufäṣâsal yazub bildûresîn. Şûyle bilesîn, 'alamet-i şerîfî i'tîmâd quûsûn. Taḥrîren fil-yevm ûş-sâlîs vel-ı'srîfîn-i

(12) şehr-i rebi' ül-âhir sene şelağ ve Ḥamsîn ve tîs'ami'e

8 bi-maqâmi
f (?)8 Qoştanînîyye.

8 Archival mark subsequently written supposedly with pencil.
[Tuğra :] Süleyman, son of Selim Khan, always victorious!

(1) Paragon of the Cadis and Judges, Treasure of Virtue and Wisdom, Cadi of ----, may his virtue increase! As soon as this Exalted Imperial Rescript arrives, it should be made known:

(2) A Jew called Moses (Mūsā) came recently from the Well-Guarded Salonica to my Sublime Court and reported [as follows]: If I should be appointed superintendent (nāẓir) of the farming of the customs being in Salonica.

(3) and the resulting money should be earned by my means applying my seal, [in this case]

(4) I take upon myself the aforesaid farming for three years from the first of March, taking place at the 27th of [the month of] Dhu-l Ḥijja, 952 [= March 1, 1546] for the proceeds of 2,350,000 as-

(5) pers⁹, taking the post of the clerks (kātib olanlar yerle-rinde) as required in accordance with their [= the clerks''] conditions, with the provision that these [conditions] remain valid.

(6) I take upon myself to given 40,000 aspers more than the aforesaid have given when they were appointed for the last farming.

(7) I appoint [besides] guarantors, capable of compensating for material damages and being in possession of means. I order now, as soon as he [= the above mentioned Moses] arrives with my Noble Order, to summon the aforesaid Moses

(8) and his guarantors. Investigate [this affair] according to the law, look into it. If it can be shown in all respects that the aforesaid farmer [of customs] and his guarantors are capable [men]

⁹ <i>dēği bildirdi</i> is below, in line 7.

¹⁰ Literally 23 times 100,000 and 50,000 aspers.
(9) and in possession of means, let the tax farm of the aforesaid [Moses] and his guarantors with their
(10) names, reputations and with their place of residence be written into the judicial record, and thereafter communicate it to my Sublime Court
(11) in detail in writing. This you must know. Trust the Noble Sign. Written at the 23rd day
(12) of the month Rabi' II in the year 953 [= June 23, 1546]

8 bi-maqāmī
f (?) Qosianuniyye.

Commentary:

The document which provides an insight into the Ottoman tax-farming conditions during the 16th century, is one of Süleyman the Magnificent's financial firman-s. It consists of an answer to the presumably oral proposal of a Jewish tax-farmer who had turned to the appropriate organ of the state administration. His proposal is that if he gets the tax-farming proceeds of the customs of Salonica for three years he would be willing to pay not only the hitherto usual rental of 2.350.000 asper-s, but 2.390.000, increase by 40.000 asper-s.

Moses would undertake the tax-farming on condition that the guaranteed conditions for the clerks would remain valid for those three years. Moses is willing to provide wealthy guarantors who could pay compensation in case of any material damage.

What lesson can we learn from this proposal? First of all there is the fact that Moses was not a Muslim but a Jew. As a matter of fact, this is not something new since it was already known that in the Ottoman Empire a great number of Jews.

and Christians took part in the very profitable business of tax-farming. It might be mentioned that most of these wealthy Jews had escaped to the Ottoman Empire from the inquisition of the ultra-Catholic Spain. At this time the land was almost entirely state property so they could not buy estates; neither could they buy higher state offices for religious reasons. Since they were not able to invest their wealth in anything else, they threw themselves into the business of tax-farming.

The proceeds resulting from amount of the tax-farming are of some interest also in their quantitative respect. As was mentioned before, Moses accepted to pay 2,390,000 asper-s to the State Treasury for this three-year-long period. This means that the customs-revenue of this significant port, Salonica, must have been more than 800,000 asper-s annually: Moses accepts to pay 796,667 asper-s per annum; naturally he wants to gain from this business and the guarantors do not take the risk because of their unselfish friendship. The amount of money is approximately ten times higher than the annual customs revenue of Buda for the same period.12

Clearly, the Ottoman administration of inland revenue in the middle of the 16th century did not demand the payment for the tax-farming in advance. Had it been paid in advance, there would have been no need for appointing wealthy guarantors. Moreover it seems that the renting procedure was accomplished properly, so it could seem from the accurately determined three-year-long term. There is no sign at all that Moses fraudulently wanted to edge out his predecessors of their lease, but presumably after the expiration of their lease he rather planned to replace them with the help of proposing a higher amount. To our knowledge, this procedure was considered legal in the Ottoman Empire at that time.

It is of some interest that Moses wants to undertake this tax-farming as a superintendent (nâzîr). From the document it does not become clear whether another tax-farmer (mütessim) or mo-

ney-collector (‘āmil) took part in the business. It is also significant that Moses lays claim to the position of clerk (kātib). From this fact two conclusions can be drawn: This position could be taken not only by a Muslim but also by a Jewish candidate. Presumably this is why he does not ask for the rank of chiaus, a military rank reserved for the Muslims. The promotion to a government office was important because only with this could be obtained the respect due to a state-office holder. Being a clerk Moses was naturally given a salary. The amount of it was not mentioned in the document. However, from other sources it is known that in the first half of the 16th century the clerks of the administration of the inland revenue received 5-50 asper-s for a day. In the case of Moses who had an important position, we have to count at least the average of the two extremes, which is about 25 asper-s a day. Consequently the annual salary is 9,000 asper-s.

This salary must have been only a fraction of the tax-farmer’s income. He does not take this risky activity because this relatively small civil-servant salary satisfied him. The biggest part of his income came from the difference between the money paid to the State Treasury and the customs effectively collected. To my knowledge there is no date concerning how much more the tax-farmers collected comparing to the money which they delivered to the State Treasury. Naturally they had to conceal the real amount since it was not quite legal to collect more—the state turned a blind eye to this practice only because of its own interests.

The addressee of the document is a judge (qādī) from a juridical district (gażū) not precisely defined. The issuing authority left the name of the place blank, evidently so as to be filled in at a later date. Obviously the task to be the inspector of the tax-farming place fell to the cadi. In the Ottoman Empire it was general practice that for the inspector’s post a cadi was appointed whose juridical district was different from the place of the tax-farming, consequently he could represent the interest of the state regardless of his personal contacts. The principle which was in force at

the beginning, even in our case, was later not fully operative any
more, since for the tax-farmer the possibility was given to ask that
cadi to be an inspector, who seemed to be appropriate for a harmonious cooperation.

In the commanding part for the document the cadi receives
strict instruction to revise the case, especially the financial condi-
tions of the tax-farmer and his guarantors.

Otherwise the firman meets the formal requirements of the
decrees of the administration of the inland revenue, as, for ex-
ample, the date was written onto the document not by the issuing per-
son of the document while its dating also showed the exact day of promulgation.\footnote{14 Cf ibid., I I I sqq.}