

ACCOUNTING EDUCATION IN OTTOMAN STATE

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Abstract

In this study, accounting education in Ottoman State is explained. Medressah system has always dominated the Ottoman education. The Ottomans had a developed state accounting, named Merdiban (Stairs) method. The State was borrowed this method from the Ilkhanians and used it from its foundation until the end of the XIX century and in 1890s with great efforts turned to double sided entry method. Besides, private sector accounting showed no development for a long time. In the field of accounting education, there is a scarcity of publications during the lifetime of the Ottoman State since teaching of state accounting continued through a master - apprentice relationship for centuries and was not thought at schools and no material was published. The first examples of accounting education in Ottoman State appeared in foreign schools at the beginning of the 19th century. In Turkish schools, accounting education started after the Tanzimat and quickly became widespread. In Ottoman State's 500 years old education system, officials were divided into three groups as military, scholar and administrative staff. For the education of administrative class, there was no specific school. These officials were trained in a master-apprentice relationship in state accounting practices realized by the internal revenue offices.

Keywords: Merdiban (Stairs) Method, Ottoman State, Accounting Education, Ilkhanians.

1. Introduction

Education in Ottoman State can be defined as before and after the Tanzimat (reforms made in 1839). According to this classification, pre-Tanzimat Ottoman education period can be held as whole covering the years between 1299-1773. Because the year 1773 coincides with the opening of westernized schools. Medressah system has always dominated the Ottoman education and it is known that the first medressah was opened by Orhan Ghazi in İznik in 1330. In the following century, five medressahs in Bursa and two in Edirne were opened.

İ.Hakkı Uzunçarşılı notices that in these medressahs, an education system similar to the other Islamic States was adopted¹. Prof. Yahya Akyüz upholds this opinion and argues that, at the beginning, scientists and professors (müderris) from the Islamic countries were invited to work at the medressahs by the Turkish principalities². In such a situation, it is natural to have course programmes based on Islam and course books written in Arabic, far from the spoken language of the public. In Ottoman State, book and journal publication was generally handled by the state. In the field of accounting education, there is a scarcity of publications during the lifetime of the Ottoman State. Although the state had a complex accounting system, the reason for this lack lies in the training system of the Finance Department (Hazine-i Amire) which is based on master – apprentice style accounting education. One of the reasons for the late coming of double sided entry method which developed in the private sector accounting should be this situation.

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¹ Uzunçarşılı, İ.H.; Osmanlı Devleti'nin ilmiye Teşkilatı, 3. Baskı, Ankara: Türk Tarih Kurumu Yayını, 1988, s.

² Akyüz, Y.; Türk Eğilim Tarihi, 5. Baskı, Ankara: Kültür Koleji Yayını, 1994, s. 55.

2. Accounting System in Ottoman State

For the central financial administration of Ottomans, accountants, grown up at revenue offices, constructed the order of bookkeeping in principalities and enabled its widespread practice throughout the empire successfully. Saline, mine and customs records which should be stored locally in provinces were kept by the accountants grown up in the central financial order or by the staff thought by such officials. But this local recording system could not be as successful as the central system. In the XVIII century, the necessity for renovation was inevitable for the civil administration. But such a renovation could not be accomplished as it should be. If the renovation had been towards west, canalization towards double entry system would have been totally felt. Existing state accounting could meet the demands for restoring the order. There were no differences or developments in state revenues that would force this system. Taxing system was based on land and it was mainly muqata'ah (tax farming). The changes those need to be realized in state accounting were caused by the administrative system of the empire. By establishing an accounting system similar to the state system, districts could meet such demands. But the increase in the number of staff working in state accounting, the necessity for more qualified staff both in central and rural accounting system and the inspiration from the schoolization in military field forced the state accounting system to apply training programs for the apprentices admitted to the state accounting offices.

3. Accounting Education In Ottoman State

In Ottoman State's 500 years old education system, officials were divided into three groups as military, scholar and administrative staff. Medressahs were the schools which trained the scholar class. In these schools religious officials and magistrates were educated. In Enderun School soldiers and state officials were trained. For the education of administrative class, there was no specific school. These officials were trained in a master-apprentice relationship in state accounting practices realized by the internal revenue offices. Anybody who enter the offices of State Treasury, head internal revenue offices, Anatolian revenue office or offices reporting to the third bookkeeper (financial director) as apprentices at very ages were trained in a full master-apprentice relationship³. The children had to learn the scripture of Arabic and Persian, then Siyakat scripture and numbers⁴ and had to improve their knowledge of arithmetic. After this, they had to work on documents called tahvil (bond) which was the main thing for the recording.

In the following period, it was natural for them to take duty in the book recording order. It was necessary for them to work under several offices in a financial department then to transfer to another financial department and finally to take part in the calculation of term end final account in order to be join to the system. Accounting education in Ottomans continued in this way for centuries. There were no course books on accounting education since the education was given in a master-apprentice relationship. For this reason, world accounting history could not gain enough information about the Ottoman accounting system which sustained its existence without changing its principles for centuries. Notwithstanding this, Ilkhanian State accounting system which was more primitive compared to Ottoman accounting system but which had educational books was recognized and gained a more important place in world accounting history.

4. Education of Accountants in Ottoman State

In Ottoman State there is no trace of accounting education at school from the foundation of the state until the era of Tanzimat. In this period, accounting education was given in a master-apprentice relationship. In the XVIII century, with increase in the number of personnel, namely the apprentices, group education in Hazine-i Amire was observed for the training of apprentices⁵. This education did not include the training of any other independent educational institution. The possible candidates for the apprenticeship of the head accounting office were chosen among the literate children of seven or eight years old. The children who wanted to be an apprentice applied with a petition. Head accountant would write on the petition "...is good at reading and writing, knows the numbers. May work at your office as an apprentice." and sent him to the related office director. After the approval in this office, he would be recorded in the apprentice book with the date. On the corner of his petition "recorded" would be dropped. He would start working under the control of one the staff in the office. He would come to work every morning, work under the command of that staff and leave the work at night at the same time with him. The child who was going to be a clerk, should memorize what his master wrote and said and where the records of a specific case are kept.

³ For example, Defterdar Sarı Mehmed Paşa who was assigned as the head of finance for many times between 1701-1714 was born in 1657. He started working in accounting offices when he was 14 and grew up in practice.

⁴ It is known that siyakat writing system and numbers which were used in accounting were transferred to Ottomans from Ilkhanians and were continued to be used until the middle of the XIX century.

⁵ See: Güvemli, O.: T. Devletleri Muhasebe Tarihi, cilt: 2, 1998, istanbul.

One day, his master would order the child "Bring me the book of Baghdad of such year". The apprentice brings the ordered thing without thinking. Since the things done remains in the apprentice's memory, with the increase in his experience, the master would order him to write the documents. For this reason, the article he had written forty years ago would not go out of his mind. Since there is no indexing in the duties carried, apprentices older than ten years old would not be admitted to offices. If he serves good with loyalty and is capable and hardworking, in five or six years time, his position would be changed to a paid (permanent) one with an inscription "continuous apprentice". According to the orders of the sultan, the apprentice would get one hundred akches in every three months which makes thirty-three monthly. After working for five or six years under these conditions, he would start getting more compared to his counterparts... He would go further everyday ... and finally reach to the ranks of caliph (clerk), kisedar (collector) or mansion caliph, debit caliph, muhaliefat caliph (heritage clerk), hayme-i hassa (royal tent clerk), kitchen clerk or exhibition clerk. Or would be assigned to one of the offices of arsenal or wagoners as accounting clerk.

He would continue his career with the dreams of being assigned as the head of financial department, then as the vizier kethüda (chief steward), then as reisü'l küttab (head of clerks) and then as serdar-ı ekrem (grand vizier). His salary would increase every month with five or ten akches every month since his progression and loyalty increases everyday. If he continues working in this pace, after ten years he would reach to five hundred kurush income yearly. After surviving with a little amount of thirty akches, he would be favorable for such an amount. With the fear of being deprived of such an income, he would care his work and continue his progression step by step and finally reaches to the rank of caliph. If he makes mistakes in his profession, he would be in a bad position in front of the lower ranked staff. For this reason, he knows the value of the work he is doing and compelled for loyalty against the state.

5. *The First Accounting School in Ottomans: School of Bab-ı Defterdarı*

Bab-ı Defterdarı⁶ was the place where the accounting affairs of the Ottoman state were ordered or where the accounting offices were situated⁷. Osman Ergin is the education historian who has made the deepest inspection on the school of Bab-ı Defterdarı but does not give information about the foundation of this school in his book *Türkiye Maarif Tarihi*⁸. While giving information on Bab-ı Defterdarı, Prof. Akyüz also does not mention about the foundation date of the school⁹. The reason for the lack of clarity about this subject lies in the training system of Bab-ı Defterdarı which was developed on master-apprentice relationship. For example, Osman Ergin, referring to Amasya historian Hüseyin Hüsametdin, mentions that by the years of 1709 when Bab-ı Defterdarı was moved to Basilica Cistern a training department was in the phase of formation. Osman Ergin does agree with Hüseyin Hüsametdin on the existence of Accounting on that date because of the lack of proofs.

According to Osman Ergin, this education department was a separate reading saloon for clerks to develop themselves, when it was separated from the bookkeeping departments, it was very easy to turn these saloons for educational purposes of apprentices. In the XVIII century, especially in the second part, there is a possibility of siyakat education which was the special code for accounting and apart from this mathematics to apprentices in groups. But, at the moment, it is impossible to prove this with documents. At the beginning of the XIX century the case starts to come into light, for example, Osman Ergin explains that in a document belonging to 1836, Hacı Pertev Efendi was assigned as the lecturer to teach Arabic and Persian to the apprentices of Bab-ı Defterdarı. Osman Ergin argues that these educational programmes should include calculus and siyakat writing and numbers. According to these definitions, it should be right to accept that the name of Bab-ı Defterdarı was started to be used in the first part of XIX century but collective teaching of staff working in accounting offices was started earlier in XVIII century by the hands of accountants grown in the central system.

6. *The New Organization in State Accounting System in the XVII Century*

The structure of central accounting structure in Hazine-i Amire was restructured in the XVII century and the numbers of staff working was regulated according to the needs. All the offices were assigned under a single head of accounting. This head officer was the head of financial department. Other accounting offices were not abolished but turned into ineffective vice offices. There was no increase in the number of offices in the new reorganization. The number of offices according to the information belonging to 1566 was 24 and increased to 27 in 1670.

⁶ Bab-ı Defterdarı means the Office of Finance Ministry.

⁷ Pakalın, M. Zeki, *Osmanlı Tarih Deyimleri ve Terimleri Sözlüğü*, Cilt: 1, 1993.

⁸ Ergin, Osman: *Türkiye Maarif Tarihi*, Cilt: 1, İstanbul: 1997, p.74 ff.

⁹ Akyüz, Y : *ibid.*, p. 90.

Revenue books were abolished in the middle of the century with the ineffective repositioning of second and third rank head of financial departments. Final account books were started to be recorded in the related offices instead of yearly revenue books which ordered the definitive accounts. The feature of annual closing continued its existence in the new accounting recording system. The number of offices which kept the records of payments to military personnel increased from two in the middle of XVI century to seven in the middle of XVII. This situation can be explained with the increase in military units and with the aim of preventing malpractice in the payments of soldiers. It is understood that the number of staff working in the offices of finance was 714 in 1670. Although there is no much information belonging to the XVI century, it is understood that an important increase occurred in the XVII century.

7. Accounting Books in Ottoman State

In many libraries in Turkey, accounting books which were used in accounting teaching written in Arabic have been encountered from the middle of XIX century. But the first books found in libraries belong to 1853 and 1859. The book belonging to 1859 has the characteristics of an “instructional book” for state accounting¹⁰.

There are also other books about accounting teaching found in libraries published between 1880-1885. Here, some short information will be given about three of them. These books are, according to a chronological order;

Fenn-i Usul-i Defteri Book¹¹

The book gives no place to organization of balance sheet but gives examples on books and samples. It is understood that the book was prepared as a course book.

Some sections of the book are:

1. General ledger on Practice Recording,
2. Application,
3. Profit and loss account
4. Practice of Transfer accounts to General Ledger ,
5. Accounts

Muhtasar Usul Book¹²

This book was prepared with the aim of giving information on accounts, books and inventory. The book includes two sections. The first section mentions about accounts and the second section gives information on inventory.

Muhasebe-i Ziraiye¹³

This book is among the first accounting specialization books in Turkey. The first eight pages of the book give general information and the following sections are allocated to Demirbaş defteri, Muhasebe-i Ayniye, Muhasebe-i Nakdiye, Muhasebat-ı Ziraiye.

8. Conclusion

From the foundation of Ottoman State until the period of Tanzimat, there is no trace of accounting education in schools. In this period, accounting education was given in a master-apprentice relationship in Hazine-i Amire. It is noticed that, collective education was preferred with the increase in the number of apprentices in Hazine-i Amire in XVIII century¹⁴. This education was not given by an independent institution. It is noticed that accounting education started in foreign schools before the Ottoman State in the XIX century. In Turkish schools, accounting education started after the Tanzimat and diffused very quickly. In the last twenty five years of the XIX century, double sided entry method entered into the curriculum of schools from Rüştiyes (middle schools) to Darülfünün (university) and this situation facilitated the familiarization and dissemination of this method.

¹⁰ Güvemli, Oktay, XIX. Yüzyılda Türkiye’de Muhasebe Öğretim Kitapları, MÖDAV Bülten Eki Yayın Sayı: 3 İstanbul, 1997, s. 47.

¹¹ This book consists of 326 pages and is located in İstanbul University Library. Translation; Binbaşı Ziya Bey, Fenn-i Usul-i Defteri, Mihran Matbaası, 1880, İstanbul.

¹² This book consists of 70 pages and is located in İstanbul University Library. Translation; Süleyman Asaf Bey, Muhtasar Usul Defteri, Matbaa-i Aramyan, 1882 , İstanbul.

¹³ This book consists of 80 pages and is located in İstanbul University Library. Translation; Aram Margosyan, Muhasebe-i Ziraiye, Selanik Matbaası, 1885, İstanbul.

¹⁴ Bkz.: Güvemli, O.: T. Devletleri Muhasebe Tarihi, Cilt: 2, İstanbul: 1998.

Ottoman State borrowed Merdiban (Stairs) method which was a special recording system from the Ilkhanians and used it from its foundation until the end of the XIX century and in 1890s with great efforts turned to double sided entry method and the first practice was made in the accounting books of Zaptiye Nezareti (Ministry of Police Forces). The dissemination of both double sided entry method and accounting education in every level of schools in the last twenty years of XIX century¹⁵ continued in the same pace with westernization of education which started with the second constitutionalist period (2nd Meşrutiyet).

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¹⁵ Güvemli, O.: **Türk Devletleri Muhasebe Tarihi-Tanzimat'tan Cumhuriyet'e**-Cilt:3, Sayfa: 90 vss., İst: YMM Odası yayını, 2000, İstanbul.