



## *in this issue*

1

Serdar Halıcı on Ottoman Waqfs

2

Dr. Syed F. Mahmud on International Imbalances and Future of Global Reserve

3

Gökşen Görgülü on Participation of Women in Economic Life

4

Prof. Dr. Kıymet Selvi on The Shifting of Educational Paradigm Towards Phenomenological Pedagogy

## **OTTOMAN WAQFS: A MODEL FOR NGOs AND DEVELOPMENT RELATION?**

Serdar Halıcı

For an advanced and prosperous society, recovering the economic conditions is not the only criteria for development. Today, together with economic development social development is also used amongst other concepts, to define the change and transformation of the society. Within this scope, social capital can be accepted as an important source for development. In addition civil society and non-governmental organizations (NGOs), as the dominant elements of social capital, are a part of this source with their mediating role between the economy and state.

Being a bridge between the state and society NGO's have become one of social politics intervening tools in social structure. The decline of nation-state ideology and national economic policies and rising popularity of globalization, free market economy and liberalization has increased the economic and social problems especially in underdeveloped countries. On the other hand as the states leave their protectionist character and gain a regulating and supervising structure, the dependency of state-mandated disadvantaged groups and poor people to social aids grows up. Eventually, as the social problems boom, the need to national and international NGO's ensues.

At this point the Ottoman waqf system, with its successful past experience, can be evaluated as a model for today's social policy tools. Playing an important role in the reign of the Ottoman Empire in three continents over six centuries, the waqfs, amongst its social functions, had a great contribution to the economy. During the golden age of the Empire, 15th and 16th centuries, Ottoman waqfs were serving in almost every field from education to public works and finance to health. Based on voluntariness, these institutions helped building a just and prosperous community together with social integration. Special types like money waqfs, which were granting unsecured or low interest loans to merchants or the poor, had an important position in developing a social and economic order.

In this context, instead of direct income supports which cause social laziness, the voluntary waqf system, which provides directly supporting services, can make a major contribution to the struggle against poverty, social conflicts and underdevelopment in today's world.

Supported by states either financially or legally, waqfs/foundations will reduce the financial burden over the state, contribute to meet efficiently the social needs of the public and provide social legitimacy. All in all waqfs/foundations are naturally suitable structures for social integration-social development and this will provide them an important role in today's development policies and a significant space in the agendas of today's policy makers.



## International Imbalances and Future of Global Reserve

Dr. Syed F. Mahmud (Bilkent University)\*

The current trends in global imbalances are resultant of a complex macroeconomic phenomenon. According to IMF these global external imbalances are "current accounts different from those warranted by fundamentals and desirable policies". In this short note a simplistic approach has been employed in which detailed discussion of the determinants of these imbalances has been avoided. In simple terms, the system can be described as consisting of a 'core', which had a unique privilege of issuing the national currency used as international reserve currency and therefore having the exclusive advantage of international seigniorage. And a 'periphery', which is committed to export-led growth based on maintaining an undervalued exchange rate. Countries in the periphery accumulate excess reserve holdings as a hedge against exchange rate volatility and to maintain an undervalued national currency to implement their development strategy, in the process accumulating large sovereign wealth funds during the boom periods. There are some who argue the current pattern can be maintained indefinitely. The United States can continue to afford current account deficits as long as the emerging markets of Asia and Latin America are willing to accumulate USD. There are others who think that these global imbalances in turn helped in building up of systemic risk and have contributed in the creation of riskier financial assets adding further to the fragility of the system. The arrangement has allowed US financial fragility to be exported to the periphery because as crisis strikes investors rush to USD and helps the core in the adjustment process. So the size of the deficit of the core is determined by the confidence of investors that it can continue to increase its borrowing to meet its debt service obligations, what some would consider a "Ponzi" scheme.

One of the explanations of the final break down of Bretton Woods in 1971, with the suspension of the gold convertibility of USD, had been provided by Robert Triffin in the 1950s. According to Triffin's paradox, it was impossible to have a national currency as the main source of global liquidity and also to maintain its value in terms of gold with the growing world economy. An important corollary of this paradox, under the current flexible exchange rates and unregulated capital flows, is that the key to the stability of reserve currency is linked to an adjustment mechanism that can bring balance to the global imbalances. Therefore when developing countries adopt a development strategy by promoting net exports based on undervalued exchange rates, they also forego any guarantee of stability of purchasing power of their external claims. Due to Triffin's paradox, China cannot avoid the dollar losses of its foreign exchange reserves than the central banks could under the Bretton Woods.



A recent report by the United Nations Commission (2009) led by Joseph Stiglitz has concluded that the current system has proven to be "unstable, incompatible with global full employment and inequitable". The report has also proposed creation of a new supranational international currency and in the transition use of SDR (Special Drawing Rights) to reform the global financial system. However, simply changing the international reserve currency does not seem to be a solution. Furthermore SDRs cannot act as a stable store of value. The problem is caused by the absence of a mechanism to address the persistent global imbalances compatible with full utilization of global resources. One of the solutions is for the surplus countries in the 'periphery' to shift to domestic demand-led strategies. Furthermore shifting to a more fragmented currency system seems more plausible in the short run, leaving aside the political dimension of the system.

In the long-run, however, some of the postwar period In the long-run, however, some of the postwar period proposals, such as commodity reserve currency can be in the offering. The proposal had been supported by John Maynard Keynes, Milton Friedman and Nicholas Kaldor and its support from various UN agencies in the past. Fedrick Mann has suggested another novel idea of using a unit of exchange valued against a designated basket of goods, calling this virtual international unit of account as 'Reige'. Given the space limitations of this note, merits and demerits of these alternative proposals have not been explored here.

\*syed@bilkent.edu.tr

---

## Participation of Women in Economic Life

Gökşen Görgülü

For the growing economies, the participation of women in the workforce and becoming more active as entrepreneurs has a strategic importance.

Whether it's the road to wealth, activating an untapped potential or creating new jobs, many academic and business experts will agree that empowering women is the best way to do that. Current studies determined female entrepreneur characteristics as dynamic, independent, self-confident, competitive and goal-oriented. It is certain that, given the proper, equal employment opportunities, women can become a driving force behind social and economic growth.

However, it's a fact that most women face major obstacles on their way into the workforce/entrepreneurship. Individual Development Index, an annual comparative study commissioned by United Nations, ranks Turkey as 86th.

In Improvement of Gender Mainstreaming Index of 2007, a study conducted by measuring the presence of women in administrative, technical, and professional fields as well as their political representation, life expectancy rates, adult literacy rates and their share from per capita income, Turkey's standing declined to the 112th place.

The news from the Turkish Women Entrepreneurship Competition organized by the partnership of Garanti Bank, KAGİDER (Women Entrepreneurs Association of Turkey) and Ekonomist Magazinne shows the increasing rate of interest of women in entrepreneurship. While 103 women entrepreneurs applied to the competition in 2007 which was the first year of the competition, in 2010 the number of applicants were 3600 and this number increased to 5600 in 2011.

However, according to the 2011 year-end numbers, a total of 6.7 million women are employed in Turkey, which puts our women's employment rate at a mere 24%. What's worse is that 58% of these women are working off the record, without any social security. These rates are highly off the standard average both in EU and OECD countries.

Entrepreneurship is an important tool for women employment but it is not enough on its own. In order to increase the impact of it, firstly the other structural obstacles against women in participating to the workforce has to be removed. Most of all, we have to fight against patriarchal social stereotypes which position the woman only in family and/or house instead of treating her as a one of the productive part of economy.

## The Shifting of Educational Paradigm Towards Phenomenological Pedagogy

Prof. Dr. Kiymet Selvi

In the current education system, there are limitations such as drawing attention only to social constructivism and social learning, cognitive development, and to learning outcomes that rely on exam based performance. However, besides cognitive development, individuals need to develop as a whole, that is, as a social, creative, emotional, physical and an authentic being. In this context, nine important indicators that are related to main reasons of education are undergoing a paradigm shift. The first important indicator that shows paradigm shifting is related to the dominant pedagogical approach which is based on transmission of ready-made knowledge to the learners. The second indicator is based the on perfection of the current system without perfection of self. The third indicator is the fact that the current system defines individual only as a knower instead of considering the individual who 'knows' at the same time. The fourth indicator is that the current system approves instruction or teaching rather than learning. The fifth important indicator is related to crises of scientific research methods. The sixth indicator is that rapid development of information and communication technologies accelerate education paradigm shift. The seventh indicator is that the current system attaches importance to institutional education. Nevertheless, lifelong learning becomes important besides institutional educational paradigm. The eighth indicator is related to curriculum design in education. The ninth indicator is about teachers' roles connected with students' learning. All of these indicators may trigger paradigm shift in the educational system.

A paradigm shift requires shift in philosophies, beliefs, values and preferences. Beginning with discussions based on philosophical fundamentals that improve awareness of individualistic bases, the educational system should aim at improving individuals' awareness of creation, construction and reflection of knowledge rather than transmission of ready-made knowledge to a passive receiver. Individuals may easily capture knowledge from phenomenon if they are aware of their own learning. In the self-actualization process individuals must feel free to search for meaning, to catch meaning of phenomenon and to be self-interpreters of their own experiences.

The paradigm of institutional education should be designed on individualistic perspective that pays attention to self-directed learning and learning to learn. Learning to learn has been mainly discussed on a theoretical base and it may not be applied to operate self-directed learning for individuals. In this context, phenomenological pedagogy will provide some explanations about educational paradigm shift. The new paradigm must be based on phenomenological pedagogy, which includes humanistic approach, anarchic approach and naturalistic approach. Phenomenological approach will be dominant in near future, and it is going to be a turning point in the education system.

### About PGlobal

PGlobal is one of Turkey's leading international advisory houses and has completed financial, economic, and management consultancy assignments in Turkey, Turkmenistan, France, Saudi Arabia, N. Cyprus, Bosnia and Herzegovina, Malaysia, and Azerbaijan. PGlobal's team has a combined international experience of over 100 years. PGlobal's experience in event concept design and management includes national and international summits, meetings and training sessions.

A Publication of PGlobal Global Advisory  
and Training Services Ankara, Turkey

Editor: Mustafa Çalkaya

Contact: info@pglobal.com.tr

The views expressed in these articles are  
solely the author's opinion.