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A Second Sephardic Golden Age: Economic Role of Iberian Jewry in the Sixteenth Century Ottoman Empire

By David Domínguez Navarro

Turkos, djudios, i kristianos, Todos ottomanos, Mos tomimos de las manos, Djurimos de ser ermanos.  
Turks, Jews and Christians, All Ottoman, We took each other’s hands, And promised to be brothers.

The expulsion of the Jews from Spain and Portugal, in 1492 and 1497 respectively, brought to an end what until then had been the most economically and culturally successful Jewish community in the Western world. Significant numbers of Iberian Jews immigrated to the Ottoman Empire under the reign of Sultan Bayezid II who allowed them to settle in his domains. The relationship between Jews and Ottomans was strongly influenced by Islam’s acceptance of Jews as part of the “People of the Book”. As such, Jews along with Christians in Muslim lands were considered dhimmi, or “protected ones”. They were to be tolerated with certain restrictions but were free to practice their religion and engage in commerce. This attitude was prevalent in Muslim-controlled Spain, and allowed the Spanish Jewish communities to flourish. Jews in the Ottoman Empire were accorded the same status which would lead to the acceptance and renewal of the former Spanish Jewish community. In their new land of refuge, Jews enjoyed levels of safety and economic success that can only be compared to those that existed in the Spanish Golden Age during the Caliphate of Córdoba. Provided with freedom to trade, Jewish merchants became successful entrepreneurs who cooperated among themselves, forging a commercial Jewish network made of family-related merchants, bankers, money lenders, and traders that expanded to the main centers of Europe. The present essay will analyze the factors that contributed to the development of a prosperous and influential community of Spanish Jews in the Ottoman Empire’s economy during the
sixteenth century. It will focus on two main economic activities in which the Iberian Jewish community engaged: trading and banking. The emergence of the Ottoman Empire can be tracked down to the early fourteenth century with the conquests of Oshman I and his successors. The invasion of Anatolia and further territories by Oshman’s son Orhan Gazi in 1324 continued the expansion of Ottoman power into European lands. The conquests were supported by the Jews who had lived in large numbers in Bursa and other parts of Anatolia after the destruction of the Second Temple. After the increasing persecution of Jews during the Byzantine period, where they were excluded from public roles and economic activities, except money-lending, the Ottoman conquests meant a relief for the Jewish community which was allowed to practise any profession, own land and conduct trading and commercial activities and contribute to populating the area demographically. In addition, they constituted a productive, potential workforce, “politically more reliable than the local Christians, Greeks and Slavs”. This meant that their relocation to conquered areas helped create a stronger empire of loyal subjects. The Ottomans saw in the Jews not only a respected group considered the oldest --kadim-- as well as people of the Scriptures, but also an empathetic social group persecuted by the same Christian enemy as Muslims were. As Bernard Lewis suggests,

affinity of religious culture [...] made it possible for Jews, even emancipated, liberal west European Jews, to achieve an immediate and intuitive understanding of Islam [...] The Judaeo-Islamic affinities include such things as inflexible monotheism, austerity of worship, the rejection of images and incarnation and, most important of all, submission to an all-embracing divine law, enshrined in scripture, tradition, and commentary, which regulates and sanctifies the most intimate details of daily life.

The social and economic framework of the Jews living under Ottoman rule prepared the favourable conditions for the arrival of the Sephardim, establishing the foundation of a new economic group of Jews that would benefit from the tolerance and good relations formed with the Ottoman rulers. Several factors that contributed to this were the administration of millets, the expansion of agriculture, the increase in commerce and trade, and the implementation of taxation. The religious communities of the Ottoman Empire before the arrival of the Iberian Jews were distributed and classified in millets (a Turkish term applied to semi-autonomous religious communities under the Ottoman Empire). The organization of the Jewish community in millets fitted perfectly into the new framework of tolerance, owed
largely to the Ottoman policy of laissez-faire. As Salo Baron suggests, “in the long run Ottoman Jewry learned to live with an increased variety of groups and approaches and, perhaps because of that plurality, was able to develop an even more flourishing and pulsating cultural life”. Within the Jewish millet, Jews were organized in congregations or kehillot according to their geographical and linguistic background. Each congregation had a religious and lay leader who was in charge of the spiritual needs of the community and the collection of state taxes. The agricultural sector within the Ottoman territories had been the most important surviving source of income for the Byzantine Jewish community during the fourteenth century. Land and agricultural production were controlled by the state. Farming allowed cattle raising, and produced materials such as linen and wool. In addition, the new territories incorporated into the Ottoman Empire such as Egypt and Syria provided new revenues in the agriculture sector. However, this sector began declining during the second decade of the sixteenth century for two main reasons: the circulation of money and coinage minting in the Mediterranean, and the increase in population, which grew faster than the cultivated land. The agricultural sector, which had been the most important surviving source of income for the Jewish population, began to give way to a new economic field of traders, coinage minters, money lenders and artisans, and became, as Baron remarks, “an indispensable source of fiscal revenue for the respective governments and bureaucracies”. The economic boost that some Middle East urban centers such as Baghdad and Cairo experienced attracted many Jews to embark on trading and merchandising operations, leading to a more established urban Jewish community, and preparing the economic grounds for their Spanish counterparts. This fact might also explain the modest role played by Jews in the agricultural field during this period and the following years; it also explains how despite the increasing number of Jews with the arrival of the Sephardim this did not lead to a rise in the number of Jewish farmers, since they were attracted more to urban centers. Furthermore, new cities such as Bursa, Aleppo, Salonika, Edirne and Istanbul were incorporated into the empire, and the Ottoman government worked for the development of its new conquered cities into major trading and commercial centres:
Ottoman Empire economic sectors and main productivity centers:

<table>
<thead>
<tr>
<th>Economic Sectors</th>
<th>Main centres</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural sector</td>
<td>Bursa, Malatya, Thessaly</td>
</tr>
<tr>
<td>Domestic trade (textiles)</td>
<td>Istanbul, Salonika, Edirne</td>
</tr>
<tr>
<td>International trade (raw and silk market)</td>
<td>Aleppo, Bursa, Istanbul</td>
</tr>
<tr>
<td>Finance (taxation)</td>
<td>Istanbul, Alexandria, Damietta</td>
</tr>
</tbody>
</table>

Salonika became a predominantly Jewish city and emerged as a major wool, clothing and silk trade center, enhancing new commercial routes with the Balkan cities, especially Dubrovnik. Bursa and Aleppo flourished also as important silk trade centers and spice transit routes with Central Asia. New international trade routes were developed such as the Arabia-Bursa-Istanbul and the Black Sea, the land route from Aleppo to Bursa and the searoute Bursa-Antalya-Alexandria. The Italians, who had controlled the Iranian raw silk market at Bursa, faced the Jews as the new competitors. Establishment in urban centers allowed the Jewish community to acquire a larger role in financial and commercial enterprises formerly under control of Europeans and other groups. The main jobs that Jews performed were tax farming, customs collection at the Istanbul docks, and coinage minting which kept the Jews involved with government activities, dominating the distributing and exchange sector, including tax collection on any goods entering the city. For instance, tax farming of the Istanbul customs house was held by Jewish families from 1483, and between 1470 and 1480 all the major tax farms in the Balkan communities and Anatolia were under Jewish control.

Trade and finance.

Jewish involvement in Ottoman trade and finance flourished with the arrival of Iberian Jews during the sixteenth century. Among their economic strengths was knowledge of European finance and banking affairs, and language skills. These allowed them to implement commercial relations with diverse European markets. As former inhabitants of the Iberian kingdoms they took advantage of the Capitulations to bring their family businesses into the empire. Jewish commercial and capital control was operated and transferred from family to
family; their ties with other Jewish merchants and bankers scattered throughout Europe created a swift, sophisticated funds transfer and exchange network which their non-Jewish competitors could not rival. Halil Inalcik has concluded that “from the middle of the sixteenth century with the coming of the marranos, Jewish influence and control of the money market seemed to have increased. But there is no clear evidence that they introduced a new mercantilist tendency in the Ottoman economy; it seems that they brought rather their own activities into conformity with the already existing pattern.”

The trading organization was based on three methods used in the Islamic world: 1) The partnership system, in which both parties, generally Jewish, drew up a signed contract specifying the type of merchandise and the location of the partner. The goods were bought at a low price in one place and then sold at a high price elsewhere; having partners in different locations helped them decide which merchandise would be profitable; 2) Trade with consuls involved transferring goods to a different location; the consul was in charge of the supervision and safekeeping of the goods until they reached their final destination, receiving two per cent of the value of the goods transferred; 3) The cambio, practised by Jews and non-Jews, consisted of a loan and insurance of the merchandise involved, covering four per cent of the goods’ value. This trading method was very successful among Iberian Jews; the commercial links between the Jewish merchants of the Ottoman Empire and their Jewish counterparts abroad helped build an extensive international trade, especially with Italy. The foreign trade with Italy and the Balkans took place via the port cities of the Adriatic coast, in particular Dubrovnik, Avlona, Venice, Pesaro and Ancona. Leather, textiles and clothing were the main items traded with Ancona and Venice, while goods shipped between Dubrovnik, Istanbul and Bursa consisted of wheat, hides, woollen cloth, and silk cocoons. In the case of Dubrovnik, Jews settled in this city took over the greater part of woollen cloth transit trade, while in the Italian port city of Genoa where the silk industry was dependent on raw silk imported from the Bursa market, the Genoese and Jews were the only competitors:

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw silk</td>
<td>369,991</td>
</tr>
<tr>
<td>Wool</td>
<td>106,194</td>
</tr>
<tr>
<td>Cotton</td>
<td>67,377</td>
</tr>
</tbody>
</table>

Genoese imports from the Ottoman Empire, 1519 (in gold ducats):
During the second half of the sixteenth century Sephardim established a large spice trade between the ports of Istanbul-Salonika-Valona-Venice, expanding as far as Lisbon and Amsterdam. Leather, textiles and clothing were the main items in trade with Ancona and Venice. In the case of Livorno, it was not until the end of the sixteenth century that Sephardic families arrived in the city. The charter signed in 1589 allowed Ottoman Jewish to settle in Venice and participate in Venetian marketplace activities, expanding to other Italian centers such as Ancona and Livorno. In 1590, Ferdinand I, Duke of Tuscany, allowed foreign merchants to settle in Livorno; the city became an international trading center, separated from conflicts among the European powers. Future renewals of the charter in 1611, 1625 and 1636 permitted the Jewish merchants to retain the role of being the only social group with the status of merchants of Venice. The city of Venice also served as a main connecting port between Dutch and English merchants in the Mediterranean, establishing close ties between Sephardic Jews in Amsterdam and London and their Jewish counterparts of Livorno. Kinship, social, and institutional ties among Sephardic families created what an anthropologist and early advocate of network analysis, Max Gluckman, called “multiplex relationships,” relations among individuals who are connected to each other by mutual and overlapping ties that serve multiple purposes. The fact that Sephardim and other non-Jewish trading diasporas (such as Greeks and Armenians) developed communal institutions across distances proved particularly useful for trade.

In domestic trade the main trading centers operated by Jews were the various port cities of the Ottoman Empire such as Istanbul, Salonika, Edirne, Aleppo and Bursa in Anatolia. The cities of Salonika and Safed became the two main centers for textiles, receiving new Jewish settlers. At the same time, Aleppo became an important center for Jewish entrepreneurs and tax farmers. In Salonika the wool industry and cotton weaving that flourished in the city during the sixteenth century mainly produced in large quantities as it was used to provide uniforms for the Janissaries; based in Istanbul it was controlled by Sephardic Jews, experts in the Mesta jurisdiction, wool weaving and dying brought from Toledo and Segovia. Salonika became the main clothing and weaving center of the east, soon replacing the Italians who had controlled this sector for several generations. Family connections were also evident in the tobacco industry operated by two Jewish families who had settled in Salonika, the Recanati and Alatino. They controlled the tobacco monopoly and became the main suppliers in the Mediterranean.
Within the finance sector, the primary input of Jews in the Ottoman economy was collecting taxes for the imperial treasury. The most important was the annual poll tax or *cizye* collected in the *millets*. It was imposed on male adults, while women, children, scholars and unemployed were exempt. Although some influential Jews were exempted from paying certain taxes because of their services to the sultan and the court, the authorities imposed several taxes related to customs obligations such as the *avariz*, the *ordu akçesi* to finance the army salaries and expenditure, the *harac* applied on agricultural production, and the *celb akçesi* to support the imperial flocks and the *res-i kismet* for share of inheritances.\(^{31}\) In banking, most of the Jewish bankers had experience in Europe and were involved in Ottoman finances. Their main role was the monopoly of minting and money lending. Tax farming became the most important capital source, Jews displacing the Greeks who had controlled this field during the fifteenth century.\(^{32}\) Large-scale banking operations formed part of the activities of the House of Mendes in the Ottoman capital in this period. International trade and banking operations were inseparable and the family’s activities were carried on through a network of agents in the principal centers of Europe. Thus, the Mendes family controlled a large portion of international commerce which consisted of exchange largely of European woollens for wheat, pepper and raw wool.\(^{33}\) The head of the family, Doña Gracia Mendes (1510-1568), was born into a Portuguese *marrano* family who emigrated from Spain in 1492; she married Francisco Mendes, founder of the Mendes Banking House in 1525; Francisco’s business was money lending and trading. After his death in 1536, the same year the Portuguese Inquisition was established, Gracia transferred the family business to Antwerp. The tolerant environment towards religious minorities and a thriving Sephardic community of *marranos* were important magnets for Doña Gracia. Later on she moved to the Italian cities of Venice and Ferrara. These two Italian cities became an important financial home for Jews who engaged in public loans. During her stay in the Netherlands and Italy Gracia accumulated a large fortune by making loans to European monarchs involved in expensive religious wars. By 1540 the Mendes House had accumulated estimated wealth of 400,000 ducats.\(^{34}\) In 1553 she relocated to Istanbul on Süleyman the Magnificent’s invitation, transferring her assets to the Ottoman capital. Her legacy was continued by her nephew João Miquez (1524-79), who reverted to Judaism and took his former name, Joseph Nasi. After being appointed diplomatic agent by Sultan Selim II, he acted as foreign minister in European affairs, building a strong market of international trade. He was granted the title of duke of Naxos and the Cycliad islands, which allowed him to take the monopoly of wine and tax
farming; his annual revenue from wine export was estimated at 15,000 ducats a year compared to the wine trade revenue per year of the Aegean and Danube which was worth 6,000 ducats.\textsuperscript{35} The wine trade route under control of Joseph Nasi extended also to northern Europe thanks to his family connections with other \textit{marranos} living in Poland and the Lower Countries. In finance, Nasi continued as a creditor for the Mendes House making loans to several European kings at interest rates of 12 and 16 per cent:

Mendes-Nasi House banking loan activities- period 1540-1579:\textsuperscript{36}

<table>
<thead>
<tr>
<th>Debtor</th>
<th>Amount</th>
<th>Currency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Henri II of France</td>
<td>150,000</td>
<td>scudos</td>
</tr>
<tr>
<td>Charles V</td>
<td>100,000</td>
<td>ducats</td>
</tr>
<tr>
<td>King of Poland</td>
<td>15,000</td>
<td>ducats</td>
</tr>
<tr>
<td>King João III of Portugal</td>
<td>600,000 - 1,200,000</td>
<td>cruzados</td>
</tr>
<tr>
<td>Ercole II d'Este (Duke of Ferrara)</td>
<td>300,000</td>
<td>ducats</td>
</tr>
</tbody>
</table>

Among the payments received by the Mendes House was an additional debt of 640,000 ducats settled by King João III; this amount referred to \textit{Feitoria de Flanders}, the Portuguese government agency responsible for the control of revenues from trade with the Indies based in Antwerp.\textsuperscript{37} Nasi’s cousin Alvaro Mendes was also among the influential \textit{marrano} traders in Selim II’s court. He established himself in Istanbul in 1569, bringing a large capital of 850,000 gold ducats accumulated in the exploitation of diamond mines in Narsingra, India, during the 1540s, and was appointed duke of the island of Mytelene. His most important action was to obtain British support in the Ottoman wars against the Habsburgs, returning the Capitulations benefits to England and ending French economic and political domination in the Ottoman territories.\textsuperscript{38} Comparing with the conditions of European Jewry in general, Salo Baron concludes that thanks to the Ottoman Empire’s stability and the freedom of movement and communication Jews enjoyed, “the rise and splendour of Ottoman Jewry” is unparalleled in that century, legitimately classifying the sixteenth century as another Golden Age for Sephardim.\textsuperscript{39}

\textbf{Final Remarks}

The bond between Ottomans and Jews based on mutual economic interests built up a particular relationship that flourished beginning in the second half of the fifteenth century.
The religious similarities between Muslims and Jews enhanced this relationship. The Christian persecution created a sympathetic attitude toward the Jews who were perceived by the Ottomans as the victims of a common enemy. The Ottomans recognized the need for the skills and economic power that the Jews possessed, and the Jews relied on the goodwill of the Ottoman sultans and the prosperity the Empire offered to provide them with economic opportunities. In return, the Jews remained loyal to the interests of the Empire. The migrations from Spain in 1492 and from Portugal in 1497 welcomed by Sultan Bayezid II corresponded to a period of rising Jewish influence on the Ottoman court and economy which continued during the reign of Selim I and Süleyman the Magnificent. By organizing the Jewish millets in communities or kehillot, the Jewish leaders of each kehilla maintained connections with the local and central authorities helping preserve prosperity in the community and enhance good relations with the court. Provided with freedom to trade, the Jewish merchants strengthened their family ties around the main port cities and commercial centers of Europe, developing a commercial Jewish network of family-related traders, vendors, tax collectors, bankers, money lenders. These family links scattered around Europe provided the Jewish merchants with many advantages in the promotion of the Empire’s trade by obtaining loan concessions from other Jewish traders, and a faster distribution of goods and financial transactions. Their monopoly over the wine trade, silk, wool production and trade replaced Italian and Greek competitors who had been in command of this market during the previous century and families like the Mendes controlled a large part of the empire’s financial operations. Although they maintained a social and cultural system of their own, they remained an active part of Ottoman urban society, greatly involved in daily life; they became a pivotal, influential minority during this period, and contributed to the commercial, professional and financial development of the empire.

Notes

1 David Navarro was born in Spain and has lived in Ireland and Canada since 1999. He holds a BA and MA in English Studies and he is currently completing his PhD in Spanish Literature at the University of Western Ontario, Canada. His fields of research are Jewish literature in medieval Spain, Judezmo language and Sephardic diaspora. David is also member of the Canadian Association of Hispanists and member of HETI (Holocaust Educational Trust of Ireland).

3 Robert W. Olson, “Jews in the Ottoman Empire in Light of New Documents” in Jewish Social Studies 41 (1979), 75.


7 Bernard Lewis, “The Pro-Islamic Jews” in Islam and History: Ideas, Men and Events in the Middle East (London: Open Court, 1993), 137.


9 Salo Wittmayer Baron, A Social and Religious History of the Jews (New York: Columbia UP, 1983), 42; Avigdor Levy suggests the term Pax Ottomanica to describe the conditions that attracted Jews to settle in the Ottoman territories providing them with safety, personal and business security that would allow them to expand their commercial enterprises. See, The Sephardim in the Ottoman Empire, 13.

10 Prior to the arrival of the Iberian Jews, the Jewish population in the Ottoman territories was comprised of Romaniot or Griegos, Greek-speaking Jews who had survived Byzantine persecution; Arabized Jews, Arabic speakers and inheritors of Islamic traditions who came from territories ruled by Islamic caliphs; Ashkenazi Jews, Yiddish speakers originally from North, Central and Eastern Europe, and Karaite Jews, Karaim speakers who originated in Baghdad during the 7th century. The Sephardim from Spain and Portugal, who arrived after 1492, became the largest group during the following century, absorbing the rest of the Jewish communities. See Stanford J. Shaw, The Jews of the Ottoman Empire and the Turkish Republic, 44-47. See also Walter F. Weiker, Ottomans, Turks and the Jewish Polity: A History of the Jews of Turkey (Lanham, MD: University Press of America, Inc., 1992), 53-57.

11 Steven B. Bowman, op. cit., 221.


18 The Capitulations consisted of treaties, which were provided by the powerful sultans as concessions to the small European merchant communities so as to enable them to live within their own quarters under their own laws as administered by their own consuls. These decrees that started in 1535 with Francis I of France extended to other European powers, remaining active policies for 300 years. See James B. Angell, “The Turkish Capitulations” in *American Historical Review* 6 (1901), 254.

19 Halil Inalcik, “Capital Formation in the Ottoman Empire,” 121.


21 Inalcik and Quataert, *op. cit.*, 262-67.

22 Inalcik and Quataert, *op. cit.*, 227.

23 Aryeh Shmuelevitz, 139.


25 Benjamin Ravid, *op. cit.*, 278.


29 The *Mesta* was a powerful association of sheep holders in the medieval kingdom of Castile in which *conversos* and Jews were highly engaged. See Miguel Ángel Ladero


31 Aryeh Shmuelevitz, *op. cit.*, 85.


33 Inalcik and Quataert, *op. cit.*, 209

34 Inalcik and Quataert, *op. cit.*, 213-14.

35 Halil Inalcik, “Capital Formation in the Ottoman Empire,” 122.


37 Inalcik and Quataert, *op. cit.*; Shmuelevitz, *op. cit.*, 88.
