

A SOCIOLOGICAL ANALYSIS OF MICROCREDIT: A POVERTY
ALLEVIATION TOOL FOR WOMEN OR NOT?

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ABSTRACT

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Poverty is one of the most important internationally recognized problems. The first Millennium Development Goal declared by the United Nations (UN) is to “Eradicate extreme poverty and hunger”. Women rank first among groups most affected by poverty. Based on the argument that women compose two-thirds of the poor, the term “feminization of poverty” took its place in the development discourse in the 1970s. There is an inverse relationship between development and women’s poverty, making women’s poverty a crucial agenda item of poverty alleviation strategies. Microcredit systems have spread all over the world beginning in Bangladesh and have now become an important poverty alleviation tool both in developed and developing countries. From the beginning of this millennium, microfinance institutions started to spread in Turkey and Turkish Grameen Microfinance Program (TGMP), a commercial affiliate of Turkish Foundation for Waste Reduction, is the leading organization. It is one of the crucial microfinance institutions in Turkey. Women are the primary target group of microcredit and this makes microcredit today’s most popular poverty alleviation tool. The impact of microcredit on women is examined through interviews with women who registered with the Ankara TGMP

office. In this context, this study investigates microcredit's effectiveness as a poverty alleviation tool for women in the light of the correlation between development and women's poverty. Based on the fact that poverty is a multidimensional concept, positive and negative aspects of microcredit are revealed in this research, however, no conclusion is made as to microcredit's success or failure as an independent poverty alleviation tool. Rather, it is concluded that microcredit should be integrated with other actors and poverty alleviation tools and should be supported with other relevant institutions and policies.

Keywords: Development, Poverty, Feminization of poverty, Microcredit

ÖZ

MİKROKREDİNİN SOSYOLOJİK ANALİZİ: KADIN İÇİN YOKSULLUK İLE MÜCADELE ARACI MI DEĞİL Mİ?

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Yoksulluk günümüzün en önemli, uluslararası düzeyde kabul görmüş problemlerinden biridir. Birleşmiş Milletler (BM) tarafından ilan edilen Binyıl Kalkınma Hedefleri'nin ilkinin “Aşırı yoksulluk ve açlığın ortadan kaldırılması” oluşturmaktadır. Yoksulluktan en fazla etkilenen kesimlerin başında kadınlar gelmektedir. Yoksulların 2/3'nü kadınların oluşturması sebebiyle 1970'li yıllardan itibaren “yoksulluğun kadınlaşması” kavramı kalkınma literatüründeki yerini almıştır. Kalkınma ve kadın yoksulluğu arasındaki ters yönlü ilişki yoksullukla mücadele stratejilerinin gündeminde kadın yoksulluğunun önemli yer alması ile sonuçlanmıştır. Mikrokredi sistemi Bangladeş'ten tüm dünyaya yayılarak günümüzde hem gelişmiş hem de gelişmekte olan ülkelerin yoksullukla mücadele araçları arasında önemli bir yer edinmiştir. 2000'li yıllardan itibaren Türkiye'de de yaygınlaşmaya başlayan mikrofinans kuruluşlarının başında Türkiye İsrافی Önleme Vakfı'nın (TİSVA) iktisadi işletmesi olan Türkiye Grameen Mikrofinans Programı (TGMP) yer almaktadır. Mikrokredinin popüler bir yoksullukla mücadele aracı olmasında birincil hedef grubunun kadınlardan oluşması önemli bir rol oynamaktadır. Mikrokredinin etkisi Ankara TGMP Ofisi'ne kayıtlı kadınlarla gerçekleştirilen görüşmeler aracılığı ile ortaya konmaya çalışılmaktadır. Bu

kapsamda, bu alıřma ile mikrokredinin kalkınma ve kadın yoksulluęu iliřkisi ışıęında kadın yoksulluęu ile mcadelede ne derece etkili bir ara olduęu arařtırılmıřtır. Mikrokredinin etkisi Ankara TGMP Ofisi'ne kayıtlı kadınlarla gerekleřtirilen grřmeler aracılıęı ile ortaya konmaya alıřılmaktadır. Yoksulluęun ok boyutlu bir kavram olması da gz nnde bulundurularak, arařtırma sonucunda mikrokredinin pozitif ve negatif ynleri ortaya konmuř, mikrokredi bařarılı ya da bařarısız řeklinde bir deęerlendirmeye gidilmemiřtir. Yoksullukla mcadelede mikrokredinin dięer aktrler ve aralar ile entegre edilmesi ve ilgili kurum ve politikalarla desteklenmesi gerektięi sonucuna varılmıřtır.

Anahtar Kelimeler: Kalkınma, Yoksulluk, Yoksulluęun kadınlařması, Mikrokredi

To My Aunt Prof. Dr. Zeynep Kayhan

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CHAPTER 1

INTRODUCTION

The main goal of this thesis is to be able to tackle with the question “What are the relations between development and women’s poverty and the role of microcredit in alleviation of specifically women’s poverty?” There is an inverse relation between development and women’s poverty. Women’s poverty is one of the main obstacles against the development of countries. According to the World Bank, women's empowerment and the promotion of gender equality are key factors to achieve sustainable development. Increasing gender equality, women’s employment and women’s empowerment are the crucial elements of alleviation of women’s poverty and moreover they are the accelerators of growth and development. It is stated that the main aims of microcredit are to reduce women’s poverty, to increase women’s participation to the labor market, to sustain gender equality, to eliminate inequalities in income distribution, and hence to empower women in the society. Due to its abovementioned objectives and its target audience as women; microcredit’s role in poverty alleviation will be discussed under the scope of this thesis.

Since gender inequalities, especially women’s poverty is a crucial indicator of development through the Global Gender Gap Report series; the World Economic Forum has been quantifying the magnitude of gender-based disparities and tracking their progress over time.¹ The Global Gender Gap Report 2012 is designed to present gender-based gaps in four pillars, namely; economic participation and opportunity, educational attainment, health and survival and political empowerment. The Index tries to present the strong correlation between a country’s gender gap and its competitiveness in national level, income distribution and development. Turkey is

¹ Accessed through:

http://www3.weforum.org/docs/WEF_GenderGap_Report_2012.pdf

ranked at 124th out of 135 countries in Gender Gap Report 2012. The main problematic areas in Turkish case are economic participation, opportunity and political empowerment. In addition, Turkey is the lowest performing country in her region –Europe and Central Asia, in terms of economic participation and opportunity. Since Turkey has problems in abovementioned indicators of development, microcredit's role as a poverty alleviation tool under the scope of development and women's poverty relationship in her capital city Ankara will be analyzed.

Development is associated with the improvement of the quality and the conditions of people, and this feature of development differentiated itself from economic growth. It is an inter-disciplinary concept that includes economic, social, psychological, political aspects. Besides an increase in national income, an egalitarian income distribution, gender equality, access to health and educational opportunities, participation of women into all areas of life and promotion of human rights are desired. The post 80s has been associated with a recognition of much greater awareness of environmental concerns, gender equality and grass roots approaches (Willis, 2005). Although representing an important indicator of development, until recently, there has not been a direct emphasis on issues that related with women. For instance, UNDP has designed Gender Related Development Index (GDI) as well. In addition a network of feminist scholars – Development Alternatives with Women for a New Era (DAWN), have declared that in order to sustain development women should be saved from inequalities based on race, gender, class, region. Theories on gender and development can be divided into 3 approaches, namely; Women in Development (WID), Women and Development (WAD) and Gender and Development (GAD).

According to United Nations (UN) Fourth World Conference on Women², more than 1 billion people in the world today, the great majority of whom are women, live in unacceptable conditions of poverty, mostly in the developing countries. Following the referenced Conference, the term “women’s poverty” has become a well-known term. Scholars declared that the structure of the labor market is an important reason for women’s poverty. Women’s participation in employment is lower than men and statistics shows that about 60-70% of the informal sector employment capacity is composed of women who suffer job insecurity, lower earnings and easy dismissal. Strategies to promote women’s participation in economic life should be developed.

As a new approach of poverty alleviation, microcredit has emerged during the recent years. Microcredit is a small amount of loan designed for poor people, to help their engagement in economic activities. It is assumed that microcredit plays an important role in catalyzing women’s participation in the economic process. It is expected that, through their accession to the resources, women can be empowered by using microcredit applications. Recently, microcredit has become an important tool. By nature, before starting a business, people need capital in order to operate and be able to turn it into a money making effort. Poor people cannot easily escape from the poverty cycle because the financial institutions are known to neglect them and not widen their economic resources according to poor population’s needs. At this point, microcredit helps them as an effective financial tool. Although microcredit seems helpful and useful with its separation from traditional banking system, it is also possible to observe its negative aspects from a different perspective. Through the microcredit applications in the world, neo-liberalism covers poor people who are omitted by other finance institutions. Academicians and researchers who criticize microcredit claim that the achievements of microcredit are mainly quantitative, such as; household income and changes in consumption trends, but these are insufficient for solving other economic and social problems related with poverty. There has

² Accessed through:

<http://www.un.org/womenwatch/daw/beijing/platform/poverty.htm>

always been a conflict between social rights and neoliberal policies even though these policies are related with poverty. Critics claim that microcredit might even have disempowering effects and loans sometimes increase tensions within the family (Mayoux, 1999).

To reveal the relations between development and women's poverty and the role of microcredit in alleviation of specifically women's poverty this study is designed in five parts. A theoretical framework, through which the concepts; development, poverty, methods of combating poverty, main dynamics of microcredit applications, positive and negative aspects of this concept, and its effectiveness as a poverty alleviation tool will be discussed in Chapter 2.

In Chapter 3, microcredit as a poverty alleviation tool, will be defined comprehensively with its relation to women/gender and microcredit implementations both in the world and Turkey.

Within the scope of Chapter 4, brief information about the aim of the study, methodology of the thesis, research questions and constraints of the study will be given.

In Chapter 5, through the use of direct interviews and secondary sources, this study will attempt to provide answers to the questions like; "What are the effects of microcredit on women's empowerment?", "Does it generate a whole empowerment in all spheres or only a limited amount?" and finally "Does microcredit save women from poverty in all dimensions?".

Finally Chapter 6, as the conclusion part of the study, will supply an overall evaluation regarding microcredit's positive and negative effects and its deficiencies.

CHAPTER 2

CONCEPTUAL FRAMEWORK

2.1 What is Development?

Article of League of Nations (LoN) used the term “development” for the first time. Underdevelopment and underdeveloped countries compose the origins of the emergence of the development concept.

The development concept has received different meanings and contents during the society’s social and political transformation process. It can be mentioned that development has had different contents and targets in the same period. Industrialization, modernization, growth, progress, structural change are the concepts which overlap with the concept of development and usually these concepts and development are used in place of each other.

The widespread popularity of the development concept dates back to the Second World War. From periodic perspective, a close relationship between development and the rise of capitalism can be established (Yumuş, 2011). In this period development means westernization, industrialization and modernization to reach the level of material progress of the Western countries.

It is possible to classify development in terms of two different approaches. The core aspect of these classifications is the state. In the post-war period, development was considered as a concept that should be achieved through variations of Keynesian approaches by multilateral agencies. The approach was based on government interventions at a national level and foreign assistance in terms of aid on an international scale (Willis, 2005). Despite that, in the 1970s some scholars stated that the economy has its own rules. The main reason of the instability of the economy and the underdevelopment is the state interventions. Economy will work perfectly by its

own rules, without any intervention. Their main argument is that; widespread interventions of the state, in the end, will cause inefficiency and this situation will lead to slower rates of economic growth. Probably the most well-known aspect of neo-liberal development theory in practice has been the implementation of Structural Adjustment Programs (SAPs). SAPs encompass a series of government led policies which are aimed at reducing the role of the state. SAPs are the key parts of the neo-liberal development policy (Willis, 2005).

2.1.1 Different Approaches of Development

Development doesn't have a single and unique definition; there are various definitions and approaches to development. Definitions of development differ with regard to their approaches to the concept (Yumuş, 2011).

Table.1 Main approaches to development, 1950s onwards

Decade	Main development approaches
1950s	Modernization theories: All countries should follow the European model Structuralist theories: Southern countries needed to limit interaction with the global economy to allow for domestic economic growth.
1960s	Modernization theories Dependency theories: Southern countries are poor because of exploitation by Northern countries
1970s	Dependency theories Basic needs approaches: Focus of government aid policies should be on providing first, the basic needs of the world's poorest people. Neo-Malthusian theories: Need to control economic growth, resource use and population growth to avoid economic and ecological disaster. Women and development: Recognition of the ways in which development has differential effects on women and men.
1980s	Neo-liberalism: Focus on the market. Governments should retreat from direct involvement in economic activities. Grassroots approaches: Importance of considering local context and indigenous knowledge. Sustainable development: Need to balance needs of current generation against environmental and other concerns of future populations. Gender and Development: Greater awareness of the ways in which gender is implicated in development.

Table.1 (continued)

1990s	Neo-liberalism Post-development: Ideas about development represent a form of colonialism and Eurocentrism. Should be challenged from the grassroots. Sustainable development Culture and Development: Increased awareness of how different social and cultural groups affected by development processes
2000s	Neo-liberalism: Increased engagements with concepts of globalization Sustainable Development Post-development Grassroots approaches

(Source: Willis, 2005)

Those that define development as modernity, generally looks at the concept from an economical perspective. Basically development shows the means, strategies and the methods, that the underdeveloped countries should follow in order to catch up with developed countries (Yumuş, 2011). At this point, identification and removal of obstacles to the development processes of underdeveloped countries gain importance. However, beside economic aspects, development also includes broader indicators in itself. As an example, Human Development Index (HDI)³ is a broader indicator of development which highlights the non-economic dimensions of the concept (Willis, 2005). The indicators under the concept of HDI can be summarized as – a long and healthy life, knowledge, a decent standard of life, etc. The underdeveloped countries are underdeveloped because of some internal dynamics such as; more agricultural labor but less efficiency; less capital accumulation and insufficient investments; higher population growth and finally narrow markets without regulatory structure (Yumuş, 2011). It can be mentioned that underdeveloped countries have economic, social, cultural, climatic and demographic problems and these problems are the obstacles hurting development and should be eliminated.

³ UNDP, 1980

In 1940s and 1950s there was an increasing international discussion about “how development was to take place?” (Willis, 2005). As one of the three basic theories about development, *modernization school*; became popular in 1950s. The main idea in the modernization school is based on evolutionary theory which assumes that social change is unidirectional, slow gradual and irreversible (Y.So, 1990). Development basically means an evolution from a primitive, simple society to a complex, modern society.

The school which sees rich countries as the main obstacle to the well-being of the poor is the *dependency school*. This approach divides the world into two. While the advanced capitalist, developed countries are called “center”, the underdeveloped countries are titled “periphery”. The core industrialized countries were experiencing growth and economic development through the exploitation of the non-industrialized periphery countries. Gunter Frank defines this situation as “development of underdevelopment” (Willis, 2005). The surpluses which are produced at the periphery are extracted and expropriated by the center. In addition such dependency means that the periphery countries are not able to develop independent from the center countries. The center or core countries are developing by exploiting resources from underdeveloped countries and they are causing underdevelopment in these countries. Baran (1957) claims that economic development which takes place in the underdeveloped countries is unfavorable for the interests of the developed countries.

Dependency theorists were criticized for being overly concerned with economic factors, without any consideration of social, political and cultural concepts within which development took place (Willis, 2005).

A new approach has been developed by Wallerstein, titled; *world systems theory* in 1970s. It includes many similar characteristics with dependency school theory; both of them stress the importance of considering national economic development within a global context rather than concentrating on individual countries (Willis, 2005). On

the other hand, world systems theory identified three groupings of countries namely; “core”, “semi-periphery” and “periphery” rather than taking into consideration the world in terms of “core” and “periphery”. In addition, in this approach the categories which the countries belong to, are not strictly determined. A country may move from one category to the other over time. This approach is a reflection of global conjuncture. It is the manifestation of the developments in Asian Tigers – Hong Kong, Singapore, South Korea and Taiwan – and Brazil. It cannot be possible to say that the periphery countries will always be periphery countries. The Asian Tigers and Brazil are the most obvious examples of the claim that; it can be achieved via industrialization.

Growth based development approach could not help to fight against starvation, ethnic dissention, ecological disasters, epidemic illnesses, etc. Based on this argument there has occurred a shift from the approach which sees human as a meta for development to human based development approach (Yumuş, 2011).

Development is a multi-dimensional process. It means not only economic growth, but also includes social, political and cultural dimensions. These abovementioned theories are from top to bottom and ignore development process in social, political and cultural life. After the concept of development’s first usage in the article of the League of Nations (LoN), United Nations have given a different meaning to the concept development. In 1947 with the establishment of Economic and Social Council, the definite aim of the states have become increasing the welfare level of their population via development. After this period, development has become associated with the increase in income-per-capita in underdeveloped countries. Consequently, the concept, development has been used to cover a single factor such as economy for a long time (Yavilioğlu, 2002).

During 1970s, top to bottom approaches were increasingly recognized as being limited in their success at reducing the extent of poverty (Willis 2005). It should mean economic growth, but it must also cover social, political progress and

fulfillment of basic needs in order to overthrow this recognition. It is obvious that at that time economic growth and development was mostly experienced in richer countries. Thereby, this situation led scholars and practitioners thinking about a different conceptualization of development which aims to improve the quality of life and the living standards of poor and non-poor.

Development requires growth as well as structural change. At first, it is believed that growth was enough to reach the objectives of development but over time it became clear that it did not. Consequently, there has been a shift from “growth first, then redistribute” strategy to “redistribution with growth”. Finally development associated with basic human needs strategy. (Kambhampati, 2004)

Top to bottom approaches mainly came up with macro level policies. These policies did not affect poor directly, so consequently the expected effects of development could not be revealed in underdeveloped countries. On contrary, the Basic Needs Approach (BNA) included not only the essentials for physical survival but also access to services, employment and decision-making to provide a real basis for participation (Willis, 2005). International Labor Organization’s (ILO) “World Employment Program” which has been implemented in 1970s was the pre-steps of BNA. With the contribution of this program, people, especially the human needs, came back to the center of the development. ILO (1976) listed basic needs as; the fulfillment of personal consumption, accession to services (clean water, sanitation, education, healthcare, etc.), accession to employment and the ability to participate. On contrary, for many scholars looking from only a basic needs perspective is a challenging situation. Some criticisms exist in the literature. Willis (2005) gathers these under two headings. First, improving public services are financially demanding, and in many cases governments were unwilling or unable to afford such expenditure. Second, it leads a brake to rapid economic growth and continues to trap Southern countries in primary production and low value-added manufacturing.

There is a shift from grant theories which asked “why underdeveloped countries are underdeveloped?” towards disaggregated models directed to the heterogeneity of developing countries (Kambhampati, 2004).

Basic needs approach have been followed by empowerment – a more individualistic – concept in 1990s. More control over life and own decision-making process via more power is located at the heart of this concept.

Another contribution by World Bank to the development theory is social capital. Individuals without social capital have the potential to be marginalized and become vulnerable with regard to the ones that have social capital. World Bank defines social capital as follows⁴;

Social capital refers to the institutions, relationships, and norms that shape the quality and quantity of a society's social interactions. Increasing evidence shows that social cohesion is critical for societies to prosper economically and for development to be sustainable. Social capital is not just the sum of the institutions which underpin a society – it is the glue that holds them together.

With respect to this definition, without social capital there are probably some missing points in the development process of underdevelopment. Social capital is regarded as another asset which can be used by individuals or groups to contribute to their economic and social advancement just as economic capital which is money and property and human capital which is education and health (Willis, 2005).

The above mentioned theories and concepts are all top to bottom and ignore direct involvement of people in the development process. Direct involvement of people in the development process includes something about bottom to top, may be defined as grass roots movement. This model puts the emphasis on human. Economic growth is necessary, but it is not sufficient. And can be further explained and emphasized by

⁴ Accessed through
<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTSOCIALDEVELOPMENT/EXTTSOCIALCAPIT>

the following statement. Economic growth, with no doubt entails increase both in income and standard of living, but this situation is valid for only a limited proportion of the society. According to Kambhampati (2004), equality is required if all the households and individuals are to be benefited from growth.

2.2 Rethinking Development in terms of Women and Gender

Although representing a large proportion of the poor, there has not been a direct emphasis on women in development literature until recent past. Some factors which can be listed as follows;

- Crisis in the broad-based theories of development,
- The rise of feminist view in the West,
- Designation of UN decade for women triggered visibility of women in development discourse (Kambhampati, 2004). Pre-steps can be listed as follows,
- Commission on the Status of Women was founded within the United Nations in 1946.
- UN Universal Declaration of Human Rights was published without gender discrimination for the first time in 1948.
- 1th World Conference on Women was held in Mexico in 1975 and was followed by series of conferences on women. The title of the conference is “Equality, Development and Peace” and hot points of the conference can be summarized as; the full gender equality and the elimination of gender discrimination, the integration and full participation of women in development, an increased contribution by women in the strengthening of world peace.⁵
- UN has declared that the years 1976-1985 as the UN Decade for Women.

⁵ Accessed through:

http://www.5wwc.org/conference_background/1975_WCW.html

- Convention Eliminating All Forms of Discrimination Against Women (CEDAW) came into force in 1981.
- Beijing Declaration in 4th World Conference on Women was approved in 1995. Declaration has a language that includes participation and empowerment.
- Millennium Development Goals (MDGs) was generated in 2000. Goal 3 of the MDGs is “Promote gender equality and empower women”. Its target is to eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015. Its main indicators are ratio of girls to boys in primary, secondary and tertiary education, ratio of literate women to men 15-24 years old, share of women in wage employment in the non-agricultural sector, and finally the proportion of seats held by women in national parliament.⁶ Also there are strong and direct linkages between gender and the other millennium development goals.

Patriarchal approach and gender relations have led men to be more dominant compared to women in many areas of life. Development is one of the areas which gender-based differences are committed to women. Women were not able to benefit from development as equal as men. There are 3 different theories on development and gender relations, namely; Women in Development (WID), Women and Development (WAD) and finally Gender and Development (GAD). WID and GAD are the two major approaches which dominated the field. WAD is an intermediate category with regard to the others.

2.2.1 Women in Development (WID)

WID was developed in 1970s for sustaining social justice and equity for women by a Washington-based network of female development professionals. In 1970s attention was paid to women’s productive labor rather than social welfare and reproductive concerns. WID gave primacy to women’s productive roles and integration into the

⁶ Accessed through: <http://www.unmillenniumproject.org/goals/gti.htm>

economy as a means of improving their status (Razavi, et al, 1995). From a liberal feminist perspective WID does not see women as mothers or wives, but aims to integrate women into development in order to sustain efficient and effective development. Failures to acknowledge women's productive roles within and beyond the household were planning errors leading to the inefficient use of resources (Tinker, 1990, Ravazi, et al, 1995)

Women's subordination was seen in terms of their exclusion from the market sphere and their limited access to and control over resources (Reeves, 2000). Through women's integration into development, it is possible to observe an improvement in women's status, income, and to some extent, her rights. This also contributes to the realization of all development goals. Basically, WID, which aims more economic growth and modernization, roots on the idea that the denial of the contributions of women to the development discourse leads some failures in development process. So, this approach believes that development will benefit from women's accession to technology, credits and resources. In order to sustain this aim WID suggests projects for women to increase their income, ability and productivity (Baltacı, 2011). Five main categories which are related with women in development concepts have been adopted by Moser (1993). She explains that in 1950s and onwards, *welfare* firstly occurred as an area where women can be mentioned in development process. The main argument is that women are the passive individuals who mainly deal with domestic works and open to external aids such as food allowance, health assistance and nutrition advice etc. By 1970s the *equity* approach has come up. This approach aimed to address strategic gender needs by eradicating obstacles to women's advancement in public sphere (Willis, 2005). It deals with exceeding the boundaries between traditional and modern sectors and sustaining the equality in modern sector in terms of the number of women and men employees (Serdaroğlu, 2008). It also covers a strong focus on legislative changes and for the first time, women's productive and reproductive roles were taken into consideration. Simultaneously with equity, *anti-poverty* approach gained importance in 1970s. In anti-poverty

approach, the main reason behind the lower position of women is their lower income levels, poverty and underdevelopment. The determination of this fact was followed by income generating projects for women without considering patriarchal structures. Finally this approach aims to increase the accession of women to resources in order to overcome their lower position. These aforementioned approaches were followed by *efficiency* approach in 1980s. Efficiency approach sees women as the channels for the development and asserts that the insufficient consideration of women in development process should be reason of the failure of previous development attempts in underdeveloped countries. Under efficiency approach scholars believe that women can manage their economic problems with small investments like microcredit (Baltacı, 2011). Development will be more efficient with the full participation and commitment of women to the process. Women's full participation and commitment to employment will generate an increase in production. Finally in 1990s *empowerment* approach has been emphasized and it has led to important shifts in gender relations. Empowerment approach is associated with a strategic need to transform the laws and structures in a society through grassroots organizations (Kambhampati, 2004). WID has been criticized because it acknowledges the current social, patriarchal structures and under this assumption searches for an answer to "how should women be integrated into the process of development" question. It also advocates that women should equally participate to education, employment and fields of the society but it avoids questioning and challenging the nature and the reason behind the secondary position of women (Yumuş, 2011). At the same time WID is not historic and ignores the class, race and cultural differences (Serdaroğlu, 2008). Another criticism is that WID puts emphasis only on women's production and it minimizes the reproductive roles of women. Emphasis on women's productivity ignores the impact of a broad range of social divisions and relations that constrain women's economic choices and opportunities (Ravazi, et al, 1995).

2.2.2 Women and Development (WAD)

Women and development (WAD) approach does not only focus on the integration process of women to development, but it also emphasizes that there is a relationship

between women and development. The theoretical foundation of this approach is the dependency school (exploitation of women). This approach argues that women's different and unique roles in the development process should be adopted (Serdaroğlu, 2008). Like WID approach, WAD approach also deals with the productive roles of women rather than their reproductive roles. Again similarly with WID approach, WAD approach accepts the current structures and does not try to challenge them. It advocates that the low participation of the women to the development process can be solved by intervention strategies rather than challenging the current structures. It claims that both women and men are negatively affected from the oppressive global structures but it does not give enough attention to the gender equality within classes (Baltacı, 2011).

2.2.3 Gender and Development (GAD)

WID and WAD approaches view women separately as biological and physical constructs. They do not consider the relationship between women and men or the notion of gender as a social, personal and emotional constructs (Kambhampati, 2004). The relations between women and men and their different notions in the society are not being determined by only biological differences, but also determined by social, economic and political structures in the society. Gender and Development (GAD) has emerged from a frustration with lack of WID policy, in changing women's lives (Reeves, et al., 2000) by the late 1980s. When the social relations were subjected to gender analysis there occurred a need for a new approach, which is GAD. The aim of the GAD is to empower women in order to sustain gender equality in the society. GAD claims that emphasis should not be only on women, but also on the social relations between women and men. With the help of this statement it is possible to say that the main point of the approach shifted from economy to politics. Under the scope of this approach it is important to understand that development is different from economic growth. GAD approach recognizes the importance of improving self-confidence in women, raising their awareness, the transformation process and the effects of this process to the women's awareness for development (Baltacı, 2011). Women's relations with men have been accepted as

problematic from the beginning but instead of dealing with this problem, women's low participation in the development process and their lower position in the society has been emphasized. While WID aims to integrate women to development process GAD emphasizes the importance of the redistribution of the power in social relations. In addition to the importance of women's identification in their own livings, GAD lays stress upon that women need more power in order to take part in decision-making process of transforming the society (Baltacı, 2011).

Another important contribution of GAD is the production and reproduction linkage in women's lives. While WID and WAD analyze women's work in production and tries to integrate more women to the market, GAD analyzes women's work in terms of both production and reproduction. Reproduction and production should be taken into consideration together because it is not the case that gender inequalities can be eradicated by labor force participation of women. Majority of the women found that their labor force participation added considerably heavier workload on them.

Few can doubt the success of gender and development both as an intellectual project and as a lens for viewing development analysis and practice (Pearson, 2006). With its contributions gender talk and awareness are now everywhere.

2.3 What is Poverty?

Poverty, which nowadays is discussed as a social issue, emerged concurrent with the rise of the capitalism in Europe, in 16th century. Poverty is one of the most important socio-economic problems in the world. According to UN's The Millennium Development Goals Report 2012⁷ nearly 1.4 billion people are living on less than \$1.25 a day. More recently, post-2008 analysis reveals that while high food and fuel

⁷ Accessed through:

<http://mdgs.un.org/unsd/mdg/Resources/Static/Products/Progress2012/English2012.pdf>
<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTSOCIALDEVELOPMENT/EXTTSOCIALCAPITAL/0,,contentMDK:20185164~menuPK:418217~pagePK:148956~piPK:216618~theSitePK:401015,00.html>

prices and deep economic recession over the course of the past four years have hurt vulnerable populations and slowed the rate of poverty reduction in some countries, global poverty rates have continued to fall.

Poverty means something different everywhere, in every society (Spicker, 2007). The term is complex and means much more than a low income condition, it is something that becomes particularly clear when people living in poverty are asked to define it for themselves. It is a sense of powerlessness, frustration, exhaustion and exclusion from decision making, not to mention the relative lack of access to public services, the financial system and just about any other sources of official support. (Green, 2008) There is not an objective or jointly agreed one single definition of poverty. As a result of differences in labor markets, population regimes, traditions, cultures, disparities; poverty is experienced in several ways in different countries. Poverty refers in the first instance to material need (Spicker, 2007). It is the lack of certain things which are essential in people's lives. It is in a close relation with people's economic circumstance. A situation, which people have less access to resources, if people have less access to resources than other people, it is possible to mention about economic distance. Economic distance means that people cannot afford to command resources in many societies and that they are likely to be poor (Spicker, 2007).

It is possible to mention about poverty in terms of social relations. Poverty is also a pattern of deprivation and a low standard of living. It is a problem that is not just about money, but also a wide range of dimensions of deprivation and exclusion and these affect not just now but potentially throughout the course of their lives (Alcock, 2006). Poor are dependent to social assistance or other types of aid i.e. food aid, because of their lower position, power and availability to opportunities in the society. Poverty can even be observed in the most developed countries of the world. Furthermore, the type and the degree of the poverty may change between regions in the same country. Gender, religion, ethnic origin diversities contribute to differentiations in the definition of the poverty. Depending on all these aspects,

poverty is a relative concept (Demirbilek, 2005). Some alternatives regarding the definition of the poverty are;

- Poverty is routinely defined as the lack of what is necessary for material well-being — especially food but also housing, land, and other assets. (The World Bank)
- Fundamentally, poverty is a denial of choices and opportunities, a violation of human dignity. It means lack of basic capacity to participate effectively in society. It means not having enough to feed and clothe a family, not having a school or clinic to go to, not having the land on which to grow one's food or a job to earn one's living, not having access to credit. It means insecurity, powerlessness and exclusion of individuals, households and communities. It means susceptibility to violence, and it often implies living on marginal or fragile environments, without access to clean water or sanitation" (United Nations (UN) Statement, June 1998 – signed by the heads of all UN agencies)
- Poor people are the ones that live absolutely or relatively under the minimum level of social welfare and standard of social life. (Turkish Industry and Business Association – TÜSİAD)
- Amartya Sen; a well-known development economist, provides a conceptual framework for analyzing well-being and also a strong critique of existing traditions in welfare economics. Sen, argues that poverty is best understood not as lack of good but of entitlements (Sen, 1981, Spicker, 2007). The central tenet of the approach is that the appropriate "space" in which to conceptualize and measure well-being is not in terms of primary goods or in utilities (whether in the form either of happiness or preferences) but rather in terms of a person's capabilities; that is, in the real freedoms that they have reason to value (Sen, 1999).

The poverty indicators to be taken into account should be identified firstly in poverty definition approaches. There are two different approaches which define and measure poverty, namely; absolute poverty and relative poverty.

2.3.1 Absolute Poverty

After the World Summit on Social Development in Copenhagen in 1995, 117 countries adopted a declaration and program of action which included commitments to eradicate “absolute” and reduce “overall” poverty. In this declaration absolute poverty was defined as

*"a condition characterized by severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, education and information. It depends not only on income but also on access to services."*⁸

It is based on the notion of subsistence. It is a situation that ensures some basic needs such as; nutrition, shelter and clothing in order to maintain a minimum standard of living. The absolute poverty line has been recalibrated at \$1.25 per day from \$1 per day by World Bank. The ones who are below this line are admitted as poor. The absolute poverty line which was determined by World Bank varies between countries. For instance; considering the level of development of the countries and their purchasing power parities (PPP), absolute poverty line is determined as \$2 per day for Latin American and Caribbean countries, \$4 per day for Western European countries (including Turkey) and finally \$14,40 per day for developed countries. (DPT, 2001)

According to UN, absolute poverty is a matter of acute deprivation, hunger, premature death and suffering. In practice, it may be difficult to measure it in a consistent way, since the dividing line between acceptable and unacceptable deprivation is not just biological, and can change from society to society. However, the consensual understanding is that absolute poverty is an intolerable situation, requiring prompt corrective action.⁹

⁸ Accessed through <http://www.un.org/esa/socdev/wssd/text-version/agreements/poach2.htm>

⁹ Accessed through <http://unstats.un.org/unsd/statcom/doc99/rio.pdf>

Although the criteria that determine who is absolutely poor or not is adjusting in accordance with economic developments in the society, the absolute poverty definition is strict, determined, fixed, same for everyone and totally economic. The main criticism to absolute poverty is that people's perceptions of what is absolutely necessary to sustain their lives are shaped by economic, social, cultural and political values on their own societies (Schiller, 2001).

2.3.2 Relative Poverty

The abovementioned deficiency in the definition of absolute poverty brought about relative poverty concept which varies from country to country. According to this definition you are poor if you have less than others' referring to actual standard of living of the whole population (a given % of the mean/median income and expenditure). Based on the fact that humans are social beings, relative poverty includes not only the biological reproduction but also the social reproduction. The ones who cannot sustain required consumption and living standards in order to reproduce himself/herself both socially and biologically are called relatively poor. Socially and biologically reproduction to some extent is associated with full participation in society.

Townsend (1979) explains relative poverty as;

“People are relatively deprived if they cannot obtain, at all, or sufficiently, the conditions of life – that is, the diets, amenities, standards and services which allow them to play the roles, participate in the relationships, and follow the customary behavior which is expected of them by virtue of their membership of society.”

In addition to his explanation, Townsend emphasizes that there are three different forms of relative deprivation. Firstly, people may have no access to socially accepted nutrition, clothing and sheltering facilities. Secondly, they may be located under the living standards prevalent in the society. Finally, they may have no chance to participate in restructuring the society in order to cover all the parts of the society to facilitate from distribution in a more efficient way.

UNDP obviate the economic content of poverty definition with its *human development* concept. Amartya Sen defines human development as;

"Human development, as an approach, is concerned with what I take to be the basic development idea: namely, advancing the richness of human life, rather than the richness of the economy in which human beings live, which is only a part of it."

Opportunities like life-long health, productive life, average living standard, freedom, self-confidence, respectability are essential for human development. With the addition of these to the definition of poverty; there is a good reason not to call it a sole economic concept.

Nevertheless, the idea of relative poverty means that poverty has to be understood in the context of society where it happens (Spicker, 2007). Poverty is a concept that should be socially defined and while doing so, one should keep in mind that poverty varies from one country to the other.

2.3.3 Causes of the Poverty

There is not a single cause of poverty but there are several. In the general sense, social structures and the agency are the causes of poverty. Economic growth, labor market opportunities, educational provisions, social security systems and many other structural features of society provide a powerful contextual framework in which our living standards and social relations are created and recreated (Alcock, 2006). Individuals on the other hand, to some extent, determine and manage their living standards and relations with their preferences. The relative balance between social structures and agency has shifted towards agency at the beginning of 21th century. People in poverty are not the passive recipients of the outcomes of structural forces or social policies. Poverty is a complex, multidimensional problem, with origins in both the national and international domains. The globalization of the world economy and the deepening interdependence among nations present challenges and opportunities for sustained economic growth and development, as well as risks and uncertainties for the future of the world economy. The uncertain global economic

climate has been accompanied by economic restructuring as well as, in a certain number of countries, persistent, unmanageable levels of external debt and structural adjustment programs. In addition, all types of conflict, displacement of people and environmental degradation have undermined the capacity of Governments to meet the basic needs of their populations.¹⁰

In addition to the above definition of UN, lack of production and the unequal distribution of that production can be listed as the causes of poverty. Lack of production may depend on climate differences between regions and countries or unbalanced population growth. Adverse economic conjuncture, developments in informal sector and elimination of trade unions, unfair tax systems, capability differences between individuals, high levels of inflation and unemployment could be listed as the other causes.

2.3.4 Strategies for Poverty Alleviation

There is a consensus between developed and developing countries that poverty should be reduced and prevented. After describing the definitions and causes of poverty, strategies to reduce poverty can be mentioned. There are some documents which are required by International Monetary Fund (IMF) and World Bank, titled as Poverty Reduction Strategy Papers (PRSPs), intended to describe a country's macroeconomic, structural and social policies and programs intended to promote growth, reduce poverty, introduce health and education reforms and associated with external financing needs. (Spicker, Leguizamon, Gordon, 2007)

Poverty alleviation mechanisms have changed during the time. In 1960s poverty alleviation mechanisms were associated with acceleration of industrialization and concentration of investments in infrastructure. In 1970s the perspective of eradication of poverty changed and the focus of the mechanisms shifted from industrialization to

¹⁰ Accessed through
<http://www.un.org/womenwatch/daw/beijing/platform/poverty.htm>

agriculture and rural development became more significant. In the 1970s, awareness grew that physical capital was not enough, and it was at least as important as health and education. With the change in economic conjuncture (the debt crisis and economic recession) the poverty eradication mechanisms have lost its importance and the axis shifted to ensure macroeconomic stability in 1980s. Neoliberal policies, like increasing the efficiency of the market economy and reducing the role of public sector in economy, were pursued in this period. Finally in 1990s a back-step to the poverty reduction strategies were experienced. This time individual is located at the center of the strategy. Through this short history of poverty reduction strategies it can be concluded that there are two different thoughts namely; neo-liberals and conservatives. Neo-liberals often see state as responsible for unsolved poverty problem due to its inefficient and poor regulations. On the other hand, conservatives claim that the state should fight against poverty with its fiscal policy instruments.

It is possible to analyze the mechanisms of elimination of poverty in two ways namely, direct approach and indirect approach. (Uçar, 2001) According to the indirect approach; the most important purpose is to sustain economic growth and development. The positive effects of economic growth and development will spread to all the segments of the society and finally the level of poverty will be reduced. In order to sustain economic growth and development there is a need to experience increase in the infrastructure investments and industry sectors. This approach has similarities with the World Bank's poverty reduction strategy in 1960s. In the recent decades developments in the fields of education and technology was added to this approach as the new instruments of poverty reduction mechanisms. For example some parts of the MDGs are based, rightly, on the immediate direct relief of problems of poverty. But others including gender equality, primary education and environmental sustainability are also concerned with policies that are acceptable and desirable in their own right and likely to benefit the poor without being targeted clearly and directly at them (Spicker, 2007). On the other hand, economic growth is necessary, but not sufficient according to the direct approach. The national income of

the society should distribute in a more egalitarian way. According to this approach societies need programs to fight against poverty and radical reforms in order to distribute national income equally. In addition they also need regulations to transfer a large share from public spending to fields like education, health and social assistance. Spicker classifies the direct responds to poverty into four. According to Spicker, the first type is *poor relief*; in this type, if people are in need then they can be given the things that they need is emphasized. People's requirements can vary from nutrition to money and resources. But, at this point debates about "how relief should go to poor?" and "what are the selection criteria if there is a selection?" can be mentioned. The second type is *social protection* and the lack of the protection is seen as the cause of poverty. Social protection has been preferred rather than the poor relief in many developed countries. But whether social protection is sufficient or not has been the subject of debate. The third type, *strategic intervention*; selects specific interventions for specific types of poverty. For instance, if it is accepted that the cause of the poverty is unemployment then the provision should be related with employment or if the cause of the poverty is disability then provisions should be made in line with increasing the access to public health and social security. The final type is *prevention* and differs from the other types. In this type instead of accepting the existence of poverty and finding solutions for it, ways to radically eradicate poverty are sought. In order to achieve this aim; first, the causes of the poverty should be determined clearly and accurately. It is a challenging issue but without this prevention it is impossible to create the desired effects.

New criteria like age and sex in government subsidies can be mentioned in order to be more selective so that women and children are located at the forefront in the fight against poverty. World Development Report 2000/2001¹¹ proposes a strategy for

¹¹ Accessed through http://wdronline.worldbank.org/worldbank/a/c.html/world_development_report_2000_2001/chapter_overview_amp_x2013_attacking_poverty_opportunity_empowerment_security

fight against poverty in three ways: promoting opportunity, facilitating empowerment, and enhancing security. These ways have an important meaning for women respectively, because having opportunity to access resources and being in the social security mechanisms may have positive effects on reducing women poverty.

Poverty, empowerment and impoverishment are closely related concepts. In the lexicon of poverty alleviation participation, bottom up approaches and empowerment are the buzzwords of the day (Sen, 1997). If empowerment is defined as the ability to choose then it is obvious to see that the lack of means to meet basic needs eliminates the chance to choose (Baltacı, 2011). In short, empowerment is the expansion of freedom of choice and action. With respect to their powerlessness to negotiate better terms for themselves poor people's especially poor women's choices are extremely limited. According to World Bank

*Empowerment is the expansion of assets and capabilities of poor people to participate in, negotiate with, influence, control, and hold accountable institutions that affect their lives.*¹²

Variable approaches for empowerment are also available. For instance, according to Rowlands (1995) and Mayoux's (2000), empowerment relates more directly with power. It can be defined as "an individual's or a group's increased power". Batliwala, (1994) completes this argument by stating that "power means access to and control over material, intellectual and ideological resources". On the other hand Bennett (2002), broadens the concept of empowerment as "enhancement of assets and capabilities of diverse individuals and groups to engage influence and hold accountable the institutions which affect them". This definition refers both to empowerment in individual level and in community level. Economic, social, political and psychological spheres are the ones that empowerment can be realized. It is important that, improvement in one sphere affects the other spheres and improvement in only one sphere does not actually mean empowerment.

¹² Accessed through: http://www.handicap-international.fr/bibliographie-handicap/6SocieteCivile/Advocacy/NARAYAN_draft.pdf

Friedmann (1992) mentions about the relationship between poverty and empowerment and identifies different kinds of empowerment namely, economic empowerment, social empowerment, political and legal empowerment and psychological empowerment. Economic empowerment means access to income, assets, food; increase in bargaining power and sustainability of economic gains etc. Social empowerment means elimination of discrimination in all fields; mobility; increase in the visibility of women in social areas; access to information, knowledge, skills and participation in social organizations. Political empowerment means access to information related with political and legal system, participation in the process of decision making, particularly those that affect their future, and women's representation in local and national parliaments. Last, and equally important, psychological empowerment means the feeling of self-esteem, self-confidence and to receive respect from others.

According to modernization dependency schools, the reasons behind underdevelopment depend on to the relation between poverty and empowerment (Baltacı, 2011). As it was mentioned before improvements in the spheres are related with each other. Many development programs have been unsuccessful because they have only targeted economic empowerment. Because poverty is multi-dimensional, so are these assets and capabilities (World Bank, 2002). Effectiveness of an anti-poverty strategy will depend on the extent to which it is able to address the underlying causes of poverty (Sen, 1997) so, actions should be taken with regard to the multidimensional nature of the poverty. According to Sen, a poverty alleviation tool which targets empowerment should be more successful to create assets and generate income rather than a standard welfare oriented program.

UNDP has developed Gender Empowerment Measurement (GEM) in order to analyze whether men and women actively participate in economic and political life and decision-making processes. According to Human Development Report 2009, it

was determined that the degree of GEM for Turkey is 0.379 and Turkey took place among the low empowerment countries.

Poverty and lack of access to resources, education and health facilities are among the concepts that reveal impoverishment of women. Only offering options to empower women is not sufficient. Characteristics like; strength and ability to choose should be given to women.

2.4 Linkages between Poverty, Inequality and Social Exclusion

Poverty is the unacceptable dimension of inequality. The reason behind the poor's less possession of resources is the unequal distribution of resources. The resources should be redistributed in order to raise the poor people's living standards.

Social exclusion was firstly put on the agenda when it became a dimension of the EU anti-poverty programs of the 1980s and 1990s. The concept can be defined by considering two important aspects, namely; relativity and agency. According to Alcock (2006), relativity should be kept in mind because social exclusion can be realized in social relations, not in individual circumstances. In addition to this; social exclusion is a result of our behaviors towards others and by this agency dimension, social exclusion may be transferred from one generation to the other.

A person is excluded if he/she is not adequately integrated into the society and does not participate in key activities namely; consumption of goods and services, economic and social production, involving in all kinds of decision-making and social interactions with people around. So it is possible to mention that social exclusion can be seen not just in levels of income, but also matters such as health, education, housing, debt etc. (Spicker, 2007). The primary use of the idea of social exclusion relates to poverty, because much of the concern with solidarity relates to the availability of systems of support to meet needs (Spicker, 2007). There are three paradigms that explain social exclusion. Silver (1994) qualifies these three paradigms as; solidarity, specialization and monopolies. Firstly, in the *solidarity paradigm*,

which is a Durkheimian concept of social exclusion, exclusion is the breakdown of a social bond between the individual and society that is cultural and moral, rather than economically interested. Cultural boundaries give rise to socially constructed dualistic categories for ordering the world, defining the poor, the unemployed and ethnic minorities as deviant outsiders. It expresses the idea of solidarity and brotherhood. Secondly, the Weberian concept of social exclusion, the *specialization paradigm* reflects discrimination. Social differentiation, economic divisions of labor, and the separation of spheres should not produce hierarchically ordered social categories if excluded individuals are free to move across boundaries and if spheres of social life, governed by different principles, are kept legally separate. According to this approach social welfare policies create new problems, which prevent social inclusion, contrary to its own purpose (Yuncu, 2009). Finally, the third paradigm, the Marxist concept of social exclusion, *monopoly paradigm* sees exclusion as a consequence of the formation of group monopolies. Powerful groups, often displaying distinctive cultural identities and institutions, restrict access by outsiders to valued resources through a process of ‘social closure’.

Social exclusion and poverty mainly are used in the same sense. Townsend defined the poor by reference to their exclusion; (Spicker, Leguizamon, Gordon, 2007)

... individuals, families and groups in the population (whose) resources are so seriously below those commanded by the average individuals or family that they are, in effect, excluded from ordinary living patterns, customs and activities. (Townsend, 1979)

According to Spicker (2007), as this definition of social exclusion is compared with The Council of the European Communities’ poverty definition; the similarity between poverty and social exclusion may be seen. The Council of the European Communities defines poverty as;

The poor shall be taken to mean persons, families and groups of persons where resources (material, cultural and social) are so limited as to exclude

*them from the minimum acceptable way of life in the member states in which they live.*¹³

But at this point which poverty definition needs to be taken into account comes into question. By using relative poverty definition, concepts of relative poverty and social exclusion become more overlapping concepts. On the other hand, absolute poverty definition involves only deficiencies in income and consumption so that it can be mentioned that social exclusion comes to a state of a more exclusive concept which covers absolute poverty. The most important reason of this situation is that absolute poverty definition ignores deficiencies in areas like; education, health, social and cultural rights, etc. Capabilities and social exclusion have also similarities. But basically in capability discourses the individual is located at the center; on contrary in the perspective of social exclusion the society is located at the center.

Poor people are not the only excluded individuals in the society. Women, children, disabled people, migrants, minorities may be the part of socially excluded section of the society. While poverty is a re-distribution problem, social exclusion is both a re-distribution and an inadequate social participation problem (Öztürk, et al; 2009). Characteristics of a socially excluded person are; thrown out of the system, condemned to chronic poverty, isolated from the city, could not be included in the formal and informal labor mechanisms, remained outside of the social whole and capital accumulation processes, did not received adequate contribution from the economic growth (Sapançalı, 2005, Öztürk, Çetin, 2009).

Based on these it can be concluded that social exclusion covers poverty, it is both the reason and the result of the poverty. Concentration of poverty can reduce mobility and communication between regions and people as the poor become trapped in deprived neighborhoods (Alcock, 2006). Broken ties with the community refer to the idea that social solidarity has weakened.

¹³ Accessed through: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:1985:002:0024:0025:EN:PDF>

Social inclusion should be the case for a particular society and it is the opposite situation of social exclusion. Inclusion has two parts; on the one hand, excluded people were expected as a condition of receiving benefits to make a contract with society “a contract of insertion”. On the other hand society for its part had to make provision available which was going to lead social exclusion (Spicker, 2007).

Moreover Levitas (1998) classified three different discourses that sustain social inclusion. Because it contains methods for social inclusion it is possible to say that Levitas’ discourses have a wider domain. First discourse, Redistribution and Egalitarian Discourse (RED), accepts social exclusion as the consequence of poverty and promotes new policies to overlap the unequal distribution in the society. Generally speaking, it is mainly related with money and resources. The second discourse, Moralistic Discourse (MUD), focuses on the problems of the underclass and dependency and promotes new policies based on encouragement and exhortation (Alcock, 2006). According to EU documents in the mid-1990s, paid work is the most important and primary way to integrate individuals into society. The excluded are the ones who are not working. Final discourse, Social Integrationist Discourse (SID), sees social exclusion is a situation where poverty created and recreated and suggests policies to increase the level of employment. To sum up; people are poor and socially excluded because; in RED, they have no money; in SID they have no (paid) work; in MUD they have no morals (Levitas, 2003) and policies should be made to included them according to their reasons for exclusion. People should have capacity, opportunity and resources to learn, have a voice, participate in employment and connect with other people around in order not to be socially excluded.

2.5 Poverty in the World and in Turkey

According to Turkish Statistics Institution’s Poverty Study 2010; based on the \$2,15-a-day poverty lines in current PPPs, percentage of poor in 2009 is 0,22 % while it is 0,21 % in 2010. Based on the \$4,3-a-day poverty lines in current PPPs, percentage of poor in 2009 is 4,35 % and it decreases to 3,66 % in 2010 in Turkey. A decrease in poor people who are under the poverty line has been observed for both poverty lines.

TURKSTAT's Income and Household Living Conditions Survey 2010 calculated that 16,9% of total population is at-risk-of-poverty according to poverty threshold calculated by 50% of equivalised household disposable median income. While this rate is 14,3 % for urban areas, it is 16,6% for rural areas by using poverty thresholds calculated separately for urban and rural areas.¹⁴

If the world in general is considered, highest incidence of poverty is experienced in Sub-Saharan Africa. Sub-Saharan Africa is followed by South Asia. According to World Bank data; based on the \$1,25-a-day poverty lines in current PPPs, percentage of poor in 2008 in Sub-Saharan Africa is 47,5%-a-day and 36%-a-day in South Asia for the same year.¹⁵

2.6 Gender and Feminization of Poverty

Being rich and male brings so many advantages in social, political and economic life. In contrast, being poor and female is usually known as a disadvantaged position.

Feminist theory approaches inequality as a function of the social processes of sexual difference, and thus has raised the question of justice in another way. (Moran, 1984) Women are secondary in economic principles and this situation can be explained by power, class and race theories. Economic relations are at the same time sexual relations. This shows that it is possible to achieve a different definition of inequality and justice with a feminist perspective. Also it shows that another group which does not hold the power can be problematic. Sexual inequality creates an ever-growing underclass of impoverished women and children – the feminization of poverty – in contemporary terms. (Moran, 1984) Male-defined theories disregard that women's situations are determined, defined, and circumscribed by male reality. Despite that feminist theory seeks to understand from inside, from within the activities and experiences of women and it approaches issues of poverty and inequality in a way

¹⁴ <http://www.turkstat.gov.tr/PreHaberBultenleri.do?id=8661>

¹⁵ <http://data.worldbank.org/topic/poverty>

that to provide new ways of linking the particulars of women's lives, activities and goals to inequalities wherever they exist. (Moran, 1984)

One reason of women's subordination by men can be explained by their economic values to men. In agricultural societies men grasped the property of food which has been grown by women. With the transition from agricultural society to industrial society, subordination of women has remained the same but its type has transformed. Their subordination in industrial society has redefined in terms of their unpaid labor in domestic life.

Many liberal feminists thought that men have to recognize the value of women's domestic labor for equality to be realized. On the other hand, the ones – feminists who are closer to Marxist thoughts have claimed that there has to be a revolution in the sexual organization of family life.

Everything in the world from literature to politics and economics are the products of male power even though "female world" - the domestic life is organized and modified according to men's needs. In a world like this, male is simply associated with human and human is associated with male. All human standards have been based on male characteristics; a women who aspire justice or equality that has intellectual or creative talent is suspected of being unfeminine. (Moran, 1984)

Trapped within men's houses and subordination women can find no place to begin, cannot define her very self. In every known society there has been an economic division of labor based on sex. In no known society has men and women been assigned the same economic roles, and in no society has the status of women's work been the same as the status of men's work. Having a job is not the solution actually the jobs available to women are part of the problem. Sexual harassment is one of the devices insuring male power in work place. (Moran, 1984)

Poverty is something related to the economics of distribution, and this distribution is organized by power relations. In the struggle against poverty, feminist theory does not argue that advances within given economic and political structures are

unimportant or irrelevant. Efforts towards the democratization of work, the reform of the health care system, the ending of racial and sexual discrimination, the guaranteeing of full employment and adequate income supports are significant, worth for fighting. But this does not mean that feminist movement in its struggle underestimate the strength of the compensatory structures built into male domination which contribute to the silence of women.

There has not been an agreement on a unique definition of poverty and a consensus on the measurements of poverty as it was mentioned before. This situation is also an obstacle for the realization of the women's poverty.

The term, feminization of poverty, was originated in the United States and is firstly used by Diane Pearce in 1978 and became a commonly used term after 4th World Conference on Women (WCW, Beijing, 1995). It is first of all related with the increase in the number of female headed houses. Changes in the structures of the family increase in the divorce rates and the widespread cases of having a child out of wedlock are the triggers of this situation. The rise of female participation in low-paid, informal sector urban jobs can be considered as an evidence of feminization of poverty. It is quantitatively determined that the number of women in poverty is higher than the number of men in poverty all around the world. But this method does not cover how poverty is experienced and the qualitative dimension of the poverty (Uçar, 2011). Women's poverty for some scholars is the reason of the division of labor according to sex. Division of labor is one of the areas which can be identified through sexes. (Toksöz, et al; 2001) Men are generally associated with public life, work. On the other hand, women are generally associated with private life, home.

According to Buvinic (1997), there are some defining features of the feminization of poverty. The first one is the structure of the labor market. Statistics shows us that about 60%-70% of the informal sector employment capacity is composed of women. Insecurity, lower earning and easy dismissal can be considered as another reason of feminization of poverty. Their secondary position in the labor market leads them to work for longer hours with lower wages. In short, it can be concluded that informal

sector is associated with both women and poverty. The existence of informal sector increases the amount of the poverty and with this increase in poverty people are willing to work in precarious jobs (Şener, 2009). There is a close linkage between their secondary positions in labor market and their access to educational opportunities. If they have no or limited access to educational opportunities their professional skills are not sufficient. So this leads them to work in informal sector for longer hours with lower wages. In addition to these, status of being women may be shaped by the gender roles in the society. Growing up by traditional women roles, spending more time for household and lack of time to work leads women to poverty. All of them bring women's lifetime dependence on men (Şener, 2009).

Poverty cannot be considered regardless of gender because men and women experience poverty in different forms and levels. The way how poverty is experienced, strategies to overcome poverty and actions that should be taken towards combating with poverty are closely related with gender. Moreover there are factors that make this situation difficult for women. It is not just the inequitable distribution of resources within households and families that contributes to women's experiences of poverty (Alcock, 2006). Women may not have the opportunity of equal access to the resources when compared with men and also they have no equal right in terms of the control of resources. Even worse, it is accepted that men's income is more pronounced and stable than women's income and as a consequence of this women's income is seen as an additional contribution to household income, instead of an instrument which can save women from poverty. Poor women have personality trait such as; self-distrust to her income. Moreover it is the fact that the resources, which look like under the control of men, are indeed managed by women. Women find alternative ways to overcome poverty and protect the status of men. Hence women assume the shame that arises from poverty. It is obvious to see that ones who apply for social assistance are generally women (Uçar, 2011).

Some of the specific causes of poverty according to gender can be listed as;

- Endowments and ownership of assets,

- Kinship patterns (usually in Asian countries),
- Access to credit, inputs and extension services,
- Access to employment, wages and terms of employment and bias in division of labor and work burden,
- Access to public decision making,
- Legislation,
- Space to organize and claim rights.

(Source: Heyzer, 1992)

- Women experience a higher incidence of poverty than men,
- Women experience greater depth of poverty than men (suffering from extreme poverty),
- Women are prone to suffer more persistent long term poverty than men,
- Women's disproportionate burden of poverty is rising relative to men,
- Women face more barriers to lifting themselves out of poverty,
- Basic infrastructure and environmental degradation have a more adverse impact on women's work,
- The feminization of poverty is linked with the feminization of household headship,
- Women headed households are the poorest of the poor,
- Female household headship transmits poverty to children,

These items show us that there is a concept which we can refer as “feminization of poverty”. In short, women's status which remains out of the labor market plays an important role in their poverty. Deprivation is experienced differently by women and men. Women occupy an unequal position within different institutions of society. (Bhat, 2002) Some of the dimensions of women's poverty are different from that of poor men and also their ability to overcome poverty is much lower than men.

The domination of market forces under globalization and privatization has aggravated the marginalization of women and the poor. The inability of the poor to respond to market mechanisms, their lack of bargaining skills and strengths, competitive processes make them doubly exploited. (Bhat, 2002) Restructuring of the labor market and its new, more flexible form have sharpened the poverty of women.

Differences between their social conditioning, household boundaries, and traditional household responsibilities of women made them vulnerable and disadvantaged. First, women are seen as housewives and the ones who is responsible for domestic jobs – cleaning, cooking, childcare etc. These are accepted as the natural works of women. There is an agreement that women’s emotional, physical and mental efforts are invisible when they are doing housework.

When they are poor, their marginality with lack of some basic rights brings violence, rape, child abuse, etc. There are different motivations that lead women to Female Headed Households (FHH); lifecycle stage, marital strategies, labor deployment, etc. These female headships both have positive and negative aspects; its positive aspects can be listed as;

- less patriarchal oppression,
- more personal freedom and greater self-esteem,
- more flexibility in working life,
- less physical and emotional abuse in private life.

On the other hand, they face greater resistance in gaining access to working life, credits, some basic services, public authority and decision making authority; they are also faced with additional discrimination in working life when compared with men headed households.

Although informal sector is mainly associated with women, it is gender blind. This problem is valid for the definition of poverty as we mentioned before. According to statistics the number of women who are working in informal sector is higher than the number of women who are working in formal sector. What makes women more vulnerable in work place is not their easy-going character but is their economically trapped position. (Toksöz, et al; 2001) Paid work makes women more authoritarian at home, but this does not cause a reduction in their responsibilities at home. On the contrary, this doubles their responsibilities.

Feminization of poverty is criticized by some scholars that it does not see the difference between women and female-headed households. Female-headed houses do not always mean poor households.

To conclude; women's issues about poverty and development are multi-dimensional thereby, solutions for them should be multi-dimensional as well (Toksöz, et al; 2001). As global and multicultural feminists stated in their arguments, we have to eradicate poverty all over the world in order to be able to claim poverty has diminished. Even before this, women's poverty has to be diminished. Women should be included in decision making mechanism in order to add gender dimension to poverty alleviation. Only with the gender dimension in economic, political, and social security policies can a society be achieved where equality, justice, peace and wealth may be seen in every layer of the society.

2.6.1 Women's Poverty in Turkey

In Turkey, the number of individuals with income less than \$1 per day by the year 2006 is zero. This indicates that MDG-1 Eradicate Extreme Poverty and Hunger Target 1.A: Halve, between 1990 and 2015, the proportion of the people, who have an income level less than one dollar a day, has reached its objective. Although Turkey is in a better position in terms of per capita income with regard to many other countries, Turkey has serious problems in social indicators like education and health (Uçar, 2011). Similar to the higher levels of women in poverty in the other parts of

the world, the number of the women who face poverty is higher than the number of the men in Turkey.

General characteristics that Turkish women in labor force subject to are; low paid-work, insufficient educational facilities, uninsured employment in informal sector. These are the characteristics that affect women who are living in urban areas. On the other hand, women in rural areas work as unpaid family-member workers. World Bank, Turkey Labor Market Study 2006 reveals that in cities the difference between the average wages of men and women is 22% (Ulutaş, 2009, Uçar, 2011). According to Directorate General of Status of Women (2009), 22% of wage laborers, 94,5% of daily wage laborers, 29% of employer women and finally 92% of self-employed women are working uninsured. Poverty is closely related with women's non-participation in employment, social security and pension systems. Accession to these systems over their husbands or fathers causes dependency to them and constitutes an obstacle behind their individual empowerment (Uçar, 2011). According to State's Planning Organization (2006), those who socially excluded are; uninsured workers, uneducated people, people with disabilities, elderly, children and women. Their poverty solidifies when they expose to discriminatory practices even if they work with insurance (Güzel, 2011).

Studies and research show that the main reasons behind the high level of poverty among women are; increased load in household, child care, care of elderly and sick-care at home, feeding and clothing activities, the loss of connection with outside etc. Depending on these main reasons and many others, women's participation in labor force is lower than men across Turkey. If analyzed, it is possible to see that the women, who are poor, are not able to participate in labor force. The population who are not in labor force in Turkey according to July 2012 data is 19.404.000 and 14.125.000 of that population is women.

Table.2 Reasons of not being in labor force

(Thousand people, 15+ age)

Population not in labour force	Reason							
	Not seeking a job, but available to start		Working seasonally	Housewife	Education/ Training	Retired	Disabled, old, ill etc.	Other
	Discouraged	Other						
14.125	117	626	16	8.918	1.596	782	1.004	1.065

Source: TURKSTAT, 2012

The great majority of the women do not participate in labor force because of their household responsibilities. As seen on Table.2 about 8 million women cannot take place in working life due to their home and child caring responsibilities. Also poverty increases exponentially as the household size increases. According to 2009 data the rate of poverty in Turkey is 18,08%, the lowest poverty rate belongs to households of 3-4 people and it is 9,65%. The poverty rate of families of 1-2 individuals is 10,64% and it may be concluded that the reason behind such a high rate of poverty is the female-headed households. Finally, the poverty rate of families with 7 or more individuals is 40,05%.

Another abovementioned factor that is crucial for women's poverty is women's education levels. If the women's education level increases than it is obvious that their level of poverty decreases.

Table.3 Rate of poverty according to educational status

Educational status	Female
Turkey	19,03
Illiterate or literate without a diploma	29,52
Primary school	13,83
Elementary school	18,39
Secondary school and equivalent vocational school	7,82
High school and equivalent vocational school	4,76
University, faculty, masters, doctorate	0,40

Source: TURKSTAT, 2009 Poverty Study

Among the reasons of women's lower participation in education, the high costs of school expenditures come at the first rank with a proportion of 30.2%. This rate is 25.3% for men and it shows that within a family, girl's education is abandoned sooner. There are several dimensions of this situation. The first and most prevalent relates to honor, reputation and sexuality—the perceived threats to girls and their families' honor posed by boys at school and men on the street, if girls go to school after they have reached maturity (World Bank, 2008). Moreover, the rate of requirement to assist the family for housework is 6,5% for women while it is 0,3% for men. Due to some traditional gender roles, girls' economic contribution to their parents' house in the future is not expected. The rate of incuriosity to school is higher for men than for women, respectively; 19%, and 17,8%. This shows that the lower participation in education opportunities among women doesn't generally depend on women's preferences but depends on external factors (Ulutaş, 2009).

2.6.2 Combating Women's Poverty in Turkey from 1980s onwards

Turkey has signed many of the leading initiatives for women. For instance, Turkey signed the Convention on Elimination all form of Discrimination Against Women (CEDAW) in 1985, approved the Beijing Declaration and Action Plan in 1995 that calls governments to action in areas like gender equality, women's poverty and

development, and women's empowerment etc. At the Helsinki Summit in 1999, Turkey was recognized as a candidate country by the European Union. This is an important step toward ensuring gender equality with the help of reforms and the harmonization process. Women issues, for the first time, were given importance in the 6th 5 year Development Plan (1990-1994), which underlined the importance of the creation of the necessary environment to promote employment in non-agricultural sectors. In addition, incentives towards improvements in women's level of education and vocational training facilities are emphasized in the Development Plan. It is possible to see the first reference to gender equality in the 7th 5 Year Development Plan, emphasizing women's integration into development initiatives and improvements in their social status. In order to achieve these goals, social indicators such as education, health, employment, and social security should be developed, and issues that prevent gender equality should be regulated legally. The 8th 5 Year Development Plan 2001-2005, like previous Plans, determined women's equal accession to educational facilities, health services and participation in decision-making processes as key objectives. Finally, the current 9th Development Plan 2007-2013 emphasizes the improvement of income distribution and strategies for social inclusion and combating poverty. It mentions that in order to increase the participation in economic and social life for groups that face the risk of poverty, such as women, their employability and vocational training facilities should be increased. Precautions to prevent poverty, especially women's poverty, are also addressed in the Plan, which highlights issues like women's employment and education of girls as positive developments (Uçar, 2011).

Although not mentioned in the Constitution or any other laws, there are so many organizations and institutions, which implement social assistance programs. Some types of social assistance include education, shelters, health-care, and assistance to elderly people. The Social Assistance and Solidarity Fund was established by law in 1986. In 2004, Parliament created the General Directorate of Social Assistance and Solidarity, which is under the office of the Prime Ministry. Today it continues its

activities titled Directorate General of Social Assistances as a part of the Ministry of Family and Social Policies. The main task of the Directorate General is to coordinate the policies and the strategies which are being implemented at the national level in the field of combating poverty with social assistances.¹⁶ The abovementioned institution combats overall poverty in Turkey so it does not directly deal with women's poverty. Solely, according to the statistics, women constitute the majority of applicants for social assistances which are sustained by referenced institution. One basic institution that deals with women's problems in Turkey is the Directorate General of Status of Women under the Ministry of Family and Social Policies. There are some other applications that are indirectly associated with the fight against women's poverty. For example, the Social Services and Child Protection Agency engages in many activities to eradicate women's poverty and to mitigate its effects. The most important project among its activities is *Community Centers*. Improvements in women's knowledge, skills, trainings, and qualifications will probably prevent so many problems. With respect to that fact, the empowerment of women is the basic starting point of the Community Centers. In addition, income generating supportive programs are underway, e.g. handicraft products. The Social Services and Child Protection Agency at the same time gives subsistence wage to the relatives in need of care disabled people who provide home care services (Uçar, 2011).

The project for Multi-Purpose Community Centers (ÇATOMs) is one of the most significant aspects of the Southeastern Anatolia Project (GAP). ÇATOMs were first established in Southeastern Anatolia Region in 1995, and now there are 30 ÇATOMs in 9 different provinces. The target populations of ÇATOMs are young girls and women. The objectives of ÇATOMs are as follows:

- *Creating opportunities for women to become aware of their problems and launch initiatives for solutions,*

¹⁶ Accessed through: <http://www.sosyalyardimlar.gov.tr/tr/html/478/Gorevler/>

- *Ensuring that women take part in the public sphere and benefit more from available services,*
- *Enhancing female employment and entrepreneurship,*
- *Contributing to equal opportunities by empowering women,*
- *Starting the process of gender balanced development and developing replicable models relevant to local circumstances.*¹⁷

Moreover, the Turkish Employment Organization with the scope of active labor market programs organizes labor training courses with employment guarantees. These programs are important because they contain incentives for women to benefit more (Uçar, 2011).

Another important poverty alleviation tool is the Social Risk Mitigation Project (SRMP) which was implemented by the World Bank and related institutions from Turkey between the years 2001-2008. The development objective of the SRMP was to mitigate the impact of the February 2001 economic crisis on poor households (social risk mitigation) and to improve their capacity to cope with similar risks in the future (social risk management). The SRMP will achieve these objectives through:

- Providing immediate support to the poorest affected by the crisis. (This is the adjustment portion of the project)
- The investment portion of the project consists of three components
 - Building up the capacity of state institutions providing basic social services and social assistance to the poor (social risk management),
 - Implementing a social assistance system (Conditional Cash Transfers - CCT) targeted to the poorest 6 percent of the population conditional on improved use of basic health and education services (social risk mitigation and prevention),

¹⁷ Accessed through: [http://www.gap.gov.tr/projects-and-activities/general-coordinator-of-humanitarian-and-social-development/social-projects/multi-purpose-community-centers-\(catom\)](http://www.gap.gov.tr/projects-and-activities/general-coordinator-of-humanitarian-and-social-development/social-projects/multi-purpose-community-centers-(catom))

- Increasing the income generation, employment opportunities and social service access of the poor (social risk prevention).¹⁸

Under the framework of the last component, 5.242 families and 45.549 people benefited from income generating activities. At the beginning of the project loans were originally \$1.000 for rural and \$2.000 for urban, but in the following years they were recalibrated as \$3.000 for rural and \$5.000 for urban.

Conditional Cash Transfers (CCT) is more or less related with women therefore it will be examined deeper. (Estimated loan disbursement of US\$ 261.3 million and estimated total cost US\$ 559.7 million). The objective was to prevent poor households from becoming poorer and to improve their children's future productivity and income. The CCT program identified eligible households through a formula based on indicators of wealth and consumption. The program made payments to women in poor households on condition that they send their school-aged children to school and bring preschool-aged children to clinics for regular health visits and inoculations. The CCT program provided an extra incentive for households to send their girls to secondary school (World Bank, 2008).

CCT has reached 2,63 million people in 931 different districts and in 81 different provinces. The project ended in 2008; however the Turkish Government continues to implement the project by its own resources.

By giving CCT money directly to women, the program has created opportunities for women to participate more in the public sphere and has given the chance to challenge the gender-specific roles around them. The First Qualitative Study suggests that CCT had a positive impact on women's participation in society. With few exceptions

¹⁸ Accessed through:

<http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/ECAEXT/TURKEYEXTN/0,,contentMDK:20188246~pagePK:141137~piPK:141127~theSitePK:361712,00.html>

women during interviews recount with pride their participation in the application process and their use of funds disbursed to them, especially to feed the household and educate their children (World Bank, 2008). Also the direct transfer of the money to women has helped their empowerment process. Women's empowerment with CCT can be deduced from their participation in decision-making processes, for instance; by controlling the money, women may play important roles in decisions related with the nutrition and health of the household. CCT has created awareness and power among women to formally register their marital affairs and obtain birth certificates for their children. CCT has also helped to challenge people's consciousness about girls' education. It is possible to observe an obvious increase in girls' school attendance and a net decrease in drop-outs and these facts indicate that participation in primary and especially in secondary education is related to poverty. Parents as well as female students benefiting from the program recognized that without CCT there would have been greater reluctance to send girls to school beyond the first eight years level of basic education (World Bank, 2008).

Nowadays, because of the weakening of the welfare state and social policies, the adoption and the regulation of tools for fighting poverty have changed. In this new model, increasing the individual's skills and opportunities and empowering poor people are the main principles. The most remarkable tool of this new model of combating poverty may be microcredit. It has become a hot agenda item and widespread in Turkey since 2003. Microcredit as implemented globally and in Turkey will be deeply explained and analyzed in the following chapters.

CHAPTER 3

MICROCREDIT AS A POVERTY ALLEVIATION STRATEGY FOR WOMEN

3.1 General Characteristics and History of Microcredit

The first part of this chapter defines and analyzes the term microcredit, which is an area of activity to improve the status of women and strengthen them (Oxaal and Baden, 1997). The second part of this chapter compares microcredit with other poverty alleviation tools with respect to the neoliberal thought and welfare state paradigms. In the third part, the overall effects of microcredit application on women in poverty will be analyzed. In the final section of this chapter the microcredit implementations in the World and in Turkey will be comprehensively explained.

Poor access to finance is seen to be a major reason for underdevelopment, and access to sustainable financial services a key to poverty alleviation and increasing employment and income. (Simojoki, 2003; ILO, 1997)

Before microcredit implementation, it has been identified that there are difficulties for the poor to access financial resources and these difficulties to some extent have been eliminated by the efforts of NGOs. For instance; procedures for loans have been handled through NGOs or NGOs have gotten loans and distributed them to the poor.

Microcredit implementation was inspired by agricultural credit programs which were carried out in Asia in the 1940s. The preferential interest rates for farmers in this program have led to the idea of microcredit. However with the changes in the economic conjecture in the 1980s, the scope of these kinds of credits has shifted from agriculture to non-agricultural areas, especially to benefit poor women. Microcredit

is a loan in small amounts that is given to women for starting a small business. It was founded by Muhammad Yunus, a professor of economics, in 1976.

Muhammad Yunus, during his study visit in Cobra Village, observed that women received money from the local money lenders in order to use that money in economic activities such as farming, husbandry, small handicraft, etc. However, he also confirmed that women find themselves in a debt spiral because of the high interest rates of payment. As a result women neither received a recompense for their efforts nor got rid of poverty. So these observations led Muhammad Yunus to create an alternative system in order to reverse this situation. Structural limitations of the traditional banking system led Yunus to set up Grameen (means peasant in Bangladesh language) Bank in 1983.

Microcredit, with its appropriateness to current economic policies has spread throughout the world, originating in Bangladesh. The other anti-poverty instruments are not successful as microcredit in terms of its incidence. The founder of the microcredit Muhammad Yunus explains the motive behind their organization, the Grameen Bank as;

In the past, financial institutions always ask themselves “Are the poor credit-worthy?” and always answered no. As a result the poor were simply ignored and left out of the financial system, as if they did not exist. I reversed the question “Are the banks people-worthy?” When I discover they were not, I realized it was time to create a new kind of bank.

The institutional barriers around poor people should be removed in order to sustain their full participation first in economic life and then in other segments of society. According to Yunus, the philosophy of the Grameen Bank is to recognize men, women and children not as the units of labor force but as human beings with varying capacities and needs.

The microcredit system differs from traditional banking systems in terms of its lending principles. The group that the system wanted to address is the main point of this differentiation.

Some features of microcredit are; it is given to women, it is given to women when they create a group, its interest rate is determined according to the market interest rate, and it is expected to be paid back on time. In addition to these features, what makes microcredit so popular is that it is conducted within the framework of minimum procedures. Minimum procedure means; not signing bills and not showing guarantors. These two exceptions increase the availability of credit for the poor, especially for the ones who are illiterate.

In Third World countries, commercial banks or NGOs offer micro-credits. For NGOs microcredit is often a means for poverty reduction, whereas for commercial banks credit itself is the main objective (Gulli, 1998). Microcredit given by semi-official organizations under state regulation has become a general global trend. The main aim of these institutes is to maintain sustainability. The reason why the interest rates are so high is this sustainability concern.

3.2 Microcredit as a Poverty Alleviation Tool

Grameen Bank has determined two conditions in order to benefit from microcredit implementation. The first condition is that those who want to benefit from microcredit should have a business idea but are out of capital to start that business. The second condition is that the ones who want to benefit from microcredit should come together and become a group of five people and the members of the group should not be relatives. Sustainable economic growth and development is crucial for poverty alleviation. Microcredit helps the increase in overall production of a country. The principles that were determined by Grameen Bank, put emphasize on poor people's economic development as well as the social and cultural development. The credit system has social aims, the most important of which is the alleviation of large-scale poverty. Other objectives are social protection, employment generation and supporting the sustainable development of the micro economy (Simojoki, 2003). However in this system these objectives are implemented by individual efforts. This shows that microcredit has a secondary effect on poverty alleviation.

Microcredit has emerged in Women in Development (WID) approach which puts emphasis on women's economic participation and their access to resources. It became an important poverty alleviation tool when a shift happened in the axis of the economic development policies from gratuitous aid to granting credits. Borrowers in microcredit programs are not passive recipients. Credit is not a grant; it requires the borrower's commitment to an agreement, where s/he has certain responsibilities. The organization grants credit, and the client repays it with interest. On the other hand, the emphasis on microfinance and women's active economic roles can indicate a shift from welfare-oriented approaches to economic-oriented approaches in development aid (Simojoki, 2003; von Bülow et al. 1995). With these characteristics it is possible to conclude that microcredit directly fits in as a neo-liberal poverty alleviation tool and has many items in common with strategies that are implemented by the World Bank, UNDP and other UN institutions. In the neo-liberal conceptualization of poverty, an individual's natural deficiencies, genetic disorders, laziness and reluctance may cause or contribute to poverty.

It can be stated that there are four different approaches in development aid. The first one is the *welfare-oriented approach* which focuses on poverty alleviation. The second one is the *economic approach* whose main emphasis is on entrepreneurship development. The third approach titled *the minimalist approach* focuses only on credit or training. Lastly and equally important, *the package approach* means combining several services. In this approach the emphasis is on the other outcomes of development programs than merely economic ones.

First microcredit programs were heavily subsidized and management styles were welfare oriented. Currently the orientation is more business-like. The emergence of the new term microfinance is an example of the current orientation that is on business. According to Bateman (2010) the new term microfinance was introduced because it was no longer possible to argue that microcredit was disbursed mainly for

business purposes. The term microfinance covers microcredit, micro savings, microinsurance and money orders.

3.3 Microcredit and Women

Poverty alleviation programs often do not consider the impact of their results on women. The most popular reason behind this may be economic growth and development. They are accepted as the main goals of the poverty alleviation programs.

Approaches to women and development programs can be classified into two categories: *equity oriented* and *poverty oriented* approaches. Common to both types of approaches is that they see women as economic actors (Simojoki, 2003). The equity oriented approaches focus on the effects of economic development programs on the economic status of women. They assume that women lose ground in relation to men in the development process (Buvinic, 1983).

According to Yunus (2007), giving credit to poor women brings more benefits to a family than giving it to men. Women make money; they bring benefits to the whole family, particularly to the children. All studies on microcredit are in support of this and conclude that women have higher repayment levels than men.

The main aim of microcredit is to improve women's economic situation as it was mentioned before. By using micro loans women have become self-employed individuals. Because of some social, cultural and structural reasons women are located in lower levels with regard to men and this makes them unsuccessful in reaching some opportunities for economic independence. As a tool for empowering women, microfinance aims to empower women on the micro level, not on the macro level like creating a structural transformation. Technically speaking this is not a healthy method. Income and access to credit are not sufficient for empowering women; changes in power relations within the household and larger society are also needed (Simojoki, 2003). From the microfinance perspective under the light of neo-

liberal thought, the term empowerment is associated with entrepreneurial women and individual self-reliance rather than a fight against power relations that subordinate women. It can be said that by microfinance programs women are reinforced to be marginal individuals. Microfinance may not take into account the need for changing the subordinating and unequal structures that are affecting women's lives on both the micro and macro levels. This individualistic approach to empowerment arises from entrepreneurial capitalism, the liberal approach to democracy and belief in market forces (Oxaal 1997, 5).

Microcredit is directly associated with both gender and poverty. Therefore, it is accepted as an important tool in recent development strategies. Besides, it is evaluated as an empowerment tool for women and it is directly related with concepts of gender and development, there are also some other links directly between microcredit and women. Women are the poorest of the poor. According to UNDP statistics¹⁹ six out of ten of the world's poorest people are women. In general, women also make up the majority of the lower paid, unorganized informal sector of most economies (Cheston and Khun, 2002). Finally women are more vulnerable to poverty than men. All these aspects suggest that practices like microcredit are needed in order to improve women's access to financial instruments due to their disadvantaged positions. As mentioned above, women generally spend their income on their families, especially on their children. So that with the accession of women to financial instruments the income of their household will increase. But it should be kept in mind that starting a small business with these financial instruments may cause little increase in household income while creating considerably heavier workload and repayment pressures on women.

¹⁹ Accessed through:

http://www.undp.org/content/undp/en/home/ourwork/povertyreduction/focus_areas/focus_gender_and_poverty/

There are crucial factors affecting women's empowerment, which microfinance programs cannot impact, and should be handled with other tools. Such factors include legislative and policy issues. Microfinance is not a substitution for good economic and social policy or a remedy for bad or weak policies.

Rather, good legislation and economic and social policy are prerequisites for successful microfinance. On the other hand, legislation alone, for example, is not adequate to empower women.

3.4 Microcredit Implementation in the World and in Turkey

Microcredit implementations in the World can be grouped under two headings namely; Grameen Bank and microcredit operations that depend on social solidarity (ITO, 2004). The Grameen Bank model is the most common microcredit implementation model in the World, and exhibits five main principles;

- Supply banking services for poor women,
- Eliminating the local money-lenders' exploitation,
- Creating self-employment opportunities for poor people,
- Creating linkages between disadvantaged people in order to establish socio-economic cooperation and mutual support.
- Changing the equation from low income – low savings – low investment to more income – more savings – more investments – more income.

It is possible to talk about different types of microcredit. Mentioning about microcredit without specifying its type can cause confusion and misunderstanding. Classification ranges from consumer microcredit to bank-NGO partnerships based microcredit, but the most widespread type is the Grameen type of microcredit also known as Grameencredit. Some of its general features can be listed as follows:

- It promotes credit as a human right.
- Its mission is to help poor families to help themselves overcome poverty. It is targeted to the poor, particularly poor women.
- Most distinctively, it is not based on any collateral or legally enforceable contracts, but rather is based on "trust", not on legal procedures and system.
- It is offered for creating self-employment for income-generating activities and housing for the poor, as opposed to consumption.

- It provides service at the door-step of the poor based on the principle that the people should not go to the bank, the bank should go to the people.
- In order to obtain loans a borrower must join a group of borrowers.
- Loans can be received in a continuous sequence. New loans become available to a borrower if her previous loan is repaid.
- All loans are to be paid back in installments (weekly, or bi-weekly).
- It comes with both obligatory and voluntary savings programs for the borrowers.²⁰

Groups are located in the core of the system in the Grameen model. Five or eight groups constitute a center. Centers constitute branches, branches constitute regional departments and finally regional departments constitute the main departments.

The Grameen system uses its own lending methodology. A manager and a number of bank workers set up the bank. They determine where the poorest of the poor live and organize study visits to these districts. By these visits, they organize field activities in the poorest districts and familiarize themselves with the local people and also explain the purpose, functions, and mode of operation of the bank to the local people. Potential participants attend to a compulsory training in the framework of these field activities. After successfully completing the training, in the first stage five people come together to create a group. Initially, only two group members, the most in need, are eligible to receive a loan. The group is observed for a month and if the first two borrowers successfully repay the credit over a period of forty-six weeks (forty-six equal installments for the principal and after that more weeks that depend of the amount of the capital, for the interest), then the other two members of the group become eligible for a loan. Finally the head of the group can become a borrower. According to the Grameen Bank model, the collective responsibility of the group serves as collateral on the loan. The largest sanction is that the rest of the group members will not get any more credits in the case of non-payment. Payments

²⁰ Accessed through: http://www.grameen-info.org/index.php?option=com_content&task=view&id=28&Itemid=108

are carried out on weekly group meetings and participation to these meetings is mandatory.

In Turkey there are two main microcredit disbursement organizations namely, Turkish Grameen Microcredit Program (TGMP) and Maya that is implemented by Foundation for the Support of Women's Work (FSSW).

TGMP as a non-profit organization, implements the original Grameen model. The organization was officially launched in Diyarbakır on June 11, 2003 following the agreement which was signed by Turkish Foundation for Waste Reduction²¹ (Türkiye İsrafi Önleme Vakfı, TİSVA) and Grameen Trust. It started operating in Diyarbakır with two branches in 2003. Today, according to October 2012 data, TGMP operates in 65 different provinces with 94 branches. The Ankara Branch of TGMP was established in 2006 as the fifth branch and it operates under the protocol signed between TİSVA and the Local Government. Again according to October 2012 data, the program has 60.641 members and has disbursed about 183.728.138 Turkish Liras to poor women. The loan disbursement methodology is similar to the Grameen model. At this point it is important to mention that the Grameen Bank financially supports the microfinance institutions which directly implement the Grameen model. Honesty, dignity, transparency, accountability, discipline, punctuality, efficiency, respect and continuous improvement are the most crucial values of the TGMP. In addition, the program teaches ten commitments to its members:

- We shall follow and advance the four principles of TGMP; Discipline, Unity, Courage and Hard work – in all walks of our lives.
- We shall bring prosperity to our families by hard work.
- We shall keep the number of children at reasonable level that we are able to take care. We shall minimize our expenditures. We shall take care of our health.
- We shall educate our children well and we shall earn to pay for their education.
- We shall not waste our resources. Grow more vegetables, eat them as much as we need and sell the surplus.

²¹ It is considered that the word "waste" does not fulfill the exact meaning. The word "prodigality" can be used instead of the word "waste".

- We shall always be ready to help each other. If anyone is in difficulty, we shall all help him or her.
- If we come to know of any breach of discipline in any centre, we shall all go there and help restore discipline.
- We shall not inflict any injustice on anyone; neither shall we allow anyone to do so.
- We shall always keep our children and the environment clean. We will not live in ruined houses; we will work to own a good house.
- Always we will investigate the way of improvement of our business. We will not be afraid and will not be anxious.

Microcredit is usually utilized in fields like laundry, clothes, handicrafts, fabrics, dowry goods, imported products and cosmetics marketing, jewelry making and selling. TGMP offers two kinds of microcredit, namely, regular microcredit and entrepreneur microcredit. According to the staff in TGMP office, regular microcredit is offered to first time applicants and the loans range between 100TL and 1000TL. Every member may benefit from regular microcredit, but entrepreneur microcredit is offered to talented, successful and hardworking members and such loans range between 1000TL and 5000TL. Women often use entrepreneur microcredit in order to expand their business. The funding of TGMP is provided through government institutions, donors such as businessman, private companies and bank loans. Inspection and oversight is a significant cost element. Such a high cost is the most important problem of the system in terms of sustainability. Nevertheless, the evaluated reasons for the success of the program are women, tight control and discipline. Repayments start immediately and every microcredit client pays their loans back in a long repayment time that is 46 weeks.

In November 2012, TGMP established microinsurance. Microinsurance is defined by TGMP as “an application which is a kind of personal accident insurance putting microcredit clients under protection”. Through this application 55.000 women are protected.

FSWW is another active microcredit institution in Turkey. Its commercial enterprise MAYA is the first microcredit program in Turkey. It provides credit to women to start or improve their business and has distributed more than 6.000 credits to date. MAYA is centered in İstanbul and gave its first credit in 2002, in Kocaeli which is the most affected province from the 1999 earthquake. MAYA's target group is women entrepreneurs. Its money lending methodology depends on solidarity groups. Everyone in the group is both responsible from herself and her group of friends. A group is composed of 3-10 women, the amount of the first credit is 100-900TL and the monthly repayment period is 3-12 months. In order to maintain sustainability they determine a realistic interest rate. Before borrowing the credit everyone in the group deposits 10% of the money that they demand to the group's common saving account. If a woman successfully pays the credit back the new amount of her credit will increase about 25%.

In addition to these, some other formal institutions offering small loan activities are Halkbank, Ziraat Bankası, and the Undersecretariat of Treasury. Moreover, some NGOs' and chambers of merchants and craftsmen's operations can be taken into consideration as semi-formal microcredit implementations.

CHAPTER 4

RESEARCH METHODOLOGY

4.1 The Aim of the Study

There are several research studies that try to identify the effects of microcredit on women's poverty. This study examines the changes with microcredit in the economic, social, and psychological life of women living in Ankara. Microcredit is accepted as a poverty alleviation tool which contributes to women by sustaining financial resources. The microcredit system was created because women in poverty have limited access to financial resources. Thereby women's ease of access to financial resources will contribute to their participation in employment. Moreover, it is also accepted that with their participation in employment women will be empowered and in the final stage this will save women from poverty. Regarding the inverse relation between development and women's poverty, decrease in women's poverty will have a positive effect on development.

The thesis assumes that a poverty alleviation tool offering empowerment only through financial resources cannot be enough. It should be the combination of economic, social, political, psychological and cultural factors. Moreover, as mentioned in the second chapter, empowerment should take place in all spheres, including economic, psychological and social. Positive changes can be affected through actions that address the multidimensional nature of poverty. An anti-poverty strategy that focuses on empowerment can address this intrinsic multidimensionality better than a standard welfare driven program to create assets or generate income (Sen, 1997). In interviews with women, the study considers the determinants of poverty and disempowerment of women by examining women's distance from job, income, education opportunities, social and community networks and activities. It is expected that a successful poverty alleviation tool should be effective in all these

areas. Therefore, whether microcredit is an effective poverty alleviation tool touching these areas will be analyzed.

4.2 Research Methodology

The research consists of two parts. The first part of the research is a literature review about the concepts related to development, poverty and empowerment. At this stage, other microcredit research is used as secondary data and plays an important role in shaping the study. In order to make a deeper investigation, a qualitative research method was preferred. Using in-depth interview techniques, the ideas, perspectives and experiences of women were considered.

Microcredit is only provided by “Foundation for Waste Reduction” in Ankara, which helped me contact the women who were interviewed, but I also interviewed a few women who were not on the list of Foundation for Waste Reduction. Interviews lasted an average of 1 hour and were carried out at the women’s living places or workplaces in order to get an idea about their working and living conditions.

The in-depth interviews were held with 13 women in Ankara. Women in poverty comprise the respondents of the study. TGMP declared that they give loans to poor women. TGMP determines the poor people in the poorest regions. During the interviews women answered 59 questions and to resolve them later their answers were recorded with their permission. I also visited and interviewed representatives of the Foundation for Waste Reduction and learned its attitude towards microcredit implementation in Ankara.

4.3 Research Questions

Microcredit was first applied in Bangladesh and then spread globally. It seems that microcredit will continue to be implemented in the near future, but its positive and negative effects on women should be analyzed in order to improve it.

The questionnaire is composed of 59 questions in 6 sections. The first section covers general information about women such as age, education level, marital status etc. The second section is related to the women's past and present business life. The third part is about microcredit and analyzes women's microcredit experiences and their repayment processes. The fourth part of the questionnaire covers women's opinions about microcredit, and the fifth part analyzes the impacts of microcredit empowerment of women. Finally, the sixth part includes feedback about microcredit especially about the control mechanisms.

Research questions²² are taken into consideration to reveal the positive and negative effects of microcredit on women. According to Yunus (2007), it is assumed that increasing women's access to loans will increase women's decision making in the household, raise their level of independence, improve women's status in the society and empower them economically, socially and psychologically. Debates as to whether empowerment can be measured, exist in literature. According to Kabeer (2001), there is no need to exactly determine the amount of empowerment. The confirmation of its direction will be sufficient. Simojoki (2003), counts mobility, economic security, purchasing power, participation in decision-making, independence, political and legal awareness etc. as primary indicators of empowerment. In this study, based on the assumptions of Simojoki and Yunus the effectiveness of microcredit on women will be evaluated under three subtitles namely: (1) economic aspects (participation in employment, income generation, sustainability, economic security, empowerment etc.); (2) social aspects (mobility, participation in decision making processes, distribution of household responsibilities, connection with people around, empowerment etc.) and (3) psychological aspects (self-confidence, self-esteem respect by others). The main indicators of empowerment and development in the economic sphere within this thesis framework are income generation and increase in the income level.

²² Appendix A

To achieve this aim, women were asked the following questions: “what is your opinion about the term microcredit?”; “do you think you have economic contributions to your family and what does your family think about this?”, “if you had not received microcredit, could you still work on this job?”; “do you think your job could provide you an opportunity to live without economic support from other family members?”

In order to determine microcredit’s effects on the social sphere, women were asked about how the following aspects of their life were handled prior to and after microfinance, such as; decision-making in the home, decisions about the expenses at home, health, education, food, buying household items etc., going alone to a hospital, bank, or shopping , visiting friends or relatives alone, daily routine and long term goals, daily workload and their husband’s awareness of the workload and his level of assistance in the daily work at home.

In order to analyze improvements in psychological terms, finally women answered questions like; “Do you see yourself in a different position in your family and society after you became a microcredit client?” “What kind of differences occurred after you have established your work with the help of the microcredit, are you more self-confident now?” etc.

4.4 Constraints of the Study

There are two main constraints of this study. First, because of my workload this study covers only the women who live in Ankara. For a complete picture, a study covering microcredit implementation in different cities should be beneficial. Second, since the snowball method was implemented during the research, the great majority of the women who were interviewed were found through the Foundation for Waste Reduction. One group of the women lived in the Altındağ district and the other group of women lived in the Sincan district. Based on this proximity, they share some socio-economic similarities.

CHAPTER 5

MICROCREDIT IMPLEMENTATION IN ANKARA: ITS EFFECTS ON WOMEN'S POVERTY

5.1 Repercussions of Microcredit

5.1.1 Introduction

Based on the thesis' aim, to understand the effectiveness of microcredit as a poverty alleviation tool, in this chapter, microcredit experiences of women in Ankara will be illustrated. As mentioned previously, poverty is a multidimensional phenomenon thereby any means of combating poverty should be effective in all fields that poverty impacts. Within the framework of this chapter microcredit's effectiveness on poor women's economic, social, and psychological life will be analyzed.

Ankara is a discrete case because the only microfinance institution in Ankara is TGMP. Unlike in Diyarbakır, İzmit, İstanbul etc., where microcredit is widely popular, in Ankara the only place women in poverty can apply is TGMP. The Ankara Microfinance Branch is TGMP's fifth branch and it was established on 9 November 2006. It operates under the protocol signed between TISVA and the local governorship. General- Directorate of the Program was initially located in Diyarbakır and then moved to Altındağ district of Ankara in 2008. In addition, the Sincan and Pursaklar Microfinance Units are also active in Ankara. According to data of TGMP there are 601 TGMP members in Ankara and to date, the rate of recovery is 100%.²³

5.1.2 Description of the Sample

The profiles of women in poverty according to their age, marital status, job etc. are presented below.

²³ Accessed through <http://eng.tgmp.net/finansal-veriler.aspx> - 49. Weekly Report retrieved in 21.12.2012

Table.4 Profiles of interviewed women

Name	Age	Place of birth	Job	Marital Status	Number of children	Husband's Job	Average Household Income	House Ownership	Years
Banu	37	Ankara	Milliner	Married	3	Maker of Furniture	2000 TL (Husband's 1300 TL)	Rented	1.5 +
Yıldız	31	Kırşehir Kaman	Coiffeur	Married	3	Coiffeur	2000 – 3000 TL	Rented	2
Nihal	30	Ankara	Coiffeur	Married	1	Coiffeur	3000 TL	Rented	5
Semra	31	Ankara	Ready-made seller (textile)	Married	1	Freelance	2000 TL	Rented	3
Gülcan	36	Kırşehir Çiçekdağ	Ready-made seller (textile)	Married	2	Driver	1500 TL	Owner	3 Months
Tülay	41	Ankara	Marketing staff (cleaning products)	Married	3	Unemployed	1500 TL	Rented	8 Months
Yasemin	30	Ankara	Marketing staff (cleaning products)	Married	2	Freelance	2000 TL	Owner	5
Hamide	34	Yozgat Darıcı Köyü	Marketing staff (underwear)	Married	2	Carpenter	1200 TL	Rented	1,5
Sabiha	37	Kırıkkale	Handiwork	Married	1	Public servant	Summer 3000-3500TL Winter 1500-2000 TL	Rented	3
-	36	Ankara	Handiwork, marketing	Married	2	Unemployed	1000 TL	Rented	6 months
Firdevs	25	Ankara	Marketing	Married	2	Transporter	2500 TL	Rented	3

Table.4 Continued

Yasemin	29	Ankara	Marketing	Married	2	Freelance	2000TL	Rented	2
Şengül	34	Çorum	Handiwork	Married	3	Freelance	1000TL	Rented	2

The interviewed women live in Mamak-Altındağ and Sincan districts of Ankara. From a socio-economic point of view these two districts are both located in the lower ranks. The TGMP staff explains this situation as follows;

As our corporate policy, we determine the districts where the most in need are located. For example Mamak district might be an example for Ankara and after the determination of the district a field study is being started to identify the poorest of the poor and explain to them what microcredit is.

The main objective of the microcredit system is to reach the poorest of the poor. However, the respondents are not the poorest of the poor. The great majority of the women have worked in various jobs before. In addition, except two cases, all the women's husbands are also working. TGMP declared that they reach the poorest of the poor through their field research. But as far as their living and working conditions were observed and based on women's stories it is clear that the respondents are not the poorest of the poor.

All interviewed women are aged 25-41 and married with children. The great majority graduated from the primary school, and some left the primary school. Except their participation in some courses by their own means, they were not educated in the areas relevant to their own business. Before they were accepted as microcredit clients, women attended an informative seminar that lasted for three days. Previously it used to be seven days, but due to TGMP's limited resources, the number of the days was reduced to three. In addition to this, though TGMP does not provide direct training to the beneficiaries, it acts in cooperation with governorships, municipalities and relevant organizations about vocational training. For example, if a training opportunity occurs, TGMP will contact the relevant branch and will guide its

members for training. It is crucial that despite their low levels of education, women pay close attention to their children's education.

Given the relatively young age of the women interviewed, their youth may be an indicator of economic distress at an early age; women are becoming more mindful of the importance of taking concrete steps to gain their economic independence (Baltaci, 2011). Husbands of the women except two of them are working. Six of the women respondents are shop owners or tenants, seven women are working from their homes, and only one woman has two salaried staff in her shop. The great majority of the women's businesses are in an informal sector and they are participating in the same branches of the production process. Simojoki (2003) explains this situation as follows;

In the same small areas of a city numerous entrepreneurs are producing/selling the same items ... a reason for the lack of specialization is that women have limited options because of the availability and price of raw materials. Besides their skills are often limited to ones that are learned in domestic duties.

It is noticed that respondent women have generally started with 700-800TL. Nine of them were offered entrepreneur microcredit. The interviewed women can be divided into two groups. The majority of them held several jobs before receiving microcredit but expanded their business with the help of microcredit. The rest of them have started a business with microcredit.

Respondent women, who have worked before receiving microcredit, held various jobs such as textiles, handiworks, marketing and sales. Based on the findings, it is observed that women are not being employed by third parties. But rather that, with the help of microcredit women generate income through self-employment. Some of the interviewed women are working and producing from home and the rest of them are shop owners. As a marketing strategy some women prefer to hand-out leaflets. Moreover, weekly meetings are suitable places for women to promote their products. The great majority of the respondent women reach their customers through these meetings or through friends of women who learn about the products in these weekly

meetings. By this way, buyer and seller women are brought together. Shop owner micro entrepreneur women stated that they have opened their shops with the help of the loans that they have received from their relatives and friends.

Firdevs, 25 years old, marketing, stated that;

Previously, I had had a tailor shop. A friend of mine was selling his/her shop. I had worked there until the shop was sold. I had got the sewing machine from another friend of mine. So I had started to work without any capital. Later on, I had rented another shop and had bought my own machines. Subsequently, I started marketing cosmetics business and microcredit was the capital of this business.

Yıldız, 31 years old, coiffeur, mentioned that;

I had money about 500 Turkish Liras. I gave it as rental and I both lived and worked in the same place. I got coiffeur materials with microcredit. With its economic relief some modifications took place in my shop.

Most of the women were informed about microcredit opportunities through their relatives and friends. One of them, who left the university after her 3rd year, learned microcredit via the internet and another heard about microcredit from the TGMP office while applying for another job.

Again the great majority of the women used their first microcredit to purchase goods and materials and a few used their microcredit by combining with other resources to open their shops.

In general, women were aware of both positive and negative aspects as to microcredit. Lack of bonds and bondsman, the ease of accessing a high amount of money, weekly and relatively small repayment amounts, and weekly meetings are reasons why women prefer to apply for microcredit.

Hamide, 34 years old, marketing stated that;

Weekly payments, the amounts are small; staff comes and takes the payment from our house. The amount of the loan is suitable for us. For example; my first loan was 500TL and I used it as capital to purchase goods. The amount of our weekly payments is 10-15TL and it does not generate a pressure on us.

In addition to these the number of the people around me increased and it contributes to my household in economic manners.

On the other hand, the negative aspects of microcredit range from forming a group to the amounts of the loans and the payment schedule. Interestingly, the last reason given, payment schedule, is also accepted by many women as a positive aspect of microcredit. This situation can be explained by how much time members spent in microcredit implementation and their achievements through microcredit. Women who spent more than 3 years in microcredit and reached a certain level in their business declared that microcredit is not enough anymore.

Firdevs, 25 years old, marketing, mentioned that;

Microcredit is a great opportunity for housewives especially the ones who need money but are not able to work outside of the house. At the beginning the amount of the money is very high but now I have a good income even I can pay the total amount of the microcredit with money that I earned in a week. My only complaint about microcredit is that the amount is not enough for us. 500-700TL is only a support for us. It will be better if the amount is increased for the ones who expand their business and declare higher monthly incomes.

Leaving aside the negative and positive aspects of microcredit, all the women expressed their satisfaction from working and generating income through the support of microcredit.

5.1.3 Economic Life

Accession of women to loans by microcredit can be adapted to development discourse. For instance, WID gives importance to the integration of women in the economy and inclusion of women in the development process. Microcredit may lead women to participate in productive activities and increase low-income women's consuming capacity. To sum up, microcredit may help the integration of women into the economy and the development process through their productive and consumer roles. Obtaining microcredit would increase the income of the recipients while enabling them to widen their activity and to increase the quantity of the goods they sell (Nader, 2007).

5.1.3.1 Participation in Self-Employment

Within the scope of this study, it is observed that while microcredit gives some women the opportunity to start a new business, some women benefited from microcredit by expanding their existing business. The ones who are starting a new business used microcredit as their initial capital. Some of them expressed that without microcredit they could not be able to do this business.

Hamide, 34 years old, marketing, stated that;

It was not possible to live only with my husband's earning. I should contribute to the household in economic manners. But without the help of microcredit I was not able to do this business because I have a wish but I am out of capital.

Tülay, 41 years old ready-made seller, interpreted that;

I could not do this business without the contribution of microcredit. I left the job of cleaning because of my health problem so I was not able to find any capital to start this business.

In addition to these, some women could do their business even if there had not been an option like microcredit. Despite this fact, it would probably be hard to do such a business without the economic contribution of microcredit. Data show that women prefer to work in areas that are closely connected to the traditional cultural connections that they have obtained from childhood, rather than to work in areas that are more geared towards the market (Açıkalın, 2010). A consistent criticism about microcredit clients is that the women generally do similar and ordinary jobs. However, it should be kept in mind that women's businesses are compatible with their environment. Women's living environment and cultural and traditional structures are conducive to these kinds of jobs. This, alone, is not the problem of women or cannot be solved with the help of microcredit alleviation tools. There should be innovations and transformations in economic structures and the labor market. Otherwise, women will continue to do businesses which may be limited by their cultural and traditional structures. Most of the respondents are closely related with handicrafts from younger ages. They share similar cultural and traditional structures, and therefore know each other's needs better.

Hamide, 34 years old, marketing stated that;

Women who live in this neighborhood are generally shy about buying underwear from outside. Meetings like weekly meetings are very suitable places for women to buy products like underwear.

One of the expected results of microcredit is to reduce economic dependency of women on husbands and to help enhance individual autonomy. All the women expressed an increase in their income levels after microcredit.

Banu, 37 years old, milliner, states that:

My daily life did not change much. Microcredit contributes to my life only in economic manners.

Gülcan, 36 years old, ready-made seller, mentions:

I spent my day from morning till night at work. There is not any difference in my life with microcredit except an increase in our household income.

5.1.3.2 Sustainability and Economic Security

The above-mentioned indicators are important, but not sufficient to demonstrate total economic improvement to save women from poverty. At this point sustainability gains importance. An increase in the income would not have a sustainable impact on women unless the assets they possess increase to allow them a higher level and a more autonomous investment (Nader, 2007). New members have some anxiety about this sustainability issue. But members who spent 2 or more years in microcredit believe that they can work on their job as they wish from now on. Sustainability and economic security have some similarities. Economic security means to live without any economic contribution from the rest of the household. Similar to sustainability, women who are at the beginning of their career have some doubts. But more experienced ones have expressed that they can live without any economic help from their family.

Repayment and accumulated savings are other indicators of economic well-being. Problems in the repayment process are an indicator of the ineffectiveness of

women's work or vice versa. In general, women do not face any problems in repayment process. Staff at TGMP office also confirmed this issue, according to her the success rate of repayment is 100%.

Nihal, 30 years old, coiffeur, mentions that;

I have not had any problem in pay back. Weekly payments in small amounts are convenient for us. The repayment day and time are regular. There is a mutual trust relationship between us and the microcredit office.

Sabiha, 37 years old, handiwork,

I am now paying a very high amount of money. Every week I pay 170TL but even that amount does not urge me. I am a supporter of paying in small amounts. Moreover why would I pay immediately? I can invest that money in a different way.

There is general consensus that facilitating savings is important, because there is a high demand for it among the poorest and because savings play a role in protecting against the seasonality of cash-flows and fulfills an insurance function (Morduch et al, 2002). Women's savings includes the money in their moneybox, in their mattress saving and all the other physical assets. Even a small amount of it demonstrates an increase in women's economic well-being. An increase in women's economic well-being, which is one of the pillars of microcredit, also means an increase in the economic well-being of the entire household. Yunus (2007), explains that fact as follows;

Observing the actual behavior of people we lent money to, we soon found that giving credit to poor women brings more benefits to a family than giving it to men. ...women make money; they bring benefits to the whole family particularly the children.

Savings are generally associated with the duration of the membership in a microcredit program. Similarly with sustainability and economic security, women who have spent longer times in microcredit membership tend to build up savings better.

Hamide, 34 years old, marketing stated that;

I am trying to save some money for my son's education and if there is more, for the needs of our house.

Yıldız, 31 years old, coiffeur, mentioned that;

Of course I am saving some money to spend in the future for my children, home and my shop.

The most direct effect of the Grameen Bank has been on the accumulation of capital by the poor (Hossain 1988, Wright, 1999). Evidence proves that the long-term usage of microcredit often generates income for women or increases the level of women's income and also reduces the vulnerability of women while decreasing their dependency on their families.

Microcredit has some strong critics. Academicians and researchers who are criticizing microcredit claim that the achievements of microcredit are mainly quantitative such as household income and changes in consumption trends, but these are insufficient for solving other economic and social problems related to poverty. Critics argue that the real problems are more profound and require fundamental structural changes in socio-economic conditions (Buckley, 1997). On the other hand, microfinance institutions (MFIs) will find themselves successful if they reach many people and if the program is efficient, effective and sustainable. These criteria are again totally quantitative and show only the success in a limited side of the program.

5.1.4 Social Life and Participation in Decision-making

Through GAD perspective, which is a critical approach to WID, gathering a better economic status alone is not enough. Microcredit is expected to create broader effects such as participation in social life, freedom of mobility, transformation of the existing unequal power relations, and participation in decision-making etc. which do not exist among women in poverty. Running a successful business not only contributes to women's improved welfare but it contributes both directly and indirectly to their empowerment (Cheston and Khun, 2002). It is accepted that through supporting women's economic participation, microcredit empowers women, thereby promotes gender-equity and improves household well-being. According to Mayoux (2000), a combination of women's increased economic activity and control

over income resulting from access to micro-finance improved women's skills, mobility, and access to knowledge and support networks.²⁴

5.1.4.1 Distribution of Household Responsibilities

The access to financial instruments may increase household income while considerably increasing women's workloads, which may also decrease the time that women spend in their social life. Moreover time spent in savings and credit meetings automatically decrease women's time for other social and political activities (Mayoux, 2000).

Firdevs, 25 years old, marketing stated that:

While my job did not take that much time, I and my friends came together at my home drank tea, coffee and had an enjoyable time. But now I do not have any chance to see them, I miss them so much.

Sabiha, 37 years old, handiwork shop owner said that:

Every time, even in my dreams I think about my job. The biggest difference is that my husband and I are going to the bakery for breakfast every day.

It is expected that empowerment of women through microcredit implementation will transform the traditional gender roles firstly on a micro basis which is their household relations. But one of the most difficult challenges that many women face is balancing between their increasing business responsibilities and their household responsibilities (Cheston and Khun, 2002). Women's daily working hours are not determined so they work long hours to fulfill their responsibilities both at home and at work. Sadly, husbands do not often support their wives in the division of labor at home.

Firdevs, 25 years old, marketing declared that;

My husband does not help me at home. There is no such thing like solidarity or cooperation. Everyone still has the same mission, woman does the woman stuff and man does the man stuff. Because of this reason I work extremely hard so I get tired. There is a perception that I always sit at home without doing anything all day long.

²⁴ Accessed through: http://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_117993.pdf

Sabiha, 37 years old, handiwork shop owner stated that;

Now I work more and longer than before. My husband also realizes that and he is not happy with that. He is a little bit reckless he comes from job at 5 pm before this business when I was at home I prepared some food for him. But now he goes home and probably finds nothing. Sometimes he comes to my shop after work but my shop is always crowded so he feels uncomfortable.

As mentioned above, with both working responsibilities and household responsibilities, women's workloads have increased. Moreover, according to findings, women's traditional responsibilities do not decrease after their self-employment. In short, this situation results with women's double exploitation. The cause of the problem is the traditional gender roles and this reality is not unique for women from low socio-economic levels. Women who are from higher income and educational levels also live in similar situations. Higher income and educational levels do not necessarily mean the transformation of the traditional gender roles. However, with the help of higher income levels, these women transfer their household responsibilities to other women. Consequently, higher income women do not typically experience double exploitation.

However, according to Naile Kabeer, the majority of women, who experienced an increased workload, were still happy and felt that the benefits outweighed the cost of participation (Cheston and Khun, 2002). Respondents also support the same idea.

At this point the effects of women's increased workload and responsibilities on their children should be kept in mind. The majority of women declared that their husbands sensed their increased workload both at home and at work despite the fact that husbands preferred not to help at home. Because of necessity, women are forced to share the household duties with their children. Women spend more time on their professional life and this transfers their responsibility for household duties to children.

Banu, 37 years old, milliner, said that;

Of course my workload has increased after microcredit. At the same time my responsibilities both at home and at work has expanded. At first it forced us a little bit but in time all the family members get used to it. Of course my husband does not help any duty of our house but I have 2 girls they help me a lot at home.

Yasemin, 30 years old, marketing, mentioned that;

Since the full responsibility of the household duties belongs to me my total workload has increased. My husband is aware of the difference but most of the time he pretend like he does not aware of it. Thereby I and my son usually share the household responsibilities.

Based on these findings, the children of the interviewed women have met with some new responsibilities at their early ages due to their mother's participation to working life. This situation should be analyzed as an indirect effect of microcredit on children. Distribution of the household responsibilities reveals that women generally define their self-worth through their families. This can be explained as the instrumentalization of women. One of the most important pillars of microcredit is that women's well-being should sustain the well-being of entire households. According to data, there is an increase in household income after microcredit. However, instrumentalization of women and women's double exploitation are two other negative aspects of this system.

5.1.4.2 Participation in Decision-Making Processes

The capability of all citizens to determine their decisions is indeed an indicator of social inclusion. The ability of women to take part in the decision making process is one of the most important factors in strengthening social inclusion and can have important effects on their current as well as future lives. (Açıkalın, 2010). As Batliwala points out, many feminists recognize that poor men are also as powerless as poor women in access to material resources in the public domain but remain privileged within the patriarchal structures of the family (Batliwala, 1994, Kabeer, 1999, Baltacı, 2011). The biggest cultural constraint on women's empowerment through microfinance (microcredit) is the culture of patriarchy pervasive throughout

Asia. The key question here is whether women's access to credit automatically translates into empowerment in terms of impact on decision making (Kulkarni, 2011). Under this subject mainly, decisions like children's education and health, general consumption expenditures of the households will be analyzed with respect to their transformation after microcredit. The main trend is that couples are still making the decisions jointly.

Gülcan, 36 years old states that:

We make decision about our household jointly. It was the same before microcredit.

Semra, 31 years old says that:

It was the same case in the past. My husband and I make decisions jointly in consultation with each other.

Yıldız, 31 years old states that:

Decisions are made jointly. We were decided together when I was becoming a microcredit client. We went to my friend who recommended microcredit to me, talked, thought whether I could pay nor not.

Those who make the decisions by themselves were not affected by microcredit. They have also made decisions which are related to their household in the past. Similarly those husbands who were responsible for the decision making previously are still making the decisions that related to the household.

Banu, 37 years old, milliner, stated that;

My husband makes the final decisions; we do that what he says. So I have not any objection to my husband's decisions. This was also the case before. I do not let my husband say anything twice.

Firdevs, 25 years old, coiffeur mentioned that;

Decisions about health, education and consumption expenditures are made by me. My husband is only an object in our house. He comes to our house two times a week and that's all.

Tülay, 41 years old said that;

I usually ask to my husband but the last authority to decide in the house is me. So I decide. The situation was the same before microcredit. It did not change.

To conclude, according to the women interviewed, microcredit has no sharp and direct reflection on women's decision making process in terms of issues related to the household. But to some extent, accession to loans and income generating activities affect the bargaining position and power of the women within the household. Moreover women have started to play a more important and strategic role in decision-making than before (Baltacı, 2011).

On the other hand, all the women who were interviewed stated that they are responsible for the decision making process of their own businesses. While this positively contributes to women's empowerment, this may be a way for the husband to avoid responsibility in the event of the women's business failure. Husbands, who are not involved in the decision making process of their wives' business, may leave them alone with the potential debt arising from her failure. Moreover they tend to not appreciate their wife's success.

Sabiha, 37 years old, handiwork mentioned that;

If a woman becomes unsuccessful, they will say that "we knew that she was not able to do this business" but if a woman becomes successful, they will probably not appreciate her.

5.1.4.3 Geographical Mobility

Another important variable of empowerment and poverty reduction is freedom of geographical mobility. Freedom of geographical mobility covers the frequency of women's social interactions both inside and outside of their neighborhood. It is accepted that poor women generally spend most of their time inside the house. Her relatives, neighbors and friends from the same or close neighborhoods comprise her total social interactions. In addition, activities that occur in hospitals, banks, markets etc. are generally done by the women's husbands. Based on these findings, it is expected that women's participation in employment will expand their freedom of

geographical mobility. But according to Kulkarni (2011), women's mobility increases in terms of income-generating activities, while the social stigma of women's geographical mobility remains.

Yıldız, 31 years old, coiffeur stated that;

I used to visit my friends and relatives but now I cannot visit them very often. For example my mother and sisters and brothers live in another province so I can visit them only once a year. If my friends are concerned, I can allocate time to only the intimate ones. Tuesday is the only off day for me and in Tuesday I can only deal with the stuff like cooking, washing, cleaning of the house etc.

Hamide, 34 years old, marketing mentioned that;

Once, I could not go out very often. But now I'm outside of the house almost every day to deliver the offers or to purchase some goods etc.

Sabiha, 37 years old, handiwork declared that;

I have no time to visit friends and relatives. My mother comes and visits me although she lives closer to me.

Interviewed women declare that they have to some extent freedom of geographical mobility. But there is no direct evidence that women's freedom of geographical mobility in a social sense improved after microcredit implementation. The nature of the women's businesses also affects their geographical mobility. On the one hand, shop keepers spend most of their times in shops and generally socialize with their customers. On the other hand, women working in informal sectors like marketing, handiwork, etc. spend most of their time in the streets and have a chance to socialize with different people from different socio-economic backgrounds. But it should be emphasized that all the socialization events are related with the women's business activities. According to Cheston and Khun (2002) women's geographical mobility has increased but only as related to income generating activities. There is no noticeable change in traditional gender relations and socially prescribed roles and norms particularly at the level of household (Cheston and Khun, 2002) as was previously observed through women's expanded responsibilities and increased workload.

Beside this, almost all of the interviewed women see weekly meetings as a place of socialization. According to them, these weekly meetings are beneficial. Besides its socialization contributions, these meetings also help women to expand their circle of acquaintances, meet new people, learn something new, exchange information about their businesses etc. However, the participants of these meetings come from the same district and most probably share the same socio-economic origins, so would not likely broaden their horizon.

5.1.5 Psychological Life

This section analyzes microcredit's effects on feelings like self-esteem and self-confidence, women's feelings, and whether women's positions in society have changed.

Central to the psychological and psycho-social processes is the development of psychological elements like self-confidence, self-esteem, self-respect and self-worth; being able to interact and influence things with the expectation of receiving respect from others and the right to receive this respect (Weide et al, 2007).

Because of the attributes of "learned helplessness" many women, particularly those in low-income households, develop low levels of self-esteem. Thus the psychological dimension of empowerment involves providing the conditions in which self-confidence and self-esteem can develop. (Stromquist 1995, 14-15, Simojoki, 2003)

As mentioned previously, microcredit affects women differently, offering some women the opportunity to start a new business or others a chance to expand an existing one. Despite this difference it is noticed that all the interviewed women agreed that microcredit brought courage, self-esteem and self-confidence and also improved their self-worthiness. To gain these feelings is perhaps the one of the most important outputs of microcredit for women.

Banu, 37 years old, milliner mentions that;

I gained self-confidence. Previously I have been wondering whether my husband would leave money to me or not. But now that is no longer a concern for me. I have my own money. I have the freedom to meet my needs.

Nihal, 30 years old, coiffeur states that;

Now I am able to pay my credit, and I can say that I am successful, I trust myself.

Sabiha, 37 years old, handiwork declares that;

I feel happier than before. Microcredit made me more robust to stand alone. Even people like you, come here to interview us, and make me motivated, because it is a determinant of my success. This gives me self-esteem and self-confidence.

Leadership skills, self-confidence and solidarity play an important role in changing women's role in the community, and women's economic success plays an important role in shaping the community's perception of them as well. They have become quite well known for their businesses. Several microfinance and microenterprise support programs have observed improvements in women's status in their communities (Cheston and Khun, 2002). Women's opinions are becoming more visible and precise with their contributions to the household. Previously women's traditional occupations like handiworks, needlecrafts etc. were considered insignificant, but when women started to generate income from these activities their status improved. Because women are traditionally responsible for providing food, clothing, children's allowances (pocket money) cooking and cleaning supplies, a woman's little money to cover household expenses will not necessarily earn her more respect in her husband's eyes. If, however, she earns enough to help cover typically male expenditures like school fees, rent, furniture, and transport, her decision-making power often increases greatly (Cheston and Khun, 2002).

Sabiha, 37 years old, handiwork mentions that;

In our community women are in a secondary position. But now when I go somewhere with my husband's family I can clearly explain what my business is. I successfully positioned myself into the community. Most of the shopkeepers only deal with their business but in my shop instead of this I

communicate with people, even have a heart to heart talk. People call out my shop's name instead of my real name. Even though the shops near me describe their places as "our place is near the Gül Çeyiz".

Moreover, respondent women expressed that through microcredit they have experienced different things ranging from documentary film shooting to travelling by plane. Their participation in this documentary film has motivated them, because this film declares that "they are the selected ones because of their success in business life". As another social activity some women have attended meetings with parliamentarians and authorized people from abroad. It is obvious that, women's opinions and ideas were valued by the parliamentarians and other participants of these meetings. It is clear that these kind activities affect women's psychological life positively, through these events; women may gain self-confidence and self-esteem.

Every microcredit client pays their loans back in a long repayment time that is 46 weeks. At this point, scholars are divided into two. Some of them claim that the existence of the group system reduces the pressure of repayment on women. But the rest argue that microcredit may lead to new pressure and stress for women. Principally microcredit clients should repay the loan with its quite high interest rate of 15%. Furthermore, microcredit literature prefers to call it "service charge" instead of "interest rate". The repayment level is criticized as a questionable criterion for assessing empowerment. The emphasis on cost efficiency and financial sustainability in terms of repayment level may diminish the potential of micro-finance to contribute to women's empowerment. Women may finance repayment by borrowing elsewhere and thereby get seriously further into debt. The emphasis also weakens the situation of the poor who have the most severe problems with repayments. Setting up an enterprise may cause little increase in income while imposing considerably heavier workload and repayment pressures (Mayoux, 1997, Simojoki, 2003). Moreover, microcredit is generally seen as a last resort for the respondents and if they are not able to pay the loan back they will not benefit from microcredit. These are additional pressures on women. Critics claim that microcredit might even have disempowering effects and loans sometimes increase tensions within the family. (Mayoux, 1999)

High rates of interests are sometimes another point of criticism. Institutions in this respect maneuver between sustainability and fighting against poverty since it is generally hard to sustain both at the same time.

CHAPTER 6

CONCLUSION

Development does not mean economic growth. The concept should underline economic, social and psychological well-being of the people, especially of the women. Women are crucial in development because gender elimination of inequalities and women's poverty are important indicators of development. New concepts have emerged that realize the importance of women in development discourse. One of these new concepts is feminization of poverty. Feminization of poverty does not mean female-headed households. In order to develop solutions for feminization of poverty first it should be grasped clearly. It has been quantitatively identified that women are exposed to poverty more than men all over the world. However, rather than the numerical values, the qualitative characteristics of poverty and the way women experience poverty are more crucial.

Microcredit is a part of the gender and development initiative. Microfinance (microcredit) programs for women are increasingly seen by development agencies as an effective poverty alleviation intervention with a positive impact on economic growth and a number of social development indicators (Altay, 2007). According to Sebstad (1996), it has been proven that microfinance is an effective poverty alleviation tool by providing the necessary capital to entrepreneurs who are starting a new business and/or expanding their business. It also has some positive effects on social development indicators like household income, children's education, health, participation in decision making and women's empowerment. There is extensive evidence that microfinance has a positive impact on the first Millennium Goal: that the number of people living in extreme poverty (defined as those living on less than \$1 per day) will be reduced by half between 1990 and 2015 (Morduch et al, 2002).

But as stated previously, microcredit's positive effects on economic poverty are not enough to name it a successful singular poverty alleviation tool. Poverty cannot be reduced solely by providing an opportunity to women to generate income, but rather a multi-dimensional approach including social and psychological aspects should be adopted. This study demonstrates that microcredit has helped women to start a business and has put them in a more successful position in their current business.

According to Cheston and Khun (2002);

Women's businesses become more successful in the following ways; an increase in working capital, improved relationships with suppliers and customers, more strategic planning, pricing and diversification and expansion into more profitable lines.

Clearly, this additional source of finance improves the options that are available for women. However, the microcredit office does not necessarily improve women's skills. Women usually gain experience through trial and error. Women should be guided, consulted and receive entrepreneurship training. Most of the credit has been used in areas like handicraft, purchasing and selling clothes, cosmetics and cleaning products (Arikan et al, 2010). It is obvious that women operate in similar fields.

Staff of TGMP declares that;

The loans are usually used in areas like sewing, handicrafts and food production. These areas range from region to region. For example if we look at Eastern Anatolian Region loans are widely used in husbandry but in Ankara the number of the members who use their loans in husbandry is almost zero. As a corporation strategy we prefer not to lead and limit our clients. The ones that we lead to cooking may be not talented in this field. Women know better themselves in what areas they can be successful; therefore we leave the choice to them.

Unfortunately, leaving the choice of investment to women may become an obstacle to women's economic development. It may be more effective if microcredit offices and others in the process offered women business guidance and consulting advice as to how to start a business or what business fields would be best suited to the individual. Another problematic issue is that women, working in the same region, in time develop a solidarity economy among them. Every time they support each other, they prefer to meet their needs through other micro entrepreneurial women rather

than through traditional market mechanisms, which may have a negative impact on the other entrepreneurs in the region or in the related working area. These negative impacts on the other entrepreneurs should be considered and precautions should be taken to reduce them in order to prevent the creation of a new poor.

Another obstacle for business differentiation is that repayments start immediately so this leads women to start a business which can quickly earn money (Adaman et al, 2007). Most probably, they could not use the loans efficiently. According to the TGMP staff, the repayment rates of 100% show the success of the program. But this does not mean that all loans are paid back easily. Throughout the study, while most women declared that to date, they have not faced problems in the repayment process, the pressure of the consequences of not repaying the loan on time, may negatively affect their psychological life. There should be different loan packages designed to meet the needs of women from different socio-economic groups (Ofreneo, 2006, Altay, 2007) and different working areas.

Finally, child care responsibilities compel many women to work from home. This problem may be alleviated by support like nursery or care services.

Some of the respondents stated that they could accumulate some money to use for their children in the future. Thereby, microcredit provides an income growth for the households, but not sufficient to create consistent economic well-being.

Microcredit literature has referred to some instances of men who have used the loans obtained from women, but this study could not confirm such a phenomenon. This may be explained by the control mechanisms that take place strictly and orderly.

Another impact of microcredit on women is an increase in their work load both at work and home. Although women start businesses and achieve parity with men in the working life the distribution of the household responsibilities has not changed and therefore the women have both business and traditional home responsibilities, thereby increasing their total workload. Traditional gender roles maintain their existence within the household so women reduce their social activities in order to

deal with both household and work responsibilities. However, to some extent women's economic contributions to the household have begun to challenge the existing patriarchal structures within the household (Adaman, et al, 2007). As mentioned in 5.1.4, the women's increased workload in some cases were passed on to the children. To understand and overcome this negative actuality, especially on children, training studies should be developed so as to create awareness for the destruction of the roles the women have internalized (Arikan et al, 2010). Naturally, even on a micro level, change in gender roles and the establishment of equality take time. Improvements in economic manners are not enough and TGMP should give importance to the development of women's social identity (Adaman, et al, 2007).

As respondents declared, their main socializing environment is weekly meetings. The women's increasing work load has stolen what leisure time they might have otherwise had, rendering them now socially impoverished. Yet the women's increase in the freedom of mobility related to their business is a positive aspect. Thus, ensuring a sustainable balance between business and social life becomes important.

Access to credit and business training have helped women expand and improve their businesses, leading to increased respect and decision-making power in a number of ways (Cheston and Khun, 2002). Participation in decision-making is one of the crucial indicators of development. Through microcredit, women have discovered their potential and thereafter respondents realized that they should have a say in decisions concerning them.

Weakening of women's economic dependence, increase in their self-confidence and self-esteem, realization of their potential, and hopeful feelings about their future are the positive achievements of microcredit. Through this application women gained a social position that offers work in an income generating job outside the home and allows them to participate in decisions that are made within the household (Altay et al, 2010). All of the respondents expressed their satisfaction for being in a structure like microcredit.

Microcredit can be a successful poverty alleviation from a WID perspective. Through providing financial loans it contributes to women's involvement in income generating activities. However, it is not compatible with a GAD perspective, because it does not provide a transformation in traditional structures in order to sustain development. Within this form microcredit is only a supporting tool for combating poverty. Poverty is a multi-dimensional concept so improvements in women's living conditions are not sufficient. However, microcredit as an independent poverty alleviation tool should not be evaluated as successful or unsuccessful. Microcredit should not be attributed values like good or bad. It should be integrated with other actors and poverty alleviation tools and it should be supported by relevant institutions and policies. Only by this way can microcredit transform many dynamics and structures ranging from micro level to macro level that affect women's status. In order to work effectively in all areas, microcredit institutions should cooperate with other actors in the process namely; government organizations, private sector representatives and related NGOs. Without any reconsideration, microcredit is an incomplete poverty alleviation tool of the 1970s and should be revised in order to adapt itself to the improvements in development discourse. Moreover staff at microcredit institutions should consider women's ideas and opinions in order to meet their needs more effectively and improve microcredit strategies.

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APPENDICES

A. QUESTIONNAIRE

General Information

1. What is your level of education?
2. How old are you?
3. What is your place of birth?
4. What is your marital status? If married, how did you get married?
5. Do you have kids? If yes, how many boys and girls? What are their ages? Who is taking care of them? What are their levels of education?
6. If you are married, is your husband working? What is his occupation?
7. What is your weekly/monthly income for your house?
8. Are you the owner of your current house or are you the tenant? How many people are living there?
9. What are your hobbies?

Working Area

10. Have you ever worked? Where? At what types of jobs?
11. Could you describe your current job?
12. Did you get any training for this job? Did you get your training from a school or from a vocational training course?
13. Why did you choose this job?
14. How many years have you been working at this job?
15. How did you start your current job? With which capital? Did you get any loan? If so, from where and how?
16. Are you the self-owner of this job? If not, is this a family job or a partnership?
17. Who are your customers? How have you reached your customers and/or the market?
18. Do you have a store? If not; are you working from home?
19. Have you ever taken out a loan before? If not; Why?
20. (If loan had been taken) Have you encountered any problems? What kind of problems?

Microcredit-Repayment

21. What is your opinion about the term microcredit?
22. Where/from whom/ how did you hear about the microcredit opportunity?
23. Why did you think applying for microcredit is convenient?
24. How long have you been using microcredit?
25. How was the usage of the credit that you have received (business establishment, expanding business, promotion, staff expenses etc.)

26. (If other microcredit was received) How did you use those credits? (Business establishment, expanding business, promotion, and staff expenses etc.) What kinds?
27. Who decided which job you would use the credits you have received?
28. If you had not received microcredit, could you still be able to work at this job? If you had not received microcredit, what kind of differences would have occurred?
29. Besides the usage of credits, have you ever attended any occupational training/course? Which one? Do you feel this kind of training is needed?
30. Have you started repayment of the credit you have received?
31. Are you facing any kind of difficulties during the repayment?
32. After the repayments of the credits with interest, can you make any savings?
33. If yes, how do you spend this money?
34. Does your family/husband know about your savings?
35. If your family/husband knows about the savings, would he/they want(s) to have access to this money? Would you support your in-laws with this money?

Opinions about Microcredit

36. What have you heard about microcredit from other people? Are they positive or negative?
37. Do you consider yourself happy and lucky to be a microcredit receiver? Have you recommended microcredit to other people?
38. How did your husband/neighborhood/children respond when you received microcredit?
39. Do you have any idea about why microcredit is given to you? Is it better that you received the microcredit instead of your husband? Or otherwise?

Social Inclusion – Participation in Decision-making processes

40. Explain how your days passed after you started receiving microcredit? What do you do differently in your life than before receiving microcredit?
41. Who makes the decisions at home? How was this situation before the microcredit? How is it now?
42. Do you think you have economic contributions to your family, now that you have microcredit? What does your family think about this?
43. Do you think your job could provide you an opportunity to live without economic support from other family members?
44. Do you make decisions about your job on your own?
45. Who makes the decisions about the expenses at home? Health, education, food, buying households etc. How was the situation before the microcredit? How is it now?
46. Do you go to hospital, bank, shopping on your own? How was the situation before the microcredit? How is it now?

47. Do you visit your friends and relatives on your own? How often? How far do they live? How was the situation before the microcredit? How is it now?
48. How many times do you go out of your neighborhood in a week? Where do you go when you go out? How was the situation before the microcredit? How is it now?
49. Do you see yourself in a different position in your family and society after you became a microcredit client?
50. Do you take a role in any women group or other social, political, interdependence society? If yes; how long? What is your duty there?
51. Explain briefly what kinds of differences occurred after you have established your work with the help of microcredit? Are you more self-confident now? What kind of differences about your position in family and society has occurred?
52. Are you going to continue using microcredit? What are your future plans?
53. Do you feel like you can work at your job as you wish from now on?
54. Do you think your daily work load has increased with microcredit? Is your husband aware of this? Does he help you at home or work?
55. Has any change occurred in your opinions about microcredit usage? How was the situation before the microcredit? How is it now?
56. Has any change in your opinions about microcredit usage occurred? How was the situation before the microcredit? How is it now?
 - About women participating working life? Positive or negative?
 - About the participation of women in political life? Positive or negative
 - About domestic violence? What are the reasons? Could there be right reasons?
 - About the division of work at home? Do you believe that men should be a priority in the home and their opinions matter more than the women's?
 - About divorce and women living without depending on anyone. Positive or negative?
 - In your neighborhood; what is thought about working women? What is your opinion? Has your opinion changed with microcredit

Microcredit Feedback

57. How often have microcredit meetings been held on?
58. Did you participate? Do the meetings provide any help?
59. Has an inspection been made? If yes; what kind?

B. TEZ FOTOKOPİ İZİN FORMU

ENSTİTÜ

Fen Bilimleri Enstitüsü

☐

Sosyal Bilimler Enstitüsü

☒

Uygulamalı Matematik Enstitüsü

☐

Enformatik Enstitüsü

☐

Deniz Bilimleri Enstitüsü

☐

YAZARIN

Soyadı : Artan

Adı : Cemre

Bölümü : Sosyoloji

TEZİN ADI (İngilizce) : A Sociological Analysis of Microcredit: A Poverty Alleviation Tool for Women or not?

TEZİN TÜRÜ : Yüksek Lisans

☒

Doktora

☐

1. Tezimin tamamı dünya çapında erişime açılsın ve kaynak gösterilmek şartıyla tezimin bir kısmı veya tamamının fotokopisi alınsın. ☒
2. Tezimin tamamı yalnızca Orta Doğu Teknik Üniversitesi kullanıcılarının erişimine açılsın. (Bu seçenekle tezinizin fotokopisi ya da elektronik kopyası Kütüphane aracılığı ile ODTÜ dışına dağıtılmayacaktır.) ☐
3. Tezim bir (1) yıl süreyle erişime kapalı olsun. (Bu seçenekle tezinizin fotokopisi ya da elektronik kopyası Kütüphane aracılığı ile ODTÜ dışına dağıtılmayacaktır.) ☐

Yazarın imzası

Tarih