

The Role of Microcredit in Reducing Female Poverty: An Qualitative Analysis in Eskişehir¹²

Eylül Kabakçı Günay, Ph.D.

Bilecik Şeyh Edebali University
Faculty of Economics and Administrative Sciences
Department of Economics
Bilecik, Turkey

Prof. Dr. Güler Günsoy

Anadolu University
Faculty of Economy
Department of Economics
Eskisehir, Turkey

Abstract

Microcredit is a powerful tool specifically aimed at helping women to get rid of poverty more easily. The aim of this study is to determine whether microcredit application is successful in preventing poverty and to use the example of women who are microcredit users in Eskişehir to determine what kind of changes in their lives are provided by microcredit. The study is based on qualitative study data which belong to 12 female users who are receiving credit from Turkey Grameen Micro Credit Program in Eskişehir. The study's analysis method is qualitative analysis, data collection method is in-depth interview, interview type is semi-structured interview. Descriptive analysis method is used as data analysis method. The research findings show that women's survival from poverty depends not only on taking microcredit as a capital but also many variables like to produce products which has entrepreneurial characteristics by innovative way, their ability to compete with other manufacturers and reach more customers. So microcredit is an efficient way to reduce poverty but it has to be supported with side way like provide bazaars, shops to sell their products or opportunities to learn new production techniques that boost the demand for their products.

Keywords: Poverty, Female Poverty, Microcredit

Introduction

Poverty is an ancient problem although it seems like a new problem in contemporary economic doctrines. In earlier eras, poverty was attributed to the lack of production due to old fashioned traditional production methods which are based entirely on human power and technology was not so advanced. Later, with the industrial revolution, the production methods are improved and bring increase in production efficiency; however poverty are not decreased as expected. In this era capital accumulation is carried out but income distribution is not.

By the way being poor is not a preference. Generally a human does not be a poor person because of not being a talented or incompetent one. Other factors that not be created by human itself like unemployment, economic crisis or inequality of income distribution cause poverty. Every member of society is effected from poverty in a different way; however women are the most effected part of the society. Because defining genders roles brings mostly a disadvantage to women. Especially in conservative societies entering the labor market is not easy for women. Therefore, women are dependent to men as economically. Even though there are many reasons to being a

¹ This work is derived from the first author's master's thesis.

² Summary of this research has been presented during TEK 2012 Turkey 3. International Conference on Economics.

poor person, the most important one is capital lack. Commercial banks have some rules to lend credit to a customer. They ask for income level or assets for guarantee. Thus loans are given to wealthy people.

None of commercial banks give credit to a poor person because he/she does not have a financial guarantee. Therefore, a person who has absolute poverty level has no chance to borrow credit in traditional financial system. However, Muhammed Yunus, an economy professor from Bangladesh in Chittagong University, seems borrowing credit is a human right. Hence, Yunus founded Grameen Bank in 1976. Grameen Bank means "Bank of Pooors". Grameen Bank gives microcredit to poor people without expect any guarantee from them. Only expectation is using the credit as a capital to set up a business.

But Muhammed Yunus observes one thing; "women are more eligible than men to reduce poverty". Because when a woman obtained a capital, they always use this capital to set up a business and to earn money. Also, women are more eager to use this revenue for their own family. For that reason, microcredit is given to only women. Therefore, microcredit plays an important role to prevent women poverty. A poor woman can not borrow any amount of credit from a commercial bank due to lack of her guarantee. But they can run a business with this small amount of credits that we call it as microcredit. Microcredit gives an opportunity to a poor but eager woman to set up her business.

In Turkey, for the first time, microcredit is given by a foundation which name is TİSVA at Diyarbakır in 2003. This microcredit programme name was Turkey Grameen Microcredit Programme. According to year of 2012, TİSVA is continuing its operations with 90 branches across 65 provinces in Turkey.³The objective of this paper is to determine whether microcredit makes any sense (creates any differences) in order to reduce women poverty and hence household poverty. To determine this objective, 12 observation and interview have been had with microcredit user women. In this research, as an analysis method, it was used qualitative analysis. Gathering results were analyzed with descriptive analysis method. Also, we tried to define what kind of effects created by microcredits in economic, social and psychological sides.

1. The Concept of Poverty

There is a lot of different views to make the clear what is poverty. First thing that we have to decide, does poverty having one dimension only (like economical) or more (social, political, etc).

According to United Nation and World Bank poverty is not a problem that has only one dimension. Poverty must be consider as a multi dimensional problem. If poverty must be solved, fighting with only economical problems is not enough to eliminate poverty.

Poverty have 7 dimensions. These are;

1. Tangible Deprivation
2. Physical Weakness
3. Isolation
4. Inability
5. Inadequate Attendance
6. Inadequate Time
7. Environmental Pollution (Chambers; 1994: 18).

If we consider all of these dimensions, poverty can be defined clearly. Therefore, in 1995, United Nation made a definition of poverty: "Poverty has various manifestations, including lack of income and productive resources sufficient to ensure a sustainable livelihood; hunger and malnutrition; ill health; limited or lack of access to education and other basic services; increasing morbidity and mortality from illness; homelessness and inadequate housing; unsafe environments; and social discrimination and exclusion. It is also characterized by lack of participation in decision-making and in civil, social and cultural life. It occurs in all countries - as mass poverty in many developing countries and as pockets of poverty amidst wealth in developed countries" (Report of the 4th World Conference on Women: 1995;18).

2. The Poverty Experience of Female's

Nowadays female poverty is one of the most important problem as a dimension of poverty. The unequal position of women in society and gender-based division of labor leads to their impoverishment and this feminization of poverty leads to the reinforcement of the unequal position of women. Poverty becomes inevitable for women who

³<http://www.israf.org/public/admin/filemanager/uploaded/bilgi-notu2012.pdf> (access date: 22.02.2017)

can not access to economic resources equally with men, not benefit from equal educational opportunities or not being a part of labor force.

For the first time “Female Poverty” is defined in the “4th World Women Conference Action Plan” in 1995. The concept of the feminization of poverty has emerged in the United States firstly as a result of empirical studies that the woman living alone or single parent families (woman and child) are poorer.⁴The reasons for changing the family structure, increasing divorce, increasing the ratio of having non-married children, and taking care of children by women are all used to explain the feminization of poverty. The concept of feminization of poverty has been criticized for analyzing poverty through the demographic process, class positions, ignoring ethnic identity factors, not seeing differences among women, being a woman as a woman, and poverty as well as disregarding the different positions of women (Şener, 2009: 3).

On the other hand, main reasons of the female poverty is exploitation of women labor and secondary position of woman labor force in labor market. Along with globalization, the trend toward cheap labor has increased and women's labor, which is available for exploitation with the aim of achieving the highest profit and lowest cost, has been tried to be used for this need. As a consequence, women are forced to work as unemployed, atypical working practices such as unskilled, uneducated, remote working, part-time working, and in the informal sector with minimum wage or minimum wage, uninsured and unorganized, and are deprived of retirement. It is especially common to go to the clean, go to the child and nursing home, cook at home, take home business, work at home, knitting, lace, embroidery etc. (Albayrak, 2011: 121). This situation, described as the informalization of the workforce, is important to understand women's poverty. The informalization of employment is due to two elements of pressure. First of all, economic competition leads firms to go down in labor costs. Secondly, the government is setting labor standards at the lowest level to attract foreign investment. The informatization process takes place in many formal business sectors. Because women are intensified in the informal sector, this is a big issue for women and poverty (Dinçoflaz, 2009: 63).

Another reason for women not participating in the workforce is that income differences between men and women occur and this situation becomes established. There are daily and monthly wage differences between male and female wages depending on the sectors. Apart from this, there is a difference between women's line of business and men's line of business (Çetin ve Öztürk, 2009: 2678). If we should summarize, generally women labor force are employed in the shadow sector informally. Informal employment happens because of two main things. Firstly, firms have to reduce their labor costs because of the competition. Secondly, government sets the labor force standards to the minimum level to bring foreign investors. Another reason of inadequate participation of the woman to labor force is unequal revenue sharing between genders. Even though they do the same thing and have same qualification, women may earn lower amount of money than men.

⁴<http://www.un.org/womenwatch/daw/beijing/platform/> Access date: 20.02.2017

Table 1: Labor Participation Rates for Females and Males, % of population ages 15+ (modeled ILO estimate) (2016)

Country Name	Gender	
	Female (%)	Male (%)
ArabWorld	22,5	75
East Asia and Pacific (All Income Levels)	61,1	78,2
East Asia and Pacific (Excluding High Income)	62,3	79,1
Euro Area	50,1	62,9
Europe and Central Asia (All Income Levels)	50,7	67
Europe and Central Asia (Excluding High Income)	49,8	70,5
European Union	51	64
Poor Countries with Extra Debt	65,5	81,1
High Income Countries	52,1	68
Latin America and Caribbean (All Income Levels)	52,6	78,4
Latin America and Caribbean (Excluding High Income)	52,8	78,7
Low&Middle Income Countries	48,9	77,9
Countries with Low Income Level	70,2	82,6
Lower Middle Income Countries	37,75	78,5
Middle East and North Africa (All Income Levels)	21,5	74,8
Middle East and North Africa (Excluding High Income)	19,9	73,1
Middle Income Countries	46,9	77,5
North America	56,3	68,5
OECD Members	50,9	68,5
South Asia	29	79,7
Sub-Saharan Africa (All Income Levels)	62,8	76
Sub-Saharan Africa (Excluding High Income)	62,8	76
Upper Middle Income Countries	62	76,5
World	49,5	76,2

Source: <http://databank.worldbank.org/data> Access Date: 05.03.2017

As it is seen in Table 1, labor force participation rate of women is very low compared to men in every aggregate regions but there is an huge differences in Arabic Countries, Europe and Central Asia (All Income Levels), Low and Medium Income Level Countries, Lower Middle Income Countries, Middle East and North Africa and South Asian Countries. At this regions, women have gender roles like motherhood and being a good wife. In this societies being a working woman does not approved by society. In addition at this kind of countries and societies women can not easily enter the formal labor markets. Thus,most of time women can only have to work in informal sectors. Female labor force participation rate is an indicator that shows how women poverty is severe. Because as a woman, not being a part of labor market brings weakness and women are dependent to their husbands or fathers. Women are not only being poor and vulnerable as economical way, but also have emotional, psychological and physical difficulties because of the lackness of revenue.

3. Microcredit and Microfinance As a Solution Offer to Poverty

Microcredit is a powerful instrument that solves poverty problem since 1970. Microcredit is invented due to an assumption that indicate poor people can not find the necessary capital to set up a business. In traditional financial system, a credit customer must have regular salary or some asssets to show guarantee to the bank. But poor people neitherhave a regular salary nor have valuable assets. Thus those poor people have to take their credit from usurer with high rate interest.uohammad Yunus has found that the traditional financial system does not help to solve poverty problem. He has evaluated thatin this system economical development is impossible or very difficult for poor people.According to Yunus, poor people are neither poorer because of their own incompetence nor their ignorance. When these people are provided with necessary facilities, they will be able to make a living without needing anyone.

With this idea, Yunus began to work on a different financial system that would give credit to people who are willing to operate in the business line of their dreams and give promises of repayment. For this purpose, Muhammad Yunus founded the Grameen Bank in 1983 to make it easier for poor people to obtain the capital. He was awarded the Nobel Prize in 2006 for his work (Yunus, 1999: 90-95).

Grameen Bank's credit terms are;

- No financial guarantee is required to receive the loans, it is sufficient for the person to be in the labor supply.
- The loans are given only to women.
- Loan repayment is weekly.
- There is no need for a woman to go outside from house or to be literate to get a loan.
- Micro credit is given only to the poor. To be a member of the micro-credit project, it must be poor enough not to benefit from traditional banking services.
- Groups of five must be established to receive credit.⁵

Also Grameen Trust programme's objective's are like this;

- To support and promote microcredit and social business for poverty alleviation;
- To offer training and technical assistance to national and international organizations to support GB replication initiatives.
- To publish materials aimed at disseminating information about Social Business and Grameen Bank Replication Programs (GBRP) and drawing the attention of all concerned to the deep rooted problems of poverty.
- To build an international network of concerned people and institutions working in the field of poverty alleviation.
- To conduct research and undertake and/or encourage experimentation to find ways to bring about socio-economic changes in the lives of the poor.
- To organize and operate any project or enterprise that will help increase employment, income and management skills of the poor.⁶

The micro-credit system's support for the poorer segments of society, and especially for poor women, provides contribution of a factor which is existed up to this time, but is not considered economically. It is obvious that contribution of women to family income constitutes an important support for the households to get rid of poverty. Indeed, it is argued in the micro-credit literature that encouraging women to create jobs for themselves will not only contribute to the GNP in that country, but will also support an increase in employment opportunities (Çak, 2007: 32).

Poverty reduction can be assessed both from the short term and from the long term perspective. Different studies have been conducted in Bangladesh and elsewhere, showing a close relationship between micro-credit programs and their positive impacts on employment, income growth and social impact (Latifee, 2003: 6).

4. Micro-Credit System in Turkey

Female entrepreneurship and micro-finance issues are becoming more important in countries like Turkey where women's participation in economic activities is very low in certain regions. There are two organizations that implement the microcredit system in Turkey. The first one is KEDV and the other one is TISVA. The program implemented by TISVA is Turkey's leg of micro credit program applied in Bangladesh and it is called Turkey Grameen Microcredit Project (TGMP).

The target group to be able to benefit from TGMP is as follows:

- Poor women living in rural areas with less than 50 acres of land,
- Women in the urban area who have less assets than the equivalent of 50 acres of land value,
- Women with no assets (Okumuş, 2010: 348).

Women who meet these conditions are able to use TGMP credit.

The basic principles of TGMP are:

- TGMP is a financial organization for poor women in particular and contributes to the solution of the capital problem of poor people who want to work in a business.

⁵<http://www.tgmp.net/tr/sayfa/mikrokredi-alma-sureci/126/1> (10.01.2017)

⁶<http://www.grameentrust.org/about-gt/objectives/> (Access date: 12.01.2017)

- Micro-credits are only given to women. The reason for this is that women spend the majority of their income on their families and use them appropriately for granted loans. In this way, it is possible to reach the goal of getting rid of poverty more quickly.
- Unlike traditional banking rules, TGMP does not require any guarantees or guarantors from women for granted micro-credits. The thing is desired that the woman applying for micro-credit is willing to work in any business she wants with her micro-credit.
- A woman who wants to take out a loan does not need to fill in various forms like in the traditional banking system. This ensures that even illiterate women can benefit from micro-credit.

5. Scope and Method

In this study, it was aimed to determine what kind of changes in social and economical aspects of the lives of women who have micro credits in Eskişehir. As a result of these determinations, it will also be discussed whether the micro-credit changes that women lives are at the desired level and the effects of the micro-credit in the literature and the effects in the practice are the equal level. In accordance with this purpose, negotiations were held with the Grameen Micro Credit Project officials which is gathered under the roof of Turkish Foundation for Waste Reduction (TISVA) and Maya officials which is gathered under the roof of the Women's Labor Assessment Foundation (KEDV). These are two institutions providing micro credit in Eskişehir.

As a result of negotiations with the authorities, it was determined that women who have micro credit from TISVA can be reached easily. Face to face interviews were conducted with 12 women who had micro credits from TISVA in Eskişehir. These interviews constitute the scope of the research. 10 out of 12 negotiations were carried out in the micro-credit service, which was allocated by the Odunpazarı Municipality to micro-credit women so that they could sell their products. The other two meetings were conducted by going to the workplaces of the women who had business offices.

In this study, research was qualitative research, data collection method was in-depth interview, interview type was semi-structured interview. Descriptive analysis method was used as data analysis method.

The qualitative research study is based on the following characteristics of the qualitative research approach:

- Visibility by Investigated Persons Eye
- Being Identified
- Situationalization
- Focusing on Multiple Processes Only from Outcomes
- Being Flexible and Unstructured
- Being Data Analysis as an Induction Approach

The method of collecting the data of the researcher is the interview. The reason of why the interview method is preferred is the strengths inherent in the interview method. These are flexibility, response rate, nonverbal behavior, control over the environment, order of questions, instant response, confirmation of data source, completeness and depth of knowledge (Bilim, 2007: 11).

The reasons for carrying out the qualitative study instead of the survey study are;

- To eliminate the risk of giving untrue answers or not responding to questions that are likely to be seen in survey studies.
- To listen to the changes of women who receive micro credit from the first hand in order to get the most reliable informations from them

There are three reasons why Eskişehir is selected. Firstly, Eskişehir Odunpazarı Branch Office has very crowded number of members which is 1380 members. Secondly, it is the 5th biggest TGMP branch office in Turkey when distributed amount of micro credit is considered. Thirdly, in order to conduct the research, reaching to the the officers and micro credit borrower women must be easy. So Eskişehir has the advantage about that.

5.1 Data Analysis Method

In this study, the data obtained with the semi-structured interview technique were analyzed in accordance with the qualitative research approach. As a method of analysis, a descriptive analysis method has been adopted. Descriptive analysis is directly fed or supported by citations. Descriptive analysis, also known as primary level analysis, aims to depict, describe and explain the subject directly.

Descriptive analysis was used when the economic, social and psychological changes experienced by women who took micro credits constituting the subject of our research were examined. In this way, it has been tried not to reach the opinions, feelings, thoughts and suggestions related to the micro credit of women who are the subject.

6. Findings of the study

In the research conducted, firstly, the questions to be asked in order to determine the economic and social changes that women have experienced since taking micro credits was prepared. While asking the planned questions, in the flow of the interview, sometimes the questions were rearranged. Therefore, data could be obtained by rearranged questions than the questions being prepared. For these reasons, this interview was included in the semi-structured interview type. Since the types of questions that each of micro-credit users are likely to be comfortable with are different, semi-structured interview technique was preferred in order to learn more about the subject from the women. In this qualitative study on women who have micro-credits in Eskişehir, it has been tried to determine the economic, social and psychological changes that have occurred in the lives of women after they get loan. Besides, women's thoughts about micro credit programs, complaints and suggestions, observed and reported problems are also included in the study. The study was carried out with 12 women. The findings were obtained according to the nature of the qualitative study and they are valid only for the mentioned women. However, since there is no qualitative work in the literature for micro-credit users in Eskişehir, it is considered that such a study is necessary in terms of increasing the diversity and depth of the study.

As it is seen in Table 2, the age of interviewed women varies between 40 and 60 years. Seven of the women are primary school, 2 are middle school, and 3 are high school graduates. 10 of the women are married, and 2 are single. Single women's husbands died many years ago. When the number of children is examined, it is seen that the number of children changes between 1 and 5. 11 of them have children. Children of women aged between 40 and 43 continue to study, while children of other age groups do not continue to study but they do not need care. Given the social class, women in the lower class are categorized as urban informal workers because they do not have any social insurance because of the jobs they have done (Sungur, 2010: 54). When looking at the professions of the spouses, it is seen that 3 are retired, 4 are working in independent professions, 1 is inoperable, 2 is death, 1 is a worker and 1 is a teacher. The husband of micro credit user 9 is assumed as both retired and curtain worker since he started working at the curtain shop she opened after his retirement.

The 12 micro-credit users interviewed were asked about their reasons for getting the micro-credit. The 12 micro-credit users interviewed were asked about their reasons for getting the micro-credit. 9 of them said they took them to improve their economic situation while the other 3 said they took it because of other reasons such as getting a environment, feeling good psychologically, completing the number of missing persons in the group. While some of the women receive micro credits for economic reasons, they are not primarily interested in this purpose. Users number 4, 6 and 8 stated that deciding to get microcredit is not only for getting rid of poverty but also for other reasons. The benefits of acquiring new people, expanding the circle, and making new friends, which we can call indirect effects of micro-credit, are much more effective in deciding to get micro credits for some women.

Table 2. Demographic information of interviewed women⁷

	Age	Last Graduated School	Marital status	Number of children	Occupation of husband	Whether Any Other Income Has Come Into The House	Numbers of Micro credits Have Taken Before	Average Revenue (Monthly, TL)	Micro-credit Revenue Activity
1	60	primary school	married	5	retired	retired pay of husband	4	500	hand-knitted pullover, baby shoe, cardigan etc., buying and selling of knitwear
2	55	high school	single	0	deceased	retired pay of father's death	5	300	refrigerator magnet, hand-knitted bath fiber, baby shoe, cardigan etc.
3	43	primary school	married	2	incapable of working	none	5	500	needlepoint, towel lace, dowery lace
4	40	secondary school	married	2	worker	husband's salary	4	600	sew dress and skirt
5	56	primary school	single	3	deceased	none	4	500	making noodles, turkish type ravioli, pastry, instant soup
6	50	primary school	married	1	teacher	husband's salary	5	400	hand-knitted scarf, baby shoe, cardigan etc.
7	55	primary school	married	3	self-employment (plumber)	husband's salary	5	500	hand-knitted cardigan, scarf, soap pad
8	53	high school	married	2	retired	husband's salary	3	450	hand-knitted bath fiber, baby cardigan, scarf etc.
9	48	primary school	married	2	retired, self-employment (curtain seller)	retired pay of husband	5	2000	sewing curtain
10	42	high school	married	4	self-employment (shoeblick)	husband's salary	2	600	tea house enterprise
11	40	secondary school	married	2	self-employment (marketing)	husband's salary	6	500	hand-knitted scarf, booties, cardigan etc.
12	43	primary school	married	1	self-employment (driver)	husband's salary	5	400	Homemade bread, turkish type ravioli and honey, eggs, olives, olive oil

⁷The table was created by the author in line with the interviews.

7. Results

In this study, micro-credit which is one of the methods used to reduce the poverty of women, was tested for the first time by qualitative research method. The qualitative research was carried out with 12 women using the credit of TGMP in the Odunpazarı branch of Eskişehir. Each of women has at least second micro credits and active membership.

The results show that the ease of getting micro credits due to the less of procedures to take micro credits facilitated the process of participating in women's economic activities. The women with microcredits who produce and sell products based mostly on hand labor were in a better position economically. It has been found that the amount of income that women earn varies according to the nature of the business they are doing, and it is determined that the revenues from the business branches that maintain their validity and are capital intensive are higher. However, it is not possible to establish a capital-intensive business immediately by using only micro-credit as capital. The amount of credits received can be increased year by year due to the natural structure of micro credit application. For this reason, it is necessary to stay in the micro-credit system for a long time to be able to grow the business. This finding overlaps with the finding that those who are benefiting from long-term micro-credit programs have higher household incomes than those who are benefiting shorter times (Al-Mamun, Hossain, Malarvizhi, Tan, 18: 2012).

However, this finding still does not remove the conclusion that labor is inefficiently spent on less income-generating jobs (such as knitting, handcrafting, etc.) until women who have no base capital increase their loans. This delays the micro-credit's goal of reducing poverty. It has been found that the low income obtained depends not only on the reason for the activity of the micro-credit but also on other reasons originating from the credit evaluating woman. These reasons are;

- *Produced products have similar characteristics with each other, lack of diversification in products exist.*

Another factor that reduces micro-credit users' income is that the products produced are almost identical to each other.

Products such as scarves, shawls and vests produced without the concern of design and diversification are far from competitive with the counterparts sold by companies operating in the garment sector. In addition, these products do not appeal to the younger generation, which may create a significant customer base.

- *Appealing low and medium socio economic segments rather than high socio-economic levels of produced products*

Higher socioeconomic level people expectancies from the products they buy is very different from lower and middle socioeconomic levels. It was observed that the products were unable to meet expectations for customers who are high-educated, urbanized, working because of some reasons. The reasons are;

- The lack of diversity in clothing and other products,
- The inability to compete with the marketed products,
- The lack of official institutions to control whether food products produced by interviewed women are produced in a hygienic environment.
- *Lack of having profession*

One common feature of women with micro-credit, who are attracted attention due to their low income levels, is the lack of their professions. Women who produce products that do not require profound knowledge and skills in production such as knitwear, vests, scarves, ornaments, etc. are not competitive with other sellers. In such products, the income they earn decreases because of the high bargaining power of the customers. It was observed that some of the women who accepted the low level of income in their work did not complain about it and stated that they had lived a life above the poverty line. These women's husbands are working or retired people so they indicate that they are above the poverty line. On the other hand, it was found that women who stated that they were below the poverty line declared that the only source of income was the work they had done with microcredit. In this case, the reduction of poverty, which is the aim of the micro-credit, depends on whether the woman's husband is working or not. As a result of this, it can be concluded that only allow women to finance micro-credit and establish a business is not enough to struggle with poverty. However, when the micro-credit, which is to reduce poverty by increasing the main purpose income level, is not able to fulfill this function at the desired level, it has been seen that women do not make any changes in their workplaces or business segments.

This finding has also shown that women are hesitant to be thrown into new branches of business they do not know, and that the place where they sell is a place where social activities are carried out, rather than just a place where economic activities are carried out, as a support element for women's solidarity. Micro-credit was borne by economic concerns, but after a while the presence of social and psychological added value also began to affect women's decisions to buy and maintain micro-credit.

Another consequence of the study is that Muhammad Yunus's view that giving the credit only to women is more beneficial in reducing poverty is consistent with the obtained data. The 11 women interviewed also stated that they had used their husband or child for the family of the income they had obtained. There is no user who indicates that she uses her income for her personal needs only when she is a family member. In this respect, micro-credit is beneficial not only to the given person but also to the spouse and children of the person. This result is also consistent with the finding that female micro-credit users in Khandker and Pitt (1998) increase household income more than male micro-credit users.

Micro-credit also has positive social and psychological effects on women. Thanks to micro-credit, women who are socialized and expanding in their surroundings feel good from a psychological point of view. The study has shown that changes in attitudes towards their spouses are very important for women. For example, women who have to ask for money from their spouses to buy any necessities have now made it particularly prominent, especially mentioning that they have given their spouses money. Thus, it has been seen that the micro-credit, the economic strength of the user on women, has the effects of improving the family situation. Recognition of new people, environment, etc., which some of the interviewed women have also mentioned, has influenced micro-credit acquisitions. One of these women stated that the cause of microcredit was caused entirely by psychological reasons. These women, who set out for a common cause, are also involved in the troubles of one another and are motivated to overcome all kinds of problems, especially in terms of getting rid of poverty.

Another point that was found in the survey is that some women who receive micro credits do not really need this credit. This may cause micro-credit to become a tool for poverty rather than a tool for women to carry out their hobbies. Although this seems harmless as long as the women who really need them can continue to receive microcredit, it is likely that the microcredit will change the objectives in the literature.

We can imagine some scenarios about micro-credit is not only for the needers. Either the TGMP employees do not strictly enforce the women who apply for micro-loans, or TGMP does not distinguish between poor or middle income, and it is the result of credit distribution. Although it is not possible to give a general answer to this question because the research is a qualitative research, it can be said that the second situation is observed in the group in which the research was conducted.

Finally, micro-credit application is an application that has the promise of promising to reduce poverty and has the power to achieve it in Turkey. However, the goal of combating poverty should not be left to individuals and micro-credit applications but should be considered as complementary to the policies of the state.

8. Suggestions

Poverty is both a political issue in Turkey and in the world. As a result of the neoliberal policies that have been implemented since the 1980s, the intervention areas of the state have been narrowed and the decision mechanism of the people according to their preferences has been ensured. With micro-credit, which offers personal abilities as tools to defeat poverty, individuals are given an individual chance to get rid of poverty. However, micro-credit can not remove the structural causes of poverty except the individual. Therefore, microcredit programme should be seen as a part of the the solution of poverty to combat poverty, which should not be sought only in microcredit. Nevertheless, women who have not received any vocational training before should be directed to vocational training courses. Thus, women who are trained in a profession can pay both their refunds more comfortable and get rid of poverty more quickly. It should also be observed that women in close neighborhoods should be directed to different branches of business. In this respect, it should be ensured that women do not enter into unfair competition.

Given the low amount of micro-credit, high-yielding jobs are prevented. In order for the micro-credit system to function better, the amount of loans must first increase according to the size of the work to be done. Because the capital is so small, almost all of the women operate in similar business lines, and these business lines are often labor-intensive and show low-returning features.

However, as a result of the qualitative analysis, it was seen that women who received micro credits showed positive developments in economic, social and psychological aspects, but these developments were not at desired levels. Especially economically adequate recovery has not been achieved. It is a big problem for women who receive micro credits to earn low income. However, it is not possible to obtain large capital with micro-credit. In this case, the women who will do the same job can come together and create a common business place by combining micro credits they have taken. For example, groups that want to tailor can come together and open a sewing workshop. In this way, the income level of women is increased and it is possible to get rid of poverty more quickly.

In interviews with women who produce and sell food products, it has been observed that the products produced are not under any hygienic control. But these products must be produce under some rules about convenience for health and consuming. Production process must be controlled by the relevant units. Thus, food products can address more customers and can be preferred by high income level households.

Finally, places where women can sell their products should be provided and these sales places should be advertised. If there are concerns about the provision of sales, a website should be created so that women can sell their products in the virtual environment and the products of women who receive micro credits should be sold in Turkey and even worldwide.

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