

The Challenge for Global Women Poverty: Microfinance (or Microcredit) as a Solution for Women Poverty in Turkey

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Poverty is increasing around the world while the world appears to globalize. Even the wealthiest nation has the largest gap between rich and poor compared to other developed nations. In many cases, international politics and various interests have led to a diversion of available resources from domestic needs to western markets.

The fight against poverty is interest in as a social goal and many governments have some dedicated institutions or departments. In general, the government can directly help those in need. However, another method in helping to fight poverty is to use microfinance system. Microfinance tries to fight global poverty and bring opportunities to the world's poorest people. Of course, microfinance approach does not offer sufficient solutions reduce to poverty. Otherwise, with tiny loans and financial services, it helps the poor, mostly women, start businesses and escape poverty. Micro-finance programs targeting women have become a major plank of donor poverty alleviation strategies in the 1990s and funding is set to further increase into the next century under governments, Non-Governmental Organizations (NGO's), some initiatives and donor agencies activities. This study focuses on some solutions for global poverty problem such as mikrofinance approach. In addition, it examines Turkish conditions the aspect of microfinance practices.

Introduction

Economic globalization is exerting more power throughout a few corporations and international financial agencies, and greatly responsible for the women poverty. When women work outside, generally they earn, on average, far less than men do. They are also more likely to work in more unsafe forms of employment in terms of work guarantee, with low wages, little financial security and few or no social benefits. Women not only earn less than men earn but also tend to own fewer assets. Smaller wages and less control over household income constrain their ability to articulate. Gender biases in property and inheritance laws and in other channels of acquiring assets also leave women and children at greater risk of poverty. Finally, the “feminization of poverty” is a phenomenon that is unfortunately rising. Women are increasingly the ones who suffer most from the poverty. In other words, today, women undertake most of jobs with low returns, and this working condition still prevails.

Yet women often have little perception on market economy and entrepreneurship. It is very difficult for these to get the financial resources required to buy equipment etc, since many societies still do not accept, or at least realize, that there is a change in the “traditional” roles of men and women. In such a condition of social myopia, the main task to ease entrepreneurship for women should be undertaken by governments, and microcredit or microfinance that might be initiated by governments and continued by for example commercial banks and some NGO’s on women, can be used as a tool on this aim. Microfinance is a term for the practice of providing financial services, such as microcredit, microsavings or microinsurance to poor people. Microfinance allows poor people to protect, diversify, and increase their sources of income, the essential path out of poverty and hunger. The ability to borrow a small amount of money takes advantage of a business opportunity. Loans, savings, and insurance help smooth out income fluctuations and maintain consumption levels even during lean periods. Various studies both quantitative and qualitative document increases in income and assets and decreases in vulnerability of microfinance clients. Microfinance programs generally target women as clients. The aim of this endeavor is to make women access financial services. Appropriate program design can have a strong, positive effect on women’s empowerment, by giving women more chance about owning more assets, giving a more active role in family decisions, and increasing investment for the future of family well-being.

The Women’s Empowerment Program in Turkey started strongly after 2000’s. In Turkey, it may include urging a woman to work producing or selling some products at her entrepreneur. In general microcredit should help poorest especially women that it tends to reduce economic dependency on her husbands, family and society and thus help enhance self-confidence. This study focuses on some solutions for global poverty problem such as microfinance approach. Also it examines Turkish conditions the aspect of poverty and microfinance practices in nowadays.

Global Women Poverty Problem and Challenge for Poverty with Microfinance System

Poverty is for many categories of poor not simply an economic phenomenon; it is also a social, cultural and psychological phenomenon. Poverty alleviation can be seen not only as increasing the income and assets of households or individuals, but also as enabling or empowering individuals to get themselves out of poverty. When the definition of poverty alleviation involves including social dimensions, there are profound implications for the design of microfinance institutions and

programs for poverty alleviation. It implies a social intermediation and even a confidence-building role for programs.

Global decisions, policies, and practices have influenced by the rich and powerful. These can be leaders of rich countries or other global actors such as multinational corporations, institutions, and influential people. In these new condition, the governments of poor nations and their people are often powerless and unsafely. Poverty is increasing around the world while the world appears to globalize. It is generally accepted that globalization the cause and increase poverty and especially women's poverty. Women constitute the majority of people living in poverty conditions like children and adults.

The international community understands that it is not possible to reduce poverty and reach these goals through donor funds alone. Capital formation within the developing world is also considered necessary therefore; microfinance plays an important role within this process. United Nations declared 2005 as the year of "microcredit". Microfinance is considered an important tool in achieving the Millennium Development Goals of solving (or reduce) poverty in the world by the year 2015. Still, reduced poverty will not be possible through the channeling of external resources alone. A process of capital formation within development countries is considered necessary if the Millennium Goals are to be reached.

Many factors influence the objectives of microfinance (Liljefrost, 2005: 14): ideas of how financial services can be utilized for the sake of poverty reduction, and who should be targeted by microfinance services. Some of these factors are general theories of economic growth and development, referred to in the process of creating poverty reduction strategies. Considering the landscape of microfinance, a variety of actors is involved. There are donors who provide funds, as well as organizations supported by voluntary work and funding. At the local level, there are microfinance providers of different kinds and backgrounds, targeting individuals through a variety of concepts, reaching out to the vulnerable but still economically active poor (ibid).

Microfinance programs generally target women as clients. The aim of this endeavor is to make women access financial services. Appropriate program design can have a strong, positive effect on women's empowerment, by giving women more chance about owning more assets, giving a more active role in family decisions, and increasing investment fort he future of family well-being. Microfinance as an entry point for women is economic, social and political empowerment. It is presently promoted as an almost magic solution for women poverty. Innovative institutions and programs in Asia and Latin America, some operating as long as 40 years, have demonstrated that providing credit and savings services to the poor can be a powerful and efficient tool for poverty alleviation. The poverty alleviation paradigm underlies many NGO integrated poverty-targeted community development programs. Models of microfinance promoted since the mid-1990s by most donor agencies and the Best Practice guidelines promoted in publications by USAID¹, World Bank, UNDP² and many independent researchers.

¹ USAID: The United States Agency for International Development is the U.S. government organization responsible for most non-military foreign aid.

² UNDP: United Nations Development Program that focuses on poverty, crisis, recovery, information and Communication Technology development, communication, energy, environment, HIV, AIDS, women, gender, equity etc.

Microfinance (Or Microcredit) Programs For Women

Microfinance, the practice of giving very small loans to poor people to help them start or expand their businesses, is very trendy in the development community these days. Microfinance 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. Microfinance is provided financial services to the previously disserved group of low-income households that it refers to as the “microfinance revolution” (Swain & Liljefrost, 2005).

Microfinance is increasingly being touted as a miracle cure for poverty. If it is, why is not it more widespread, and how can it be extended? Although microfinance has been around in various forms for thousands of years, its modern incarnation is most closely tied to Mohammed Yunus, the Grameen Bank³ founder. In his autobiography, he described how, as a professor in Bangladesh, he came to understand the importance of finance for the poor. Horrified by the consequences of a recent famine, he left the sheltered walls of the university to find out how the poor made a living (Rajan, 2006).

Microfinance has been proven effective in fighting poverty by providing entrepreneurs with the necessary capital to start and expand their entrepreneurial activities. Microfinance is also associated with a positive impact on social and human development (Sebstad, et al., 1996). For example, impact assessments have found positive changes in microenterprise output, assets, employment and income. In addition to these effects on the entrepreneurial activity of the poor, microfinance is being attributed with positive effects on issues such as household income, savings, children's education, health and nutrition, and women's empowerment.

The Swedish International Development Cooperation Agency (SIDA) contributes with a summary abstract of their microfinance guideline, produced in Kenya in October 2004 (SIDA, 2004). They argue that as microfinance services become more sophisticated and microfinance markets more competitive, microfinance must be seen in a broader context – namely that of the financial system. In order to build an inclusive financial system, it comprises all financial institutions, markets and instruments, the legal and regulatory framework governing the functioning of financial markets, and the public authorities mandated to oversee compliance with regulation. The spectacular growth of the microfinance industry (MFI) has been fuelled not by market forces but by conscious actions of national governments, NGOs, and donors who view microfinance as an effective tool for alleviating poverty. Since much of the impetus behind this large and increasing support for microfinance hinges on the assumption that its economic and social impacts are significant, it needs to be examined more closely.

The Aims of Microfinance System

Microfinance system (or approach) has covered some aims for to challenge poverty especially women poverty problem in all over the world. It focuses on two main aims as follows:

³ Grameen Bank of Bangladesh has emerged as a successful NGO credit program for rural poverty alleviation. It has inspired similar efforts not only in other developing countries, but also in the United States. Human Poverty Index has been introduced in the 1997 Human Development Report of UNDP.

- the aim to reduce poverty especially for women;
- Determine an individual's ability to make use of different financial solutions. Donors have to relate to a framework of political, economical and organizational structures making it necessary to make poverty measurable.

In this case we can ask a question such as “what is the aim of to choose poor women”. More researchers and some central and local government officials and members of the some NGO's accept that the Microfinance system is especially beneficial for women, by

-leading to higher income that will help women to perform their reproductive role as brokers of the health, nutritional, and educational status of other household members,

-increasing women's employment in micro enterprises and in improving the productivity of women's income-generating activities, and

-enhancing their self-confidence and status within the family, they play as independent roles such as producers and providers of valuable cash resource to the household economy.

Microcredit should help poor women in three ways.

- First, by providing independent sources of income outside home, microcredit tends to reduce economic dependency of the women on husbands and thus help enhance autonomy.
- Second, the same independent sources of income together with their exposure to new sets of ideas, values and social support should make these women more assertive of their rights.
- Finally, micro credit programs - by providing control over material resources - should raise women's prestige and status in the eyes of husbands and thereby promote intersperse consultation.

Some Problems of Microfinance

Microfinance system has some problems and difficulties. One of them is to determine of level of poverty and of poor or poorest people in the part of society (urban and rural). Other difficulty is high interest rate level of microcredit. Moreover, it provides some changes between men and women relations. Finally, microfinance approach has some problem to understand clearly. It is meaning that more than credit for the small and micro entrepreneurship.

Microfinance: Designed for the poor or poorest?

We should start to critics to ask some main questions.

Is microfinance as practiced exclusively for the poor?

How many of the poor do they reach?

In addition, what kind of poor?

Some researchers (Kamal, 1998: 32) on microcredit programs claim that it cannot easily reach the poorest people. This raises very serious questions about donor rhetoric and appraisal processes. It is very clear that the poorest women either exclude themselves from credit groups, because they know that they will never be able to meet weekly inflexible repayment rates at 10–15 per cent interest, or group members, for the same reason, exclude them. With 15 per cent of households headed by women in rural Bangladesh, and 25 per cent among the landless, it is remarkable that NGOs are not reporting on this aspect of group membership, and few donors are requiring this type of monitoring. Yet women-headed families are most likely to be among the very poorest in the community (ibid).

However, donors and implementing agencies need to improve the design and monitoring of microfinance programs to ensure that they support the empowerment of women significantly. More reflection and documentation needs on specific program strategies, which assist women to take greater control of decision-making and life choices. Microfinance must also be re-assessed in the light of evidence that the poorest families and the poorest women are not able to access credit.

High Income Rate of Microfinance

Microfinance clients cannot save if most of their business proceeds just go to high interest payments. Obviously, the only way for microfinance clients to grow out of credit dependency is to accumulate savings. If they have savings, they can use these as additional capital to expand their business, and in time, they will be able to graduate from the Microfinance program. However, their attitudes towards interest rates seem to depend on the context. According to the PUNLA/NCRFW (2004), interest rates become an issue in areas where access to credit is no longer a problem, where cheaper credit alternatives are available, and where the economic environment is such that borrowers cannot easily recover the cost of money from their actual or expected income.

There should be different loan packages designed to meet the needs of women from different socioeconomic groups. They should have interest-free loans, group loans, and loans at 5 per cent interest rates, and loans with long grace periods before repayments are due, with women graduating to market rates once they have received enough training and gained enough regular income to be able to repay (Ofreneo, 2006: 12). Donor agencies have a clear obligation to investigate the impact of microfinance on the poorest families, and implementers need to acknowledge that one microfinance package cannot possibly meet the needs of all rural poor (Hulme, 2000: 26-28).

Usually some researchers believe that low level of interest rate of microcredits caused increase in income. Than it caused increase in labour utilization, accumulation of physical and financial capital, build-up of human and social capital means more children in school.

Changes in Gender Relations

Gender awareness starts from recognizing that a project will always affect men and women differently. No intervention is neutral when the players do not start as equals. Even if the project proposes that it treats women equally, the ability of men and women to use and respond to the

services offered will differ in practice. This difference in response may then reinforce existing differences and result in unintended (and usually un-monitored) negative consequences for women.

Table 1: The impact of an intervention can be thought of as follows:

	Expected	Unexpected
Positive	what is planned for and looked for in evaluation	"hoped for" - some may be identified in evaluation but are rarely systematically assessed
Negative	sometimes identified in log frames as constraints or obstacles but rarely evaluated	wish to minimize these, they may be identified but are rarely systematically assessed

Source: Johnson, S., (1997), "Report of a Workshop on Microfinance Schemes: Models for the Empowerment of Women and Poverty Reduction Held by UNDP in Bangladesh", mimeo, ACTIONAID:
<http://staff.bath.ac.uk/hssaj/gender.htm>

It is often the case that a microfinance intervention is found to have some beneficial effects for women that were not envisaged. These "unexpected" but positive effects are applauded and then used to justify the intervention in gender terms. This still does not mean that the program has taken on gender concerns. Gender awareness is a way of working and needs to be systematically incorporated (ibid).

The matrix below combine constraints identified from a wide range of cultural contexts and would need to be systematically worked through for a specific cultural context. Once they have been identified, strategies to address them can be developed.

Table 2: Gender Based Obstacles in Microfinance and Microenterprise

	Individual	Household	Wider community/ national context
Financial	Women lack access to banks/financial services in own right	men's control over cash income men's expenditure patterns	perception of men as controllers of money/loans
Economic	women undertake activities which produce low returns women have a heavy domestic work load	gender division of labour unequal access and control of land, labour and inputs unequal control of joint household produce and income stream from this	women underpaid for equal work women locked in low paid jobs stereotypes of appropriate roles for women in the economy women lack access to markets for inputs and outputs if mobility constrained due

			to social norms
Social/cultural	women not literate or educated; girls education not prioritized	limited role for women in household decision making polygamy results in conflict/competition and discrimination between wives violence towards women	banks and financial institutions do not view women as a potential market women's mobility constrained by social norms
Political/Legal	women lack confidence to claim political/legal rights	women lack legal rights to jointly owned household assets	women's legal rights to household assets not defined in law or useful for collateral women lack political positions to establish appropriate laws women lack legal rights to land both traditional and formal

Source: Johnson, S, Gender and Microfinance Guidelines for Good Practice Centre for Development Studies, University of Bath, <http://staff.bath.ac.uk/hsssaj/gender.htm>

Thus, where men control the main sources of cash income, for example, because they undertake paid employment, if a program offers a woman credit, which she uses to buy household necessities, the husband's income is the most likely source of repayments. The woman's ability to access this is often dependent on the quality of her relationship with him. In this way social norms operate in ways that leave her vulnerable in such a relationship, rather than in one where she has socially sanctioned rights to claim the money for repayment. There are many more such constraints that she might face (ibid).

Hunt and Kasynathan (2002) found on changes in gender relations with microcredit that only a minority of women receiving credit from poverty-oriented microfinance programs are controlling their loans (Hunt & Kasynathan, 2002: 2). According to them many women attitudes such as "post-boxes". They passes on the full amount of their loans directly to their husbands, sons or sons-in-law, with little or no access to the income generated and receiving back only enough money to make weekly loan repayments. In other cases, loan management and control within the family is more complex, with some women keeping part of their loans for their own enterprises and passing on the remainder to men (ibid). In this case we have to bring some questions for determine a place poor women in microfinance programs and for understanding changes in gender relations and the contribution of microfinance to women's empowerment:

- Who controls decision making regarding the use of credit?
- Who manages enterprises supported by credit, and whose paid or unpaid labour is used?
- Who controls the purchasing of inputs for these enterprises and the marketing of products?
- Who keeps, decides on and uses any income generated?

The answers to these questions are highly hard and control over loan use and its relationship to empowerment is highly complex. It is important to acknowledge this complexity in household gender relations, and to reflect on the mix of structural, individual and program factors, which influence the degree of control women are able to take over their loan (Mayoux, 1998: 39-50). However, there are some researchers such as Goetz and Sen Gupta (1996: 49) distinguish between full control over every aspect of the productive process, significant control, partial control, very limited control and no involvement whatsoever. They found that, on average, women, where significant control does not include control over marketing, and may thus imply little control over the income generated, either fully or significantly controlled only 37 per cent of loans provided by four different Bangladeshi credit organizations. They also indicated that only 28 per cent of loans controlled by women (Goetz & Gupta 1996: 60)

However, some traditional female income-generating activities yield extremely poor returns for labour, particularly where there is no technical assistance provided to help women to increase their productivity. Abroad in Sri Lanka shows that, at best, women gain very little for their labour for many traditional income-generation activities, particularly paddy husking. Very few agencies have evaluated their programs from this critical perspective, despite the fact that some of them target “traditional” women’s activities as a way of encouraging higher levels of female control (Kabeer, 1998: 363).

A number of studies in Asia suggest that poor households generally use a combination of savings, credit, and increased wage employment to cope with income volatility and unexpected expenditure requirements. Access to credit and saving services makes it feasible for households to borrow during, or save for, adverse times; thus, access to financial services has an important impact on the welfare of the poor. The importance of access to financial services increases with the severity of income downturns. When households confront severe events such as floods or drought that depress their incomes temporarily, access to financial services, especially in the informal sector, enables them to buy enough food to maintain the nutritional status of their children and finance other important activities such as education. The insurance cover provided by access to credit and savings also has an impact on the efficiency with which household resources are managed. For example, with the insurance cover, poor households may be emboldened to undertake more efficient, albeit riskier, projects to increase household income, such as adoption of new agricultural technology or off-farm microenterprise. Insurance benefit studies show evidence of consistent positive impact (Sharma, 2000: 4). Actually insurance benefits, unlike investment benefits, are conditioned less by access to or ownership of other complementary inputs.

Commercial Microfinance

Commercial Microfinance refers to profitable financial intermediation between borrowers with loans up to a cut-off point set by the institution and all locally available savers. Commercial microfinance is already becoming absorbed into the financial sector in some countries. Large new markets, especially in India and China, will open to commercial microfinance, and the roles of donors and foundations will be more in the form of industry development and funding institutional capacity building. Some economists believe that commercial microfinance is the democratization of finance.

Today some of the major characteristics of the emerging microfinance industry, where interest rate spreads permit institutional profits; ongoing subsidies for loan portfolios are no longer needed; regulated MFIs want to fund their loan portfolios from voluntary savings; competition has developed and improved efficiency, and industry standards are being developed – for the first time in history (Robinson, 2005).

MCI's may choose to serve only poor clients. But regulated MFIs that want to fund their loan portfolios from voluntary savings must collect savings from a wide cross-section of clients. Commercial microfinance refers to profitable financial intermediation between borrowers with loans up to a cutoff point set by the institution and all locally available savers. Where competition has developed, efficiency and client service have typically improved.

Microfinance has come a long way in the last two decades that it is still an emerging industry with many bottlenecks and challenges. A few of these challenges include repressive financial systems and inappropriate regulations for commercial MFI, lack in the capacity for public supervision of deposit-taking institutions that serve microfinance clients, and poor management of many MFIs at the institutional level.

In the future, this process will continue to grow, and loans will be financed from capital markets, public savings, investments, and other commercial sources. Major players will be large regulated financial institutions, and commercial microfinance providers will operate in increasingly competitive environments, leading to improved efficiency and better client service.

Practices in Some Countries

As pointed out in the previous statements that microfinance approach started in Bangladesh with just the field of study on alleviation of poverty. During years, namely Grameen Bank or Muhammed Yunus Banks developed as a financial institution in the legal framework. After 1980's some less and developing countries, also some part of the developed countries such as United States, started to apply little financial instruments to middle and under class people in a legal and official terms which is calling commercial microfinance system. But, public works programs provide a significant amount of income at the micro level in some Asian like Pakistan, India, Indonesia and China. In some African countries such as Benin, Burkina Faso, Burundi, Nigeria, Rwanda, Senegal, Sudan, Malawi and South Africa that women parliamentarians are mobilizing to intensify their advocacy for active political and economic participation of women, with a focus on education.

In these countries, in order to reach rural women, a microfinance pilot project will be set up, in collaboration with a qualified civil society organization, which will serve as executing agency; Parliament will ensure orientation and oversight. Moreover, Parliament will formalize the Gender Network between NGO's on women studies. In Bamako, the participants (from Benin, Burkina Faso, Ghana, Kenya, Mali, Niger, Nigeria, Uganda and Senegal) had discussed the role of parliamentarians and had come up with a detailed action plan in the year of the microfinance 2005. One year later, the time was ripe to re-examine the action plan, take inventory of actions undertaken and revisit Parliament's role in facilitating microcredit and ensuring it benefits the poor and women. In addition, there were close to 20 various parliamentary committees from 15 countries have committed to the network, with the potential of more countries to join. The network

includes key poverty-related committees from Benin, Burkina Faso, Burundi, Ethiopia, Kenya, Ghana, Mali, Malawi, Niger, Nigeria, Senegal, Tanzania, Uganda and Zimbabwe.

Microfinance in two Caribbean countries like Jamaica and Trinidad-Tobago has adopted and innovated some of the lending methods of informal finance, and by doing so has also reinforced the indigenous informal institutions. Interestingly, a researcher finds that although indigenous savings and credit organizations (so-called Roscas) have a long history in the countries, the group-lending model introduced in Jamaica through microfinance has not fared very well (Malaki, 2005). This is so for macroeconomic reasons, as well as for reasons specific to the urban borrowers. Finally, microfinance in Jamaica and Trinidad-Tobago continues to be dependent on government and non-governmental sources of funding, and that these countries still have not entered the microfinance revolution.

Microfinance Policies and Practice in Turkey

This section introduces microfinance practices in Turkey. It aims at laying the foundation for understanding the environment in women status, women poverty situation and some projects on microfinance which are supported, designed and implemented some NGO's, UN(UNDP) and government.

Women Status in Turkish Society

Turkey remains far from the desired levels in terms of basic development indicators, including women's participation in decision-making in market and political process. In general, women are increasing represented in Turkey's parliament in last elections around percentage 10. Of course, it is still under-represented in general women populations. Advancements are also being overshadowed by growing socio-economic and regional disparities: inequality and poverty are more prevalent in the rural part of the country, in low educated versus highly educated (UNDP, 2007).

More than half a million girls do not attend school each year even though in Turkey it is mandatory to get education for at least 8 years. Government activities in education include rewarding the poorest families for registering their children with a school, giving more for girls than for boys. Education is crucial in order to get the illiteracy rate in Turkey down (currently about 25% among women), which in turn is crucial in order to allow women to participate in the labour market and in politics (Bozkurt, 2005: 11-12).

According to studies by the European Foundation for the Improvement of Living and Working Conditions (ibid), only 27% of women in Turkey currently participates in the labour market, whereas in 1998 this was still 35%. The fact that the number of women in the labour force is still dropping is therefore worrying and surprising since in some areas women are doing very well, with around 30% of lawyers, academics and doctors being women. The sectoral employment data shows that a great proportion in the fields of university teaching staff, medicine, dentistry and law represents professional women.

It seems too high level the women managers in some sectors like Advertisement, Housing and Renting, Airlines, Leasing and Marketing Sectors.

Table 3: Women Managers in Some Sectors

Advertisement Sector	% 58.28
Housing and Renting Sector	% 56.2
Airlines Sector	% 53.7
Leasing Sector	% 49.23
Factoring Sector	% 1.65
Marketing Sector	% 41.6
Retail Sector	% 27.51
Otomotiv Sector	% 8.9
Public Sector	% 11

Source: www.insankaynaklari.com., 2001: 1-2

The great majority of women within the labour force work in the agricultural sector as non-paid family workers. Actually, the rate of unemployment for urban, educated women (28.6%) with those of their male counterparts (30%) displays a parallelism. It is possible to talk about a positive correlation between the education and the employment of women UNDP (2007a). Although a consensus has been reached from the aspect of the importance of women's participation in the labour force in Turkey, problems continue in practice.

However, for many years the position of women in society has improved gradually. The number of Women's Studies Centers set up in universities have reached 13 a Woman's Library was founded and a number of projects were put into practice by the governmental and non-governmental organizations. Most importantly, sensitivity has been created on the subject of discrimination against women, and this issue began to be perceived as a problem, which should be discussed.

The acceptance of women's issues as an independent political and planning problem was discussed for the first time in the Fifth Five Year Development Plan (1985-1990), and "the General Directorate for the Status and Problems of Women" was established as a national mechanism in 1990.

Women Activities and Entrepreneurship and Microfinance

The women's activities (movement), which gradually makes its voice heard in Turkey, became influential in having women enter into every field in the life of the community.

In 1980s, when women's movement gained impetus all over the world, there observed an increase in the number of voluntary women institutions established in Turkey. Through the mobilization of the general public, these women's institutions have played a significant part in leading the amendment and abolition of certain items discriminating women in both Civil Law and Penal Code and also have taken an active part in their consciousness-raising endeavours on women's problems.

In recent years, alongside with the increase in the number of the centers for helping women who were victims of violence or abused, it is noticeable that the associations with special tasks of supporting and reinforcing the women's participation in politics have also come into being. The

Foundation for the Advancement and Recognition of Turkish Women, The Women's Shelter Foundation of Purple Roof, the Association of Women's Rights Protection, the Association for the Support and Training of Women Candidates are just a few names among more than 150 voluntary women's organizations working nationwide.

Turkey tries to implement an integrated program with EU. The more recent Framework Plan for Women has a three-pronged agenda:

- Economic empowerment,
- Human rights, and
- Gender-responsive governance.

Its number one objective under economic empowerment is “to enhance sustainable access of women to capital, market, information, technology and technical assistance and among the strategies mentioned is “improve credit policy environment for women”.

Women in Turkey are recognized as an important segment of entrepreneurship development programs. Various public agencies and NGOs have taken some roles to design and implement these programs as follows.

Table 4: Women Entrepreneurship Organizations in Turkey

KOSGEB (Small and Medium Industry Development Organization)	It initiates a study to identify organizations with a mission to develop women in Turkey. KOSGEB has also initiated contacts with a number of NGOs to provide support services of KOSGEB to women entrepreneurs under their portfolios.
KAGİDER(Women Entrepreneurs Association)	37 prominent Turkish female entrepreneurs chartered KAGİDER in September 2002 as a non-profit and non-governmental organization. It has grown steadily over the past two years as other successful executives have joined its ranks.
GAP-GİDEM (SouthEastern Anatolian Project-Entrepreneurship Development Centre)	GAP-GİDEM has conducted a survey in the South Eastern Region to identify the state of women entrepreneurs in the region, international donor funds available for support organizations, convenient business sectors for women and available loan programs. The results have been compiled into a comprehensive document. Specific implementation plans have been prepared and put into practice for 4 provinces in the region encompassing training and consulting programs and the “Encouraging Young Women Entrepreneurs” project directed towards female university students.
TURKISH GRAMEEN MICRO CREDIT PROJECT	The objective of the project is to lay institutional foundation for a non-banking credit system to eliminate poverty in Turkey. The Project is being implemented based on a contract signed between the Bangladesh Grameen Trust and for Prevention of Wastefulness Foundation (Israfi Önleme Vakfi) under the auspices of Diyarbakır Governor. The main target group being poor women, as of 29 January 2005, approximately 500,000-euro credit has been extended to 293

	solidarity groups comprising 1444 women in the province of Diyarbakır and the towns in its vicinity.
TESK (Turkish Confederation of Craftsmen and tradesmen)	The Project entitled “ Supporting Women Entrepreneurs ”, supported by the European Commission has been completed in June 2004 after 2 years of implementation under the organization of TESK. As of June 2004, 1630 women had been given business start up training, and 359 of them have already become self-employed. 5 Training and Consultancy Centers have been established in 5 different provinces to provide services to women entrepreneurs after the completion of the project. A new project is being negotiated with the EC to cover 20 more provinces.
MATRA (Women For Women” Project)	Supported by the MATRA Program, the project was started in April 2004, and it is being implemented by Nehem International (Netherlands) and Mamak Contemporary Women and Youth Foundation (Turkey). The objective is to set up a sustainable “Women Training and Employment Centre” in Mamak-Ankara and to move at least 120 women every year into the labour force following the completion of the project. In 2004, 500 women were trained in different vocational areas and entrepreneurship.
MAYA (Enterprise for Microfinance).	The first women supported program after 1999 earthquake.

Source: Wes (2004), Wes Report 2004 Activities to Develop Women Entrepreneurship (Turkey), February 2005 1

In addition to above, various organizations, NGOs and public agencies have carried small scale, generally local activities on women entrepreneurship. Furthermore, UNDP⁴ supports increasingly for women activities and entrepreneurship in Turkey. UNDP's contributions to gender equality in Turkey have been recognized by the Turkish Government, NGOs, academia, and beneficiaries.

Microfinance Services and Commercial Microfinance

The primary suppliers of microfinance services currently are the state-owned banks, Halk Bank and Ziraat Bank. The legacy of directed and subsidized credit programs, however, has rationed the delivery of credit through these channels, and resulted in supply-driven products and services that do not respond well to the financial service needs of clients. In contrast to most early stage microfinance sectors, NGOs are virtually absent from the market in Turkey. Several are experimenting with microcredit delivery at this time, such as the “Grameen Bank Initiative in Diyarbakır” and “Maya Enterprise for Microfinance”.

⁴ UNDP initiated its assistance in 1992, with the launch of the National Program for the Enhancement of Women in Development. Over the years, this umbrella technical assistance program has supported the capacity building of government offices (including the General Directorate on the Status and Problems of Women) as well as of independent experts to advance research in gender studies; awareness raising, advocacy and support for NGOs; and the establishment of international linkages.

There is no clear policy for facilitating the access of the un-banked majority to the population as well as small business to the formal financial sector. There is a continued lack of clarity in government policies regarding microfinance and there is no common understanding on microfinance among government, NGOs and private sector.

Microfinance types of activities are usually used in Turkey as a tool for government incentives or a tool for income generating activities. Turkey's policy makers and planners concerned that there is still very little knowledge in Turkey on microfinance and the possibilities microfinance can provide for poverty reduction by expanding access of the poor and the un-banked to financial services. Because of this limited knowledge there has been little discussion or debate within the government, private sector, and NGOs on microfinance as an effective mechanism for addressing poverty in Turkey and there are questions regarding the relevance and applicability of microfinance in Turkey.

UNDP's Support for Women Activities, Entrepreneurship and Microfinance Program in Turkey

UNDP's contributions to gender equality in Turkey have been recognized by the Turkish Government, NGOs, academia, and beneficiaries. UNDP initiated its assistance in 1992, with the launch of the National Program for the Enhancement of Women in Development. Over the years, this umbrella technical assistance program has supported the capacity building of government offices (including the General Directorate on the Status and Problems of Women) as well as of independent experts to advance research in gender studies; awareness raising, advocacy and support for NGOs; and the establishment of international linkages.

Since 2001, UNDP has been gradually adopting gender mainstreaming as its policy to combat gender inequalities in Turkey. In its next phase of country programming, 2006-2010, UNDP⁵ will remain committed to supporting gender equality goals in its programmes as well as through an active participation in the UN Gender Theme Group.

Local Ajanda 21 (LA-21) has special focus on gender empowerment. Within this perspective, the LA-21 increases women's influence in decision-making first locally and later in the national decision-making structure. Within this context, specific and focused campaigns and festivals have been organized to promote the development and endorsement of common principles for the establishment and functioning of the women's councils, and the means of cooperation among women organizations in different cities. Several cities across Turkey have taken the lead to set up Women's Consultancy and Cooperation Centers and Women's Guest Houses (UNDP, 2007a).

Poverty reduction has been highlighted on UNDP agenda for Turkey since the 1990s and the agency's National Human Development Reports have been effective in focusing media and public interest on problems relating to the issue (UNDP, 2007b).

UNDP Turkey is supporting the Turkish Government's own poverty reduction goals. The ultimate aim is to create sound policies for reducing the disparities between Turkey's regions. In particular,

⁵ UNDP has made a Project which name of it "Microfinance Sector Development".
<http://www.undp.org.tr/GoZlem2.aspx?WebSayfaNo=28>

UNDP Turkey helps to design and finance projects that complement the Government's Southeast Anatolia project (GAP) and its Eastern Anatolia project (DAKAP).

A central feature of UNDP's presence in Turkey is poverty reduction. UNDP's government partners recently acknowledged the Assessment of Development Results recognition of UNDP's programmatic and policy impact on poverty-related issues. Government partners further supported UNDP's continued and enhanced role in poverty related programming, including the small and medium enterprise (SME) programs in South Eastern Anatolia and its increased emphasis on engaging the private sector to achieve the Millennium Development Goals (MDGs). This high-level recognition of UNDP's role is supported at the more detailed level through UNDP's current programs that are focused on Achieving the MDGs and Reducing Human Poverty through local poverty initiatives, including micro-finance, and pro-poor policies for achieving the MDGs.

UNDP's emphasis on reducing poverty will continue to be core to its presence in Turkey. As agreed with government and other national counterparts, the United Nations Development Assistance Framework for 2006-2010 highlights poverty and disparity reduction as one of the UN's three priorities for this next programming period, in line with the Government's development and reform agenda including EU Accession. UNDP⁶ specifically is highlighted support for local level initiatives to be implemented, including microfinance, with civil society and private sector partnership for social and economic empowerment of the poor.

Conclusion

Poor women and men in the developing world need access to microfinance and donors should continue to facilitate this. Research suggests that equity and efficiency arguments for targeting credit to women remain powerful: the whole family is more likely to benefit from credit targeted to women, where they control income, than when it is targeted to men.

Given the range of papers and discussions, questions remain about the best way forward in the microfinance process – and about what the future will hold. There is a need for continuous dialogue, and exchange of knowledge and experience, among practitioners and scholars. By way of the some symposiums and publications, discussing that urge the microfinance issues in an attempt to create and support the best possible options for those living in less advantageous environments.

The final conclusion is that even though the microfinance movement reached Turkey in the 2000s(after earthquake in 17 August).Turkey have yet to enter the microfinance revolution and commercial microfinance has not sufficient in the country, and the programs are still dependent on a few NGO's and external funding to a large extent. Mainstreaming gender and empowering women in microfinance would necessitate concrete measures in terms of integration in the vision, mission, goals, and objectives of microfinance policies and programs; awareness raising and capability building, with special focus on the government financial institutions in Turkey.

⁶ The UNDP Country Office (CO) in Turkey has commissioned the United Nations Capital Development Fund (UNCDF) to undertake a sector assessment on microfinance in Turkey.
http://www.undp.org.tr/pdf/MicrofinanceSectorAssessment_UNDP-Turkey.pdf.

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