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A NEW TOOL TO COMBAT POVERTY IN TURKEY DEVELOPMENT AGENCIES



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Poverty – From A Brief Definition to A Brief History of Concepts

Poverty and combating poverty are key concepts whose roles in development policies gradually increase today. Studies on poverty alleviation strategies are more available in recent academic literature while combating poverty is accepted as one of the main political headlines in development studies. In other words, today we can no longer speak about development policies without a focus on poverty and poverty alleviation.

This is a trend which can be observed at the same time in different countries with different development levels across different regions and continents of the world. This is partially explained with the defeat of the “welfare state” by free market economies which have risen in the 80’s across the world¹.

It is essential to recall the role of the welfare state since the end of the World War-II as one of the key actors of the economy, which played a central role in regulating whether financial or labour markets and any other macroeconomic measures in the name of protecting the public interest. However, the role of the state in determining macroeconomic policies has been dramatically redefined in the 80’s within the rise of free market economies across the globe. This paradigm shift has reduced the role of the state within the introduction of several new concepts such as “competitiveness”, “deregulation” and “flexibility”.

In recent years however, it has been widely observed that, financial crisis frequently bring more vulnerability to income distribution and deregulated markets deepen unemployment figures and trigger poverty. Therefore, concepts such as poverty and poverty alleviation have been prioritized in the agenda of decision-makers as undeniable socioeconomic realities.

¹ *Dokuz Eylül University, Finance Department

^{**} Secretary General, İzmir Development Agency

Buğra A. and Keyder Ç., *New Poverty and The Changing Welfare Regime of Turkey-UNDP Report*, p.12-13, 2003, Ankara

In May 2010, Eurobarometer, a public opinion research series published by the European Union (EU) has taken a snapshot of poverty across the European Union (EU) which is one of the most competitive economic areas formed by the integration of several strong economies across the continent².

According to this, almost 85 million people live in poverty across the EU which has a total population of 500 millions. One in every six people lives under permanent stress of losing their jobs and social security benefits. The research has also underlined that more than 70 % of Europeans think their economy is going bad while 83 % think that unemployment across Europe is getting worse.

2020 Europe Strategy developed by the EU Commission, the executive body of the EU, is a response to recent conditions raised with the latest global financial crisis. The so-called "social market economy" symbolizes a shift to a new policy frame focusing on more employment, social integration and sustainability. This can be seen as a depart from the conventional neoliberal EU policies dominated all through the 90's and the new millennium to a new "moderate" economy-politics.

The new paradigm promises a sustainable economy across the EU which underlines social integration and focuses on creating more jobs through some headlines like advanced technology and innovation which increase the competitiveness of the economy. The EU has a target to save at least 20 million Europeans out of poverty in the next decade according to 2020 Europe Strategy. However, figures underlined at Eurobarometer's recent publication show that realization of this target is going to be very difficult. But, it is clear that the EU will see poverty as one of the major socioeconomic integration problems in the next decade.

Another reason for counting poverty and poverty alleviation among the main headlines in current development policies is the change in definition of poverty which took place in the late 90's. The new definition sees poverty in a broader sense which covers a conceptual frame not only limited to "being below or above the poverty line" but also includes the access of individuals to education, health and infrastructure services, their working conditions as well as their political participation to decision-making processes.

Today, poverty appears in different or similar forms as a major problem in many countries with different development levels across different regions and continents. Therefore, poverty studies include topics relating to not only the poverty line and income levels of individuals but also their interrelated economic, social and political conditions.

Millennium Development Goals (MDGs) which are specific targets to be achieved by 2015 and accepted by 191 countries in UN Summit in September 2000 are significant in order to highlight the central position of poverty in contemporary development policies. They also represent the conceptual broadening in definition of poverty.³ The first of these eight goals to be achieved by 2015 is "eradicating extreme poverty". Other seven goals include targets relating to qualitative measures such as "achieving universal primary education", "promoting gender equality and empowering women", "reducing child mortality", "improving maternal health" and "developing a global partnership for development". In that sense, poverty alleviation intervenes with issues starting from maintaining the basic needs of the people and goes through other topics regarding the access of people to basic services required for a decent life and their political participation in decision making processes.

Therefore, policies developed for combating poverty should be taken into account in this broadened conceptual frame and should cover measures at any levels starting from international to local. Poverty is no longer a subject related to only specific countries located in specific continents. Policies developed to combat poverty are no longer accepted valid if they only cover measures of income generation and economic growth.

² Eurobarometer, 2010: *Eurobarometer 73-Public Opinion in the European Union*, August 2010, Bruxelles

³ United Nations, *Millennium Development Goals Report*, July 2009, New York

Local and Regional Dimensions of Poverty

Poverty is also experienced in local levels and in direct lives of the people likewise any other development problems. Therefore, poverty has a local dimension. In addition, there is a strong correlation between poverty and local or regional disparities. Poverty and development problems in a country deepen as local and regional disparities get deeper.⁴

Regional disparities in our country are intense⁵. Kocaeli, as one of the most developed provinces in Turkey in terms of income per capita has a figure 11 times higher than Ağrı which is one of the underdeveloped provinces in the country. According to the statistical NUTS II regional definitions, TR42 (which covers Bolu, Düzce, Kocaeli, Sakarya, Yalova provinces), as the region with the highest income per capita figures reflect 5,3 times higher levels compared to TRB2 (Bitlis, Hakkari, Muş, Van). These figures are however, 1,4 times in Greece and 1,6 times in Ireland regarding the comparison of the most and least developed regions.

In its report assessing the MDGs progress of Turkey in 2010, United Nations Development Programme (UNDP) has found out that, disparities in income distribution in Turkey is not observed only at national level, but also at regional level⁶. According to the 2003 Household Income Surveys, western regions in Turkey has a higher share of income (39,7 %) compared to their share in total population (28,1 %). Eastern and Southeastern Anatolia Regions on the other hand, have a lower share of income (13,4 %) compared to their share in total population (23,5 %) of the country. In addition to disparities in income distribution, it can also be said that the income is not distributed fairly inside the regions as well. Therefore, income is not distributed fairly at local and regional level in Turkey and this picture deepens regional disparities in the country.

In this frame, the importance of local and regional development is raising in poverty alleviation policies. The need for new mechanisms which will meet poverty combating policies with general development policies and which will promote local and regional development in order to alleviate poverty is on the rise. At that point, "development agencies" are one of the new tools designed in Turkey and across the world in order to meet this necessity.

Development agencies founded in 2006 by the law no. 5449 aim to develop cooperation between public, private and civil sectors, to provide efficient and local use of resources, to speed up local and regional development in accordance with national development plans by mobilizing local potentials, to maintain sustainable development,

Development agencies prepare several strategies to redirect regional development in frame of the regional development plans in which they lead their preparation processes. Most importantly, they participate actively in meeting the goals defined in these regional plans by their resource allocation mechanisms.

İZKA Experience in Poverty Alleviation

İzmir is one of the districts in Turkey who face profound development problems both at urban and rural levels arisen from several problems like migration, unemployment, informal economy, unplanned urbanization and social exclusion all of which trigger poverty and appear as results of poverty at the same time. İzmir Development Agency (İZKA) who is very well aware of this picture has taken a snapshot of the socioeconomical picture of İzmir with its socioeconomic needs analysis work and published the so-called Situational Analysis (SA) report in 2009. SA is also the analytical base for 2010-2013 İzmir Regional Plan (İZRP). İZRP, on the other hand is prepared in line with the findings of SA and consists of the strategic content like development axis, strategic priorities and targets. Several supports provided by İZKA are also designed in accordance to that strategic content.

In that sense, as an organization intervening development policies at local level, İZKA should

4 United Nations Development Programme Turkey Office web site, Yoksulluğun Azaltılması (Reducing Poverty), access: 6 September 2010 (<http://www.undp.org.tr/Gozlem3.aspx?WebSayfaNo=321>)

5 State Planning Organization, Kalkınma Ajansları (Development Agencies), p.4, January 2007, Ankara

6 United Nations Development Program, Millenium Development Goals Report Turkey 2010, p.18, 2010, Ankara

be recognized as a new instrument in poverty alleviation despite it is quite a young organization. The base of İZKA policies in combatting poverty and any other socioeconomic development problems is İZRP and the development axis, strategic priorities and targets designed in that document. The most important mechanism used by İZKA is the financial supports designed and implemented by İZKA in frame of İZRP.

Poverty Alleviation in 2010-2013 İzmir Regional Plan

İZRP is the first regional plan accepted by State Planning Organization (SPO). It has been accepted on 16 June 2010. There is a significant strategic content in İZRP regarding poverty alleviation. İZRP is based on core values of "equality, participation and sustainable development" and it has been prepared with participation of public, private and civil sectors across İzmir.

More than 2.000 people have participated in İZRP preparation process via surveys, round table meetings, sectoral conferences, search conferences, etc. The main goal of "Employment and Social Integration" development axis, which is one of four development axis in İZRP has been defined as *"strengthening social integration by developing employment opportunities and conditions as well as education, health and other services targeting social inclusion"*

The first of three strategic priority included in this development axis focuses on "improving employment and workforce productivity". İZBP includes targets related to poverty alleviation considering the profound correlation between poverty and availability of conditions regarding decent work and employment opportunities. Developing a regional labour force strategy; strengthening vocational education by harmonizing it with the expectations of the regional economy; supporting the participation of unemployed, migrants, young unemployed, women and disabled people in workforce; strengthening skilled workforce are targeted in this priority.

The second strategic priority focuses on "improving education and health services" which are determinants of qualitative measures on poverty. Strengthening educational and health services are expected to help reducing social integration problems arisen by poverty.

The third and the last strategic priority focuses on "strengthening social integration and poverty alleviation" in İzmir. Increasing the efficiency of social services in both urban and rural İzmir in accordance to local needs of the people, improving the quality of life and employment opportunities in rural areas and maintaining the harmonization of the migrants to urban life are targeted.

According to TÜİK 2008 unemployment figures, unemployment rate in İzmir is 11, 8 % which is higher than the national level (11 %) as stated in SA⁷. Non-agricultural unemployment rate in İzmir (12,4 %) is also higher than İstanbul (11,2 %). According to the figures of 2000, more than 82,5 % of unemployed lives is urban metropolitan areas in İzmir. This picture shows that unemployment in İzmir has mostly an urban characteristic. According to 2006 Household Workforce Surveys of TÜİK, 492.000 (40,96 %) of the workforce above 15 years old in İzmir (1,2 million in total) people are employed in informal sectors. Additionally, only 21,4 % of the total workforce in İzmir is women and paid workforce according to 2008 Household Workforce Surveys.

According to these figures, it can be said that unemployment in İzmir has mostly an urban characteristic. Urban unemployment brings more risks to transform itself into poverty and this picture is deepening with the constant migration from rural to urban areas. Frequent economic crisis on the other hand bring more pressure on employment conditions of especially the young population. Therefore, combating employment is parallel with combating poverty.

Second strategic priority on "improving education and health services" includes specific spatial targets designed for reducing problems in access to educational and health services which bring chronic long term poverty conditions. For instance, measures taken in order to improve the quality and efficiency of education in districts like Bayraklı, Buca, Balçova, Gaziemir, Karabağlar and Konak will be supported all through İZRP period.

⁷ İZKA, İzmir Mevcut Durum Analizi Haziran 2009 (İzmir Situational Analysis June 2009), p.16-40, October 2009, İzmir

Pre-school education which brings the opportunity to develop the cognitive, sensory and psychomotor skills of the children regardless of their families and socioeconomic conditions will be supported all through the İZRP period. Informal education which develop the skills and capacity of the population who has been out of the formal education system for any reasons will also be supported.

In frame of the third strategic priority of “strengthening social integration and poverty alleviation” in İzmir, social services in İzmir will be improved in line with local expectations and needs. For instance, İzmir hosts a massive young population but the rate of elder people living alone or with less households especially in some far rural districts is also increasing due to the migration of young workforce from these rural lands to urban areas and to the recession in rural economies. New social services should be developed targeting this specific group. In addition, specific social services designed in accordance with specific needs of women, young, disabled and other groups should be developed.

Maintaining the harmonization of the migrants to urban life is also essential in combating poverty. İzmir is the third province in attracting migration in Turkey between 1975-2000. The city attracts migration from rural districts in the sphere and other neighbouring provinces as well as provinces in far regions of the country. This shows that İzmir is a migration attracting province at local, regional and national levels.

Considering the reasons behind this massive migration to İzmir can be summarized as follows: Dependency to one of the migrant households is the first reason by 26,13 % where searching for employment is the second by 23,02 %. According to TÜİK figures, İzmir has attracted migrants mostly in 20-24 age group in 2007-2008. This shows us the deep correlation between migration and the search for employment opportunities.

These figures show that maintaining the harmonization of the migrants to urban life is also essential in combating poverty in İzmir. Therefore, migrants will be supported with the support on development of Social Support Centers especially in districts like Çiğli, Bayraklı, Bornova, Buca, Karabağlar, Gazimem, Narlıdere, Konak, Kemalpaşa, Menemen and Torbalı where they can access to educational services, skill training, rehabilitation services, etc.

Another obscured dynamic regarding the migration problematic in İzmir is the migration of young population in some far rural districts of İzmir to metropolitan urban areas or to other cities. In the south, north and west periphery of İzmir, rural economy is under recession because of the withdrawn in rural economy and young people do not have enough employment opportunities in their homeland. Therefore, social services regarding the remaining elder population become insufficient.

A report published by SPO in April 2004⁸ called “Socioeconomic Development Index of the Provinces and Districts” underline the disparities at local level across the country. 872 districts across the country excluding the metropolitan districts in İstanbul, Ankara and İzmir at that time have been indexed according to various social and economic variables in this study.

Aliağa, a district of İzmir is the 5th most developed district in İzmir and is located in the first degree of the index which is followed by many districts of İzmir located in the second degree of the index, like Çeşme (19th), Urla (43rd), Torbalı (54th), Seferihisar (61st) and Kemalpaşa (62nd). However, especially rural southeast and northwest districts of İzmir are seriously below in the index, mostly in the third degree like Bayındır which is the 392nd most developed district among 872. Kınık (418th) and Beydağ (450th) are also in the third degrees which are followed by Kiraz, located in the fourth degree as the 644th most developed district in the country among 872.

Economic diversity and the quality of life and employment opportunities will also be support-

⁸ State Planning Organization, İllerin ve Bölgelerin Sosyo-ekonomik Gelişmişlik Sıralaması Araştırması (Research on Socioeconomic Development Index of the Provinces and Districts), May 2003, Ankara

ed all through the İZRP in Kiraz, Beydağ, Ödemiş, Tire, Bayındır, Menderes, Seferihisar, Karaburun, Foça, Dikili, Bergama and Kınık districts in order to reduce local disparities in İzmir and minimize the migration from rural parts of the province to urban areas.

Development axis, strategic priorities and targets included in İZRP which will be implemented as poverty alleviation strategies and policies are going to lead the action plans of İZKA as well as shareholders across the province until 2013. Institutions and organizations working on poverty alleviation in İzmir will see İZRP as a guiding strategy in that sense.

Poverty Alleviation in İZKA Support Mechanisms

İZKA designs its support mechanisms in accordance to the strategic content in İZRP. In that sense, İZKA intervention in poverty alleviation has started with Financial Support Programs (FSP). In 2009, İZKA has opened its first FSPs called "SMEs FSP" and "Social Development FSP" which have allowed İZKA to financially support projects developed by SMEs, public and civil institutions which improve employment opportunities and conditions, employability in İzmir.

In addition, projects developed by non-profit public institutions, academic and civil organizations which improve social inclusion, reduce poverty and strengthen social integration have been supported.

Priorities of "SMEs FSP" have been designed in order to increase the competitiveness of the enterprises and profit organizations have been supported with 50 % co-finance in their projects. "Social Development FSP" on the other hand, has directly focused on improving education, employment opportunities, income generation, support of disadvantaged groups, all of which are considered as poverty alleviation measures. Non-profit organizations have been 75 % co-financed in their projects via "Social Development FSP".

Implementation of 98 SMEs projects and 71 social development projects has ended in May 2010. According to impact analysis figures, İZKA is expected to support 3.408 people in creating jobs in the first two years. Within the frame of "Social Development FSP", a total of 28.941 people have been supported in access to mostly skill training services as well as many other trainings which help them in their social integration.

The next FSP is "Agriculture and Rural Development FSP" which has focused on increasing the added-value of agricultural production and the competitiveness of agriculture and agricultural industries in İzmir. 40 projects from profit organizations all of which are SMEs have been supported. 25 projects from non-profit organizations like municipalities, NGOs, universities have also been supported.

It is expected to create job opportunities to 345 people within the first year which will reach to a total of 989 in the next two years through financial supports to SMEs. More than 100 trainings are expected to be organized and more than 7.627 people will be trained through financial supports to 25 projects of the beneficiary non-profit organizations.

İZKA will continue to initiate FSPs in poverty alleviation in the next period. For instance, İZKA is planning to provide financial support to projects which will increase economic diversity and job opportunities in rural areas of İzmir and to contribute to rural poverty alleviation by the end of 2010.

İZKA also provides technical support rather than FSPs and contributes in preparation of local development strategies through the objectives defined in İZRP and Strategic Plan for City Branding of İzmir. İZKA continues its support to projects developed by several pre-defined target groups but also to strategies developed by its local shareholders.

Conclusion

Today, development policies are expected to target all dimensions of people's lives, any qualitative and quantitative improvement surrounding them. In that sense, poverty alleviation is rising to a central position among the headlines in development policy.

Problems related to development can have even an international level but they all are practiced at local level in direct lives of the people. In that sense, development agencies which can assess development problems and policy potentials directly at the local levels are getting more important. In addition, poverty is mostly accompanied by regional and local disparities. Therefore, development agencies targeting to eliminate regional and local disparities are getting a core position at poverty alleviation.

Development agencies support capacity building of institutions which combat poverty at local and regional level by providing financial support to their projects. On the other hand, they support coordination and partnerships via private sector actors and civil and public organisations. Development agencies also have a central role in production of the data and analysis necessary to assess the local and regional dimensions of poverty.

Development agencies have the potential to rise as a new instrument at local and regional levels of poverty alleviation. Their potential should be regarded as a local and regional complementary support to policies designed and implemented at national and international levels. Development agencies are expected to rise as a new instrument of poverty alleviation in the agenda of Turkey as well as many countries across the globe.

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MICRO CREDIT IMPLEMENTATION AS A SOCIAL CHANGE PROJECT A CASE STUDY IN MERSIN PROVINCE*



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Abstract

As a societal transformation project, this study is based on sociological field research conducted on women in Mersin who have taken advantage of the micro credit application. Mersin is one of the 25 provinces in Turkey in which the micro credit application is conducted. In 2009, the date in which the research was conducted, 419 women in Mersin took advantage of the micro credit application, of which 116 were contacted within the scope of the research. The research data were obtained through a structured survey form, in-depth interviews and focus group techniques. Thanks to this research, many important steps have been taken in terms of the relationship between micro-credit practice on women and the evaluation of the social values, the strategies for the fight against poverty, the process for gaining self confidence, taking important steps in the direction of implementing changes in the social status, the abolishment of the traditional gender culture, equality of opportunity and the attainment of social justice.

Key Words: Women's Poverty, Strategies for the Fight Against Poverty, Entrepreneurship, Gender Culture.

Introduction

The micro credit application can be viewed as a strategy for women to cope with poverty as they make up the most disadvantaged segment of society and experience poverty in its severest form. Poverty is first and foremost a human rights issue due to its social, economic and political dimensions. These issues can be listed as, not being able to take part in the work force market, lack of a healthy nutrition, clothing, shelter, being forced to live in conditions with little or no proper infrastructure, being denied clean drinking water or water for regular use along with not being aware of or being able to take part in the political topics regarding the society in which they live. Due to the fact that poverty is an issue with a multitude of dimensions which range from the

* The original version of this paper is in Turkish and English translation is appeared here. The original version of the paper is appeared on the Turkish version of the Edited Collection of the Symposium.

injustice of income distribution at a macro level to the inequalities caused by gender differences at a micro level, as well as the disparity between the individuals in the household, it needs to be analyzed in a manner which takes into consideration such a wide range of issues.

This study aims to conduct a sociological analysis of the force which leads women to take part in the micro credit application in our country in which the women have very little say on the spending of the income of the household, the unequal distribution of income against women, and the fact that the limited resources of the household and their spending is prioritized based on gender. In this respect it tries to answer the question of how and which motivating force women try to use in order to overcome the social structure which force women to stay at home due to the low level of education, the traditional norms and the social control mechanisms. Another element of this study includes an effort to demonstrate through data how the micro credit application provides resources to make women more productive, laying the groundwork to instill a feeling of being able to accomplish certain things, or in other words, the ability to take risks, create opportunities, and motivate themselves to fight on as well as improve themselves. Accordingly, topics such as to what degree the stereotypical gender roles brought forward by the traditional gender culture can be broken, and what role the spouses play in the women's decision to enter the work life have also been discussed. This study also aims to put forward the reasons for the need for change in the understanding of the social state and the need to defeat poverty through labor and work instead of using methods such as donations and aid which are aimed more towards alleviating urgent needs rather than providing a solution to poverty.

This study which is based on field work, has been implemented in cooperation with the Mersin Special Provincial Administration and the İçel Handicrafts and Education Foundation (İÇEV), based on surveys, interviews and focus group techniques conducted with 116 women taking advantage of the micro credit application within the Mersin province.

Micro Credit Applications:

Micro credit is based on providing opportunities in the form of a small amount of capital for the impoverished that have an idea for work which will result in an income. Micro credit is an effective strategy for the impoverished to raise themselves out of poverty. The purpose of micro credit is to enable those that cannot receive credits through the classic methods to receive credits so that the poverty resulting from the inequality of the income distribution as well as the unemployment rates decrease, and to ensure that the person who receives the credit as well as their family engage in an activity which will result in an income in order to achieve economic, and social development (Prevention of Waste Foundation of Turkey, 2006). The idea of the micro credit was first born out of the research of Muhammed Yunus conducted in the villages of Bangladesh and developed into a project through the sponsorship of the Central Bank as well as other commercial banks, and in 1983 resulted in the formation of Grameen Bank, a micro credit bank which loaned credits to the impoverished (Yunus, 2003). The fact that usurer's charged exorbitant rates of interest to the impoverished thus resulting in them getting stuck in a quagmire of debt, the lack of trust of the financial institutions in giving out credits to the impoverished were all important factors in Yunus coming up with the idea of the micro credit application. Yunus refers to these prejudices against the impoverished as follows:

- The impoverished need to be educated before they engage in income generating activities.
- Lending credits alone will not work: in needs to be supported with training, marketing, transportation facilities and technology.
- The impoverished cannot save money.
- Since the impoverished have urgent consumption needs they have a habit of consuming everything.
- The impoverished cannot work together.
- Chronic poverty has a destructive effect on the mentality and goals of the impoverished.

- Impoverished women have no skills; therefore there is no point in talking about programs aimed at the impoverished women.
- The impoverished are hungry and helpless to the point of not being able to make logical evaluations.
- The viewpoint of the impoverished towards life is very narrow and they have no interest in anything that might change their lives.
- The influence of religion and traditions are so strong on the impoverished (especially women) that they cannot make one centimeter of progress in any direction.
- The social hierarchies in the rural sectors are so strong and established that it will not allow such a credit program to succeed.
- Credits for the impoverished are against the revolution. It kills the revolutionary spirit of the impoverished and will have a bribe effect in accepting the status quo.
- It is not possible for women to keep the credit or their income to themselves. Their husbands will put them through near death torture if they need to in order to get this money from them.
- By providing credits to the women it will negatively affect their traditional role within the family as well as the relationships with their husbands.
- Credits might have a temporary benefit, however in the long run it will not contribute anything and the equal structuring of society will not be successful (Yunus 2003, 93-95).

This approach which entails claims that seem to support the thesis of cultural poverty which states that the impoverished are weak, unsuccessful and encounter violence as well as inequality in household relationships (Lewis, 1969, 1975) totally neglects the fact that the impoverished are in a fight for survival in unstable and temporary jobs with very low as well as irregular wages. In this regard, together with the findings of studies conducted in many countries as well as the research, even with the very little amount of credit provided to them, women not only contribute to the livelihood of the household but it also enables them to improve their self confidence, uncover their spirit of creativity and entrepreneurship, cause the traditional roles within the household to change and provide important contributions to the children being able to continue their education.

The micro credit project was implemented for the first time in Turkey when it was brought to the agenda by the Member of Parliament from Diyarbakır, Aziz Akgül in 2003, to which the World Bank provided a 500 million dollars credit and the Prime Ministry devoted an additional budget of 130 million dollars (Akgül, 2005). To this day the micro credit application still continues in a total of 25 provinces in Turkey such as Diyarbakır, Batman, Gaziantep, Erzincan, Mersin, Samsun, Trabzon, Adana, Yozgat, Sivas, Zonguldak Kahramanmaraş, Malatya, Kütahya, Kayseri, Ankara, Eskişehir, Şanlıurfa, Amasya, Aydın, Bursa, Çankırı, Mardin, Niğde and Rize. In Mersin, through the leadership of the Governorship of Mersin, and the Special Provincial Administration as well as the İçel Handicrafts and Education Foundation (İÇEV), the micro credit application aimed at women that want to form their own business still continues. As a result of the implementation of this program which began in June 22nd, 2007, as of 2009, the number of credits given to women has reached 419 (YİMİK, 2009).

The Effects of the Micro Credit Application on Women:

There have been a variety of quite different approaches on the subject of the micro credit application ranging from the assertion that they reinforce the traditional gender roles on women and strengthen the patriarchal family structure, to assertions that it condemns women to a life at home, or that it gives women the spirit of entrepreneurship and courage thus improving their self confidence and resulting in a more equal structure of inter family relationships, the changing

of the male dominated culture and the beginning of a more equal understanding regarding the male/female children's access to opportunities.

According to Mayoux who has looked at the issue of the strengthening of women through the micro credit application, the program has both positive and negative effects on the individual lives of women; while the woman establishes control on the small amount of income she generates, there is a decrease in her total income within the household and that there is an increase in the amount of labor she is responsible for. One cannot reach the conclusion based on the statistical data evaluating the level of repayment for women who have taken advantage of the micro credit application that women generate income or that they control the income they generate. Furthermore, the conclusion that the level of prosperity of women has increased cannot be reached based on the fact that the woman has increased her income due to her business activities or that there was an increase in the household income. Just as the increase in the income of a woman does not necessarily mean a change in the social gender roles, it also may not result in the strengthening of women in the social, political or legal sense (Mayoux, 1998: 4).

Mayoux states that as a result of the micro credit application, women generate an income through the business they conduct but that this brings with it a process that entails an added work load in the form of pressure to pay back the loan. In addition, according to Mayoux, this credit is used in areas of investment determined by their spouses and in which the women have almost no initiative. This independence provided to women does not go beyond being a temporary one and that results in the spouse withdrawing his support from the woman (Mayoux, 1995; 2005). The method of approach regarding the solutions to the negative effects on women the micro credit application generated or may generate attracts attention to the fact that the effects on women of this credit may have important differences from case to case. In this respect, for example, the potential effects of the credit for women in different areas of investment and different life experiences may vary. In certain cases, these programs, might be of benefit to women who are economically better off, while in other cases women who are worse off economically are more willing to freely use this credit for production purposes. In other cases the most impoverished among the women are only able to take minimal advantage of the group and individual credit programs provided to them due to the fact that they began to work with the lack of proper capital or market knowledge. In this context, the necessity for conducting studies that take into account the cultural differences and the need to conduct them in a systematic manner becomes evident when discussing the positive and negative effects of the program.

Contrary to the approach which claims women are weakened as a result of the micro credit project, studies which show that the women are strengthened and are able to gain access to economic resources put forward the success of the program and its positive effects towards women. In this framework, according to Chestonve Kuhn, even though the micro credit application has aspects that can be criticized, the project in question can make important contributions towards the strengthening of women if managed correctly. Research conducted based on the work and experiences of the micro finance institutions in Africa, Asia and Latin America on this topic, analyzes the findings on what kind of effects the micro credit application has on the strengthening and welfare level of women. Even though the strengthening lacks universal indicators that can be applied between regions and cultures, it has common effects on the strengthening of women from different cultures (Cheston & Kuhn, 2002: 5). According to Cheston and Kuhn, the issue of women having the same rights as men when it comes to accessing financial resources is a human rights topic. Access to this credit is an important tool in respect to decreasing women's poverty which is a human rights topic. In this context, according to Cheston and Kuhn, the strengthening of women through the micro credit application is above all crucial for women improving themselves. Thus women are achieving self confidence and self respect. This is because strengthening means giving the women the right to choose and as a result widening her boundaries of life. During this transformation phase, women who have very little or no strength are able to attain the strength and ability to make decisions that will affect their lives. Once strength, strength resources and the knowledge on how these are managed are given to women, they have a direct affect on the decisions they make concerning their lives. As a result, if the micro finance programs

take into consideration the connection between change, decisions and the power structures, the micro credit application can create a very important effect on the lives of women. The access of women to economic, humanitarian and social resources must be made easier in order to allow them to make the strategic decisions in their lives. Throughout the historical process women have not only been deprived of economic resources but they have also been prevented from getting education as well as the necessary information for managing economic activities. Access to resources alone is not enough by itself for strengthening women. This is because for the women to reach their goals, they must have the adequacy to be able to take advantage of the resources. In order for women to make proper use of the resources made available to them they must be provided support during the decision making, discussion and guidance phases which are necessary to make use of such resources. Women who have been excluded from the decision making process usually display inadequacies in setting their goals and reaching the goals they set. These goals are set by the values of the society in which the woman lives and as a result of this, instead of alleviating the unjust structure, it causes the existing injustices to continue (Cheston & Kuhn, 2002 : 12).

The control of the capital is only one dimension of a phase which is complicated and constantly changing resulting from the constant repetition of the cycles of poverty and weakness. Women experience hardships in accessing information and social relationship networks as well as other resources which are necessary for them to succeed in their personal lives. Even only determining the needs of women will enable the micro finance institutions to bring the potential for strengthening women to the highest level (Cheston & Kuhn, 2002: 14). On the other hand, Rankin states that the micro credit application makes the load on the shoulders of women who take advantage of the application even heavier, resulting in men within the household having the final word on how the credit is to be used, thus claiming that the obstacle to women gaining strength is not the lack of capital but the gender culture which continues to exist in a very strong manner (Rankin, 200:32). However, it should be stated that approaches which aim at the strengthening of women through the micro credit programs do not only focus on economics but also take into account the social value change and approach the concept of strengthening women in a multidimensional manner. In this context, according to Cheston and Kuhn, micro credit programs which focus only on financial adequacy are unsuccessful in terms of strengthening women. In this regard, micro credit institutions focusing on strengthening women means that they achieve the work geared towards the application as well as financial sustainability. Even though the strengthening process revealing itself varies from culture to culture, certain changes that are seen are common among many cultures. For example, the increase in the participation in the decision making process, women becoming more equal to men in their households as well as society, taking more advantage of their political as well as legal rights and the increase in their self respect are all typical intercultural features of the strengthening process (Cheston & Kuhn, 2002 : 17).

The ability of women to take part in the decision making process which is one of the important factors of the strengthening process can have important effects on their current as well as future lives. For example, women taking more and more part in fields which are traditionally male dominated such as family planning, the marriage of the children, buying and selling property, the sending of female children to school is one of the important indicators that they are being empowered. Many micro credit institutions evaluate the ability of women to take advantage of the credit made available to them as well as women making decisions regarding their own business lives as one of the most important evidences that the programs are successful (Cheston & Kuhn, 2002: 18). Giving self confidence, besides being one of the key points of the strengthening process is also one of the most difficult points to measure and evaluate. Self confidence is a complicated term meaning that the woman becomes aware of her own abilities and capacity in a realistic manner. Self confidence is very closely related to being informed. According to the research conducted by a micro finance institution in Nepal, 44% of the women who have taken advantage of the micro credit application have increased their level of knowledge regarding issues related to them and their family while 38% of the women who took advantage of the micro credit application increased their knowledge regarding business life. According to many feminist social scientists, even though impoverished men are just as weak as women regarding taking

advantage of financial resources in the public sphere, they are in a privileged situation due to the patriarchal family structure. In certain societies men being perceived by their surroundings as being domineering towards their wife and family is the most important indicator of their respectability. When men were asked what their spouses reaching economic independence meant, they stated that since their wives had no financial requests that they had no complaints, but also stated that such a situation was hard to get used to. Even though women achieving economic independence results in a change in the gender roles in the household, this change is at a very limited level. On top of their regular house work, once women have taken advantage of the micro credit application, their work load further increases. The economic role of women are limited to the management of the credit made available to them as well as contributing to the needs of the household, however there are no visible changes regarding the gender roles on the many topics related to the household (Cheston & Kuhn, 2002 : 20).

Even though the micro credit institutions have major concerns regarding the plight of women who have taken advantage of the micro credit application and earned their economic independence resulting in a decrease in their traditional role and whether or not this will result in them becoming a victim to violence by their husbands who think that their authority and reputation are being hurt, the apparent situation however seems to point in the opposite direction, showing that the micro finance application is strengthening and developing inter family relationships. Many women who have taken advantage of the micro credit application have stated that a sense of security has developed for their families as a result of the source of income that is generated for the household. They also stated that since they are generating income for the household and beginning to live more productive laws, their spouses attach more value to them and therefore share their earnings with them. According to the data of a research conducted by the Working Women's Forum, thanks to the micro credit application the amount of women children that are victims to violence within the family have fallen by %40.9 (Cheston & Kuhn, 2002 : 21). Important changes happened to the social lives and status of women who have taken advantage of the micro credit application. According to a study conducted in Ghana, women have stated that men are acting with more respect and equality towards them. However, no visible changes have happened in regards to the traditional gender roles of women and especially in the social roles assigned to them such as their status within the household. Only the area of movement within society of women has widened and that this is limited to their activities regarding generating income (Cheston & Kuhn, 2002 : 23).

The point not to be overlooked here is that in addition to providing credit support, the micro credit programs provide many services to the impoverished in areas such as; raising their level of awareness, providing training in order to develop their skills, teaching literacy, giving knowledge on banking rules, teaching investment strategies, training in health, education, civic consciousness and changing the attitude towards women. For example, the "16 Decisions" prepared by the Grameen Bank as a part of their social development program should be considered by all members taking advantage of the program. The bringing under control the population of families, preventing the male from receiving dowry as well as money from the family of the female while getting married, similarly preventing the giving of money to the family of the male while marrying the female, prevention of marriage of children at young ages and giving importance to the formal education of children make up the main principles of this decision. Another benefit of this program is that it raises the awareness of women in topics like protection and family planning. In this context, according to a research conducted in Bangladesh, it has had important contributions in the enrollment of male and female children between 5-17 to school (Khandker, 1998: 985).

According to Weber who criticizes the micro credit application at a macro level, this process is being used as a tool for the liberalization of the financial sector and easing the global trade in the financial services sector. In this context, micro credit can be understood in terms of looking at

the historical process regarding the management of economic crises by the advanced capitalist states. The issue of the micro credit being at a minimal level and the decreasing of poverty can be 12,5 the goals of the research.

According to the findings based on the 116 women who were contacted as a part of the research, %69.8 of the women were married, %6.9 were single, %22.4 were widows, and %0.9 lived separately from their husbands. As for the widowed women, %7.8 of them had been widows for 1-5 years while %16.4 were living as widows for 6 years. As for the women who were married, those who had a civil marriage were %21, those with a religious wedding were %0.9 and those with both were %48.3. This shows that the majority of women who received micro credits were married. Furthermore the high rates for religious as well as civil marriage being conducted together are an indicator that the institution of the family gave a place to religious factors as well as a legal basis.

According to the research findings, an important portion of the families that were contacted carried characteristics of a nuclear family, and that the number of children was well below the number that was expected. Families with the number of children between 1 and 3 were at %67.2, thus making this rate one worthy of a sociological analysis. This rate can give hints that the number of families who are aware of having few children is key to beating poverty is increasing. In addition to this, there are hints that the mentality of seeing children as an economic value thus awaiting an economic contribution from them at an early age is slowly giving way to a mentality that gives children a psychological value thus giving more importance to their education for the long run. Families with 4 to 6 children make up %17.2 while the rate for families with more than 7 children is %4.3. This situation shows the opposite of what was expected. The foresight that the section of society battling poverty having a high number of children giving way to a density of between 1 to 3 children per impoverished families is yet another hint that the women are becoming more aware on topics of health, maintenance and concerns for the future.

When we look at the number of people per household, the rate for 1-2 person families is %11.2, 3-5 person families is %69.8 and 6 or more persons per family is %19. When looking at the total number of people living in the household in relation to the number of children that were preferred, it can be seen that the households are not made up of crowded families. Another reason for this is that families carry the characteristics of a nuclear family. In other words the families show sociological characteristics of the mother-father and unmarried children thus constituting a nuclear family. To put it in another way, the data concerning the number of people per household could serve as an indicator that the traditional family models are beginning to collapse.

When looking at the ages of women that were contacted, it can be seen that young and middle aged women make up the majority. According to this, 18 to 25 year olds make up %13.8, 26 to 30 year olds make up %16.4, 31 to 40 year olds make up %32.8, 41 to 50 year olds make up %22.4 while those that are older than 50 are at %14.7. When we look at the age range of the spouses of women; 18 to 25 year olds are at %1.7, 26 to 30 year olds are at %8.6, 31 to 40 year olds are at %25, and 41 to 50 year olds are at % 21.6 while 51 and older make up % 12.9.

When looking at the education levels of the women within the study conducted; the rate of women who were illiterate was at %12.9, those who left at elementary school was at %6, those who completed elementary school was at %44.8, those who left at middle school was at %6.9, those who completed middle school was at %13.8, those who left at high school was at %2.6, while those who graduated from high school was at %12.9. When looking at the education level of the spouses of women which were contacted; the rate of those that were illiterate was at %4.3, those who left elementary school was at %1.7, those who finished elementary school was at %40.5, those who left middle school was at %4.3, those who finished middle school was at %9.5, those who finished high school was at %6, those who left at university was at %1.7 while those that had graduated from university was at %0.9. Women's choosing such a strategy to combat poverty even though their education levels are very low shows that they put forward their own initiatives in order to change their lifestyles as opposed to accepting the culture of poverty. In other words, this application has created job opportunities that allow individuals to provide for

their own lives, which is a function of social states, instead of the individuals becoming passive and expecting everything to be readily provided by the state. As a result, the importance of micro credits has become apparent due to the fact that it gives the women a sense of self respect by allowing them to experience the joy of not being passive and earning money through work thus preventing their characters from being damaged.

As can be understood from the name of the application, the goal is to bring forward the already existing skills of entrepreneurship in women thus creating entrepreneurial women. In the framework of this study, when taking into consideration the concept of entrepreneurship with the characteristics, spirit of entrepreneurship and goals in respect to the business they conduct of the women we contacted, it can be stated that almost all of the women choose to get credits not to practice their entrepreneurship skills but rather to overcome the difficult living standards that they find themselves in. When looking at the different women entrepreneur types under the concept of entrepreneurship, the women in our samples carry the characteristics of the "family oriented women entrepreneur type". If we analyze this data in the sociological sense, it can be stated that women take advantage of this credit as a strategy to overcome daily poverty rather than having goals for the future regarding their businesses. Another data which supports this claim are the statements of women that they will stop their business activities once the situation of their husbands improves. In this context, the rate of those that state that they will cease their business activities once the work situation of their husband improves or their income level gets better, is at %85,3. Another set of data regarding the sample possessing the family oriented women entrepreneur type characteristics is contained within the statements of women regarding their reasons for working. According to this, %96,6 of the women state that they work due to the hardships of livelihood, while %3,4 state that it is because they want to gain a profession.

A woman who engaged in home cooking and sold them at the market had the following to say in support of these data.

"If it was enough I would not do this work. I would sit at home, pray, and thank my God. If it was enough would I lose face here? If you have money in your hands, you will have confidence everywhere. But if you do not have money, you also have no self confidence. The concept of impossibility bears such a burden on you that you cannot lift it. I am making a living. How can my status change within the family? Perhaps if you have a lot of money and open a place of business, it will change more."

Another woman stated the following regarding how she wanted to stop working once somebody else in the household could bring in an income.

"If my son finds a job, I will find a little bit of peace. I mean, after reaching this age, what use do I have for dressing up and looking nice."(age 65/ Yenimahalle/ handicrafts).

Another set of data which show that woman exhibit the characteristics of a family oriented entrepreneur is through the attributes of the work they are engaged in. According to this, when looking at the variety and rate of the work the women are engaged in; the rate of women who work in the handicrafts sector is %52,6, those who do home cooking are at %21.6, those who are doing marketing are at %21.6, while those who work alongside their husbands is at %2.6. These data show that woman prefer working in areas that are closely connected to the traditional cultural connections that they have obtained from childhood rather than work in areas that are more geared towards the market. In such cases women work based on receiving orders instead of conducting market research which requires entrepreneurial attributes. In this context, when women were asked the question of what they personally gained out of receiving a credit, only %5,2 replied that their 'entrepreneurial skills improved'.

The sample carrying the characteristics of a family oriented woman entrepreneur is also evident through the low level of incomes generated by women. In this respect, instead of gaining a different set of skills, women conduct business in relation to the skills they already possess and this situation prevents them from improving themselves. As for this reason, instead of working in a field which will both help them improve themselves and generate more income, they choose work based on traditional gender culture and thus receive less income. In this context, when

looking at the weekly rates of income of women: %9,5 make 0-20 TL, %25,9 make 21-50 TL, %21,6 make 51-100 TL, while %17,2 make 101 TL or more.

As a result of the meetings conducted, when looking at the work of the spouse of the woman; mobile salesman make up %17,2, professions like construction workers, porters or waiters make up %5,2, craftsmen make up %8,6, artisans make up %19, drivers %3,4 and the unemployed are at %10,3. Another meaning for such data is that, instead of entrepreneurial goals that support the above data, women take advantage of this application to provide an economic contribution regardless of how little that amount may be. This is because almost all their husbands work in off the record, temporary jobs that have an irregular income level. One of the most important reasons for poverty is that the individuals do not have a regular job or income. According to the data of the research, the income of the spouses of the women is at a level that is irregular and which cause them to live under the poverty level. According to this; the weekly income levels of the spouses of the women which were contacted are as follows; %13.8 between 0-50 TL, %2.6 between 51-100 TL, %21,6 between 101-200 TL, %4.3 between 201-300 TL, %1.7 between 301-400 TL, while 401-500 TL making up %2.6. The fact that the 101-200 TL range is the most concentrated shows that the number making minimum wage earnings is a lot. When we look at the type of jobs and the income the men in the household provide, it is seen that they lack the fundamental human rights of a regular job and income. It is of course an undeniable necessity for women to join the working life, improve their skills and gain their economic independence. However as a part of this study when looking at the reasons for women working, the main factor is the lack of a regular job and income for their spouses. When looked at from this perspective, the most important support that can be given to families in the prevention of poverty is providing the members of the household the potential to find job opportunities that could provide a regular income.

There is a close relationship between women taking advantage of the micro credit application and the poverty of the households. In this context, women give the following explanations as to the work they are currently engaged in: %69,8 have stated that they chose to take such a credit due to the easy terms of repayment as a reflection of the acute poverty they are experiencing. While %21.6 have decided to make use of the credit in order to pay back their loans, %6.9 were in favor of the credit due to state security. During the meetings, as a woman who took advantage of the micro credit application stated, the fact that easements on paying back the credit was an important factor in women opting to take the credit. The best statement in support of this data was a woman that took advantage of the micro credit application that lives in the Kiremithane neighborhood stating *"only the opposing side understands what not having anything means"*.

The micro credit project carries the characteristic of a social change project in a sociological sense. Even though our samples are from a socio-economically low segment, women joining the work force becoming accepted as a social value is one of the most important benefits of this application. The women engaging in an income generating activity and this being accepted as a social value cannot only be evaluated as an economic benefit. In this regard, even though these women are located in districts that are relatively closed off to the outside, the fact that they become aware of and a part of the micro credit application through each other is an important clue in relation to change in social values. In other words, thanks to this application, women have gained a social position in which she can work in an income generating job, get out of her house and take part in the decisions that are made within the household. In this context, the social environment of the women is one of the leading factors that can encourage them to take micro credits. When we look at the research data, a figure as striking as %87.1 of the relatives and neighbors of women have provided support to them on gaining knowledge on and taking advantage of the credits.

Just like a 31 year old, elementary school graduate woman who is a mother of four children has stated, the micro credit application not only allows woman to get capital but more importantly allows them to become aware of their own potential and provides them with motivation to raise their self confidence as well as further develop themselves:

"Before I used to make my products for myself, or as gifts. Through micro credit I began to market the products I processed and began to keep an account book. My mind is now better able to focus on

business ideas such as how much it will cost for me to get this product, how much can I sell it for, how much can I earn."

Instead of claims that the micro credit application makes women further disadvantaged within the family in terms of her work load and economic responsibilities, the data of this research shows that women have become more equal in regard to the relationships with their husbands, and that a more sharing family structure has come forward instead of the men leaving all the burden to the women. The statements of the same woman who produces handicrafts at her house and then markets them shows that the micro credit application has gained the attribute of a social change project and spread further than its economic effects:

"I can now take care of my own needs. When you have little money, you can talk very little, but when you have lot, you do not stay quiet, as my self confidence increased, the pressures I faced from my husband also changed, he seems to be proud of me and love me a lot more now."

As the research data points out, no changes have been noticed in the qualifications of women in terms of their work when comparing their status before they joined the micro credit application to after they joined it. In other words, there have been an important rate of similarities in the field of work that women who used to have some sort of work before they applied for a credit to the work they conducted once receiving the credit. The rate of women who had work experience before they applied for credit was %58.6. Such work experience was predominantly made up of cleaning, handicrafts, working at the market, and home cooked meals. Women who took advantage of the micro credit application, is made up of those that want to neither improve their own abilities nor in relation to this have the motivation to further develop their businesses. However it also needs to be mentioned when taking into consideration the level of education of the women, their income, their method of socialization, the environment in which they live and the culture they obtain in relation to this, their efforts to take advantage of this opportunity carries with it a value that cannot be denied.

Another one of the important contributions of this application is the work they had done in order to make contributions before receiving the credit has resulted in more income for women after they received the credit. Women who used to do the work of others, by receiving the credit have been able to conduct their own business.

The experience of a 64 year old woman who used to earn her living by making tomato paste and selling it and her decision to take advantage of the credit is one that is very similar to the story of Safiye whom Yunus met while touring the villages of Bangladesh, that was trying to make bamboo chairs and sell it by getting money with interest:

"If I have capital, I can go to the market and buy the pepper that I want, and this would be a source of strength for me. Let us say that I looked somewhere, and that the peppers there were not nice or expensive, as long as I have money in my hands I can go elsewhere and purchase them there. Before I got the credit I didn't always have money in my hands, I could only go and buy peppers to make paste if I had money. But now I have money on a consistent basis every week and this has become a supporting pillar for me. As for this reason I decided to take advantage of the micro credit."

Thanks to this project, women who used to venture out of the boundaries of their neighborhood only for hospital visits, have now not only widened their areas of movement, but have also reached a stage in which they can get the initiative, make decisions, realize the importance of education especially for their female children and began to put these into practice. This projects and the awareness it has instilled in a 52 year old woman who is a mother of three children in regards to her own potential and the future of the members of her family can be clearly seen:

"In all honesty I feel a lot younger now, I look at my peers and they are developing a sickness every day from sitting at home. I have been saved from sitting all day at home doing nothing. I can now do things by myself. For example I never used to go out that often, I did not know Mersin. Now when I go to

buy my knitting supplies I can tour the market, I can understand where the best quality and cheapest materials are located. I sometimes say to myself, I wish I knew how to read, I would not be so dependent on a husband now..."

IÇEV plays a %44,8 direct role in women being able to market the products of their labor. This contribution whilst being one of the most important in women being able to turn their labor into income, it also supports their productivity and serves as a motivating factor in them taking up new fields of work.

Women within the micro credit application, is made up of those that are trying to improve themselves despite of all the poverty and limiting social values that they live under. In this context, %61,2 of the women have stated that new additions such as the organization of courses geared towards increasing their level of knowledge and skills towards their fields of work, the abolition of the requirement of a guarantor, the improvement of their channels for marketing could be pivotal in improving this application.

As the findings of this study points out, the impoverished are in a struggle for survival under extremely hard working conditions and an unstable source of income, it has been seen that contrary to such claims of those opposing the credit such as; the man repressing the women within the household and taking over the income of the women, the income that enters the household is used for providing nutrition to the children and makes an important contribution towards the children continuing their education. The long term effects of the project such as; decreasing the stereotypical gender culture, allowing women to take part in society with self confidence, becoming aware of her own abilities and improving upon them, improving relationships with the household, alleviating conflicts that result from poverty, bringing to a minimum the phenomenon of the working child and guiding the spouses towards an attitude based on equality can result in much more than just combating poverty.

Conclusion

This study relies on a sociological field research conducted with women who have taken advantage of the micro credit application in Mersin, based on a social change project that is implemented in 25 provinces in Turkey. In the context of this study, important findings have been put forward that demonstrate the contributions made towards the social value change, strategies in the fight against poverty, the process of women gaining self confidence, the taking of important steps in changing their social status, the abolishment of the traditional gender culture and the establishment of social justice through women taking part in the micro credit application.

The fact that the women included in the samples have taken part in such an application despite living in social settings that are visibly isolated, and that the social values they find themselves in have characteristics of traditional gender culture that prevent them from breaking free of their disadvantaged status as well as the acute poverty conditions they live under is an extremely important step in regards to social change.

The micro credit application is a project that makes important contributions both in the short term and in the long run by providing opportunities to women despite the fact that they make up a disadvantaged segment of society in terms of gender and the social layer that they occupy.

The most important of these benefits is the taking of an important step by changing the traditional gender roles in society. As a result women who benefit from the project, not only make economic contributions to the household but also take a leading role in creating a cultural transformation in society. Another important contribution this makes to women that they get the feeling that they are a contributing member of society and thus gain self confidence. It especially gives an opportunity to women by giving them the ability to gain their own income, develop their own skills and to socialize by breaking free of their narrow social surroundings in addition to the unpaid labor that is attributed to them within the family in relation to the social role distribution within the family.

The vicious circle of the phenomenon of the working child that is seen in impoverished families and which plays a pivotal role in the transfer of poverty to the future generations has shown an important decrease by the entry of the labor of women into the household. The findings of this research demonstrate that in circumstances where the woman has an economic contribution to the family the children in the household continue their education instead of working. As a result, the psychological value of the child takes precedence over the economic value which in the sociological sense makes up a criterion of development for a country.

The leading reason for women who have taken part in this application to take advantage of this project is that their spouses do not have a regular job thus a regular income. In this context, with this project which supports the participation of women in the work life, the transformation of employment opportunities into a regular source of income and a sense of social security comes across as an extremely important factor.

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MICROCREDIT IMPLEMENTATION AS POVERTY ALLEVIATION STRATEGY EVIDENCE FROM ESKİŞEHİR PROVINCE*

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Abstract

Microcredit programme which is used today in alleviation against the poverty, constitutes one of the significant policy instruments. Microcredit programmes, which are currently being implemented in many countries of the world including Turkey, have some important effects in terms of increasing employment besides preventing poverty.

The aim of this study is to determine the efficiency of the microcredit in the prevention of the poverty in the province of Eskişehir. The data for the study were obtained from Eskişehir Branches (Tepebasi and Odunpazari) via the method of questionnaires. According to the research results, before and after the credit, there have been significant differences in family incomes of the microcredit borrowers and 1 out of every four families has surpassed the poverty line. Moreover, the positive contributions of the microcredit have been identified in female labor force participation rates depending on the employment growth.

Key Words: Microcredit, Poverty, Employment, Questionnaire, Eskişehir

1. Introduction

Nowadays, poverty is not a problem only in developing or underdeveloped countries, but also came up to be a major problem in developed countries. Therefore, in order to alleviate poverty, several programs and policies have been developed by countries. The most successful of these policies to overcome poverty is microcredit implementation, applied in many countries all over the world.

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Microcredit implementation is not only useful to alleviate poverty but also helps to improve employment and prevent unemployment. Unemployment seems to be one of the major problems in our country as well as most developing countries and among unemployed people, disguised unemployed people hold a great deal. In Turkey, unemployment ratios are fairly high and employment ratios are low when compared with developed countries. Deficiency of capital, lack of education, insufficient support from banking and finance and inadequate participation of women to working force are the reasons that decrease employment. Therefore, it is expected that the microcredit implementation may play a major role to increase employment in our country via overcoming issues such as social exclusion, lack of education and deficiency of capital. Microcredit Project which draws gradually increasing attention in Turkey, has been maintaining its activity since 2003 under the name of Turkey Grameen Microcredit Project (TGMP). The main aim of TGMP, which maintains its activity at 61 branch offices in 43 cities, is especially increasing the life standards of poor women living at cities and rural areas via giving them credits to make them participate in activities that provide income.

The main course of this study is to analyze the efficiency of microcredit to alleviate poverty in Eskişehir. The study consists of 5 chapters. In the second chapter following the introduction poverty and microcredit implementation to alleviate poverty are explained. In the third chapter, a general map of poverty in Turkey has been drawn and microcredit implementation in Turkey has been evaluated. The results of study about microcredit implementation in Eskişehir are given in fourth chapter. The study has been finalized with the fifth chapter which consists of conclusion.

2. POVERTY AND MICROCREDIT IMPLEMENTATION TO ALLEVIATE POVERTY

2.1. The Concept of Poverty

The concept poverty is one of the most important issues on discussions about human development. However, the notion of poverty hasn't been clarified at all yet and there are several different descriptions. All descriptions individually lead to different approaches and strategies on the eyes of politicians and needs to be treated in the sense, the way poverty described has an importance on the consequences.

Lack of having a single description that people have a consensus on the notion poverty, lead the notion to have different descriptions. Lack of having the adequate amount of nutrition (famine) is a narrow approach on poverty is described as the "being unable to supply the basic needs of human", although the wider approach defines poverty as "the condition of a society or a group of people belonging to that society who are only able to provide basic needs such as food, shelter and dressing to maintain the minimal life standards" (Adaçay, 2008:19). It is also called as absolute poverty. The amount of people belonging to that group is calculated as the people living under a certain minimum amount of income. The amount of income or the limit of poverty depends on the development level of countries, the differences on parities about purchasing power. For example, the limit of poverty for Latin America and Caribbeans is 2 ABD dollars per day, for Eastern European countries where Turkey belongs is 4 ABD dollars per day and for developed countries, it is 14.40 ABD dollars per day (Öztürk and Çetin, 2009:2665).

Another notion of poverty is the relative poverty. The relative poverty is, "the condition of being under a certain amount of average prosperity level of the society". In other words, the relative poverty can be described as the condition of supplying their minimal needs, though being behind the prosperity level of the society. According to that, the person or household being under a certain amount of average prosperity level of the society are defined as relatively poor (Yılmaz ve Koyuncu, 2006:4). In other words, relative poverty can be defined as the income gap between the household, group or person and the household, group or person who lives in the same society and satisfies average amount of income due to present conditions (Dumanlı, 1996:6). The ones who cannot participate wholly in the life of the society that they belong are poor with respect to this approach.

The World Bank defines poverty directly related with monetary income and the word poor is used to describe people who are under a certain amount of income. The World Bank states that

general poverty limit as 1,25 dollars per day (Ala, 2009), though this limit is 1 dollar per day for the poorest countries of the world (due to 1985 prices), 2 dollars for Latin America and under 4 dollars for transition economies (Alcock, 2006:49).

United Nations Development Program (UNDP) defines poverty as “lack of having mandatory conditions for human development (life-long health, a productive life, an average living standard, freedom, self-confidence and respectability)” and prevents the notion’s reference with direct monetary relation. In order to examine poverty in this sense, detailed statistics with especially social characteristics are required. For this UNDP uses indicators such as child death ratios, literacy and real purchasing power. Using these factors, “Human Capital Index” has been made and the level of human development evaluated (Uzun, 2003:157).

2.2. Microcredit Implementation for Poverty Alleviation

Generally one can speak of two approaches, direct and indirect, for poverty alleviation. Indirect approach is related with economic growth and aims to increase the income with the help of fast growth and then life standards of poor people. Whereas, direct approach consists of government’s programs and policies related with poor people’s basic issues such as nutrition, health, education and housing regarding their life standards. Direct poverty alleviation approach shows itself in 3 forms as radical reform, public expenditures and poverty alleviation programs. In the first one, radical reform, the aim is to radically redistribute the sources, and to reduce poverty by overcoming the inequalities. Second method consists of public expenditures such as social security, health and education. By means of these expenditures, poverty reduction is aimed. The third method consists of poverty alleviation programs. The aim of these programs is to increase poor people’s access to labor markets and then to improve their conditions in the markets (Şenses, 2001).

A direct approach method for poverty alleviation is so called ‘Microcredit’ implementation also known as ‘Microfinance’ applied in most of the countries worldwide with success.

Microcredit, can briefly be described as providing services to people via reaching them whom normally didn’t get any services or getting inadequate services from financial institutions. The aim of microcredit implementation is to execute policies and programs to constitute sustainable and stable financial institutions which actively reach people that are poor or with low income. With this, strengthening the social peace is aimed by economical inclusion of poor people via participating in production process, reduction in poverty and prevention of alienation (Ledgerwood, 1999:1).

Microcredit Project, first started in 1970 by Muhammed Yunus, a professor of economy at University of Chittagong. The people of Bangladesh were desperate and suffering from famine caused by poverty. This led Professor Yunus to try to find solutions beyond the predictions of present economical models. Professor Yunus has started a study on poor people which lives at a village near University of Chittagong and he observed that these people could use their skills well and produce many things. As a result, Yunus found out that the reason why these people are suffering from poverty is not lack of education or ignorance but their disability to hold the capital and manage it. He then carried out his first credit implementation in 1974 in the village where he did his study as a pilot application. The credits’ returns in high ratios have encouraged him and he founded Grameen Bank to start higher amount of credit implementations (www.comceg.org, 20.02.2010).

Microcredit implementation gradually finds a wider application area because it requires less paperwork and lower costs in comparison with the other financial implementations. Microfinance institutions especially aim to supply poor women because it has been showed that women in desperation have a faster and better adaptation and better performance than men in self-helping process (Yunus, 1999). As well women seem to be very endeavoring to use the opportunities to overcome poverty, so they make a strong group of demanders for microcredits (Begum, 2004: 44). Also Grameen Bank observed that the credit risks for women are lower than men’s and they are more willing to make use of those credits on available situations (Yılmaz ve Koyuncu, 2006:73).

Microcredit institutions have to give credits with higher interest than commercial banks. The reason is that the transaction costs for microfinance institutions are higher than those of commercial banks. Therefore, the credits supplied by microcredit institutions have higher interests than the credits from commercial banks. In other words, because the credit amounts demanded by people at rural areas are being low, supporting these are not favored by banks due to lower interest and higher costs (TİSVA, 2005:9). Besides, the relatively low number of branch offices in classical banking are making it harder or even preventing to reach people at rural areas. Therefore, people living at rural areas or people that cannot benefit from bank credits are having the opportunity to supply their needs with credits in small amounts by microcredit implementation. Although the effect of microcredit implementation to alleviate poverty seems insufficient at the start, in time it has been observed that the income acquired by microcredit benefiter has been improved in due time and this observation manifested the importance of the issue clearly. For instance, after a 10 year study done by Grameen Bank showed that 50% of households have reached over complete poverty line. Another study on this area, showed that the ratio was 25%. In another study, 91% of the Grameen Bank borrowers have come up with an improvement in their living standards. It has been showed that the majority of the microcredit users and their families have reached over the complete poverty line. A study done by World Bank showed that consumption rates of microcredit users are increasing 18% every year and poor people's ratio has been decreased by 70%. In a study handled by Grameen Bank has showed that the total ratio of people whom reached over the complete poverty line till 2002 is 46%. These studies have supported by other studies done in various times (Latifee, 2004:130).

3. POVERTY IN TURKEY AND MICROCREDIT IMPLEMENTATION FOR POVERTY ALLEVIATION

3.1. Poverty in Turkey

Poverty, especially with the negative effects of globalization, is in an increasing manner at most of the countries whatever their development level is since 1990. Turkey suffers from gradually increasing poverty in parallel with globalization like most of the countries. Especially after 80's the neo-liberal policies suggested by international financial institutions lead by IMF and World Bank, made Turkey construct its economical development and growth strategies around foreign expansion. However Turkey couldn't achieve macro-economical stability, unlike countries in the same situation, with these methods but also has entered in a serious economical instability period. In this period, poverty phenomenon reshaped in numbers, geographical location, sector, income and significant increase in poverty at urban areas due to internal immigration added to rural area poverty (Altay, 2007:62-63).

In 1990s, public and political circles took poverty seriously as a social problem and put it on the agenda of Turkey. After the economic crisis experienced during 1990s, an enormous earthquake shook Turkey in 1999. These experiences increased the necessity for multidimensional and new approaches for eliminating poverty. The high inflation experienced in 1990s in Turkey, decreased the purchasing power of population with low income. Moreover, imbalance in public finance caused by high inflation rate and high interests had a limitative effect on the policies, aiming to improve the income distribution. Economic crisis, unemployment, regional differences, and gender discrimination have also been important reasons of poverty. Turkey began officially to fight against poverty in the mid-1990s. In Seventh and Eighth Five-Year Development Plans, the strategic aim of Turkey in this issue was to decrease permanently the imbalances in income distribution and to eliminate absolute poverty. Following the presentation of Millennium Development Goals (MDGs), Turkey's efforts have accelerated in fight against poverty. In the Vision of Ninth Development Plan, comprising 2007-2013, fair income distribution is also emphasized and an approach of person-focused improvement. In this framework, improvement of income under the title of human development and social solidarity and developing strategies for fight against poverty are included (www.comcec.org, 20.02.2010).

2002-2008 poverty indicators presented in the Table 1, obtained from TÜİK's (Turkish Statistical Institute) household budget survey.

Table 1: The poverty rates according to poverty line methods, 2002-2008							
Methods	Percentage of poor individuals (%)						
	2002	2003	2004	2005	2006	2007(*)	2008
TURKEY							
Food poverty	1.35	1.29	1.29	0.87	0.74	0.48	0.54
Complete poverty (food+non-food)	26.96	28.12	25.60	20.50	17.81	17.79	17.11
Below 1 \$ per capita per day ⁽¹⁾	0.20	0.01	0.02	0.01	0.00	0.00	0.00
Below 2.15 \$ per capita per day ⁽¹⁾	3.04	2.39	2.49	1.55	1.41	0.52	0.47
Below 4.3 \$ per capita per day ⁽¹⁾	30.30	23.75	20.89	16.36	13.33	8.41	6.83
Relative poverty based on expenditure ⁽²⁾	14.74	15.51	14.18	16.16	14.50	14.70	15.06
URBAN							
Food poverty	0.92	0.74	0.62	0.64	0.04	0.07	0.25
Complete poverty (food+non-food)	21.95	22.30	16.57	12.83	9.31	10.36	9.38
Below 1 \$ per capita per day ⁽¹⁾	0.03	0.01	0.01	0.00	0.00	0.00	0.00
Below 2.15 \$ per capita per day ⁽¹⁾	2.37	1.54	1.23	0.97	0.24	0.09	0.19
Below 4.3 \$ per capita per day ⁽¹⁾	24.62	18.31	13.51	10.05	6.13	4.40	3.07
Relative poverty based on expenditure ⁽²⁾	11.33	11.26	8.34	9.89	6.97	8.38	8.01
RURAL							
Food poverty	2.01	2.15	2.36	1.24	1.91	1.41	1.18
Complete poverty (food+non-food)	34.48	37.13	39.97	32.95	31.98	34.80	34.62
Below 1 \$ per capita per day ⁽¹⁾	0.46	0.01	0.02	0.04	0.00	0.00	0.00
Below 2.15 \$ per capita per day ⁽¹⁾	4.06	3.71	4.51	2.49	3.36	1.49	1.11
Below 4.3 \$ per capita per day ⁽¹⁾	38.82	32.18	32.62	16.59	25.35	17.59	15.33
Relative poverty based on expenditure ⁽²⁾	19.86	22.08	23.48	26.35	27.06	29.16	31.00
Source: TÜİK (2009), "Results of the 2008 Poverty Study", www.tuik.gov.tr							
(1) Here, 618 281 TL, 732 480 TL, 780 121 TL and 0.830 TRY, 0.921 TRY, 0.926 TRY and 0.983 TRY which are the equivalents of 1 \$ purchasing power parity (PPP), are used for 2002, 2003, 2004, 2005, 2006, 2007 and 2008 respectively.							
(2) It's based on the 50% of equivalised median consumption expenditure.							
(*) Figures were revised according to new population projections.							

According to Table 1, food and non-food expenditure based poverty rate countrywide is 17.81 percent at 2006, 17.79 percent at 2007, 17.11 percent at 2008. Even though it is not periodic, a decrease in the rates occurred from 2002 to 2008.

In 2008, 0.54 percent of Turkey population living below the food poverty line and 17.11 percent of Turkey population living below the complete poverty line that covers food and non-food expenditure. The 0.87 percent of individuals living below the food poverty line in 2005 decreased to 0.54 percent in 2008 and 20.5 percent of individuals living below the complete poverty line in 2005 decreased to 17.11 percent in 2008. Besides, according to Table 1, there isn't any people whose daily expenditure per capita is below 1\$ due to purchasing power parity in between 2006-2008. In 2008, the monthly food poverty line is estimated 275 New Turkish Liras (TRY), whereas the monthly complete poverty line is 767 TRY for 4-person household. Even though food and non-food poverty rates in Turkey were at a decreasing manner in between 2002 to 2008, there is a significant increase in the relative poverty¹ rates which are obtained by TÜİK with respect to expenditure. The rate came up to be 15.06 percent at 2008 from 14.50 percent at 2006 (TÜİK, 2009: www.tuik.gov.tr).

"Results of the 2008 Poverty Study" published by TÜİK in 2009, brought out the most important factors which cause poverty. According to this, the two most prominent issues are; low level of education and growth in household size. The level of education is a crucial criteria in poverty. It has been stated that higher is the education level, the lower is the poverty risk. According to 2008 TÜİK data the poverty rate is 35.59 % among the illiterate and 0.71 % among the two-year faculty, faculty and upper graduate. While the ratio of individuals in the households which are comprised

of 3 or 4 people and who live below the complete poverty line is 8.48 %, this rate among the individuals in the households comprised of 7 and more people is calculated as approximately 38%. Besides, statistics showed that the poverty risk is more for people living in rural areas than those of at urban areas. While poverty rate at rural areas is 34.62 percent, it is 9.38 percent at urban areas (TÜİK, 2009: www.tuik.gov.tr).

Another issue need to be discussed in the framework of poverty is the woman poverty. Woman poverty is one of the main issues which developing or under-developed countries struggling. In due time, though they constitute a great percentage in population, with the effect of traditional labour division, women's status in labour market remained as "secondary force". In the factors affecting the women's participation in labour market, economical reasons (lack of income, education level) as well as social concerns such as prestige and attaining a statue in social life can be considered (Öztürk ve Çetin, 2009:2673). The rate of participation of women in labour force being 25 percent, Turkey is one of the worst in world nations. However this rate is approximately 60 percent in EU and OECD countries.

The low amount of women labour force in labour market, creates a dependence which results in women to use social rights such as health via their husbands. This dependency results in women not to benefit from opportunities such as retirement which are obtainable via employment. Inadequate education of women makes poverty permanent. The priority in education is for male children in poor families and they are considered as an investment for future. Female children are not considered as a good investment and due to the fact that they will take their income to someone else, women are pushed aside by their families (Şener, 2009:3-4).

The poverty rates of household members between 2002 and 2008 based on gender and education level is given in Appendix 1. There is not a significant difference between poverty rates of men and women countrywide. However, there is a significant difference between the rates when rural and urban areas are taken into account seperately. This difference is not only in between men and woman poverty rates but also in the poverty rates of women. When we consider the poverty rates of women in a countrywide sense, although the value is 27.19 percent in 2002, it started to decrease in 2004. Consequently, there is a decrease in the poverty rates of women at 2008 when compared with the past. Woman poverty ratios in urban areas are lower than countrywide ratios and rural area ratios. Woman poverty ratios at 2008: rural area ratio is 35.29%, countrywide ratio is 17.52% and urban ratio is 9.62%. The rural area ratio is 4 times greater than urban area ratio. The main reason for this difference is, in rural areas it is hard for women to participate in labour market. This is a consequence of education level and inadequate business opportunities.

3.2. Microcredit Implementation in Turkey

There have been two implementations in the sense of microcredit in Turkey. The first microcredit implementation has been started by Foundation for the Support of Women's Work (FSWW) under the title 'Maya Microcredit Institution' in the region where Marmara Earthquake occurred in 2002. Especially poor women are being supported financially and technically by this institution to establish their own business. At present, the institution maintains its activity in Kocaeli, İstanbul and Sakarya Düzce (Altay, 2007:64).

The second organization in the sense of microcredit implementation in Turkey, established at Diyarbakır on 18 July 2003 with cooperation of Turkish Foundation for Waste Reduction (TISVA) and Bangladesh based Grameen Bank¹ under the title 'TGMP'. The main aim of TGMP due to its official site is "in order to decrease the amount of poor people in the society, supplying especially poor women living both at urban and rural areas with credits to support their revenue generating activities and small businesses." (TGMP, 2008:5). The women living at Elibol village of Diyarbakır were the first ones to benefit from microcredit which is not based on bail and assurance systems (Yılmaz ve Koyuncu, 2006:74).

Microcredit implementation is created to not only alleviate poverty but also to encourage entrepreneurship. Such that, the aim of the microcredits which have started to be applied after 2001 economic crisis adopted as a poverty alleviation method in Turkey, is to encourage entrepre-

neurship as well. With the help of the microcredit implementation, individuals living both at rural and urban areas are to be encouraged to establish their own business. Also these individuals are supported so that they make use of their entrepreneurship potentials. The aim of this is to make individuals to be prepared for potential crisis and in such situations, instead of asking for aid from the government, use their potentials and skills to overcome the issues (Gürses, 2007:68).

At present microcredit implementation is being applied by 67 branch offices in 46¹ cities (www.tgmp.net, 21.08.2010). The number of women supported with credits is increasing each year. The exact numbers are 10.000 at 2008, 21.000 at 2009 (Akbiyık ve Şahin, 2010:1742-1743) and 36.386 by August of 2010. The amount of credits given is 61 million TL (www.tgmp.net, 21.08.2010). The order of first 5 cities which are given the highest amount of credits is as follows.

Tablo 2: The Cities Which Are Given the Highest Amount of Credits and The Amounts

Cities	The Number of Women	The Amount of Credit Given (TL)
Diyarbakır	8.209	25.233.467
Kahramanmaraş	3.264	3.934.920
Gaziantep	2.215	3.410.608
Şanlıurfa	2.428	3.105.990
Eskişehir	1.476	2.168.585

Source: <http://www.tgmp.net/finansal.html> (21.08.2010).

According to Table 2, the city which is given the highest amount of credit countrywide is Diyarbakır. Kahramanmaraş, Gaziantep, Şanlıurfa and Eskişehir follows Diyarbakır.

Microcredits are given to groups of people of 5 who live in the same neighborhood. It is given to each member of the group individually but in the presence of a bail within the group. These groups are made up of women, who trust each other, living in the same neighborhood with similar backgrounds, similar characteristics. Relatives are not allowed in these groups. Repayments start after a week from the credit's starting date and they are to be repaid in 46 weeks (Akbiyık ve Şahin, 2010). The amount of credit given depends on the potential of the demander and the goal of the project which the credit is gonan be used for. This amount may vary between 100 TL and 700 TL. The amount may increase depending on the performance of the demander yearly (TGMP, 2008:13). There is no saction in case the repayments are not fulfilled. The group members are making weekly gathering events to share their experiences and to support the group members. Also the commissionals are collecting the repayments in these gatherings (Altay, 2007:65). The repayment ratio of credits in Turkey is 100 percent (**www.tgmp.net**, 21.08.2010).

There is a service cost, in order to provide a sustainable service and reach more people as well as to cover the business expenses and expenses of employees. Weekly repayments are collected by going to the credit users' houses. The service cost is 15 percent for TGMP. The service costs are used to maintain and advertise microcredit implementation, to cover employee expenses, transportation and communication expenses and other operating costs. The main aim for the service cost is to provide a sustainable service (Akbiyık ve Şahin, 2010:1739).

There are 4 different types of credits given by TGMP in Turkey which are 'basic loan', 'contractual loan', 'micro enterprise loan' and 'loan for struggling member'. All members can get their first loan through Basic Loan. This loan is a one year loan, and should be paid weekly in equal amounts. While keeping the status of the loan as basic, if there is not a problem with the member, the limit of the loan can be increased. In this loan system, borrower can also receive a loan again after 6 months of a previous credit in the repaid amount. In this loan system, there is an opportunity to invest in the voluntary savings account. Contractual loan is not a direct loan supplied by TGMP

¹ The Cities: Adıyaman, Afyonkarahisar, Aksaray, Amasya, Ankara, Ardahan, Artvin, Aydın, Balıkesir, Batman, Bilecik, Bingöl, Burdur, Bursa, Çankırı, Çorum, Denizli, Diyarbakır, Elazığ, Erzincan, Eskişehir, Gaziantep, Hakkari, Hatay, Isparta, İzmir, Kahramanmaraş, Kayseri, Kırıkkale, Kırşehir, Konya, Malatya, Manisa, Mardin, Muğla, Muş, Niğde, Rize, Samsun, Siirt, Sivas, Şanlıurfa, Tokat, Trabzon, Yozgat, Zonguldak.

but an alternative method created in case difficulties occur in the repayments. While a borrower having hard times repaying the loan, this system helps the borrower by extending the repay period. Third one, 'micro enterprise loan', is for capable, efficient, hard working and experienced members. The last credit type, 'loan for struggling member' is for struggling people such as beggars on the streets or really poor people who live on the street. This credit started in 2006. The main aim of this loan is to show beggars other ways of earning their lives with honour and to encourage them in this sense (TGMP, 2008: 8-11).

4. GRAMEEN BANK MICROCREDIT STUDY AT ESKİŞEHİR AND FINDINGS

4.1. The Aim, Content and Method of the Study

The aim of the study is: To analyze the effect of microcredit to reduce poverty at Eskişehir. In this framework, the change in the amounts of the incomes of the women before and after the microcredit is being compared. Also the effect of microcredit on employment in Eskişehir is being examined.

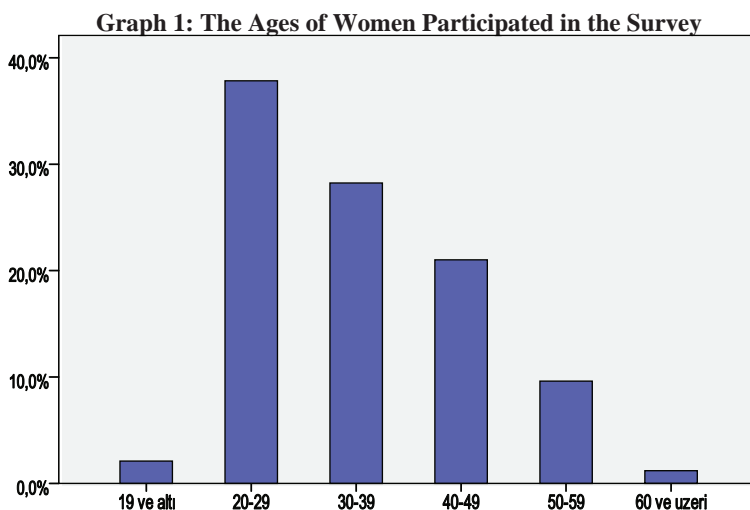
The data is obtained with the help of the experts of TGMP working in the Tepebaşı and Odunpazarı branch offices in Eskişehir via surveys. By March 2010, even though the number of borrowers is 1380, the number of people participated in survey is 336. Thus the survey application percentage is 25 percent.

The survey data is analyzed by SPSS program. Percentage distribution, frequency and chi-square tests have been used to put the data forward.

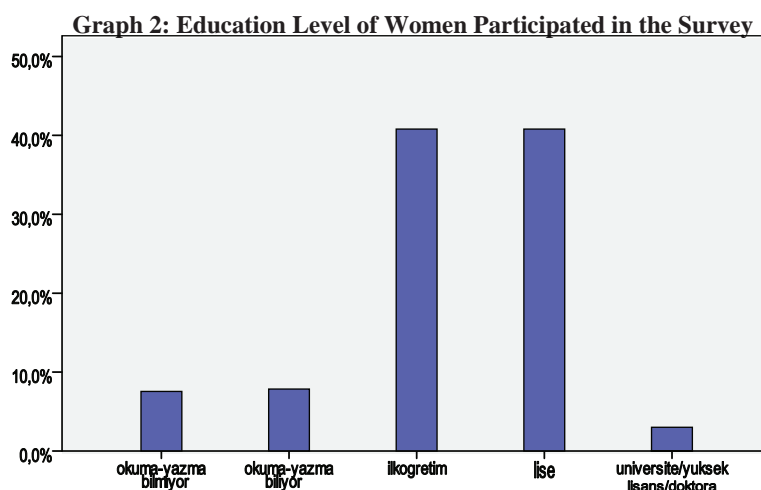
4.2. Findings

4.2.1. Demographic Properties

In the Graph 1 below, the age distribution of the microcredit borrowers in Eskişehir participated in the survey is presented. The most populated age group is 20 to 29 with 37.8 percent. Then respectively the age groups: 30-39, 40-49 and 50-59. The vast majority of the women participated in the survey are at the age of 49 or younger with 89.1 percent.



The data related with the education level of female credit borrowers is given in Graph 2. According to the graph, the most populated education level ranges are elementary school and high school graduates with same ratios (40.8%). On the contrary, the least populated group is university or higher degree graduates with 3 percent. Additionally, the ratio of literate is 7.9 percent, while the ratio of illiterate is 7.6 percent.



The results of the social securities of women participated in the survey presented in Table 3.

Table 3: Social Securities of Women Participated		
Social Security	Frequency	Percentage (%)
None	41	12.2
Green Card	62	18.5
SGK	230	68.5
Other	3	0.9
Total	336	100

According to Table 3, vast majority of the women participated in the survey (68.5%) are directly or indirectly registered to social security. On the other hand, the ratio of the women who are not registered to social security is 12.2% and 18.5% of the women are green card owners.

Another demographical property obtained from the study shows that 81 percent of the female borrowers are married. The ratio of the singles is just 19 percent.

The professional status of the family members of the women borrowers is presented in Table 4.

Table 4: Professional Status of Family Members Working		
Profession	Frequency	Percentage (%)
Government Employee	28	8.3
Laborer	97	28.9
Tradesmen	55	16.4
Farmer	19	5.7
Private Sector	36	10.7
Self-employment	62	18.5
Not Indicated	39	11.5
Total	336	100

In Table 4, it is shown that the profession with the highest percentage is laborers with 28.9 percent. This is followed by self-employers (18.5%) and tradesmen (16.4%). Also Table data shows that the government employees (8.3%) and farmers (5.7%) are the least populated professions in the families of borrowers.

4.2.2. The Application Areas and Aims for Microcredit

The data obtained shows that the female borrowers are using the credits mostly to establish their own business. The ratio is approximately 43 percent. The second in order are the ones to expand their existing business (36.3%). The ratio of women which use credit to start a new business is 13.7%. The ratio of women using credits for partnership is the least one with only 6.3% (Table 5).

Table 5: The Usage Aims of Female Borrowers for Microcredits		
Aim of Usage	Frequency	Percentage(%)
Establish their own business	144	42.9
Expand existing business	122	36.3
Partnership	21	6.3
Start a new business	46	13.7
Indicated	333	99.1
Not indicated	3	0.9
Total	336	100

In Table 6, the business branches are listed which female borrowers use their credits on. As shown in the Table, vast majority of female borrowers in Eskişehir using credits for handicraft (48.5%). The female borrowers using credits for commerce is second in order with 22.3% and followed by hawkers (13.1%), agriculture (5.7%) and animal breeding (2.4%).

Table 6: Business Branches of Women Borrowers		
Business Branch	Frequency	Percentage (%)
Handicraft	163	48.5
Animal breeding	8	2.4
Agriculture	19	5.7
Commerce	75	22.3
Hawking	44	13.1
Other	23	6.8
Indicated	332	98.8
Not indicated	4	1.2
Total	336	100

4.2.3. The Effect of Microcredit on Income

In order to obtain the amount of income acquired by their families before and after the credit, a series of questions regarding their income have been issued to the women borrowers in Eskişehir and made them to state their situations. To define the income groups, "2008 Poverty Study Results" obtained and published by TÜİK in 2009 have been used. TÜİK has estimated the monthly complete poverty line is 767 TL for 4-person household. In this study, the complete poverty line is accepted as 700 TL and the corresponding income groups are stated (Table 7).

Table 7: The Comparison of Women Borrowers' Incomes Before and After the Credit Use					
Income Before Credit Use			Income After Credit Use		
Income Groups	Frequency	Percentage (%)	Income Groups	Frequency	Percentage (%)
0-500 TL	109	32.4	0-500 TL	55	16.4
501-700 TL	118	35.1	501-700 TL	87	25.9
701-1000 TL	84	25.0	701-1000 TL	116	34.5
1001-1500 TL	18	5.4	1001-1500 TL	62	18.5
1501 TL and over	7	2.1	1501 TL and over	16	4.8
Total	336	100	Total	336	100

According to Table 7, while the ratio of people with the income 0-500 TL was 32.4% before the use of credit, this ratio has been 16.4% after the use of credit. The ratio of people with the income 501-700 TL has been 25.9% after the use of credit while this ratio was 35.1% before the use of credit. On the other hand, the ratio of people with the income 1001-1500 TL was increased in a significant amount from the previous ratio of 5.4% and has been 18.5% after the use of credit. Another ratio which has been increased after the use of credit is the income group of 1500 TL and over. Even though this ratio was 2.1% before the use of credit, it has been 4.8% after the use of credit. Furthermore according to Table 7, the ratio of people below the complete poverty line of 700 TL was decreased to 42.3% from the previous ratio of 67.5%. This result states that the microcredit implementation has made a contribution of 25% to the poverty reduction rate in Eskişehir. In other words, one fourth of the microcredit using families in Eskişehir have ascended over the complete poverty line. Additionally, if there is significant difference occurred between the amount of people considered as poor before the use of microcredit and the amount of people not considered as poor after the use of microcredit is examined by chi-square (χ^2) test. Due to the test results, there is a statistically significant difference of $p < .05$ between these two amounts.

In a survey² applied by Bakan&Eytmiş (2009) on 22 cities in Turkey showed that microcredit implementation has a remarkable contribution on poverty reduction. According to the results of the study, the ratio of people considered as poor was 83.6% before the use of microcredits while the ratio has been 57.9% after use. Due to the result, we can say that microcredit implementation has a contribution of 25.7% to poverty reduction rate in these 22 cities. This result almost corresponds with the findings we have acquired. Another survey applied at Malatya also shows that the incomes of borrowers have increased by 25% at least (Akbiyık ve Şahin, 2010:1744).

4.2.4. The Effects of Microcredits on Employment

To analyze the effect of microcredit on employment and unemployment ratios in Eskişehir, a series of questions regarding their professional status before the microcredit use, the number of people they employed after the microcredit use and the previous jobs of the people they employed, have been asked.

In Table 8, statistics are given about the professional status of the women before microcredit use. According to the data, the group with the highest demand was composed of housewives. The microcredit using housewives have made a significant contribution to employment with 35.7% and they increased the rate of women workforce. The ratio of people whom declared as unemployed before microcredit use is 29.5%. So, approximately 30 unemployed women out of 100 were employed with the use of microcredit. This made a significant contribution by increasing employment and also reducing unemployment rates. The group after housewives and unemployed women with the third highest demand to microcredit is the people who run their own business with 25.6%. A serious amount of these people demand microcredit to expand their existing business. On the other hand, retired people, laborers, private sector employees and government employees are the groups with the least microcredit demand.

² The survey participation ratio is 10.78 percent among these 22 cities. In Eskişehir this ratio has been the least with 4.15%. For the other cities and participation ratios see Bakan vd., 2010, s. 200.

Table 8: Before Microcredit Use Professional Status of the Women		
Professional Status	Frequency	Percentage (%)
Unemployed	99	29.5
Running their own business	86	25.6
Housewife	120	35.7
Wasn't thinking of working	4	1.2
Retired	9	2.7
Government employee	2	0.6
Laborer	5	1.5
Private sector	4	1.2
Indicated	329	97.9
Not indicated	7	2.1
Total	336	100

The contribution of women microcredit users to employment is not only via themselves. Also, people that expands their existing business and employing people, made a positive contribution to employment indirectly³. In order to determine the indirect contribution of microcredit in Eskişehir, a question asked in the survey "by using microcredits, how many people you have employed rather than yourself?". As seen in Table 9, the ratio of people that haven't employed anyone rather than themselves is 74.1%. the ratio of people that have employed one person is 11.6%, two persons 5.7%, 3 persons 1.5% and 4 and more persons 4.8%. By adding them, we can say that people that have employed 1 or more persons in their business is approximately 24%.

Table 9: The Number of People Employed by Microcredit Using Women		
Number of People Employed	Frequency	Percentage (%)
None	249	74.1
1	39	11.6
2	19	5.7
3	5	1.5
4 and more	16	4.8
Indicated	328	97.6
Not indicated	8	2.4
Total	336	100

To determine the net contribution of microcredit to employment, via people indirectly employed in Eskişehir by microcredit users, the previous professions of the employed people should be known. In order to obtain this, a question has been asked in the survey "what were the previous professions of the people you have employed via microcredit use?". The ratio of people whom didn't answer this question was high with 44%, so our evaluation was based on indicated results. According to Table 10, 9% of the employed people by microcredit users is composed of unemployed people. This means, 9% of the employment is made up of unemployed people. On the other hand, indirect employment contribution of microcredit use, estimated to be much more than this. According to Table 10, the ratio of people who wasn't thinking of working is the group with the highest amount with 47.3%. The second biggest group is housewives with 37.2% and the third group is unemployed people with 8.51%. Therefore, these people whom aren't considered as employed in Eskişehir, has become employed via the opportunities created by microcredit. So 93% of the people employed are composed of people who weren't thinking of working, housewives and unemployed people. On the other hand, the other groups of people employed via microcredit are: retired, laborer, government employee, private sector employee with low amounts.

³ Based on the results obtained by the survey applied on microcredit users in Malatya, employing people via expanding business by microcredit use has increased employment in Malatya. (Akbiyik and Şahin, 2010:1744).

Table 10: The Previous Professional Status of People Employed by Microcredit Users			
Previous Status	Frequency	Percentage (%)	The Amount in Indicated (%)
Wasn't thinking of working	89	26.5	47.3
Unemployed	16	4.8	8.51
Housewife	70	20.8	37.2
Retired	2	0.6	1.06
Laborer	7	2.1	3.72
Government employee	1	0.3	0.53
Private sector	3	0.9	1.59
Indicated	188	56.0	100
Not indicated	148	44.0	0
Total	336	100	188

Conclusion

Nowadays, microcredit implementation is an important political tool to alleviate poverty. Microcredit implementation, maintaining its activity in most of the countries worldwide including Turkey, is not only useful to alleviate poverty but also to increase employment and to prevent unemployment. Microcredit project has been maintaining its activity under the name of TGMP in Turkey since 2003. The main aim of TGMP is especially increasing the life standards of poor women living at rural and urban areas via giving them credits to make them participate in activities that provide income. In this sense, the effect of microcredit for reducing poverty in Eskişehir, which is one of the first 5 cities with the highest amount of credits given, has been studied. Research data, has been obtained by the use of a survey applied by experts working in Eskişehir Grameen Bank branch offices to microcredit using people. The questions in the survey are not only prepared to fulfill the aim of the study but also prepared to obtain the data about demographic properties of the users, the usage aim of microcredits and microcredit's application areas.

Due to the survey results, it has been showed that the microcredit using women in Eskişehir has the following properties: vast majority are between ages 20-49 and married, education level of those women is mostly low, most of them have social security and most of the people in their household have the professional status 'laborer'. Besides most of these women using the microcredit for "handicraft" and they are establishing their own business or expanding their existing business with these credits.

On the other hand, due to the survey results, there is a significant difference in the incomes microcredit using people in Eskişehir after the microcredit use. The ratio of people with a low income, considered as poor, before microcredit use, has decreased after microcredit use while in higher income groups, the ratio has been increased. 1 out of 4 families whom use microcredits has reached over complete poverty line.

The microcredit using women in Eskişehir not only contributed to their families' incomes but also contributed to employment. In this sense, "housewives" did the most contribution to employment both directly and indirectly. The second highest contribution to employment came from unemployed women. Besides, this second group composed of unemployed women made a contribution to the reduction of unemployment rates.

To conclude, reducing poverty in Eskişehir via microcredit implementation has been a successful application. Without doubt, the efforts of TGMP employees as well as devotion and responsibility of all people in the society are required to carry on this success in an increasing manner.

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Appendix 1: Poverty Ratios of Household Members Based on Gender and Education Level (%)

Eğitim durumu	Fert yoksulluk oranı (%)																				
	2002			2003			2004			2005			2006			2007(*)			2008		
	Toplam	Erkek	Kadın	Toplam	Erkek	Kadın	Toplam	Erkek	Kadın	Toplam	Erkek	Kadın	Toplam	Erkek	Kadın	Toplam	Erkek	Kadın	Toplam	Erkek	Kadın
TÜRKİYE	26,96	26,72	27,19	28,12	27,92	28,31	25,60	25,20	25,98	20,50	19,97	21,01	17,81	17,32	18,27	17,79	17,33	18,26	17,11	16,70	17,52
6 yaşından küçük fertler	33,17	32,92	33,44	37,75	38,24	37,23	34,19	34,19	34,18	27,71	27,86	27,56	24,78	25,12	24,43	24,52	24,91	24,10	22,53	22,86	22,18
Okur-yazar değil	41,07	46,52	39,61	42,42	47,22	40,95	45,11	48,50	44,10	37,81	40,59	37,04	33,71	36,79	32,84	33,68	38,96	32,29	39,59	46,12	37,84
Okur-yazar olup bir okul bitirmeyen	34,60	35,50	33,74	35,87	36,32	35,45	33,67	34,19	33,16	28,44	28,76	28,14	25,36	25,68	25,06	26,71	27,03	26,42	26,31	27,67	25,05
İlkokul	26,12	28,06	24,33	27,55	29,81	25,47	24,36	27,50	21,55	17,13	19,92	14,51	14,19	16,52	12,05	14,24	15,87	12,68	13,44	15,91	11,22
İlköğretim	26,47	28,40	24,10	29,56	29,13	29,98	25,49	25,37	25,60	22,42	21,79	23,02	18,06	16,47	19,66	19,19	19,79	18,55	17,20	18,67	15,66
Ortaokul ve orta dengi meslek	18,77	19,49	17,38	18,31	19,66	16,03	13,00	14,95	9,45	8,37	9,72	5,62	8,07	9,69	4,89	9,16	11,06	5,57	8,34	9,85	5,78
Lise ve lise dengi meslek	9,82	10,99	8,24	11,19	12,27	9,73	8,28	9,69	6,39	6,79	7,98	5,14	5,20	6,06	4,05	5,88	7,05	4,09	5,64	6,00	5,11
Yüksekokul, fakülte ve üstü	1,57	1,22	2,12	2,66	3,04	2,05	1,33	1,57	0,93	0,79	0,83	0,72	1,01	1,28	0,56	0,81	0,97	0,53	0,71	0,88	0,43
KENT	21,95	21,88	22,03	22,30	22,32	22,29	16,57	16,24	16,87	12,83	12,77	12,89	9,31	8,84	9,76	10,36	10,38	10,34	9,38	9,13	9,62
6 yaşından küçük fertler	31,18	31,20	31,15	31,59	32,33	30,81	24,93	24,80	25,05	19,48	20,33	18,62	13,01	12,30	13,73	14,66	14,35	14,98	12,41	12,16	12,66
Okur-yazar değil	35,88	39,63	34,82	34,72	38,29	33,62	32,82	37,84	31,32	28,46	30,62	27,81	19,92	20,99	19,61	22,23	27,14	20,89	25,46	31,72	23,83
Okur-yazar olup bir okul bitirmeyen	29,96	31,44	28,59	29,61	30,19	29,06	23,74	23,84	23,65	19,69	20,15	19,28	14,03	13,29	14,70	16,33	17,53	15,24	17,12	18,27	16,08
İlkokul	21,81	24,07	19,78	23,59	25,67	21,82	15,18	17,58	13,24	10,05	12,16	8,27	7,25	8,58	6,10	7,84	8,59	7,17	6,37	7,67	5,28
İlköğretim	21,22	21,52	21,00	23,60	23,22	23,99	15,77	14,77	16,64	14,29	15,27	13,27	10,54	9,12	12,03	14,11	16,14	11,80	10,01	10,89	9,08
Ortaokul ve orta dengi meslek	13,80	14,47	12,69	15,92	17,88	12,91	9,38	10,18	8,10	5,49	6,53	3,62	5,17	5,97	3,76	5,43	6,74	3,20	5,28	5,68	4,66
Lise ve lise dengi meslek	7,06	8,14	5,72	9,38	10,20	8,35	6,35	7,29	5,16	4,13	4,93	3,08	3,41	4,06	2,61	4,15	4,87	3,15	3,19	3,25	3,09
Yüksekokul, fakülte ve üstü	1,07	1,34	0,64	2,19	2,51	1,71	1,03	0,99	1,08	0,53	0,57	0,46	0,88	1,08	0,55	0,41	0,34	0,54	0,47	0,52	0,38
KIR	34,48	34,02	34,92	37,13	36,59	37,65	39,97	39,11	40,79	32,95	31,79	34,03	31,98	31,61	32,32	34,80	33,59	35,95	34,62	33,93	35,29
6 yaşından küçük fertler	36,79	36,09	37,56	46,24	46,23	46,25	49,64	49,92	49,38	40,55	39,44	41,71	44,18	45,85	42,40	44,09	45,57	42,45	43,90	45,40	42,31
Okur-yazar değil	46,42	54,36	44,41	49,89	56,03	48,04	56,99	58,74	56,46	46,64	51,33	45,43	46,49	51,55	45,07	47,71	54,25	46,05	54,73	60,89	53,04
Okur-yazar olup bir okul bitirmeyen	41,13	40,80	41,53	44,35	44,58	44,13	47,16	47,28	47,02	40,80	40,75	40,84	42,31	44,39	40,45	46,56	45,87	47,14	45,05	45,97	44,15
İlkokul	31,08	32,43	29,82	32,60	34,61	30,55	35,92	38,59	33,21	26,76	29,14	24,16	24,43	27,23	21,58	27,96	29,95	25,77	27,39	30,48	24,19
İlköğretim	34,25	37,87	29,17	39,05	38,86	39,22	41,91	41,32	42,56	35,67	33,94	37,07	29,18	27,87	30,43	30,37	28,95	31,61	33,03	36,13	29,86
Ortaokul ve orta dengi meslek	30,11	29,05	33,25	23,35	23,03	24,04	22,15	25,30	14,11	16,32	17,28	13,46	15,38	17,99	8,57	22,10	23,87	17,14	17,64	20,90	10,22
Lise ve lise dengi meslek	17,65	18,18	16,75	16,94	18,05	15,01	14,30	16,34	10,90	15,32	16,82	12,80	11,03	11,52	10,10	13,45	15,24	9,55	14,93	15,24	14,33
Yüksekokul, fakülte ve üstü	4,37	0,45	9,08	5,38	5,75	4,58	2,90	4,26	0,00	2,23	2,05	2,70	1,64	2,06	0,63	3,24	4,45	0,41	2,44	3,13	0,90

(*) Yeni nüfus projeksiyonlarına göre revize edilmiştir

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FEMINIZATION OF POVERTY AND MICRO-CREDIT APPLICATION ANKARA CASE*



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Abstract

Despite the fact the concept of “feminization poverty” is an effective headline in poverty issue, it is a social fact which is not considered so much. The meaning of poverty came into our lives not only in terms of lack of income for women and low participation in decision-making mechanisms and social life but in terms of social exclusion and violence against women. The paper will examine whether the micro-credit is an efficient strategy or not, whether the women’s income level is increased via micro-credit or not. 713 women who are members of TGMP and who live in Altındag and Mamak districts of Ankara are consisting of the environment of the research. The sampling group was selected according to random sampling technique and it consisted of 321 housewives. The data were collected via survey. On the other hand, technique of observation was also utilized for the research.

Key Words: Human development, feminization of poverty, gender, micro-credit.

Introduction

Poverty generally describes the situation in which basic needs fail to be met. Here the most basic needs include nutrition, clothing, accommodation as well as mass consumption services such as fresh water for survival, electricity, health, education and infrastructure services. In this respect, poverty descriptions were made regarding the participation level of individuals in social cultural life even if they have a relatively higher purchasing power they have, apart from those focusing

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on the purchasing power of individuals to meet their daily needs (Kümbetoğlu, 2007:129). For instance, the concept of humanitarian poverty stated for the first time in the report published by the United Nations Development Program (UNDP) in 1997 states the deprivation of basic opportunities for the individual to participate in social life as a human apart from the income required for living (Acı and Sezgin, 2007:574). Woolf (2008:45) also notes that the most important instrument for the women to participate in social life is to “have an income”. The concept of humanitarian poverty depends on the idea of having some opportunities such as economic, social and cultural to meet some basic needs as well as monetary opportunities for human development and humane life. Therefore, it considers that material welfare is needed more than minimum needs and poverty is a multi-faceted concept (cited from Vural by Uluoğlakçı, 2009:59).

Both feminization of employment has come into play and the concepts such as “feminization of poverty” and “feminization of proletariat” have been introduced to the phenomenon of poverty as the number of families under maternal dominance increased in line with the technology and new working areas expanded by globalization and it has been emphasized that women have become victims of economic conditions (Lie and Lund, 2005:7). The concept of feminization of poverty is used largely for women with children and single elderly ladies. Considering the situation of elderly ladies, firstly it is encountered that they have a deprivation of income and lack having a say in taking the decisions regarding how to use the money.

According to the “Working Life, Income and Poverty Sub-Commission Report” of the State Planning Organization (2001); only 22% of the women have their own income in whichever income group they are included in Turkey. Another data is that overwhelming majority in the poor comprised of widowed, divorced or living separated in Turkey are women. Looking at the urban averages, these figures are even higher against women. 91.90% of the poor comprised of the widowed and 86.68% of the poor comprised of the divorced are women (Hattatoğlu, 2002:306).

Poverty in women also encompasses being fragile to violence, not inclusion to decision making mechanisms, exclusion and failure to utilize from potentials as well as income poverty (Özpinar and Çondur, 2007:483). Poor women are not supported by their spouses and families; therefore they are excluded from traditional protection relationships (cited by Erdoğan from Bora, 2007:104).

Those who suffer most from poverty include the illiterate, unemployed and workers within the family working as unpaid or working in the market based on temporary/seasonal payment or daily payment. In this framework particularly, the women living in the rural areas are more victimized of poverty. Because they do not have the opportunity to receive education and they work inside the house only for survival. In terms of women, poverty is reflected largely in the form of inequalities in employment and education fields, in other words living as a housewife without contributing to the working life, not having her own income, working as unpaid family worker in agriculture, working in the urban areas in informal sector with low salary and as non-registered worker and failing to make use of education opportunities (cited from Toksöz by Özpinar and Çondur, 2007:487).

On the other hand, when women work in agriculture as unpaid family workers or make production for in-house consumption, they do not generate any income, and it portrays a “labor without any return”. Therefore such women labor without return has become the prominent instrument resorted in poor households to overcome poverty. The feminine labor, on which poor households depend, include the types such as the production of long-term food at home, knitting, sewing clothes for the family members, managing the limited or small amount of household income in a way as to meet compulsory consumption of the family and establishing and sustaining social relations which are required for saving. Main instrument families resort to in overcoming poverty is “labor without return” and such labor is of the women. It is very common that such women have no owned income (Hattatoğlu, 2002: 309-310).

In this respect, according to Fodor (2006:6), women are faced with a more severe form of poverty when household budget is rather limited, they bear the responsibility of the care of the el-

derly and children, they are confronted with activities such as shopping and it is expected that they bear other responsibilities of the household. In other words, Fodor states that poverty adds on more tasks to women. The presence of the above mentioned traditional roles puts the women in a disadvantageous position (Skirboll&Silverman,1992:3; Hon, 2007:3; Leahey,2001).

When we look at the relation between gender and feminization of poverty, a notable point is that women experience poverty in a different way than men due to the power relations formed by gender relations. There are inter-related areas which help us understand the difference of the poverty experiences of women inside the household. The notable ones among those include accession to productive resources, control over family labor, inequality in consumption, differentiation in household expenditure based on gender, allocation of resources within the household (Baden and Milward, 1997) and the control over using family resources. Financial control over the financial resources of the family is largely ensured under the power of men (Pahl, 1989). The less the amount of the income received by the household, the more the management and control of the money is carried out by women. Women are confronted with the difficulty of managing the money little in amount so as to meet household needs (Lee, 1999). Briefly, the more the income to household is, the more the control, power and right to use is enjoyed by men; however such responsibility lays with the women as the income decreases. The terms 'responsibility', 'control' and 'management' are notable indicators expressing the relation between money and power. Control over high income also constitutes the source of power (Payne, 1998). The relation of women to money is rather about its reasonable use and benefits than the control phenomenon associated with men.

The paper will focus on whether microcredit application is an effective strategy or not in coping with feminine poverty and feminization of poverty; whether there is an improvement or not in the social and economic conditions of the families of a definite group of women making use of a microcredit institution in Ankara (TGMP) or how, if any.

Microcredit application is a way to cope with poverty which aims to make women self-employed and rescue them from poverty by providing poor women economically active, not suffering from famine, and who can earn money as they work a credit in symbolic amounts, and which is emphasized to be an effective instrument in fight against poverty.

The reason why microcredit is offered to women is that feminization of poverty is experienced at high levels and that it has been identified that the possibility that the money in the hands of women is spent on the welfare of the household. On the other hand, perhaps the most important factor why women are more sensitive in timely payment of the debts is that microcredit service is provided to women, although not stated aloud.

Turkey Grameen Microcredit Project (TGMP) which is one of the establishments in Turkey that is offering microcredit has offered microfinance service in Mamak and Altındağ towns of Ankara for four years.

Research universe is comprised of 713 women who are TGMP members as of 2009, residing in Altındağ and Mamak towns of Ankara, and the sampling group is comprised of 321 women selected based on randomized sampling technique holding the status of housewives who participate in the research, without a steady job. Research data were compiled as a survey of 44 questions was used; and observation technique were also used in the research.

GRAMEEN TYPE OF MICROCREDIT IN TURKEY

Projects and activities which aim to increase women participation in social and economic life in various areas are carried out in Turkey owing to the efforts by non-governmental organizations, municipalities, private organizations and state institutions in Turkey. However, it is controversial if they are sufficient. According to Mingione, poor state gets mean where there is over-familization such as Turkey, finds it difficult to apply nation-wide reforms and institutional changes and develop orientation for employment services and they make limited aid to the places with the highest poverty. Family system fails to bear the overload and the weak state has very little finance

and legitimacy to solve the new poverty with a generous expenditure. Looking from this perspective, it is more evident in today's Turkey that social solidarity/aid and benevolence emphasis is more effective than the development of permanent solutions in fight against poverty (cited from Buğra and Keyder by Korkut, 2010:54). One of the prominent activities carried out in Turkey against feminization of poverty is the ongoing microcredit program. The program which received repercussions in Bangladesh with the initiatives of Muhammet Yunus, has been applied in Turkey as a significant instrument in fight against feminization of poverty. Muhammet Yunus, a finance expert in Bangladesh, applied the idea of microcredit in 1973 under the pioneering actions of Grameen Bank in 1973, which offers credit opportunity without guarantee, bail, totally based on trust under convenient conditions to poor women who have the experience, ability and the spirit of entrepreneurship yet lack initial capital, as an alternative solution to poverty. Microcredit is a useful instrument for the people to overcome poverty on their own. Grameen type of microcredit was fully introduced in Turkey in 2003. As the World Bank offered a credit of 500 million dollars and prime ministry allocated an additional budget of 130 million dollars; the project was initiated in Diyarbakır on 11 June 2003 with the cooperation of The Foundation to Prevent Wastefulness in Turkey, Governorate of Diyarbakır and Grameen Trust (Işık and Işık, 2007:847).

Members need to receive a written consent of their fathers or husbands to receive credit from TGMP in Turkey. This is a measure taken so as to avoid any possible tension. However it is an indicator that woman has become instrumentalized (Uluoğluakçı, 2009:185). Furthermore, the customers of TGMP shall not apply if they fail to find four persons considered to be reliable for receiving credit.

Overall, looking at the benefits of the Grameen type microcredit; the microcredit has effects to decrease unemployment, preventing immigration from rural to urban and increasing production, income and consumption. Thus, it contributes to the decrease of various social problems (such as theft, snatching, terrorism and organized crime) which stem from unemployment. It may be possible to prevent particularly the poor people from being entrapped notably by brokers and illegal organizations, which offer credits with excessive interests, by ensuring the economic freedom.

However microcredit applications sometimes bring about concerns. Such concerns notably involve the possible damage of the microcredit to the banking system on condition that return rate of the credits are low, the increase in non-registry and the money laundering possibility in banks with this method (Işık and Işık, 2007:855-856). Also, lack of any guarantee or security and the difficulty of pressure and sanctions on the non-payers may have an effect of the increasing risk of non-returning credits.

RESEARCH FINDINGS REGARDING MICROCREDIT APPLICATION FOR POOR WOMEN

Half of the sampling group is comprised of women aged 31-45.

78% of the sampling has received primary school education. When age group and education status are considered together, the younger the group gets, the higher the education level is. Considering the number of members in the household, 36% of the sampling lives in families of four. This is followed by families of five with 21%.

Considering the health security almost half of the group are members to Social Securities Institution, which shows that they work as paid workers in private sector. 40% of the sampling is not included in security system, which is the indicator that family members are outside the employment area and only work for the non-registered jobs. The group of 21% holds no social security also including green card.

Considering the relation of the sampling with the microcredit; 80% of the sampling has heard about microcredit from their neighbors or relatives. 30% of the sampling has been informed about the microcredit owing to promotion activities.

It was found that 46% of the sampling has expanded their business, 19% has established new working places, 16% has paid the debts of their current jobs, and 19% spent the credit they re-

ceived on their family needs or their debts using the credit they received. It was observed that one third of the women considered for membership did not use the credit they received for project purposes.

The jobs carried out are various in nature, yet there is an intensiveness in making and selling handcraft, which was followed by making and selling clothing materials.

Large majority of the members carry out the whole job being carried out with microcredit on their own.

87% of the sampling stated they considered using microcredit once more. The ratio of those stating that they recommend microcredit to other is 97%.

The ratio of those stating that they could live on their income prior to using microcredit in the sampling group is 16% while that of those stating they could live on the income they generated after using the credit is increased to 30%.

Only 29 persons among the members managed to save the excess money after the expenditure. 27 among those, plan to expand their business using the money they have saved.

Almost all of the sampling have washing machine, half of the sampling have satellite dish and home phone at home. Yet mobile phones are more commonly used at home rather than home phones (Uluoğlakçı, 2009: 163-180).

Conclusion and Recommendations

It is considered that poverty can not only be solved by ensuring poor women an income above poverty limit, but also by the adoption of a multi-dimensional approach also including the policies of sustainable development, employment, education, health and working life.

It is necessary to improve the living standards of individuals and communities under the risk of poverty, their contribution to economic and social life and develop mechanisms for such disadvantaged sections to prevent poverty.

Looking at the literature, one notable concern about microcredit is that, women only seem to make use of the credit on paper yet the money is actually used by their husbands. Yet in this respect, a positive scene has been observed in Ankara example. It is observed that a large part of the credits received has been used in practices such as creating and selling handcraft, purchasing and selling clothes, purchasing and selling cosmetics and cleaning materials or making and selling pastry. There were also members who managed stationary all alone, produced and sold rubbers and made itinerant dealership as well as women specific jobs as such. As an exception there were also members who failed to sell their own production or were not let outside the house as they were not just permitted, could not abandon their small child or "did not understand from accounting issues" (Uluoğlakçı, 2009).

When we looked at the effect of microcredit on the level of individual or household, our main indicator is the income of the family. It was proved in Ankara example of our study that microcredit enhanced income increase. However, there was no indicator showing the decreasing effect of microcredit on poverty. Therefore it cannot be stated that microcredit is an effective strategy alone in coping with feminization of poverty. It would be useful to use microcredit as well as other strategies in the prevention of feminization of poverty, following the promotion of microcredit in a way as to reach large groups.

There was but little positive effect on household assets owing to income increase. It was observed that microcredit use increased the ownership of production instruments in the long run in Ankara example.

There was no increase in food and education spending of the household.

When the effect of microcredit is studied at individual level, there was no positive effect on

the self perception or any one of the control elements on knowledge and skills or the resources. In other words, microcredit use did not result among women in the sampling group in having a larger say in the resources of the households. It did not contribute their self-perception as more useful individuals, confident feeling or security feeling for the future. In the same way, it did not contribute to their feeling of higher esteem from their surroundings.

An interesting result is that a large part of women using microcredit regard poverty as a legitimate reason for domestic violence although they think that women and men are equal.

Recommendations

The problem of feminization of poverty should also be regarded as a problem of human rights. There should be the conditions and opportunities to be developed for them to have a say in their own lives.

Most of the TGMP members make handcrafts, however they have problems in marketing their products. They ask to receive support in marketing or particular places to be allocated to them to market their own products. In this respect, there are projects in consideration such as exhibition of the products of TGMP members in some stands of the municipality in Ankara and in some shopping malls. It would be useful to extend and conduct such projects.

Microcredit practices should be supported with activities such as education, health and family planning.

Training studies should be developed so as to create awareness for the destruction of traditional roles the women have internalized themselves.

Credit opportunities should be offered to women who would like to establish small enterprises and credit amounts should be increased following particular criteria.

The most significant obstacles for women entrepreneurship seem to be the lack of finance supports and confidence. In this framework women should receive entrepreneurship training, training programs also including microcredit to strengthen their confidence and guiding and counseling services should be offered, courses should be opened by public and private sector to help them acquire and develop skills and the establishments to be initiated should be supported by the state for some period by the state.

"Direct business creation programs" should be implemented for poor women. Business creation programs are developed programs for the unemployed for whom finding a job is rather difficult. Direct business creation programs, are used as a policy tool for the young people and women to interact with the working life and gain in experience in many countries (Gündüz, 2007:807).

Also the participation of women in political life regarding the local services in their surroundings should be supported.

Particularly sound and reliable data are needed above all so as to sustain an effective struggle against poverty. There is a need to establish an effective statistics system as there are problems in accessing demographic data regarding feminization of poverty.

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THE EFFECT OF INCOME-GENERATING PROJECTS ON STRUGGLING WITH POVERTY- EXAMPLE OF THE PROVINCE OF ANKARA*



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Abstract

Poverty is an economic and social problem that presents itself in both developing countries or developed countries in different ways. The concept of poverty has made an impression on the lives of individuals not only on a scientific platform but also on a conscientious platform due to its relation with issues such as “hunger” and “death”. Although there have been changes in the concept of poverty in means of definition, approach, and measurement techniques with 1990’s, the decrease of poverty has been announced as the first main target of the development in 2000’s. When Turkey is examined during these years, it can be seen that income-generating projects have more intensely been used as a means of struggling with poverty with the beginning of Social Risk Mitigation Project. In accordance with this purpose, an in-depth interview technique, which is a qualitative research method, was used. Thus, the subjective description of poverty has gained importance and a participative poverty approach was taken. Meetings with 16 beneficiaries of projects that are supported by the Social Service Foundations of Keçiören, Altındağ, Çankaya and Mamak districts were held within the scope of the study. The financial support of 8 beneficiaries, who were interviewed, was provided by the Social Risk Mitigation Project. The other 8 were supported with the Directorate of Social Assistance and Solidarity Foundation resources.¹ Audio records were taken during all interviews and later on all records were deciphered. The evaluations are made by considering the similarities and differences between participants’ narrations and experiences.

¹ The contexts of the income generation projects, which are implemented after SRMPs, are reviewed by GDSAS from the point of paying back the credit and the amount. With the research it has been observed that income generating Project being implemented by SRMP and GDSAS makes no difference of the socio-economical changes created by the aids.

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As a result of the study, it has been observed that income-generating projects were not economically successful; however they positively affect the life quality of participants therefore it is seen that they were successful at the point of social and psychological fortification. It is understood that even little and non-systematic aids add great value to social and psychological strengthening.

Key Words: *Struggling against Poverty, Micro-credit, Social Risk Mitigation Project, Income-Generating Projects*

1. Introduction

1.1. The ground and aim of the study

Poverty is an economic and social problem that presents itself in both developing countries and in developed countries in different ways. Poverty having taken place in the approaches of liberal doctrinarians of the 17th century, Adam Smith's words stating "*No society can surely be flourishing and happy, of which the far greater part of the members are poor and miserable*" in his Paris articles (Senses, 2003, p. 33), the reports prepared by international organizations of our day being passed on poverty, the profile of poverty and poverty alleviation strategies shows that poverty is a dynamic concept that has existed for centuries and can present itself in every country. There is search for a solution due to it having a dynamic structure and it being an economic and social problem that includes all countries. On the other hand, 3.14 billion people living with under a daily income of \$2.50 and 44% of this populations having an income below \$1.25 shows how important the issue of poverty is (Ala, 2009, p. 3).

The concept of poverty has made an impression on the lives of individuals not only on a scientific platform, but also on a conscientious platform due to its relations with issues such as "hunger" and "death". The concept having a dynamic and multi-dimension structure affects its definition, its reasons and the methods of struggling against it, it also results in including many disciplines within the study. Although the non-governmental organizations, local administrations, international foundations and household members have roles in creating and implementing policies for the prevention of poverty, the property and production relations of the country's economy and political decision making mechanisms take place right in the middle of this framework (Senses, 2003, p. 218). The main indirect policy in struggling against poverty is economic growth. Redistribution and transfers form the direct policies.

When Turkey is examined in means of direct poverty alleviation policies, it is observed that General Directorate of Social Assistance and Solidarity plays a great role. Besides the cash and in-kind aids of General Directorate of Social Assistance and Solidarity, they also provide credits to various projects that create employment and income. Income-generating projects are small-scale supports that enable poor individuals to establish business that will ensure them to generate income. The project aims to enable poor individuals to become active and obtain a sustainable income. The projects give a maximum 15.000 TL support per person. Repayments of these supports are in a total of 8 years with a 2-year grace period (GDSAS, p.2).

Income generating projects is a credit facility similar to micro credit. The success evaluation of micro credit is realized in three ways in literature. These methods are evaluation of the financial success of the micro credit establishment, evaluation of the socio-economic changes that microcredit presents in participants and their families and the evaluating the social and economic change that microcredit presents in participants and their families along with the micro credit establishment (Döşeyen, 2007. p.44).

In this research, the success evaluation of the income generating projects in province of Ankara example is aimed by using a criteria that one of the three evaluations which is "the socio-economic change presented in the participants with the implementation of microcredit". In accordance with this purpose, the in-depth interview technique was used. In the province of Ankara example, besides the purpose of assessing the success of income generating projects, it has also been aimed to assess these people's concept of poverty in general; their point of view towards

income generating projects for the struggle against poverty and their own subjective poverty state by using the information/experience and perception of the beneficiaries.

1.2. Plan of the study

The study comprises of four sections. In the first section, there is a small introduction to the study and the purpose and grounds of the study is presented. The second section explains the definition of poverty and the approaches that form the theoretic framework of the study. The third section gives information regarding the research method and design and provides the findings obtained within the scope of the research. The final section of the study makes a general assessment of income generating projects in struggling against poverty.

2. Theoretic Framework and Definitions

Like many concepts that take place in particularly social sciences, the concept of poverty is not a concept that has been settled, has open limits or that has not been specifically defined. As one can mention either absolute poverty or relative poverty, they can also mention objective or subjective poverty. Alternatively, as monetarist poverty can be used as an approach method, so can participative poverty.

In terms of a poverty study that aims to evaluate the opinions of the beneficiaries on income generating projects and to learn their perception and states of poverty by benefitting from their information and experience; a participative approach of poverty gains importance. Consequently, the approach of participative poverty and subjective poverty form the theoretic framework of the defined study.

Subjective poverty, is to look from the poor individuals own perception of poverty. Whether or not the minimum fundamental needs are defined are not assessed according to an exteriorly formed judgment, but their own perception. So accordingly, the poor persons' statements become more significant than normative values. The main claim of the subjective method is about how people feel themselves. If people feel that they are poor, then they are poor. In order to understand this, they are asked what income level they feel themselves in (Beken, 2006, p.13). Subjective poverty defines those who feel themselves poor to be below the poverty threshold and those not feeling poor to be over the poverty threshold. There are two main questions in the researches and surveys conducted for the determination of subjective poverty. The first question asks the minimum income that the participants need to get by. The second question asks them to define their income level as very poor, poor, insufficient, sufficient, good, and very good. While the definition of objective poverty focuses on "solid" concepts such as income or how many square meters the environment they live in is, the definition of subjective poverty takes "soft" concepts, such as the satisfaction that the income presents or the happiness that the environment they live in gives, as a basis (Beken, 2006, p.13).

The participative poverty approach, is an approach formed in the 1990's in the leadership of Robert Chambers (1994) (Laderchi et al., 2003. p.23). This approach evaluates poverty subjectively. While in the previous approaches, poverty was evaluated and defined according to values that had been determined externally; the perceptions and definitions of the individuals that are poor or define themselves to be poor gain significance in participative poverty. While the participative approach finds the structure and reasons of poverty, it relies on reflecting the opinions of people. This approach has been generally used for small-scale projects and is more appropriate for locally based studies. The researcher is only a listener in this approach and poverty experiences, poverty perception and methods to struggle with poverty of individuals, who define themselves poor, are acquired by means of questionnaires or researches.

The participative approach moves in line with the multi-dimensional structure of the concept while researching for poverty, in other words, it has the chance to research the economic, cultural, social and political reasons of the poverty problem. This approach, which was mainly used with

small-scaled projects towards the mid 90's, has later on started to be used by the World Bank to complete their poverty assessments. Quantitative data has been supported by qualitative data. Although it has been stated that the quantitative studies of participative poverty approach is a supportive method, and that it needs to be used with the monetary approach or capacity approach, working on poverty with the poor has enabled many important issues to come to light; such as:

- The approach has presented the effect of concepts that are as important as low income such as social discrimination, weakness, vulnerability by focusing on happiness and the quality of life.
- It has been understood that poverty has a multi-dimensional structure and that an analysis of people's opinions and priorities need to be included in economic policies.
- With this approach, the words that the poor used have affected the non-governmental organizations, politicians and the policy implementation processes (Kabas, 2009. p.20).

3. The Design of the Study and Findings

3.1. Design of the Study

The main flow economic doctrine of today, defines people to be "rational optimizers". Because of this definition, the effect of peoples' instincts, habits, differences, social and denominational concepts on their lives are not being considered. Accordingly, people's behaviours need to be perceived more comprehensively. In addition to this, economic reality has a dynamic structure; why events differ according to time and location make it also necessary to focus on the process, not only the results of economic researches. The main flow economic doctrine does not give way to different school of thoughts and ignores the developments and methods of other disciplines (Evolutionary Economics Foundation, 2001, p.34). Because of all these, realist economics needs to include pluralism and subjectivism. As subjective approaches affect the decisions of individuals during processes, this means that it is a part of reality (Sapir, 2001, p. 224). Consequently, economic research needs to allow various research methods. Various data collection methods such as in-depth interviews, participative observation and discourse analysis will enable observation of concepts, formation of new ideas regarding concepts and a better understanding of concepts (Evolutionary Economics Foundation, 2001, p.35). Because of all these reasons, we have preferred to adopt a participative poverty approach in this research. In addition to this, its multi-dimensional and dynamic structure requires subjectivism.

While the study is evaluating income generating projects, it is aimed to;

- Research whether or not the project beneficiaries are the poor section living in that region,
- Learn the state of poverty and perceptions of project beneficiaries,
- Examine whether or not it creates the desired effects in the regions where it is implemented,
- Suggest new policies and suggestions to policy makers in Turkey with the obtained results.

This study does not only examine the evaluations of the changes in the incomes of the beneficiaries of income generating projects, it also aims to examine the situation of life quality and increase in participation to social live and the situations in which it fortified. Similarly, the study also aims to evaluate the general poverty perception of the beneficiaries, and their own subjective state of poverty and their views on SRMP implementations in struggling against poverty. For this reason, the qualitative research method that enables the realization of the mentioned aims and targets is being used. Qualitative research methods enables learn observations, experiences and perceptions of people living in their own habitats with their own words.

As the data collection method of the research, in-depth interviews have been conducted and semi-configured questions were used. This way, while learning the perceptions, experiences and project evaluations of the interviewed persons, there was a change to go into detail with different questions and the interviews were more flexible.

"Purposive sampling method", which is a sampling selection method in qualitative researches, was preferred for selection the individuals to be interviewed. Firstly, the districts where the interviews were to be conducted were selected to determine the purposive sampling and then secondly the persons to be interviewed were determined.

The districts where the interviews were to be conducted were determined as Altındağ, Mamak, Keçiören and Çankaya. The reason why these were preferred was that the people living in these districts would provide maximum variety. The income levels of the persons living in these districts were taken as a measure. According to the Population Registry System Based on Addresses (PRSBA) of the Turkish Statistics Institute 2008, Altındağ has a population of 367.812 and is the district with the most intense poverty in Ankara. There are approximately 17.000 household registrations at the Altındağ Social Assistance and Solidarity Foundation. When it is assumed that 4 persons live in each household, there is 68 thousand poor persons in the district.

According to PRSBA-2008 the population in Mamak is 520.446. There are households with better incomes when compared to Altındağ. There are approximately 13.000 household registries at the Mamak Social Assistance and Solidarity Foundation. In addition to this, it is also a district where many projects are conducted by many foundations and institutes in order to alleviate poverty and to strengthen women.

According to PRSBA-2008 the population in Keçiören is 367.812. Due to the ruling political body creating and developing their own living habitat there have been significant changes in the city structure and socio-economic dimensions of the district in the past 8 years. There are approximately 15.000 household registries found in the Keçiören Social Assistance and Solidarity Foundation.

Çankaya is the district with Ankara's most high-income levelled households and according to PRSBA-2008 the population is 785.330. The Çankaya Social Assistance and Solidarity Foundation supports approximately 9000 households.

During the study, after choosing the districts, meetings were held with each district's Social Assistance and Solidarity Foundation. The interviews were conducted with the Income Generation Project authorities and the Foundation directors. These interviews were like conversations and were informal. Therefore, no text of questions was followed and no tape recording was done. During these meetings, we gathered information regarding the work of the foundation and learned how they generally assessed income-generating projects. Because Social Assistance and Solidarity Foundations are local implementation units of income generating projects, they are institutes that have the most detailed information on the project field. Accordingly, the first information regarding the practicability of income generating projects and their success rate was gathered from these discussions. Information regarding the number of people getting support within the scope of Income Generating Projects and the basic demographic features of these people were gathered from the interviews conducted with the Foundations. During the study, it was discovered that income-generating projects were supported within the scope of Social Risk Mitigation Projects before 2006. That a very small number of the income generating projects, which had become widely implemented starting from 2004, are still continuing their jobs and some of them are under attachment was some of the information gathered from the conversations. A very small number of projects being sustainable have made it difficult to reach the persons who had previously taken support. This is why a total of 15 interviews will be held during the fieldwork. 7 of these interviews were about General Directorate projects and 8 of them were SRMP projects. According to the General Directorate of Social Assistance and Solidarity, the success criteria of the projects was the project being able to pay off its own credit and be sustainable. We had 2 interviews with 2 projects that were not successful according to these criteria. As mentioned before, one of these projects was supported within the scope of SRMP and the other was supported by GDSAS.²

² Projects do not have to be implemented in the district that they are supported by. For example, the Project maybe approved by the Mamak SASF, but there is no restraint in opening a business in Çankaya. Persons have to apply to the SASF in the district they reside in.

Ultimately, 15 interviews were conducted; 2 in Altındağ, 1 in Çankaya, 5 in Keçiören and 7 in Mamak. As mentioned beforehand, the interviews were conducted with semi-configured questions and a comprehensive interview guide was prepared. In qualitative studies, the depth and scope of the data that is planned to be collected from the individuals that will be included to the sampling is generally inversely proportional with the size of the sampling. Accordingly, as the amount of the data to be collected increased, the number of people to be included within the sampling could decrease (Yildirim and Simsek, 2008: 115). The interviews were generally conducted at the workplaces of the project beneficiaries. Only one of the unsuccessful project interviews were held at home. The interviews were approximately 50 minutes long. There were tape recordings for the exact text of the interview. After the tape recordings were completely deciphered and written in text, the collected data was interpreted according to the themes that had been determined beforehand in the guide.

3.2. Assessment of Field Findings

As mentioned before, a comprehensive interview guide (Attachment-1) was prepared for the fieldwork. The subjects to be investigated during the research were classified under specific titles. These categories are considered while explaining the findings of the fieldwork.³

Basic Information of the Interviewed Person:

The ages of the project beneficiaries with whom in-depth interviews were conducted were 28 to 57 years old. Most of the people interviewed were between the ages 40-44 and 45-49. Only three women could be interviewed during the research. Two of these women were working independently from her husband. The other was working with her husband. All of the interviewed persons were married and the number of children was a maximum of 4. Most of the participants had 3 children, only one participant did not have children. When we consider the size of the household, we observe that the most crowded family comprises of 7 people. The mother or father of 5 project owners lived with them in their home.

After the conducted interviews, it has been observed that 10 people provide the income of their home with the business that they have established. 6 of the interviewees spouses, sons or fathers had incomes.

When looking at the education levels of the project beneficiaries, we see that two of them are university graduates. The lowest level of education is primary school, there are none that have not went to school. The interviewed persons have mainly graduated from primary school. When considering where they have completed their education, we see that 6 of them have not completed their school in provinces or districts, but in villages.

3 of the interviewees did not have any social security. No social security was generally observed in general directorate projects. The reason why they had no social security was claimed to be that their workplaces were established later than the other projects.⁴

Pre-Support Work Experiences:

The majority of the interviewees had been working since they were very young. There was one person that had never participated in any economic activity before. The other persons had worked beginning from very young and mainly informally. We learned from the interviews that these persons constantly changed their jobs and this is why they had difficulty in getting by. Most of the interviewees had worked with insurance for short periods. As mentioned before, having a stable income is one of the main strategies to struggle against poverty. In addition to this, it has been mentioned in other sections of the study that there are two approaches that connect poverty's reasons to internal and external factors. Why the persons did not work in stable jobs

3 After the fieldwork, it has been observed that the income generating projects that GDSAS implements and the income generating projects of SRMP do not have such a difference so as to separate among the experiences, opinions and narrations. The projects that GDSAS implement are extensions of SRAP, only the application conditions and the credit period and amounts have changed. So no comparison has been made while evaluating the field findings.

4 Abstract information of the interviewees is in Attachment-2.

was investigated within the scope of the research. Most of the interviewees have affiliated this to sectoral features and external factors.

"I returned from my military service in '74, and then I went to Saudi Arabia and worked there for a year. The company's work finished and sent me back. I came back then started working at the market here. You know, they were afraid to give social security to workers back then. However, this was because our government was passive. You work as a porter, if necessary, you break crates, you break your arm, you break your leg, and you have no insurance. When you tell the boss, he'll do it if he wants to..." (57 years old, has 3 children, Grocer).

"hmm now there's great problems in the sector, our textile and confection sector, how should I put it, it's a stray sector. There is no inspection mechanism. I had to leave the place that I worked at because I experienced these problems. For example, I worked somewhere and they didn't give me social security, because I wasn't insured, I didn't get the wage I deserved on time so then I quit that job and went to work somewhere else. That's the reason..." (36 years old, has 2 children, owns a confection workshop).

Some of the interviewees expressed that they did not want to work in a job with a stable salary themselves. These people say that they have always tried to establish their own business.

"My real job is that I make furniture. I worked in the furniture business at Siteler, then I don't know, I opened a pastry shop, I opened a supermarket, I opened a confection shop, we had a sand pit... we came back to Turkey, I came and opened up a gallery and managed it for three years, after three years I was left with only a jacket... I always worked in my own business, I never worked for anyone else... but hmm... how should I put it, I was never satisfied with what they provided, and because I was brought up with trade I said I'm going to do trade but if you ask my opinion now..." (47 years old, has 3 children, has a Bridal gown tailor).

"In my opinion there are two types of people. One says I'll get my salary and I won't worry with the rest. And the others like us and me say; I want to make and sell on my own. After returning from my military service... umm a year later we opened up a shop, we closed it then we opened another shop, we shut that one down too and opened another shop. In other words, it did not do good business we closed it and again and again. We went to Bodrum and opened a shop." (41 years old, has 2 children, owns Bakery products shop).

"Most of the salaries were not satisfactory anyway. I thought so, 600-700 liras for 22 years of education. It's not that I think highly of myself but you know taking the orders of people who can't put two words together for 600 liras or 700 liras, I was too proud..." (35 years old, Owner of a Translation Office).

Current Work Situations

Questions regarding the structure of their managements were asked to the project beneficiaries under this category. Information regarding their economic strengthening was obtained with these questions, even if not very comprehensive. What business the interviewed persons work in has been presented in Attachment-2. Although the SRMP-Local Organization component was initiated in 2002 the projects were only able to be initiated in 2004. There were 1-year old and also 6-year old managements among those that we interviewed. There was no other person working in the managements other than the project beneficiaries although, sometimes family members assisted the project owners. Only 3 of the interviewed managements had employees and most of these employees work in these managements irregularly and without social security. Consequently, we see that these ongoing managements do not have the capacity to create new employment opportunities.

The number of project beneficiaries that participated in vocation training courses is very small and they have usually been educated in community colleges or in apprenticeship schools. There is nobody that has participated in SRMP employment generating programs and established a business.

Questions regarding their income, debts and savings have been asked in order to gather in-

formation on the economic status of the project beneficiaries. Although the interviewed persons maintain the continuity of the managements, they still experience difficulty in getting by. Only 4 projects are in a better situation than the others that have been researched. These managements, which are in a better state, are only able to provide for their expenses. In addition to this, none of the interviewed persons is making any savings at the moment and are continuing their lives with a limited income.

"At the moment, frankly, I am finished. I neither mentally nor physically sufficient, I umm...and this place is rented. Because I am renting I pay 700 liras for rent. Umm my equipment expenses are a lot, so that's why I live in a rented house, my husband works for a private company for 650 liras, that doesn't even pay for the rent of the shop unfortunately. He takes care of the house and I try to manage this place. The child is stuck between. That's the problem." (28 years old, has 1 child, Women's Hairdresser).

"No, it doesn't pay at the moment. I cannot pay it. If my child was not working, it would be impossible, we were wrecked. We cannot pay the electricity, the water. The accountant comes, we can't pay him, it's not possible but I'm waiting for my pension time, I have 2,5 years left, I have no other choice than waiting"... (57 years old, has 3 children, Grocer).

The economic state of the project beneficiaries causes them to maintain their lives on a minimal level. When we research what expense they would cut back on in the event that there is any decrease in their income, they state there is no expense that they could give up.

"I give up all my expenses anyway. I do not have any extra expense. Social activities, look I have not had a Sunday of for six years. I'm always working." (45 years old, has 3 children, owns a variety store).

"What expense? I would say especially my own personal spending but I do not have much of a personal spending. For example, if I go to the market on every Sunday, I'd have to o every 2 or 3 weeks, if not, once a month..." (40 years old, has 2 children, Key-maker).

"I don't have any essential expense, believe me I don't. Where would I cut back, believe me I do not have anything to cut back from. Really I have nothing to cut back on." (41 years old, has 2 children, owns a Bakery).

The project beneficiaries, whose fragility against shocks were aimed to be minimized, stating that they could cut back on their expenses of food in event of any decrease in their income shows that they are still under risk.

Their plans regarding their business show how much they claim their business and their economic fortification. Those who were in a relatively better condition than the others that were interviewed make plans concerning their business. For example, they say that the first thing that they would do if they came across any unexpected large amount of money would be to expand their business. In projects that have intense economic troubles, they say that they would use the unanticipated money to finance their debts.

"I always dream of winning some money. I will open up a really nice showroom, I'd open up a really nice showroom for this business. I would open up on the busy street, a two-floor place, I always imagine if the top floor is for manufacture the bottom floor would be completely a showroom. That's what I imagine, placing the groom's suit, the shoes, the bride's shoes, so when the bride comes along I'd get her dressed along with the groom, that's my biggest dream." (42 years old, has 3 children, Owns a tailor shop.)

"If I come across any unexpected money I'd immediately start to pay my debts, especially social security... frankly, if we do expand, what will we expand with? If I am going to make debt to debt to expand, it is better that it does not. I am actually planning on making the place smaller. Because this place is starting to be too much for me. Too much than I can handle." (35 years old, Own a Translation Office).

"I'd directly pay off my debts, straight away. I would close it off without thinking of anything else. At least the money I pay for that will come back to me as savings every month. Then I would manage my children, Variety Shop).

According to the interviewed persons, work is perceived as an obligation, a tool for getting by.

"Now this is how it is, first of all, to provide for the needs of my own family, in other words because I have to work and it's an obligation, let me say one of the most important conditions of life. What can I say, you have to work, you must, you have a family, you have to provide for your family, your children, of course you have to think about these" (45 years old, has 3 children, owns a canteen).

Information on Income Generating Projects:

It has been understood from the interviews that the income generating projects (particularly SRMP) use visual and written communication tools very well. While some of the project owners heard about the supports from their family and friends, most of them had received the first information from television or the newspaper.

The credit given within the scope of the project, was used by the beneficiaries to establish a business and purchase goods. Within the scope of SRMP, Turkish Liras amounting to 5000 dollars would be given, the maximum, to the project owners for them to establish their business place. However, this amount of credit is not considered sufficient. From the interviews, we have learned that the application conditions were not so strict; the interviewed people explained that they experienced no problems during the application.

"I went and applied, asked them what the procedure was, and they said that I was not supposed to have anything under my name, no social security or I don't know, an income, then I said thank god I have the all, that is exactly what I said, but I said I had everything, then I left work, I had no social security, my wife didn't have social security, our house was rented..." (42 years old, has 3 children, owns a tailor-shop).

Although the project application conditions were not very strict, the delayed payment of the credits created grave problems for the project beneficiaries. After the project application is approved, the payments are paid with the submitting of invoices. There being a long period between the day of payment and the day of approval, sometimes this period being as long as 7-8 months has caused the project beneficiaries to get into debt.

"I said ok I should go so I went. What can you do? What are the conditions, take that, take this, getting that credit took 14-15 months. That wore me down. I don't have a job, I'm sitting around here. I said how am I going to purchase goods, I'm in deep debt." (57 years old, has 3 children, grocer.)

Three of the interviewed people do not have social security. The other 13 people have registered in social security institutions after establishing a business however; they have not been able to pay the premiums regularly. Only one of the interviewed persons continues to pay their premiums. The persons we spoke with due to their accumulated social security debts are experiencing serious problems. When we look at their credit payments, the repayment of some of the people supported by general directorate projects are not yet due. The projects that were supported by SRMP funds in 2004-2005 have had difficulty in the repayment of their credit. In addition to this, it is observed that those who have not made the repayments perceive the credits to be a right, an aid.

"They were talking about taxes, etc, not to have debt to the government. I'd sacrifice myself to the government, why are you afraid of it? Is it possible to get credit without interest from anywhere? The government says pay whenever you want to, they take it when you have an income" (57 years old, has 3 children, Grocer).

"I haven't made any payments, not that I couldn't, now when the other friends do like that, look there is no need to lie here. Some things are known and heard among shopkeepers. Think of it this way, 4 people got it, if I repay the other one is not. Actually, this is not the deal, but it is the why am I the stupid one. I do not want to go into it that much. You understand, don't you? What happened? It was pardoned in the end." (41 years old, has 2 children, Owner of a Bakery).

Most of the project beneficiaries have had assistance at least once from the Social Assistance

and Solidarity Foundation or the Metropolitan Municipality. However, these people have never had the tendency to maintain their lives with supports during any period of their lives.

Social Participation, Fortification Economic status:

In the research, the interviewed persons' betterment of poverty status was evaluated by examining their economic fortification and participation in social life. Their current work situation shows that they still experience economic problems. On the other hand, research of the physiologic and social opportunities that are provided by owning a workplace is related to whether or not their poverty decreases. Consequently, what the workplaces add to their lives, how it makes them feel and how the difference in their poverty is perceived gains importance.

Almost all of the persons who were interviewed were experiencing economic problems before they applied for the project. When we investigate whether they now have a life that they desire or not, we observe that almost all of them do not live the life that they desire. A life that they desire is a life "with no debt" for most of the participants. They consider that they would be able to live a life with no debt with a monthly 1.500 TL – 2.000 TL net incomes.

"...I thank god for today, we know how to appreciate, our society does, before everything, we thank even if we don't have anything, we are used to this... A house with no debt, a car with no debt, a monthly income... let me say, 2 liras even in the worst situation, 2 thousand liras income I'm saying of course" (42 years old, has 3 children, owns a tailor-shop).

"Of course it's not the kind of life I want. For example, I wear the pair of shoes I but for exactly 6 months, what I do not experience with those shoes... I rent my home. What I expect is to at least have no homing problems. Not only me, the society. Now I either give my rent or do not pay it. I don't want to have any problems with this... 2000 liras would be enough..." (36 years old, owns a confection workshop).

"Frankly I want a life with no debt. There is nothing else I want..." (35 years old, owns a Translation office).

During the interviews, most participants state that their income level has changed; however, they did not feel as though there had been any difference in the income class they felt they belonged in. The increase in their income does not create the opportunity for them to do things now that they were not able to in the past due to their poverty. The effect of the workplace is usually expressed through sentences such as "well it didn't make much of a difference". Furthermore, although the project did not enable significant economic contributions; it has been observed that owning a workplace made people stronger. The economic contribution of the project to their life is that they could access the capital market and loan funds easier.

"Something different, we are trying to live the day in our own way... thank god it is now better than it was before of course, now we always have money because it is our own business." (42 years old, has 2 children, Variety Shop).

"At least I can embrace it as my own business umm , don't know, when the business is good you enjoy it, I mean you enjoy the work that you do." (42 years old, owns a tailor-shop).

"Well I started getting up at 8 when I used to get up at 10. I umm , don't know, when you own the business you straighten your act, I mean you of course have to get it together..." (48 years old, has 4 children, sells luggage bags at the bazaar).

"Well at least I was always expecting something from somewhere, not you work on your own like this..." (36 years old, has 3 children, Electrician).

They have expressed that owning a workplace has earned them respect, strength and that they feel better in society because they are "merchants". Although the projects have not enabled them to strengthen economically, they have socially.

"Of course. We are now shopkeepers, we are in the position of employers. Our surroundings have changed too. It makes them respect you. More respectable. I makes them respect you." (36 years old, has 2 children, owns a confection workshop).

"Of course now being a shopkeeper is good, it's not bad. For example, I've been here for 2-3 years, I opened the grocery, I had just arrived here then opened the grocery 2 months later, I opened up the grocery and of course people behaved differently, you are s shopkeeper after all, who can know me in 2 years? Nobody could know me but because I'm a shopkeeper they got to know me very quickly." (37 years old, has 3 children, does not have own shop).

As mentioned in the first part of the study, social participation also means the psychological strengthening of persons. The persons have felt themselves to me psychologically stronger by means of the business they established as long as they did not experience very great economic distresses.

"I understood that I was living, in other words I went back to my youth. Well, I'm more sensitive and conscious towards my own child. For example, when I went into a group of other people I wasn't confident but now I'm very confident. I communicate and now you can understand how I am now, now you can understand the difference in people... what I'm saying that it has contributed to my psychology I am very comfortable now. I enjoy everything, life much more..." (28 years old, has 1 child, Hairdresser).

Some project beneficiaries feeling themselves at a more positive point after the project in means of social and psychological strengthening if not economically, emphasizes once more the need to certainly consider the social and psychological side in examining the social discrimination concept as much as the economical side.

Poverty Statutes, Perceptions:

This section includes questions directed to the interviewees regarding their perception on poor people, how they perceive rich people and if their poverty is chronic or not.

Most of the interviewed people state that there are no people having financial difficulties in Ankara. Project owners who do think that there are poor people in Ankara affiliate these financial difficulties to these person's characteristics. The poor people in Ankara usually live under harsh conditions due to their keenness on luxury or because they do not like the jobs. It has been observed that the project owners make comparisons with their own lives while answering such questions.

"Some people are very lazy, some people are too choosy for work. That is why they have problem getting by. And some of the others don't know, don't know expenses. Some people do not have an income and dress to luxurious. Look I earn a lot and do not have any luxury. I have not closed this shop one day and had a holiday." (45 years old, has 2 children, Variety Shop).

According to the interviewees, besides there not being a large number of people with financial difficulties in Ankara, there are also not much very rich people in Ankara either. The rich people mostly benefit from their family's sources.

"I went to umm Tunalı, Küçükcesat, we went around in the car. The entertainment areas are full, women in fancy clothes, cars, jeeps...Either those people are rich from birth, in other words they have a rich family or have had good luck or a good job or went to school reached a specific level, its where these people come together and group up. What could you be there? Maybe you can be a manicurist at a hairdresser or an eyebrow designer or a waxer or maybe work there as a hair expert, you have no other class there, you can just go in and out, you can't be included." (28 years old, has 1 child, hairdresser).

When the poverty status of the interviewees is examined, we see that they have been in poverty since they were young. The income level of most participators' parents' is low and they have been subject to poverty from very small ages. The interviewees attribute not being able to conduct their education to having experiences physical impossibilities. It has been observed that poverty is transferred from generation to generation in the project owners. They have frequently

mentioned that they are struggling so that their children do not live under the same conditions. Most of the interviewees are trying to provide their children with an education they desire. On the other hand, their anticipations on their children having a better life differ. Some of the interviewees state that their children have already got better conditions than they did.

"Firstly they have a mother with good culture, a father with good culture. No, I am not saying this because mine was ignorant, being a elementary school graduate doesn't mean they are ignorant, everyone can improve himself or herself. But ultimately be both have knowledge. Also in terms of language. At least the child will grow up knowing 2-3 languages, of course these children will definitely grow up with an advantage in these terms." (35 years old, Owns a Translation office).

"They already live in better conditions than we did. They (laughing) didn't have breakfast with tarhana soup like we did in the morning. Now of course they will be living one level higher than us, they will adapt to technology." (41 years old, owns a bakery).

On the other hand, some of them have worries of the future for their children.

"I hope so, I don't expect it yet, of course there are children I expect it from and some that I don't." (42 years old, has 3 children, owns a tailor-shop).

"Well I don't know, I'm very hopeless, I'm very hopeless that this country, I don't know, there are very large gaps in incomes, now after you haven't gone though a specific thing, in other words I see it very hard under today's conditions, types of families like ours, I see it very hard for them to live under good conditions." (48 years old, has 4 children, sells luggage, bags at the bazaar).

"Now it's in our hands, not these happen one after another. Now if we leave something for our children or able to leave something our children will be comfortable in terms of material, but if I don't leave anything behind for my children like my father did to me, then my children will have to pay rent just like me, become poor, in other words will start life behind others..." (37 years old, has 3 children, does not have a workplace).

Evaluation of the supports:

The project beneficiaries regard the projects to be generally successful but lacking. The amount given in the project being small, the period between the application and the grant of the credit being very long, there not being sufficient inspection and an opportunity to obtain a second credit are the most mentioned deficits. The interviewees have frequently mentioned that they are in need of a second credit loan due to the load of their increasing debts. Besides the general success of income generating projects, the projects have been found to be successful in the interviewees' point of view.

"It is really very successful and good with people like me. If it were not for the support, would not have been able to open the shop. I am old too... Of course it is very good but they will of course be looking it up and tracking it, they really should give more support to those doing their jobs well." (45 years old, has 2 children, Variety Shop owner).

"It has contributed physiologically. Umm what I mean is I could have been a neurotic mother with physiologic problems seeking treatment. At home at the moment, if I had spent those two years at home... but now I think very differently"

"You are going to say why; because even if they give this money to me 5 months later or give it 1 year later, that supported me" (42 years old, has 3 children, owns a tailor-shop).

"Well in my opinion, the money that they gave, well it's not money that you would give an honest man to open a shop. They could give more money and have much more frequent investigations... Let me say it made us comfortable for 3-4 months. That money paid for our 2-months flour. That money really helped us. Umm is it enough, no..." (41 years old, has 2 children, owns a bakery).

Two participants do not regard the project to be successful in their own instance. One of these

participants has had to close their workplace down. This person attributes the failure of the project to conducting business in a field that they do not have knowledge of, increasing expenses and the structure of the area that they established their business.

"It ruined my income level... There were a lot of people that shopped on credit in our neighbourhood, because they were from rural segments their income and etc, that shopping on credit put us in debt, I understood that I was getting into debt and I had to close the shop. The rent kept on working, it was rented, electricity, water, this and that. There is 500-600 liras tax and etc, and accounting." (37 years old, has 3 children, does not own a workplace).

The issue that has been emphasized the most throughout the project is the accumulation of debts. Tax and social security institute debts are issues that they have had the most problems in. The other participant that regards the project to be a failure regards it to be so due the these lacking features of income generating projects.

"Well of course it is lacking. As I said before, they take it and leave you to be so whatever can happen to you. It does not make sense... I cannot say it is successful. And the thing of the business has nothing to do with you, as I said it depends on the existing situation. It is about tax, you experience the biggest problem with tax. After specific things it has really started to become a burden on the back, soon it will break our backs. Now I am really thinking of closing it down. Now it's not successful on my thing, I'm having big difficulty in managing this place." (35 years old, Translation Office Owner).

The Government's Role in Struggle Against Poverty:

The interviewed people mostly attribute the life conditions in Turkey getting worse to people being too selective of jobs and to their laziness. The real and monetary aid that the government provides is regarded to be the sole policy of struggling against poverty.

"People are complaining about unemployment but in my opinion there is no such thing. Everyone wants to have white collars; no one wants the blue ones. There is no such thing; people have to work. There is no production; people are not producing anything, we are all just consuming altogether. Umm of course, there is going to be problems. I think the only problem is laziness, nothing else." (41 years old, has 2 children, owns a bakery).

One point that should not be ruled out is that the interviewees are ultra-poor, defined as people living on the threshold of starvation. Aids that are constantly provided near their environment affect their motivation to work and lead them to question the responsibilities that come along with working.

"We are very used to getting everything for free; I mean we are really used to it. For example, an old man came. The old man's everything is free, it is really free. His electricity, water, bread, food support, his coal, everything is free. He had something photocopied and he was leaving, I said, sorry sir but photocopies aren't for free..." (35 years old, has 3 children, Variety shop-office supplies).

The fact that the government's policy for struggling against poverty is perceived as aids has been criticised by these people at this socio-economic level. In their opinion, the government should no longer be "Father Government". Consequently, it can be observed that these participants, who are going through financial problems, have drifted away from the social government expectation.

"Aid is not the solution ma'am, a ton of coal or 2 sacks of potatoes that they give me won't mean anything for me, it will just make me lazier, it won't do anything". (37 years old, has 3 children, doesn't have own workplace).

"You know there is a saying, give a fish or show them how to fish. You'll give the man a fish, you'll catch a fish and give it once. But if you show him how to fish himself he will then continue to do something..." (35 years old, owns a translation office).

Conclusion and Suggestions

Although income-generating projects, implemented in order to mitigate the risk of the poor have also been implemented in the 1990's, they have become more widespread with SRMP after the 2001 crisis. As you can see from the fieldwork findings, income-generating projects contain various problems.

The number of projects, which are continuing out of the 66 projects, which have been implemented since 2004, is very low. This situation provides us with the first important piece of information regarding the success of the project.

As you can see from the fieldwork findings, income-generating projects contain various problems. The greatest problem that the individuals, who benefit from income-generating projects, face now is the large amount of debts. The interviewees expressed that they did not experience great troubles with their incomes; however, they had difficulty in providing their expenses. The greatest contribution the project provides the participants economically is being able to reach loan funds easier. There were no betterments to affect their income groups. On the other hand, their social participation has increased and so has their acquaintances. Furthermore, the project has also affected their life quality. For instance, as one of the beneficiaries stated they now "at least have internet connection at home".

Income-generating projects were not successful in the Sample of Ankara Province in economical senses due to the fact that there being no significant betterment in the economical situation of the interviewees and most of the ongoing projects having piled up social security debts.

The failures encountered within the projects are generally caused by faults in targets. It has been observed with field research that this situation is not present in income-generating projects. The aids have really reached the poor segment. On the other hand, there are planning and organizational faults in the project. By examining the application conditions of income-generating projects, the trouble in the issue was discovered. Everyone without income, social security and any registered assets could benefit from these credit loans. The persons who want to benefit from the project apply to SASF with an application form and petitions explaining that business they want to do. The credit criteria being only poverty and the business plans and ideas being among the application conditions have caused the credits to be widely dispersed. Consequently, most of the projects that were initiated did not continue.

To summarize the planning problems of income-generating projects;

- Not only projects based on vocational skills and abilities have been supported but nearly all projects have been supported.
- No work plan was requested for any project.
- SASF personnel have no knowledge on project management and project tracking. Cooperating with KOSGEB (Small and Medium Industry Development Organization) is one of the factors that could affect the success of the project. However, it has been ignored.
- Inter region and sector differences have been neglected. A standard approach was followed for all provinces.
- One other factor that significantly affects the success of the projects is having certain periods to apply for the projects and having work plans and entrepreneurship training organized according to these periods. However, no such implementation has been executed.
- The period between the approval and initiation of the projects is very long. In some instances, this period was longer than a year. During this period, persons whose poverty was aimed to be alleviated had rented a workplace and registered in the required institutes. Consequently, they have started to go into debt without working to cover their expenses.
- The project owners have not benefited from any incentive and have faced stoppage tax, revenue tax and social security premiums after the project started.

A very small number of the implemented projects are still active due to all these lacking points. Ongoing projects are experiencing great projects due to their accumulated debts.

Besides all this lack in planning, there are also lacking points in the design of income-generating projects. Income-generating projects is a loaning type similar to microcredit. There are microcredit projects in Turkey that are being implemented. Research conducted on microcredit in Turkey show that these types of loans enable economical strengthening⁵ and are successful in the struggle against poverty. The amount and term features of income-generating projects differ from those of microcredit projects. Microcredit differs from income-generating projects in terms of microcredit being based on small amounts, having frequent payment conditions, providing training before the project begins and having mostly group-based training. That income-generating projects are not prepared according to these microcredit features is one other reason that it is economically unsuccessful.

Consequently, it has been understood that there is a problem with the planning of income-generating projects and defining the loan conditions. From what the participants explain, it is said that income-generating projects are not successful economically in terms of the province of Ankara. Difficulties experienced in the re-payment of the projects, the social security and tax debts, the participant's expressing that they are experiencing trouble in getting by whenever possible indicate to this result. On the other hand, this sub-component of the project has been successful in terms of increasing the life quality of the poor, increasing their social participation and providing them with psychological strength.

Although income-generating projects are economically insufficient and cover an unsystematic aid, it gives a very important message regarding the values that small amounts contribute to social and psychological strengthening. Even though the economical scope is generally the initial basic condition required to be successful in the struggle against poverty, evaluating poverty from an only economical scope is a misleading situation. Besides a small economic developments having accelerating effects on social, psychological and cultural scopes being very clear, it should also be considered that social and psychological strengthening, which is not supported within an economical scope, will not be sustainable.

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⁵ Microcredit Projects' effect on strengthening for Poverty was examined with Baltacı's (2010) research. YIMIK (Microcredit Projects for Poverty) Mersin Province Special Administration's financial support and İcel Hand Crafts and Training Foundation (ICEV) is a microcredit project implemented in cooperation to alleviate poverty. The loans are given for one year (52 weeks) and the re-payments are made in 50 weeks. The loan amount given to one person is 500 or 1.000 TL according to the business they are going to establish. Doseyen (2007) evaluated the Turkish Grameen Microcredit Project's (TGMP) success according to the Diyarbakir example.

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Attachment-1: Interview Guide

I. General Information of the Interviewee

1. What is your name?
2. How old are you?
3. What is your marital status? If married, how many children do you have?
4. How old are your children and what school do they go to?
5. Is there anyone that you are taking care of? Who lives and who works in the household?
6. Do you have social security?
7. Do the individuals living in the household have social security?
8. What is your education status? Where did you go to school? Is this the education that you wanted to receive? Was your family able to send you and their other children to school as they wished?
9. Are you able to provide your children with the level of education that you desire?(Why?)

II. Work Experience before SRMP

1. Did you work before you opened this working place?
2. How old were you when you started working?
3. What work did you do since you started to work?
4. If you quitted your job, what was the reason?
5. Did you think of working in a job with wage? Why? Would you think to after now?

III. Information on Current Work Situation

1. What is your occupation now?
2. How long ago did you start doing this work?
3. Is there anyone working with you? (ask if from family members or not)
4. Who are your customers in general?
5. Have you participated in any vocational training for your occupation?
6. Does your workplace provide enough income for your household?
7. Is your income enough for your expenses; for example, are you able to pay your bills on time or do you borrow from somewhere or someone?
8. Would your family have trouble in getting by if you did not have your work?
9. What is the profitability of your workplace?
10. Are you able to save a part of your profit?
11. If there were to be a decrease in your income, which expense would you cut back on first.

12. What would you do if you came across any unexpected money?
13. Are you planning to expand your business? Or what are you planning to do with your business for the future?
14. What does your business mean to you?

IV. Information on SRMP and Re-payments

1. Where did you hear that credit was given for establishing a business?
2. How did you decide to apply for a credit loan? When did you receive the loan?
3. What did your family and friends think about your taking a credit loan and establishing a business? Were they supportive?
4. How much credit did you take and what did you spend this credit on?
5. Was the credit loan you took sufficient?
6. Was it hard to get the credit? (Examined according to application conditions and bureaucratic procedures)
7. Did you register in any social security institution after obtaining the credit loan?
8. Are you able to pay your premiums regularly?
9. Are you able to make your re-payments now?
10. Did you or anyone else from your household get any aid or support such as training from SASF, coal or wood, food or project support?
11. Did you or any member of your family receive support or aid from any institute before?

V. Social Participation, Strengthening, Economic Status

1. Did you have financial problems before you established your business? Was there any difference in your income after you established your business?
2. How would you spend your day before you established your business? Did establishing your business affect this situation?
3. Who would you usually meet with before establishing your business? Has there been any difference in your acquaintances after you established your work? Who do you often meet with now?
4. Who or where would you go first when you needed something or you had a problem before establishing your business? Has this changed?
5. Is there anything that you wanted and could not do in the past and that you can now?
6. Do you feel in a different position in your family and the society?
7. In which income class would you define yourself in before you took the credit loan; upper, upper medium, medium, lower medium, lower, and lowest? How would you define it now?

VI. Perception of Poverty

1. In your opinion, who are those experiencing difficulty in getting by in Ankara? What are the difficulties they face? Where and how do they live?
2. Who are the rich people in Ankara? Where do they live, what do they do?
3. If you think about it since your childhood, how has your parent's situation changed? Has gone worse or better?
4. How do you think the lives of your children will be, will they live in better conditions than you do?

5. According to some, the living conditions in Turkey are getting worse. What do you think?
6. Do live a life that you want to under these conditions? What does a life that you want mean to you? What is the average income you would need to lead such a life?

VII. SRMP Evaluation

1. How do you evaluate the Social Risk Mitigation Project? Do you think it lacks anything? If so, what should be done to overcome these?
2. If you were implementing this project, what would you add or take out of the project?
3. What are the most important reasons of SRMP's success or failure?
4. Would you like this project to continue?
5. Has SRMP been successful in your life? Has it increased your economic status and un-economic life quality? What is your or the projects share in this success or failure? Has the credit loan that you have taken and the business that you have established caused any change in your life quality?

VIII. Evaluation of Actors Struggling Against Poverty

1. What do you think the government should do for people who have economic difficulties? Does the government take the main responsibility in this issue? Does it really have to be "Father Government"?
2. Well, what should local administrations and non-governmental organizations do? Do you think, "The main responsibility belongs to the government and these are restricted in what they could do in the struggle against poverty"?
3. What do you think of international funds and organizations (EU fund, World Bank, etc) in the struggle against poverty? Would the financial opportunities that they have enable people to have a good opinion on these types of organizations?
4. What is needed to further better your situation?

Attachment-2: Basic Information of Interviewees

Gender	Age	Marital Status	Number of Children	Number of People Living in Household	Education	Business	Location of workplace	Type of Project
Male	47	Married	3 children	7 people	High School	Sewing shop	Keçiören	SRMP
Male	36	Married	3 children	7 people	Primary School	Electrician	Etlik	SRMP
Male	41	Married	2 children	4 people	Primary School	Bakery products	Saime Kadın	SRMP
Female	47	Married	2 children	4 people	Middle School	Haberdashery	Karapürçek	SRMP
Male	57	Married	3 children	5 people	Primary School	Grocery	Kale içi	SRMP
Female	45	Married	2 children	5 people	Primary School	Haberdashery	Bağlum	SRMP
Male	45	Married	3 children	6 people	Primary School	Canteen keeper	Ege Mahallesi	SRMP
Kadın	28	Married	1 child	3 people	Primary School	Hairdresser	Ege Mahallesi	SRMP
Male	36	Married	2 children	4 people	High School	Garment manufacturer	Ulus	GM
Male	40	Married	2 children	4 people	Primary School	Locksmith	Kırkkonaklar	GM
Male	37	Married	3 children	5 people	Primary School	No business at the moment	-	GM
Male	48	Married	4 children	6 people	University	Market sales	Sıhhiye	GM
Male	33	Married	1 child	3 people	Primary School	Hairdresser	Keçiören	GM
Male	35	Married	-	5 people	University	Translator	Kızılay	GM
Female	35	Married	3 children	5 people	Primary School	Haberdashery	Şahapgürler	GM

WHAT MUST THE STATE'S ROLE BE TO DECREASE UNEMPLOYMENT? A POST-KEYNESIAN APPROACH*

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Abstract

Unemployment is one of the main reasons of poverty. The neoliberal policies have abandoned the purpose of full employment, which is because thought to be inflationary and those policies have also terminated the obligations about unemployment and underemployment which were thought to be belonging to the state before. The idea of "personal failure" has dominated the "the failure of the system" one, by abdicating the view which denotes that poor demand has limited the employment levels. But the market failures which occur during the elimination of unemployment and poverty have opened a road to the necessity of state intervention. According to the Post-Keynesian view, the state must increase the aggregate demand and so accordingly the growth and employment levels, or create direct jobs as an "employer of last resort" for the ones who want to work, and create infinitely elastic labor demand without any expectation of profit.

Key Words: *Unemployment, Full Employment, Aggregate Demand, Job Guarantee, Employer of Last Resort (ELR)*

Introduction

Poverty is an issue of employment; unemployment, the insufficient working hours and low wages are among the main reasons of poverty. The neoliberal policies, applied after 1980, held the poor responsible for poverty rather than the economic policies and by removing the responsibilities from the previous stages of the state related to unemployment and underemployment; it has foreseen that elastic labor markets and full employment can be provided in economy by itself. However, the stated foreseen had not been realized. Whilst unemployment and poverty

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increased in Turkey, just as it did in the world, the elastic labor market policies have caused the increase in part time employments and temporary jobs and moreover led the effort without qualification to work with involuntary work.

There must be job for everyone who is able to work and want to work in order to decrease poverty and totally remove it out of our lives. However, the neoliberal policies, which are based on the free market arguments that are applied in the present, fail to create sufficient work areas that rely on the increase of the power of labor in recorded economy. The persons who are not able to find jobs in recorded economy had to take place in unrecorded field of employment. The levels of unemployment and underemployment remaining high, forces workers in unrecorded employment areas to accept any condition and fee proposed to them, which then increases poverty.

Thus, a major responsibility is given to the states in order to realize the aim of full employment in the markets. According to the Post-Keynesian approach, the state can realize its aim in two different ways. The action the state will take, by considering that the most important issue in economy is the lack of demand, is to increase employment by increasing the total demand is the first way. The second way is to directly provide work for those who will to work as an employer of last resort. Whilst the second method guarantees full employment, the first does not guarantee such situation.

This study focuses on the macro economy policies of different terms and priority of the the full employment aim in the first part and the role of the states in providing full employment in the borders of the Post-Keynesian approach in the second part.

1-THE IMPORTANCE OF FULL EMPLOYMENT OF MACRO ECONOMY POLICIES IN DIFFERENT TERMS

The first aim of macro economy from the Second World War to the 1970's was to provide full employment and its continuity. According to this approach, full employment is defined as sufficient amount of work areas provided at least as much the people seeking for employment and assuming underemployment in the labor markets. This assumption points out the existence of those who cannot find a job, though they will to work, thus, unemployment and actually involuntary unemployment. Due to the fact that unemployment is assessed as a factor that applies limits to the increase of living standards because of the consumption of sources and a national loss of income, it foresees the intervene of the government as long it increases the affective demand and agrees with the idea that a full employment cannot be provided by the market alone. To understand the concept of involuntary unemployment in the Keynesian model, it is first required to understand the functionality of the affective demand model. The level of employment in the model is determined by the labor market. This is so because the demand of labor determines the final demand of goods in the commodity markets. When companies fall below the desired sales of the goods they produce, they simply decrease the labor demands and the levels of production. The decrease of prices will once again cause the decrease of the affective demands and will not be able to clear the labor markets and thus, increase unemployment. Therefore, unemployment is seen due to the lack of labor demand which is related with the low levels of the total demand instead of the fact of the prices remaining high or the fact that the labor markets not being cleared away.

The approach, which is related to the fertility of prices, provides the total demand to increase in healthy means with the rise in prices. The increase of demand enables the increase of fertility by encouraging the increase in investments and therefore the rise in prices as well. (Palley 2007,2009).

The duty of the state at such a point is to provide the total expenses level to be equal to the full employment production level. If the total expenses are bigger than the production of level, this will cause inflation whereas the contrary will cause unemployment. So the state has to decrease expenses whilst increasing taxes for the first situation and increase expenses and decrease tax and provide affordable income for the second. (Lerner 1943). Thus, economic policies possess a big role in providing full employment.

However, in the 1970's, especially with the oil crisis in 1974, the prices increased over the general levels and remained far from the Keynesian policies which can be said to have led to the dominance of monetary views and natural unemployment rates approaches over the economic policies.

The Monetary view and the rates of the natural unemployment¹ have caused major differences in the theory of economics and its application. The first aims of the monetary view and the macro policies have changed too. The aim full employment being abandoned due to inflationary reasons and has left its place to the stability in prices. Unemployment is constructional in this approach, so trying to change the money and economic policies with unemployment will only cause the increase of the general levels of prices. Thus, with the exclusion of full employment from among the duties of the state, the application of policies related to the supply of money initially and then aiming towards the inflation was immediately accepted instead of the macro economy policies.

The concept of natural unemployment points to voluntary unemployment and thus the clearance of the markets. The natural rates of unemployment theory by Friedman claims that the economy will turn itself into a natural rate of unemployment very soon by refusing the decrease of inflation rates when states face high unemployment rates or the vice versa due to the existence of the exchange realized between unemployment and inflation. The reasons of unemployment in this model are the disincentive factors due to social supports, the conflict seen in work qualifications and the over arrangements applied by the states.

According to Friedman inflation will gain speed in the rates of unemployment because low unemployment provides a strict bargain. As long as unemployment is held below the level of natural rates, this power will cause the demand for higher prices and thus, the high prices will reflect it on the production costs which will then constitute an inflation spiral. So, for such reasons, the state should not intervene in providing full employment in economy or to try creating better work for those employed. The reason why the state should not intervene is because such approach will only cause a higher inflation which will not improve opportunities and remain as an enterprise failure that does no good. (Pollin 2008).

Therefore, the macro economy policies aimed to provide stability in prices instead of full employment after the terms of the 1980's. The base of the new system was financial markets instead of labor markets. Having abandoned of economic policies against cycles (counter-cyclical) the aims of the economic policies have been limited with the continuity of the budget gap and debts provided. The relation between full employment and the economic policy has been put apart.

To provide low inflation was the primary aim of macro economy. Unemployment was only used as tool to reach the aim. According to this approach, the non-accelerating inflation rate of unemployment – NAIRU, stabilizes inflation at the level of unemployment thus, increases at levels above the employment and concludes by the rearrangement of the unemployment back to its level. Unemployment, in this model, disciplines the expectations of labor and balances labor and capital demands, which from time to time conflict with each other, at least temporarily by arranging capitals with profitable conditions. (Mitchell and Muysken, 2008, p. 227).

According to the neoliberal policies applied in this term, it is necessary to return to elastic labor markets by abandoning the Keynesian macro economy policies and the welfare state in order to obtain a continuing development and full employment.

With such aims, new radical changes are foreseen in the economic and social policies. Arrangements that remove limits such as to employ or un-employ workers and the determination of work hours, the removal of workers representative rights in the process of making decisions, to give up of arrangements related to severance pays and minimum wages, to determine the unem-

¹ The labor force rate of the total amount of temporary and structural unemployed is called the natural rate of unemployment. Natural rate of unemployment according to the monetary approach is the minimum rate of unemployment that cannot be removed. Thus, assuming that the labor force will be completely used when the unemployment rate is equal to the natural rate of unemployment, it is accepted that the natural rate of unemployment and full employment rates are the same.

ployment fees as at least amounts and at shortest terms and arrangements for the weakening of industrial unions are forced to be realized because such arrangements are claimed to complicate the fees to be adopted at lower levels and thus lead to the increase of the natural rates of unemployment.

According to neoliberal policies the responsibility of unemployment and underemployment does not belong to the state. The idea of "personal failure" has dominated over the "the failure of the system" one, by abdicating the view which denotes that poor demand has limited the employment levels that cause involuntary unemployment. The idea that claims that individuals do not put sufficient effort in order to possess qualifications required, try finding a suitable occupation for themselves and that they prefer to remain as unemployed by either showing laziness or by behaving in a selective manner simply comes to the foreground. It is accepted that the state supports the arrangements related with the situation of justice in the transfers of income and occupation and excluding from work. (Mitchell and Muysken, 2008).

The concept of full employability has begun to be used instead of the concept of full employment in labor markets in this term. By lessening the responsibility of providing labor power to be used at optimum levels by the state, the aims of the policies towards the labor markets have been limited with the idea to ease being accepted to work. It has been more complicated for individuals to benefit from the income provided by the states and by believing that the arrangements effect employment in negative means applied especially to prevent unfair exclusion from work at first and then for those towards the labor markets, it has been provided for them to be removed or be applied at least levels. These applications function to increase the influence of the reserve army. The policy which eases the employability with low wages aim is to support the saved capital. On the other hand, it is foreseen to lead people to educational programs so to recompense their personality and the lack in the qualifications. In full employability, the arrangements related to the labor markets are realized in order to support the needs of the capital. The functionality of the educational programs is the same as well. Whilst the educations given were realized during the work hours to increase the implements of the workers, people are now forced to take their educations previously being accepted to work. As a matter of fact, unemployment has also become to be a business. Whilst many market based organizations earn serious amounts with the educational services provided for the labor market, these services are excluded from the public services provided by the states.

Before the 1980's, when the Keynesian policies were applied, the increase in prices depended on the increase in fertility, which such relationship actually pointed out a finer growth. The increase in fertility, increase the prices which leads to the increase in the total demand and encourages the increase seen in investments. The dependence of the total demand being on the increase in prices and fertility provided the growth cycle realize in proper means. However, by abandoning the neoliberal policies and full employment applied after the 1980's with basis for conclusions being inflationist, the relationship between the prices and fertility have been worn out. The locomotive of the increase of demand has left the place of prices to debts and the inflation of the prices of entities. Having constructed the neoliberal model upon financial fluctuations and cheap import has supported the companies and consumers expenses financed with debts. The debts have also been continued as deregulations that provide the flow of new financial products and innovations. On the other hand, politic support has also continued due to the fact that the stilt seen in prices were recompensed through cheap import.

However, it is not possible to continue the model that depends on the inflation of the entity prices. This is so due to the continuing increase in consumers expenses will consistently require new debts. On the other hand, the increase in the debt stocks and the decrease in the rates of savings cause the increase in entity prices and increase in the rates of debts/incomes. The process, though, is from time to time interrupted. In fact, with the ease seen in import facilities applied towards imported goods with expenses financed via debts, the situation causes prevention of sufficient work and income in the country.

2- THE POST-KEYNESIAN APPROACH IN PROVIDING FULL EMPLOYMENT

In the Post-Keynesian approach, the situation in which either the private or the public sector expenses do not constitute a new employment facility, the state is named as 'full employment.' Thus, the level of full employment defined by the Post-Keynesian approach comes to the meaning of a level above the main economic flow.

Different from the neoliberal policies, the Post-Keynesian approach does not rely on the markets to provide full employment, they believe in the idea that the states should actively intervene to the subject. However, there are two different views about how the active intervene should be realized. The first of these is the total demand governance and the second is the state providing occupation to those as an employer of last resort who believes that working is a human right. Whilst the second guarantees full employment, the first way doesn't present so.

2-1 The Governance of the Total Demand and Full Employment

According to Arestis and Sawyer (2003,2004) and Fontana (2009), as the pioneers of the approach of the Keynesian policies claim that the demand in economy is poor and that an automatic mechanism does not exist in the system to remove it. The lack of demand or the demand gap in economy is equal to the difference between the actual level of production and potential level of production. The potential level of production is the point where the involuntary unemployment is removed and has reached full employment. In the classical approach, though there exists such a system as the Law of the Number, there exist no mechanism that is capable of operating itself in the system. That's why the state must intervene via economic policies and increase the total demand. The increase that will be realized will enable the increase in investments which will provide the growth of capacity in production and thus, the increase in development and employment. (Tcherneva, 2008)

The neoliberal policies applied after the 1980's put the monetary policies ahead and drew back the economic policies².

The control of the total demand with the usage of monetary policies can only be possible with the interest rates which constitute an indirect affect. However such state will show up in condition that the expenses are sensitive towards the changes of the interest rates. As experienced in the last crisis, in such situation where expenses were not sensitive to the interest rates and in the trap of the liquidity, it is not possible to increase the total demand with the monetary policies. This approach supports the idea that by surfacing the relationship between the economic policies and full employment, the states can increase the employment provided that the total demand is increased as well.

As well as increasing the total demand by encouraging the private sector, the states can realize the increase by increasing their own expenses with the budget gap too. With accelerated depreciation, investment discounts and various tax encouragements, the states can convince the private sector to realize more investments and thus increase the total expenses. However, Minsky claims that the private sector will experience an increase in financial vulnerability and emphasizes that it is more important of the states to realize expenses for the sake of stability. (Bell and Wray, 2004).

What is important here is to coordinate the decisions taken for investments and the direction of the investment fertility increase and employment potentials to higher sectors. Whilst realizing

² The neoliberal policies are against the economic policies due to their excluding affects. It is a excluding affect that is due to the increase in interest rates as a result of the economic expansion that causes the decrease in expenses. However, the state of exclusion is not an inevitable situation. Whilst the assumption of the foreign money supply is valid (exogenous) the increase in money supply as much as necessary can avoid the situation of exclusion with the change of interest rates. However, in the endogenous money states, the interest rates which are determined by the central bank, is surfaced with the planned action taken. From another point of view, the central bank surfaces the affect of exclusion by the increase applied in the interest rates against the economic expansion. The affect can though show differences according to the increase in the interest rates with the sensitiveness to other interest rates and he interests of other expenses with accordance to the economic situation, the cyclic. What the matter to be focused on here is that the affect of exclusion is not a reaction of the markets but shows up as a reaction of the central bank. Even if the rates of interests increase, it is worth a discussion of how sensitive investments are to those rates.

such circumstances, the external indebtedness and the investment competitions should be held under control, import controls and increasing tax rates with luxury consumption should be limited. (Akyüz, 2006)

The decrease of poverty and unemployment can only be possible with the increase in capital savings and the qualifications of labor. This is so because capital savings are the most important determinants of economic growth because whilst investments create an income as a dynamic aspect of the affective demand it increases the production capacity as well and has positive impact over technologic development and the fertility of production. However, in the macro economy and financial policies in nowadays, along with the more profit investments provide compared to the previous terms. (Akyüz 2006).

If the state increases its expenses to increase the total demand, then this may cause the increase of debts with the budget gap policy applied. However, according to Lerner (1943) whilst the assessment of the economic policies applied, it is important to consider that the real impact affects of the policies on economy are more important rather than the impacts on the budgets. Thus, the budget gaps seen with the governance of demand will only be consistent provided that the rate of development is above the real interest rates.

If necessary to summarize briefly, according to this approach, when the total demand is increased, the investments, capital savings and thus the economic growth will also result in increase. Because the labor demand is determined in the commodity markets, the rise seen in the labor demand will decrease unemployment and thus poverty. However, whilst the capital intensively used with technology or due to the high the import rates, economic growth may not always provide employment and therefore, there may not always be a negative relationship between the growth of economy and poverty. Poverty may not decrease despite the economic growth. So, this is the reason why Minsky points to the importance of the distribution of income besides economic growth and supports the idea that the increase of demand to decrease poverty should be provided through the increase in the poor people's income and fees. (Bell and Wray, 2004)

2-2 Employer as Last Resort and Full Employment

According to this approach, the state must provide occupation as an Employer as Last Resort (ELR) to those who believe that working is a human right and create an infinite labor demand with no profitable expectations at main wage levels. The state, by providing occupation to those who intend to work may encourage the removal of poverty by determining a main wage both sufficient and efficient. According to such program, in which the support provided to those who are unable to work, foresees the removal completely applied to social expenses or at least reduced by those who are able to work. The Post-Keynesians, who support the state being the Employer of Last Resort and in contrary to the NAIRU approach who sees unemployment as an aspect that disciplines the wage and price determinations, supports the idea that it is possible to provide the occupation guarantee approach, full employment and price stability at the same time. The starting point of this approach is the fact that full employment will not be guaranteed by itself though the public expenses may have positive impacts over the capitals, investments and productions in a short term. (Leclaire, 2007).

The Development of the Approach

Hyman Minsky (1965), Mitchell (1998), Mosler (1998) and Wray (1998) are among the actual supporters of the approach. What the state must do, according to the approach is to 'directly create full employment.' This means, the unemployment seen in the private sector is to be absorbed by the states. In order to realize this, there must be an 'employment repository' and those who are employed with wages within it. On the other hand, the repository will not be constituted with a single part and when improvement seen in employment due to the total demand of the economic fluctuation, this pool will be temporarily perceived by the private sector facilities to provide employment. It is foreseen that, no matter how high the total demand is in private sector,

full employment will not be able to be provided, thus, a part of the repository will be remained for long term activities by the public. The public sector, besides constituting employment in this repository, will also continue to employ workers for itself in order to operate in its main field.

This application has many advantageous points compared to those such as the unemployment insurance and etc applied at present. These types of insurances provide security for a certain amount of time and limit this security with only a division of those unemployed and actually realize payment to those who do not work. However, this program consists of all the unemployed. Because everyone ends to have been given a job, these types of payments will show decrease, as there will be no situation of paying any to those unemployed as everyone will be occupied. (Wray, 1997)

The ELR approach should not be considered as only a public employment strategy. This approach actually is a border of macro economy policies which enable full employment and the stability of prices to remain together.

This approach supports the idea of the public sector to determine the employer as last resort and the acceptable minimum wages and provide the payments to those who cannot find an occupation. In this situation, if the private sector creates inflation, as a result of the strict monetary and economic policies applied, a part of the private sector employees will be drawn to this sector and thus, whilst unemployment is decreased the inflationist impact will be removed. (Mitchell and Muysken, 2008). It is considered that the wages that will be paid by the public sector shall be below the wages the private sector had provided. The reason for such application is the possibility of the inflationist risk occurring again. Therefore, in order to provide price stability, the wages that will be proposed by the public sector will be minimum wages. The function of determining these wages is actually the main reason that lies behind the ELR anti-inflationist policies to be named as full employment. (Tcherneva, 2008)

What kind of work can be considered within the ELR?

The applicability of a program claiming to fully employ the unemployed, after its explanation applied in theory, must be demoted from abstract means to concrete means, and for instance be orderly explaining what kind of occupations can be provided. Wray, (1997), has applied such an order and stated that the occupations preferred shall be searched from fields besides the private sector by aiming the maximization of profits related to the occupation;

- The care of the old and disabled,
- Assisting school teachers, helping pupils in their studies,
- Providing security at schools and its environment, the organization of the traffic,
- Cleaning the environment,
- The restoration of the shelter facilities of those with low incomes
- Nursery,
- Working at libraries,
- Fire watch, ranging environment protection activities and etc.

The list can surely be expanded and is actually a list that can be re-arranged considering the primary and fundamental needs of the society and its economic situation. For instance, the infra-structures, cultures and etc. of an intensive industrial field and an intensive agricultural will likely to have different necessities.

The Benefits of the ELR

The guarantee it provides in occupation is not only limited with the supply of full employment

but it is also realized independently from the industrial potentials of the area. It provides employment to even those at the worst situations in the society, and moreover, by taking action in fields that the private sector cannot provide employment facilities according to the market conditions (for instance the protection of the environment) brings solutions to issues that the markets cannot manage to handle. On the other hand, the ELR approach brings up to surface more advantageous for employees by bargaining on prices which constitute threat on unemployment. In addition, it also has a role of providing stability against the economic situations. Thus, the fluctuation created in employment due to the economic fluctuation is removed. (Tcherneva, 2008). It can also have a role of providing occupational education, which is considered as an expensive cost in the private sector, for all occupations provided by the public sector. (Mitchell and Muysken, 2008).

The employment provided with the ELR does not only remove unemployment but also removes the poor employment that is caused by the work hours (such as part-time employments) too. The removal of poor employment has a function of warning the private sector in means of work hours and the circumstances. (Mitchell and Muysken, 2008)

The approach of the ELR has set out influenced from the opinions related to public finance of Lerner. There are no obstacles in front of public expenses. The aim of the public finance is not to afford the expenses but create demand to the money pressed by the public. Whilst the money pressed by the public functions as providing the duties of tax to be realized, it also constitutes savings on the other hand. To hoard financial entities causes unemployment. Therefore, there is no reason for the public sector to limit the responsibilities of such money. (Tcherneva, 2008).

ELR Applications

The ELR approach, when considered as 'occupational rights', can be an important tool against unemployment. When observing the applications it can be seen that similar programs are applied at various means at some countries.

Argentina

This program was applied in Argentina in 2001 after the crisis and was one of the all programs. The program named 'Jefes de Hogar', was a program applied to guarantee occupation to the poor family headmen. The program which focused on to remove the politic instability created by the crisis and to decrease unemployment which was over 20%. It was totally designed for the men of poor families with children and those with pregnant women.

In the Jefes program, individuals were paid 150 peso for a minimum of a four-hour work daily. The occupations involved in the program were generally related with public services or small scaled constructional work. In some situations, the participants were directed to occupational trainings. According to the data provided from the ministry, 87% of the occupations provided were directly related with the social necessities being met. For instance, these included the repair of highways, the production of bread that was to be distributed to the poor and occupations like the production of uniforms and so on. (Wray 2007).

The cost of the program in 2005 was at a level rate of 1% of the GDP. Despite of the low expense and cost of the program, it was observed that the program failed to carry poor families above the level of poverty. However, it can be understood that the program did supply an increase in the incomes of poor families. The most important factor the program provided was the occupations simplicity were not required with low qualified labor such as 'digging holes', but on the contrary provided the participants to gain qualifications even if they had quit.

The program also had positive impacts in means of macro economy. First of all, the stability in prices was realized with the beginning of the application of the program. Similarly, economic growth had also been positively influenced by the program. According to the estimations, as a result of the increase seen in incomes with the creation of the program by Jefes, it is observed that the multiplier effects were at a level of 2,57. (Wray and Tcherneva, 2005).

Moreover, the Jefes program is not a desirable ELR program. In the contrary to the ELR pro-

gram which intends to provide occupation to all who intend to work, the Jefes program was limited with objectives only considering men with families and with such conditions applied to participants such as having children under the age of 18. (Kaboub 2007). However, it can be easily observed that while 60% of the participants involved in the program were constituted from women and whilst the women being involved in the program, the men of the poor families had searched for occupations in the private sector and generally as in informal fields. The slide experienced towards the informal sector, the unemployment rates did not reveal to decrease in serious amount with the application of the program and moreover, has cleared the obstacles by applying limits to participate in the system by supplying power to the contrariety and generally with applications of discriminations. (Wray and Tcherneva, 2005).

The Jefes program seems to have been constituted with the funds provided by the World Bank at first sight. The supporters of this approach have claimed that such a fund will not be able to be paid back especially on dollar currency. Additionally, it was later understood that Argentina had used the funds provided by the World Bank in order pay debts and that the Jefes program was not able to benefit from it. (Kaboub, 2007)

Having reached an end in the February of 2006, the Jefes program had left its place to two different programs. One of them was the unemployment insurance. It was determined to pay the unemployed 250 peso each month for two years time. The second program was another one applied aiming to provide support to the children of poor families according to the rate of the number of children in each family. (Wray, 2007) The programs which were applied in difficult terms and while the program was applied with success and provided economic improvement, its removal and being placed with known methods points out the grandness of the politic risks taken.

India

India, in the year 2005, had constituted the program of the National Agricultural Employment Guarantee. The program named as Mahatma Gandhi National Agricultural Employment Guarantee in 2009, aims to increase the purchasing power of those who lived in rural areas without considering the levels of poverty. Actually, the main point of the program is the Maharashtra Employment Guarantee law which came about in 1977 and provided employment guarantee for those who lived in the rural areas of the country. (Wray, 2007)

The cost of the program applied was only 0, 3% of the GDP in the 2006-2007 financial year. On the other hand, it is estimated that the cost of the program will reach four times as more when it has realized to reach 40 million poor in rural areas. (Sjoblom and Farrington, 2008)

The occupations provided by the program were generally related to the infrastructural development of the rural areas. Moreover, the program only enabled participants to take places in certain projects. As a result, the employment guarantee was only provided with interruptions. This was so because the participants employed in one project had to wait for another to start to be re-employed. (Mitchell and Muysken, 2008) As a matter of fact, the program had pre-determined that the amount of days of employment was to be as 100 days. On the other hand, the program is criticized due to the fact that it only provided occupations that relied on labor and effort and that it did not present any occupational training. (Sjoblom and Farrington, 2008)

In the application in India, some individuals and families with wealth and comfort had been able to misuse the system. This situation had weakened the program in reaching its aim of providing help for the poor. In the contrary, it is seen to be very early to assess the program in means of its achievements. The impacts surfaced are rather remote. The increase seen in the prices at rural areas, especially between the months April and July, considered being non-productive, the employment provided at this term to provide stability in employment are one of these factors. (Sjoblom ve Farrington 2008)

With the improvement observed in the Mahatma Gandhi program, it was foreseen that the population below the level of poverty will decrease and thus, the program should be assessed in means of individuals rather than families and that the number of days of employment could be

increased. (Kaboub, 2007) Additionally, it is still in discussion whether the program can be applied besides rural areas as well.

Conclusion

When having considered that the source of instabilities in economy is actually the artificial inflation seen in markets and financial markets rather than the commodity markets, it can be stated that the primary aim of macro economy is not the price stability but the stability in unemployment and financial means. The decrease in unemployment is not an issue that can be solved on its own in the elastic labor markets and the free markets. Therefore, the states have great responsibility in decreasing the unemployment and poverty which are increasing from day to day.

The Post-Keynesian approach supports the idea of the state to either increase its expenses or provide occupation to all who intend to work as Employer as Last Resort in order to decrease unemployment. The first of the two approaches cannot guarantee employment alone. The ELR approach, on the other hand, presents the employment guarantee and additionally also guarantees the price stability.

The programs which are presented as examples to the ELR applications are far from the borders of the foreseen ELR. The primary reason for this is the fact that the program is not at sufficient width to include the programs mentioned. Moreover, to approach the ELR in means of qualification, occupational trainings should be applied in more powerful means.

When examined in general means, the ELR programs should be arranged with great care. It should involve all people who actually intend to work but not able to find an occupation and social support should be provided to those who are disabled. However, whilst realizing such support, the main employees of the public sector should not be removed and thus, a new public sector should not be created and programs that draw the impacts of poverty to minimum levels should be arranged.

Having considered decentralizing as one of the aspects of Argentina and India's success, it is possible to provide better results when central constructional movements are preferred due to reasons such as the support of local aspects in determining the needs and potentials of the area, not giving any chance to discrimination, inspections applied more effectively and the benefits supplied from scaled economies.

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DETERMINING THE PERCEPTIONS OF ANKARA SOCIAL ASSISTANCE AND SOLIDARITY FOUNDATION PERSONNEL REGARDING THE CAUSES OF POVERTY



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Abstract

Poverty is continuing to be one of the most challenging subjects in all over the World. Social sciences offer different theoretical explanations regarding the causes of poverty. These theoretical stands mostly grouped as individual factors and structural factors. In this research, the perceptions on the causes of the poverty is investigated specifically in Social Assistance and Solidarity Foundation (SASF). The research is designed in order to determine the perceptions of the causes of poverty among social assistance and investigation personnel in the 8 SASFs in Ankara. The results show that the majority of the research group agree with structural explanations of the poverty. The findings were discussed as the practice and policy outcomes.

Key Words: Poverty, Social Assistance and Solidarity Foundation, Perceptions about the causes of poverty

1. Introduction

Poverty has been one of the most challenging social problems in both developed and under-developed countries with different aspects. Policies and practices in order to struggle against poverty have different strategies according to the way each country experience the causes and consequences of poverty.

The ideas on the causes of poverty has been an important area of research for making international comparisons (Van Oorschot and Halman, 2000) as well as describing the picture country by

country, such as Netherlands (Halman and Van Oorschot, without date); Finland (Niemelä, 2008), Ireland (Hardiman, McCashin and Payne, 2004), Lebanon (Abouchedid and Nasser, 2001), Croatia (Ljubotina and Ljubotina, 2007), China (Shek, 2002; Shek, 2003) and Turkey (Morçöl, 1997). Other researchers studied the factors associated with the perceptions of the causes of poverty (Nasser, 2007; Abouchedid and Nasser, 2001).

The perceptions of the causes of poverty among human professions are also other important areas of research. Especially many studies were conducted among social workers who directly work with the poor (Weiss and Gal, 2007) or social work students who are educated to work in the area of poverty (Clark, 2007; Sun, 2001; Schwarz and Robinson, 1991).

Study of attitudes about the causes of poverty reveals the status of the poor in contemporary society and adds to our understanding of the social dynamics of poverty (Niemelä, 2008). In addition, individuals' perceptions of poverty probably influence their interactions with the poor (Bullcock, 1999; Cozzarelli, Wilkinson and Tagler, 2001; Niemelä, 2008). Moreover, notions about the reasons for poverty have consequences for the poor people themselves, as these perceptions have implications for the legitimacy and viability of specific types of anti-poverty policies (Niemelä, 2008). In addition, they indicate the willingness of people to alleviate or end poverty (Cozzarelli et al., 2001). According to this perspective, it is an important area of study to determine the perceptions of the causes of poverty among the professionals who directly serve or work with the poor. These perceptions are among the determiners of the quality and effectiveness of the service.

With a dynamic young population and high unemployment rates, Turkey is one of the countries struggling with poverty in different aspects. Social Assistance and Solidarity Foundation (SASF) has been one of the most important and widespread governmental program and service for the population in need. The objective of the foundation of SASF was "to help citizens in the state of poverty and destitution,...to take insurances that will enforce social justice by ensuring the **fair distribution of income**, to encourage **social aid and cooperation**" (cit. in Buğra and Keyder, 2003:36). SASF is accepted as a direct means of combating poverty.

While serving directly to the people in need, the attitudes and perceptions of the professionals towards the problem of poverty is becoming an important issue. A dimension of this perception is the opinions about the causes of poverty. In a report prepared by Buğra and Keyder (without date:20) for UNDP, observations were stated regarding a distinction made by local foundation employees on "those shameless who consider assistance as a right" and "those deserving poor who are too embarrassed to ask for help". The authors also indicate that the same distinction also conditions the behavior towards the poor by various social assistance workers in different institutions. These attitudes of the workers towards the target population can be understood through the perceptions on the causes of poverty. The aim of this research is to determine the perceived causes of poverty of the workers who are in direct contact with the poor in SASF.

2. EXPLANATIONS OF POVERTY

Social sciences provide different explanations to reasons of poverty. Theoretical approaches essentially present two orientations. The first of these include individual explanations to poverty, while the latter comprises structural explanations (Taylor-Gooby, 1991, as quoted by Niemelä, 2008; Van Oorschot and Halman, 2000). The focal point of the individual approach is on behavioural and cultural factors. For instance, the culture of poverty approach of Oscar Lewis makes references to the lifestyle of poverty and thus to individual factors. Individual approaches put intergenerational transmission of poverty to the foreground (Niemelä, 2008). Individual explanations mostly associate poverty with the own actions, behaviours and lack of work and motivation of a person (Hardiman et al, 2004).

On the other hand, structural explanations make reference to the disadvantaged position of poor individuals within the structural hierarchy of a society. In this regard, poverty is a problem arising from such external factors as deprivation of education, low level of income and discrimination. In other words, poor individuals are victims of the social structure (Niemelä, 2008; Hardiman et al, 2004).

Van Oorschot and Halman (2000) state that structural explanations are based on the social phenomena which occur independently from the relationship or interaction among social actors. In other words, these explanations fail to clarify the reasons behind the specific culture of the poor or their disadvantaged structural position. At this stage, another explanation put forth is the fatalist explanation. Various uncontrollable factors such as disease or ill-fortune belong to this category (Feagin, 1975; Morçöl, 1997; Niemelä, 2008; Van Oorschot and Halman, 2000).

In a methodological point of view, the first classification related to the causes of poverty was presented by Feagin (1975). In his popular classification, Feagin divided the perceptions on the causes of poverty in 3 categories as, a problem arising from individual aspects; a problem stemming from structural factors; and a problem caused by fatalist explanations such as ill-fortune or disease. While Feagin(1975)'s explanations used in different countries in measuring the perceived causes of poverty, many additional measures were developed (Golding and Middleton, 1982; Shek, 2002).

In this research, the measure to determine the perceived causes of poverty was based on the scale developed by Shek (2002;2003) According to Shek(2002;2003); the four sets of perceived causes of poverty were assessed. The first set of beliefs is related to the personal problems of poor people. The second set of items is related to social injustice and points out structural explanations. The third set of items is related to the explanation that there is a lack of opportunities, including those transmitted by the family and imposed by the society. The final set of items is related to fate, which includes bad fate and lack of luck.

3. PURPOSE OF THE STUDY

The purpose of this presentation is to explore perceptions of the causes of poverty among a worker group, who is directly in contact with the poor people and make investigation for the social assistance programs given by Ankara Social Assistance and Solidarity Foundation offices in 9 different regions in Ankara. Further, an analysis is aimed to be carried out to describe certain socio-demographic variables of the personnel in determining the perceived causes of poverty.

4. METHOD

Participants and Procedures

The research has a quantitative methodology and a descriptive nature. The data were derived from 33 employee from the branches of SASF in Ankara, working as "Social Investigation Officer" and/or responsible for the investigation procedure of the clients applied for social assistance programs. 8 branches out of 9 accepted to participate in the study. The data used in the study was collected through face-to-face interviews where possible, otherwise, the filled questionnaires were posted or faxed by the subjects to the researchers.

Instruments

- *Socio-Demographic Questionnaire*: The subjects were asked to fill out a demographic questionnaire consists basic socio-demographic data (age, gender, educational status, marital status, level of income, etc.) and information about the work experience (occupation and job position, length of work experience in the SASF, past in-service training experiences).

- *Perceived Causes of Poverty Scale Turkish Version*: The original version of "Perceived Causes of Poverty Scale" was developed by Shek (2002) in order to measure the explanations regarding the causes of poverty. The adaptation, reliability and validity study for the Turkish version of the scale was conducted by İçağasioğlu-Çoban and colleagues (2010). With exclusion of one of the original items related to individual explanations, the scale was found reliable and valid to be used in Turkish culture. The Cronbach's alpha coefficient calculated for the scores obtained from the four factors of the scale varied between .61 and .82 in the adapted version.

The scale includes 12 questions and four factors in the 5-stage Likert type ("Strongly Agree" 1 point, "Agree" 2 points, "Neutral" 3 points, "Disagree" 4 points, "Strongly Disagree" 5 points) includ-

ing perceptions pertaining to reasons of poverty. Factor 1 presents statements pointing out to personal problems as reasons of poverty (Items 1, 2, 3). Factor 2 presents statements pointing out to exploitation in the society as reasons of poverty (Items 4, 5 and 6). Factor 3 includes statements that causes of poverty are associated with individuals' lack of opportunities (Items 7, 8, 11 and 12). Factor 4 includes statements defining poverty as an element of fate (Items 9 and 10). Any increase in the score obtained from each factor shows an increase in the individual's tendency towards the relevant statement.

The analysis based on the Scale was conducted in two ways; as using the scores of 4 factors as constant variables, and using the ratings as discrete variables, which are calculated according to ranges of points for each factor.

5. FINDINGS

5.1. Basic Socio-Demographical Data

The research was conducted among 33 employees working in the SASF Offices in Ankara. The offices that accepted to participate the study and the number of workers participated to the study is given in Table 1.

Table 1. SASF Offices and Number of Employees Participated in the Study

SASF	Number of Workers Participated	%
Altındağ	8	24,2
Sincan	4	12,1
Etimesgut	4	12,1
Çankaya	4	12,1
Gölbaşı	4	12,1
Mamak	5	15,2
Keçiören	2	6,1
Yenimahalle	2	6,1
TOTAL	33	100,0

The mean age for the research group was 31.93 (s.d.6.255). The youngest worker was at the age of 24, while the oldest was 44. The basic socio-demographic data for the study group can be seen in Table 2.

Table 2: Basic Socio-Demographic Data for the Study Group

BASIC SOCIO-DEMOGRAPHIC DATA			
Variable		N	%
Gender	Male	19	57,6
	Female	14	42,4
	<i>Total</i>	33	100,0
Educational Status	High School	7	21,2
	University	25	75,8
	Post-Graduate	1	3,0
	<i>Total</i>	33	100,0
Marital Status	Married	21	63,6
	Single	12	36,4
	<i>Total</i>	33	100,0
Having a Child	Yes	16	48,5
	No	17	51,5
	<i>Total</i>	33	100,0
Long term residence	Urban area	25	75,8
	Rural area	8	24,2
	<i>Total</i>	33	100,0
Level of Income	Enough	8	24,2
	Medium	20	60,6
	Low	4	12,1
	<i>Total</i>	32	97,0
Perceived Social Class	Upper class	1	3,0
	Upper-middle class	12	36,4
	Middle class	15	45,5
	Lower-middle class	4	12,1
	Lower class	-	-
	<i>Total</i>	32	97,0

As can be seen from the Table 2, most of the participants were University graduates (76%).

64% of the respondents were married and 49% of the whole group had at least one child. The mean of the number of the children was 1.44 for the group

The perceived level of income was reported as “medium” level with 61%, followed by “enough” income with 24% and “low” income with 12% .

Perceived social class is an important factor reflecting the status of the subject in the society. The perceived social class was mostly reported as “middle class” with 46% in the study group. However upper-middle class was also frequently reported by the subject (36%). Although upper and lower class were two extreme categories, 12% of the respondents represent their perceived social class as “lower class”.

The subjects claimed their monthly expenditure ranging from 500 TL to 2500 TL. The mean for the monthly expenditure was 1300 TL (S.d. 420.82) for the whole group.

The work- related data was gathered by asking the title of the job, occupation and job position,

length of work experience in the SASF and past in-service training experiences. The results are listed in Table 3.

Table 3: Work Related Data for the Study Group

WORK RELATED DATA			
		N	%
Title of the job in the work place	Social Investigation Officer	21	63,6
	Desk Officer (receptionist)	5	15,2
	Social Worker	2	6,1
	Public Relations Specialist	1	3,0
	Foundation Officer	3	9,1
	Administrator	1	3,0
	Total	33	100,0
Having in-service training experience	Yes	9	27,3
	No	23	69,7
	Total	32	97,0

The mean of the respondents' work experience is 76.5 months. The most experienced worker has worked in the same job for 268 months, and the newest worker has worked for 4 months.

When we look at the professions of the workers at origin, most of the workers were found to be social workers (n=7), while others were economist (n=4), public relations specialist (n=3), sociologist (n=1) and other workers (officer, technician, etc.).

27.3% of the subjects informed that they received at least one in-service training while working in the foundation. The titles or topics of training were mostly on effective communication with service-users (client-oriented communication); education on health and pregnancy; education on the Social Risk Mitigation Project and Conditional Cash Transfer (CCT) relatedly.

5. 2. Explanations for the Causes of Poverty

As mentioned earlier, the explanations for the causes of poverty was measured under four factors of explanations. Descriptive results for the 4 factors are presented in Table 4 below.

Table 4: Descriptive Statistics for the Factors of Perceived Causes of Poverty Scale

Factor	N	Min.	Max.	Mean	Std. Deviation
Individual Explanations	33	3	14	7,85	2,906
Social Injustice	33	2	15	9,12	3,453
Lack of Opportunities	33	5	20	13,12	3,681
Fate	33	2	8	4,09	2,067

The results for the four factors of the scale was also examined as discrete variables and cut-points for each level was calculated according to the ranges of factor scores. The scores were grouped as "low", "medium" and "high" degree of tendency to the factor statements (see Table 5).

Table 5: Agreement with the Factor Statements among the Participants

Degree of Agreement	FACTORS							
	Individual Explanations		Social Injustice		Lack of Opportunities		Fate	
	N	%	N	%	N	%	N	%
“Low” Agreement	11	33,3	8	24,2	3	9,1	23	69,7
“Medium” Agreement	14	42,4	13	39,4	21	63,6	7	21,2
“High” Agreement	8	24,2	12	36,4	9	27,3	3	9,1
Total	33	100	33	100	33	100	33	100

As seen in Table 5, the highest agreement among the participants is for “Social Injustice” factor with 36%, followed by “Lack of Opportunities” factor with 27%. The lowest agreement was for the “Fate/Bad Luck” factor, again followed by “Individual Explanations” factor. It can be inferred from the findings that, when medium agreement is also included, a majority of the study group is agreed with the structural explanations of the poverty such as social injustice and lack of opportunities. On the other hand, the lowest agreement was for the fate and individual factors.

Similar findings were reported in the literature. In a former study conducted in Turkey in order to determine lay explanations of poverty, Morçöl (1997) also found that both poor and nonpoor persons in Turkey attributed the causes of poverty mainly to structural reasons. As Van Oorschot and Halman (2000:11) reported in their comparative research, that “the idea that poverty is the result of societal injustice is clearly dominant in the Western countries as a whole and poverty is predominantly seen as the outcome of the process of social exclusion”. The authors suggest that in Western countries, poor people are mainly seen as the victim of the injustice in the society.

The results show that our study group prefer more structural explanation than individual/fate explanations. This can be explained with their direct experience with social problems and poverty. However, Weiss and Gal (2007) also find parallel results among social workers and middle class professionals in Israel. According to their research, both groups were more inclined to attribute poverty to structural causes than to psychological and individual explanations. Further studies also report consistent findings among social workers and other middle class professionals (Klugel and Smith, 1986; Bullock, 1995, quoted by Weiss and Gal, 2007). This tendency was explained by Weiss and Gal (2007) with higher education of the participants, with its socially liberalizing effect on status and enhanced awareness of the flaws of a purely individualistic approach to poverty. This explanation also fits with the existing study.

The relationship between the factors in the scale was also examined in order to determine the coherence among different explanations. Result is shown in Table 6. As indicated in the table, positive correlation between social injustice explanations and lack of opportunities factor which is found statistically significant ($p < 0.05$). Furthermore, fate factor was also positively correlated with lack of opportunities factor with significant statistical results ($p < 0.05$). This finding of the research show that structural explanation are preferred for the lack of opportunity of poor people. Besides, fatalistic explanations tend to increase/decrease along with lack of opportunities.

Table 6: Relationship between the Factors related the Causes of Poverty

	Individual Explanations		Social Injustice		Lack of Opportunities		Fate	
	r	p	r	p	r	p	r	p
Individual Explanations	-	-	-,144	,422	,165	,358	,169	,348
Social Injustice	-,144	,422	-	-	,363(*)	,038	,252	,157
Lack of Opportunities	,165	,358	,363(*)	,038	-	-	,561(**)	,001
Fate	,169	,348	,252	,157	,561(**)	,001	-	-

*p< 0.05

** p< 0.01

5.3. Determinants of the Percieved Causes of Poverty

The relevant literature does not provide a sufficiently clear demonstration of the variables identifying the perceptions pertaining to reasons of poverty. Therefore, the analysis aimed to examine different variables independently. The analysis for exploring the determinants of the explanations of the study group regarding the causes of poverty was conducted with basic socio-demographic and work-related data.

Table 7: Relationship between Gender and Factor Scores in the Study Group

Factors	Female		Male		z	p
	N	Mean ± SD	N	Mean± SD		
Individual Explanations	19	7,68 ± 3,28	14	8,07± 2,41	-,238	,812
Social Injustice	19	9,00 ± 3,90	14	9,29 ± 2,86	-,439	,661
Lack of Opportunities	19	13,32 ± 4,21	14	12,86 ± 2,93	-,641	,522
Fate	19	3,79 ± 2,17	14	4,50 ± 1,91	-1,232	,218

P<0,05

Table 7 shows the analysis of explanations of poverty according to gender. As can be seen from the table, women were more tend to see "lack of opportunities", while men were more tend to see other explanations as the cause of poverty. But the statistical results show no significant difference between gender groups in explaining the causes of poverty.

This result is supported by other research results in the literature (Weiss and Gal, 2007; Ljubotina and Ljubotina, 2007; Cozzarelli et al., 2001). However, some studies (Sun, 2001; Oorschot and Halman, 2000) show that males weighed the importance of the individualistic factor more heavily than did their female counterparts. Oppositely, Morçöl (1997) found that men prefer structural explanations more than females.

The finding of the existing research can be explained with the homogeneity of the research group.

Another analysis based on age was carried out with Pearson Correlation test. As can be seen from Table 8, a positive relationship was found between age and Social Injustice and Fate factors. Adversly, a negative relationship was found between age and individual and lack of opportunities explanations. However, statistical test show no significant difference between factor means according to age variable. This result may be explained with homogeneity of the group regarding the age variable.

This finding is also supported by some other findings in the literature such as Weiss and Gal (2007). However, Sun (2001) reported that, age was related to especially individualistic factor; the younger the student, the more heavily he or she weighed the significance of the individualistic factor in attributing causes of poverty.

Table 8: Relationship between Age and Factor Scores in the Study Group

Factors		
	r	p
Individual Explanations	-,057	,752
Social Injustice	,019	,916
Lack of Opportunities	-,092	,611
Fate	,054	,767

p<0,05

A comparison between occupational groups was conducted. Literature on the attributions of causes of poverty point out significant differences between social workers and other professionals (Weiss and Gal, 2007) and also between social work students and other students (Sun, 2001; Ljubotina and Ljubotina, 2007). At this point, an analysis was carried out in order to determine the differences according to occupation at origin.

Occupational groups were categorized as "social worker" and "other professions" in order to analyse the difference between two groups (See table 9).

Table 9: Relationship between Occupational Groups and Factor Scores in the Study Group

Factors	Social Worker		Other Professions		z	p
	N	Mean ± SD	N	Mean± SD		
Individual Explanations	7		26		-1,197	,231
Social Injustice	7		26		-,796	,426
Lack of Opportunities	7		26		-1,063	,288
Fate	7		26		-2,178	,029

P<0,05

As can be seen from the table, the statistical results do not show significant differences between social workers and non-social workers in the group regarding the causal explanations of poverty. This can be a result of the low number of social workers in the group so that a comparison couldn't have been conducted.

This result was also supported in another study by Weiss and Gal (2007), as they also found no significant difference between social workers and non-social workers for individual and structural explanations, while difference found only for psychological explanations of poverty, which is not a dimension included in the current study.

Further analysis conducted in the current study including the differences of factor scores in relation to the other socio-demographic factors such as marital status, educational level, perceived social class and work related factors such as length of work experience. Although Niemelä (2008) points out that social class and educational level to be traditionally important factors in explaining the differences in attributions towards poverty. No significant difference was found for this analysis.

6. DISCUSSION

This study was conducted in order to determine the perceived causes of poverty among SASF personnel who directly interact with poor people and to examine the related factors that effect

the views on the causes of poverty. The explanations that are investigated were categorized under 4 factors, namely, individual explanations, social injustice, lack of opportunities and fate/bad luck.

It is believed that, studying the perceptions of causes of poverty among professionals who directly work with the poor is especially important. These perceptions are defined to be in correlation with different variables such as age, gender, educational status, social class, welfare sentiment, ethical stance, political stand and ideology, social identity and so on (Kayaoğlu, 2003:176).

The main result of the research can be stated as the majority of the workers is agreed with the structural explanations of the poverty such as social injustice and lack of opportunities. On the other hand, fate and individual explanations were less supported in order to explain the reasons for poverty. Structural explanations have their roots in social injustice, unfair distribution of income and deprivation of capabilities as Amartya Sen (2005) pointed out as a basic human right.

In a survey conducted by SASF (2004) in order to determine the public opinion regarding the causes of poverty, the mostly indicated reasons for poverty were lack of education and lack of ability and vocation. However, these results do not point out the lay explanations of the reasons behind these deprivations. These explanations reflect the political and practical stance of the societies in struggling against poverty.

The analysis was carried out in order to determine the associated demographic factors in correlation with explanation of causes of poverty. However, no significant variable was obtained as related to all of the 4 factors of the scale. Instead, relationship between the factors was detected such as correlation between social injustice and lack of opportunities factor; fate and lack of opportunities factor.

The findings must be considered with some of the limitations of the study. One of the limitation is regarding the number of participants. Although the study included all of the SASF Offices in Ankara, the total number of direct workers were not satisfying in order to make effective comparisons. Another limitation was the homogeneity of the research group, which didn't enable to make statistical comparisons about demographic data.

Besides these limitations, this study has important findings that indicate certain policy and practice recommendations. First of all, the attitudes towards poverty and explanations of causes of poverty is an important area of research in such a country that poverty and unemployment rates are still relatively high. These perceptions are factors that determine the way service and aid is given. Blaming the victim or making distinctions between "deserving" and "undeserving" poor can be seen as a result of individual approaches.

Further research can focus on different parties (i.e. decision makers) in the field of social assistance and poverty reduction programs and policies, with deeper analysis of interactive factors and comparisons between several population groups.

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UTILIZATION OF INFORMATION AND COMMUNICATION TECHNOLOGIES IN SOCIAL ASSISTANCE AREA IN TURKEY

INTEGRATED SOCIAL ASSISTANCE SERVICES AND SOCIAL ASSISTANCE INFORMATION SYSTEM*



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Abstract

Providing utilization of information and communication technologies in presentation of social assistance services in rapider and more quality manner is highly important. General Directorate of Social Assistance and Solidarity performs projects having the nature of “reform” in social assistance area by using information and communication technologies.

In this study, information shall be provided about “Social Assistance Information System” initiating “Service by Single Click” to identify neediness required while presenting social assistances and to prevent reiterated utilization from social assistances, as well as about “Integrated Social Assistance Services” aiming to establish infrastructure of social assistance system by eliminating common data-base need of healthy processing indicated as basic problem of social assistance area.

1. Introduction

The most basic characteristics distinguishing 20th century from previous century is “increase in total information owned and its rapid transfer” due to “increase in personal and communal welfare”.

In particular, after second half of 20th century, relative decrease in wars causing mass death, elimination of epidemics and significant wealth accumulation together with improvements in global economy provides “global welfare increase”, but they were not sufficient to eliminate poverty.

* The original version of this paper is in Turkish and English translation is appeared here. The original version of the paper is appeared on the Turkish version of the Edited Collection of the Symposium.

On the other side, developments in informatics defined as technologies regarding information processing, storage, access and transfer created new hopes regarding increase in quality of services aiming to struggle with poverty.

In this study, as an illustration of information technologies, "Social Assistance Information System (SAIS) and "Integrated Social Assistance Services Project" shall be explained within the area of social assistances utilized as social policy and struggle with poverty means in Turkey.

2. UTILIZATION OF INFORMATION TECHNOLOGIES IN SOCIAL ASSISTANCE AREA IN TURKEY

Although poverty is defined as lack of resources needed by humanity, in fact it is much more complex and multi-dimensioned problem. Therefore, it cannot be considered only by meeting physiological needs of people. Lack of the opportunity to realize oneself and lack of possibilities providing to be accepted by relevant community can also be considered as a case of poverty.

As it can be understood from its definition, poverty is a "negative" concept due to its content and consequences and carries "risk" factor in terms of society and the state. Therefore, today states struggle with poverty by means of various means as done throughout the history. In addition, income distribution and poverty problem became a problem other than ordinary economical problems and started to be perceived as political and social matter. This perception required utilization of social political means in much more effective manner while struggling with poverty and highlighted "social assistances" (Güneş,2008; Coşkun-Güneş,2008).

Social assistance is a human service area arisen in connection with organization of society against mitigation, delay and elimination (temporarily) of "poverty" concept; and in widest scope, it is a social security method and social service area consisting of monetary and objective (in kind) social income; provided to those deprived of maintenance of himself/herself and those obliged to look after even in minimum level and minimum local measures due to reasons out of his/her control and semi-governmental or voluntary institutions on the basis of authorization provided by governmental institutions or laws and in accordance with neediness detection and control, as well as aiming to increase self-sufficiency level of people within shortest time period (Çengelci, 1993:22).

In other words, social assistance is unilateral and uncovered (or in case of improvement of conditions of the individual, made on the basis of return payment) tangible support made by government budget mostly or special funds created for this purpose and provided to persons being poor as of born or afterwards and hence, became dependent in absolute or relative sense in order to achieve the level of self-respect (Seyyar, 2003:50).

In order to provide minimum level of life to the individuals, various institutions are formed within our administrative structuring. These institutions struggle with poverty by given the direct task regarding social assistance and service area or making monetary transfers in addition to their tasks and perform studies regarding establishment of social peace. These institutions are as follows:

- General Directorate of Social Assistance and Solidarity (GDSAS) and Social Assistance and Solidarity Foundations (SASF)
- Directorate General of Social Security Institution (SSI) Payments without Contribution,
- Ministry of Health, Green Card Application,
- Republic of Turkey, Prime Ministry, General Directorate of Social Services and Child Protection Institution,
- Republic of Turkey, Prime Ministry, General Directorate of Foundation,
- Local Governments,
- Non-Governmental Organizations.

As it can be understood from above stated institutions, social assistances in our country pres-

ent “partial1 structure. Therefore, concerns arise regarding achievement of “coordination” between these institutions having partial structure and provision of “effectiveness” in utilization of resources. One of the most remarkable ways providing overcome of this concern and increase of effectiveness is utilization of “information technologies”.

Information systems are defined as computer supported information systems created and used by individuals, organizations and societies and providing gathering, transfer, processing and storage of technology based innovations or information. In other words, overall technology including communication and computer technologies and used during collection, processing, storage and transfer of information by means of networks and utilized during presentation to the service of users are called as communication technologies (Delikurt, 2007:14).

Improvements observed in information technologies regarding rapid and effective presentation of social assistances to the citizens at closest point are encouraging. In fact, improvements in information technologies are motivational in terms of simplification of public services after review and their transfer to the electronic media. Although simplification of access to the services process by means of complex information technologies seems ironical, access to the accurate information and assistance (final benefit) opportunities of social assistance beneficiaries constituting the most disadvantaged segment of the community increases in terms of socio-economical and educational sense

Although some philosophers think that utilization of information technologies while struggling with poverty is “required” but “not adequate”, Prime Ministry, General Directorate of Social Assistance and Solidarity representing the primary contact of public social assistances in our country achieved two significant projects named Social Assistance Information System (SAIS) and Integrated Social Assistance Services Project and eliminated bureaucratic processes by completing the infrastructure regarding presentation of social assistance services.

3. SOCIAL ASSISTANCE INFORMATION SYSTEM (SAIS)

3.1. Definition of Social Assistance Information System (SAIS), Services provided and Acquisitions

Social Assistance Information System (SAIS) is an **E-state** application initiated by a 6-month study of GDSAS in order to **provide data share (online) between institutions to prevent neediness of citizens applying for social assistance and to make them identify/determine their personal data from central database and to prevent reiterated assistances** (GDSAS, 2009).

Citizens applying for social assistance through Social Assistance Information system can reach following data by entering their **Republic of Turkey Identity No**:

- Address info, population-family-person record samples and event information from MERNİS database of Ministry of Interior, General Directorate of Civil Registration and Nationality,
- Whether the individual is registered at Turkish Labour Institution (TLI), whether Unemployment Insurance, Short-time Working Allowance and Job Loss Compensation are received or not by means of TLI database,
- Information about whether the person received Poverty Allowance through database of General Directorate of Foundations,
- Information about whether the person received Home Care Allowance or not from database of General Directorate of Social Services and Child Protection,
- Information about whether the person utilized Conditional Cash Transfer, Income Generating Project and Other Assistances from database of General Directorate of Social Assistances and Solidarity,
- Information about whether individual has Social Security, benefit from health services and

receives Salary (assistance) in accordance with law no 2022 from database of Social Security Institution,

- Information about whether the person is Tax Payer and any vehicle is registered under his/her name from database of Revenue Administration,
- Information about whether the person has Green Card from database of Ministry of Health,
- Information about whether the person has registered real estate from database of General Directorate of Land Registry and Cadastre,
- Information whether scholarship and credit is given from Credit and Dormitories Institution,
- Information about Land Ownership of the person, whether Agricultural Supports are utilized and number of ovine/cattle from Ministry of Agriculture and Rural Affairs, Farmer Registry System,
- Data about student information and education continuity from Ministry of National education, E-School Information system,
- Wage Information of Temporary Rural Guard is obtained from Information Processing Presidency of Ministry of Interior.

System is already activated and **27 different queries from 13 institutions** are made within possible shortest time period. In following days, data about payments made in direction with Law for Terrorism and Compensation of Losses arisen due to Terrorism shall be included in database of Ministry of Internal Affairs. In addition, regulation studies are performed to identify bank assets of people applying for assistance.

Together with activation of Social Assistance Information System;

- Neediness of citizens applying for assistance is identified by the state by means of central database; individuals are not required to prove their neediness anymore,
- Citizens applying for assistance do not anymore visit governmental institutions and collect associated documents; whether they fit for assistances is determined by their Identity Cards,
- Time period for access to assistance of poor citizens is shortened,
- Reiterated assistances of public institutions are prevented; social assistances are provided to reach real needy people and wider mass,
- Work load of public institutions where citizens applying for assistance demand document indicating their status is decreased,
- Work load of SAS Foundations shall be eliminated and time period allocated for social inspection (household visits) of foundation officers is increased,
- Bureaucracy is minimized by eliminating correspondences regarding prevention of reiterated assistances between public institutions and public resources are started to be used in much more efficient manner,
- Infrastructure is established to gain statistical information about development of effective social assistance policies,
- GDSAS contributed to the e-transformation process together with SAIS performed by e-state application.

3.2. before Social Assistance Information System (SAIS) and Added Value Gained

To understand the added value of Social Assistance Information System, it is beneficial to analyze the situation before SAIS. Before usage of SAIS system, people applying for social assistance were required to visit all public institutions to document their neediness or use One-Step Service Offices. In addition, correspondences were required to be made between institutions to prevent reiterated assistances. Citizens were required to spend 3-5 days to collect documents by visiting all public institutions and collect all documents; at least 15-20 days were required to complete proceedings in One-Step Service Offices. Together with application of SAIS, approximately **5 million documents** are eliminated on monthly basis and **8 million TL** spent for travelling is saved and the most important issue is decrease of application period of 3-15 days to **a few minutes**.

3.3. Method and Innovative Technologies used in application of SAIS

Project is developed completely by personnel and equity capital of the institution without tendering to any private sector company.

Interdisciplinary team complying with teamwork, completing missing points of each one, speaking same language, making and applying decisions rapidly is established for realization of the project. Project is achieved within Strategy Development Directorate and under coordination of Strategy Development Director, as well as by following personnel:

- 7 Social Assistance Experts (consisting of different disciplines such as Computer Engineer, Public Management, statistics, Psychology)
- 2 Computer Engineers
- 2 Analyzers

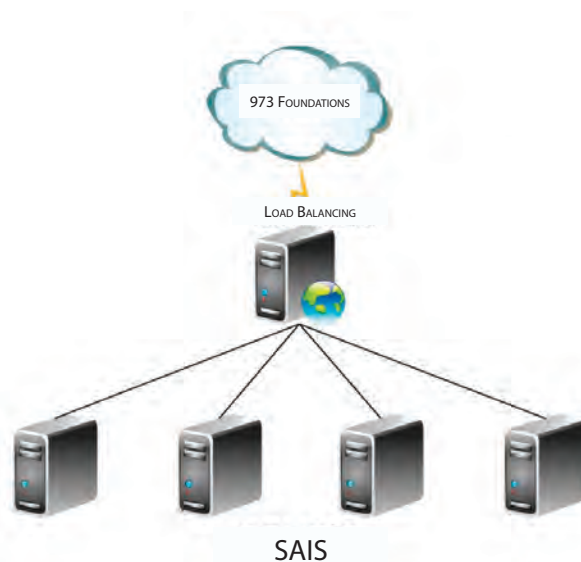
Above stated team received training from TODAİE, State Planning Organization (SPO), Secretariat General for EU Affairs (ABGS) regarding e-State, Management Information Systems and Project Management issues before development phase of the project.

Software team having the experience of Object oriented Programming, Java and .Net application languages is employed. SQL Server 2005 is used as database, Visual Studio 2008 is utilized as application development means, windows Server 2003 and 2008 is used as application servers and Crystal Reports technologies are utilized as reporting means.

Data share is realized through web services and by using Web Service Extension 3.0 library of all institutions as an innovative technology.

Presenting all of its services by virtual servers loaded with VMware Vsphere 4.0, Directorate General of Social Assistance and Solidarity provides its Social Assistance Information System application through a virtual platform. Increase in service performance, accessibility and capacity, RAM, CPU usage and decrease in infrastructure and maintenance costs is achieved by virtualization technology. Increasing usage demands are met by cloning new servers thanks to virtualization technology.

Application developed provides services over more than one server by means of load balancing methods. Business continuity is considered at all layers of application (database, network, application servers, etc) and uninterrupted, highly accessible system is developed.

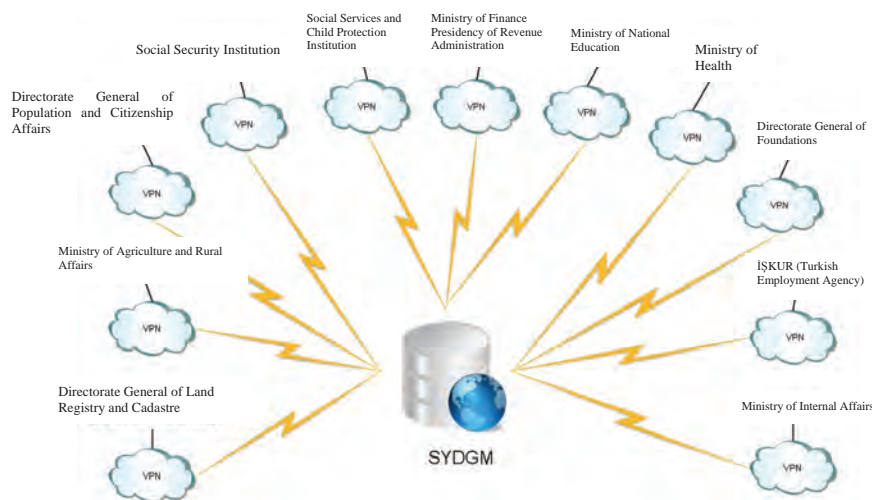


Application developed as physical conditions serves in a system room having sensitively controlled air-conditioning system, electrical infrastructure with supplementary UPS and generator, equipped with sensors controlling fire, smoke, flood, humidity and similar values regularly, where entry and exit are controlled by finger print and magnetic cards and FM 200 Gaseous Extinguishing System is available.

General Directorate of Social Assistance and Solidarity arranged meetings with foundation employees selected from different regions of the country before developing Social Assistance Information System application. Scope of SAIS project is discussed and which needs are to be met is identified by end-users. Which information is required to be obtained from citizens applying for assistance by foundation users is identified before the project and documents arranged during this process are analyzed.

After identification of needs of Social Assistance and Solidarity Foundations, repeated meetings are arranged with all institutions and entities where data is to be provided by mean of web services. Data pattern of institutions is analyzed; system infrastructures are evaluated mutually and whether they have demanded information within a central database medium are analyzed.

Methods to be used for data share are identified after above explained meetings, which input-output information is to be provided is identified. Then, database structure for storage of data to be obtained is designed. Protocols are signed with all public institutions and entities to provide proper share of data as a result of which legal infrastructure is established.



Contrary to the conventional method, face-to-face communications are established with institutions about planned activities before formal correspondences; commitment is obtained after which formal correspondences are initiated.

Institutions with which protocol is signed for data share:

- General Directorate of Civil Registration and Nationality
- Social Security Institution
- General Directorate of Social Services and Child Protection Institution
- Ministry of Finance, Revenue Administration
- Ministry of National Education
- Ministry of Health
- General Directorate of Foundations
- Turkish Labour Institution
- Ministry of Agriculture and Rural Affairs
- General Directorate of Land Registry and Cadastre
- Ministry of Interior

Booklet is arranged about Social Assistance Information system after realization of the project. Utilization method of the application is explained within the booklet which is published in our internet page.

Booklet prepared in introductive nature regarding introduction activity of application is sent to all public entities and institutions and announced from internet page of the institution. Application is announced from Türksat www.turkiye.gov.tr address.

In addition, information is provided about SAIS during visits made to public institutions. Information is provided to public institutions, NGOs and local governments desiring to gain information about SAIS and method followed.

Certain issues come to the forefront when Social Assistance Information System (SAIS) Project is evaluated in terms of coordination and decision-making processes. These are:

- If e-state experiences in the world are analyzed, it is possible to see that two issues prevent success of projects. First one is availability of director having vision about e-state applications, but lack of a team and the second issue is availability of a good team regarding e-state applications, but lack of directors. Effective coordination is maintained between software team, project team, project management and top management during execution of SAIS Project. Project is concluded beyond formal and bureaucratic subordinate – senior management and on the basis of result-oriented and horizontal organization. If realization period of the project is considered, effective coordination is to be perceived better.
- In managerial sense, the project utilized bottom-up and up-bottom working methods. Technical teams are communicated to supply data from relevant institutions and arrange required web services and information about data and technical infrastructure requested by our institution is provided by the top management of technical team; instruction is given to the technical teams of top management regarding facilitation and completion of the process.
- Some bureaucratic bottlenecks are encountered during realization of the project. Time consuming correspondence periods are required to be followed as proceedings and transactions within the government are required to be applied in written manner. In addition, arrangement of protocols constituting a base for cooperation, taking views of legal consultancies and associated units about these protocols and providing commitment of institutions are all required. Therefore, oral commitment of associated institutions is taken before initiation

of correspondence process regarding application of SOYBIS Project. Basis for data to be obtained from institutions and cooperation is identified. Then, draft protocol text is delivered to contact persons in associated institutions and after commitment is reached regarding the text, formal correspondence process is initiated and followed by the support of top management and by our personnel in overall institutions. In cases where possibility regarding time extension of protocol process exists, all technical studies and data share is initiated for testing purposes without waiting signing of protocols.

- As institutions asked for data supply are not experienced regarding online information share between institutions in the scope any other similar prior project, they behaved timid to provide information perceived as personal data by them. Overall responsibility of data to be provided by the institution is covered to overcome associated risk. Different versions of the application are presented to the institution behaving timid about data supply; objective, scope and social benefit of the project are explained in details and concerns of institutions are eliminated by illustrating other institutions provided data to us before.
- Effective risk and change management is provided within studies regarding realization of the project. Risks preventing interoperability and online data share are overcome. In this direction:
 - As institutions asked for data supply has not past online data supply experience, web services demanded are arranged by technical teams of our institution;
 - In cases where communicated institutions are lack of technical facilities required for online data supply, hardware support is provided to relevant institutions (server, etc.);
 - Technical support is provided regarding realization of network connections required for online data share and required connection proceedings are performed by personnel of our institution at relevant site;
 - If data requested from institutions are not appropriate for online share, in other words if they are not kept within a database, software support required for formation of database is provided and our technical team created web based software in some cases;
 - Data stored in different formats and in paper medium are recorded within database in some cases and made ready for sharing purposes;
 - In cases where the process is interrupted regarding data demand from certain institutions, processes with these institutions are followed in background and proceedings, as well as transactions with other institution are initiated without losing time. By this way, bottleneck encountered is prevented to threat success of the overall project.
- Creation of awareness among project team regarding education, e-state applications and successful projects before start of the project,
- Analyze of technical infrastructure and regulations of institutions asked for data supply and communicating to the top level of associated institutions through support of our top management,
- Help Desk established in the beginning of the project received feedbacks of end-users on continuous basis as a result of which system is directed in direction with demands received,
- Aiming en-user satisfaction against resistance of users (focusing on users).

Certain innovative methods are utilized during performance of studies regarding realization of Social Assistance Information System. These methods are explained below:

- As stated before, all information applications are transferred to the virtual medium and “**virtualization**” proceedings are completed as a result of which a first is achieved between public institutions.

- During realization of Social Assistance Information System (SAIS) Project, “**Rapid result initiatives**” are utilized. In particular, consequence of projects whose realization period is longer is generally a matter of fact. Benefits planned may not be obtained and project may be unsuccessful when completed. Hence, long time period is to be consumed. Therefore, it is important to test micro scaled sample of “original” project in the beginning of the project application. In this direction, before application of SAIS representing a sample for web service pool and interoperability, birth certificate and residence information are received from MERNİS database of Directorate General of Civil Registration and Nationality by means of web services and this information is opened to the usage of SAS Foundations. System is revised in accordance with problems encountered during sample application, as well as demands of end-users and SAIS is created by connection of associated institutions.
- “**Interoperability**” is established between public institutions. In this scope, well-known correspondence period is eliminated and progression, as well as commitment is provided by means of informal relations; benefits of data to be obtained by institutions in terms of disadvantaged and poor citizens are explained more than once and authorized persons are persuaded and undertaking is acknowledged to decrease work load of associated institutions consisting of field services.
- Instead of creation of common database or reiterated storage of same data, databases are protected by forming “**web service pool**”.
- “**Application for help approach**” and “**its connection with geographical information systems**” is utilized.
- Before activation of Social Assistance Information System, personnel, hardware and other technical infrastructure meeting requirements of a call center are provided and **call center** is created to support the application in technical and managerial sense.

3.4. Decrease of Bureaucracy by means of SAIS and Dissemination of SAIS

Although differences exist between SAS Foundations, following documents were requested from our citizens applying from social assistance before initiation of SAIS. Together with SAIS, citizens are only required to submit their Republic of Turkey Identity No.

- Family Registry Copy,
- Family Identity Register Copy,
- Student Certificate,
- Copy of Identity Card,
- Address Information,
- Document certifying vehicle ownership,
- Document regarding tax paying status,
- Document regarding Land Ownership,
- Document for Agricultural Supports,
- Document for Social Security Status,
- Document for 2022 Wage,
- Document for ovine/cattle ownership,
- Document indicating whether assistance from General Directorate of Social Services and Child Protection Institute is taken or not,

- Document indicating whether assistance from General Directorate of Foundations is taken or not,
- Document regarding Real Estate ownership,
- Document indicating whether Unemployment Salary is received or not,
- Other documents deemed proper regarding nature of assistance.

SAIS is used by Social Assistance and Solidarity Foundations in active manner. In all over the country, 3.251 users utilize from the system actively in 973 SAFs located in 81 provinces and 892 districts. As of February 2009, the opening date of the system, 734.000 queries have been made on average on monthly basis and total number of queries reached to 9,5 million during one year.

SAIS is the first e-state application in our country where web service pool is highly used. Therefore, many public institutions and entities, local governments and NGOs demand for usage right. Institutions requesting usage authorization are as follows:

- Green Card Offices (opened to the utilization of people by decision of Economic Coordination Board and password identification processes are applied)
- 2022 Proceedings (opened to the utilization of people by decision of Economic Coordination Board and password identification processes are applied)
- General Directorate of Social Security Institution Payments without Contribution
- Ministry of Interior, General Directorate of Provincial Administration
- General Directorate of Foundations
- General Directorate of Credit and Dormitories
- General Directorate of Social Services and Child Protection Institution
- Commissions for Damage Determination established in direction with Terrorism and Compensation of Losses arisen due to Terrorism
- Ankara Metropolitan Municipality and various District Municipalities
- District Governorates
- The Red Crescent and various NGOs

SAIS is the first e-state application realized within short time period explained as a record in terms of e-state applications and by zero cost (6 months) and providing information exchange between institutions by means of web service pool.

Therefore, institutions stated below demand information from our institution regarding method and technological infrastructure utilized within SAIS and experiences gained are transferred to relevant institutions:

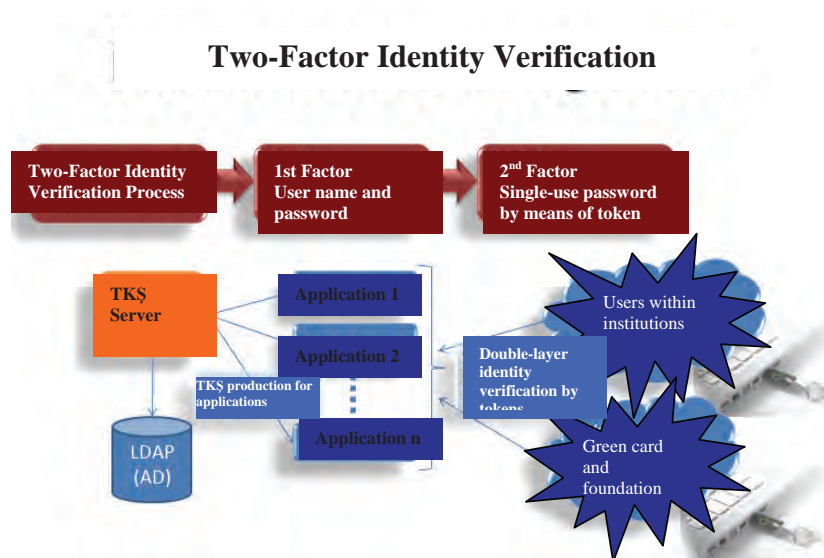
- TÜRKSAT
- Prime Ministry Promotion of Administration Presidency (for simplification of Municipality services)
- Presidency of Revenue Administration (for Action Plan to Struggle with Unrecorded Economy)
- General Directorate of Provincial Administration (for Automation of One-Step Service Offices Project),
- Union of Municipalities
- General Directorate of Social Services and Child Protection
- Presidency of State Personnel

Social Assistance Information System (SAIS) is ranked as the first in e-TR Awards performed in 2009 and being the most prestigious competition of our country thanks to the provision of interoperability among public institutions, contribution to the effective presentation of public services and innovative information technologies used; is awarded with silver sculpture in Competition of Information Stars where it is ranked as the second.

3.5. Personal Data Security in SAIS

Social Assistance Information System (SAIS) is mainly based on supply of personal data of citizens applying for social assistances from associated public institutions. This situation reveals the fact of provision of personal data security. To provide security of personal data:

- Petition including confirmation of citizens applying for social assistance is requested for performance of required queries,
- Personal user names and passwords of all end-users using the application are available,
- Information regarding date of query, information utilized during query and who performed the query are recorded by the database,
- All queries are recorded by means of barcodes indicating who made the query, when the query is performed and which information are utilized to query,
- Thanks to VPN (Virtual Special Network) backbone created between our Directorate General of Foundations, associated application cannot be accessed, except for computers available in Foundations,
- Data flow provided over our Directorate General is codified in accordance with international standards as a result of which capture of data by third parties is prevented.
- Required server infrastructure is provided for generation of single-use password by end-users.
- Tokens are distributed to all SAIS users for Two Factor Authentication verification.



4. INTEGRATED SOCIAL ASSISTANCE SERVICES PROJECT

Together with realization of SAIS, foundation for online data share between institutions providing social assistance related services is laid. SAIS prevented repeated assistance of GDSAS and Social Assistance Foundations and minimized bureaucratic obstacles. Due to this characteristic, SAIS is successful e-state application providing simplification of business processes and their transfer to electronic medium.

However, as it is stated before, partial structure of social assistance services in our country requires dissemination of infrastructure created by SAIS in all other institutions.

On this point, it shall be beneficial to explain c-state concept (connected government) by going beyond e-state concept.

Defined as single body and stated connected with each other, c-state utilizes information and communication technologies as strategic means and aims to achieve innovation and productivity-effectiveness in public services by realizing horizontal-vertical integration within and between public-private institutions and by realizing change in business processes.

On this point, Integrated Social Assistance Services Project is developed to gather institutions acting for social assistance purposes under single information infrastructure (single roof) and to organize social assistance area completely.

The project executed in cooperation with Turkish Scientific and Technological Research Institution (TÜBİTAK) being the leader scientific institution in Turkey is arranged as to have **3 phases**. Accordingly, first step covers formation of Management Information Systems between **GDSAS and SASFs**, second step includes integration of database of **GDSAS, General Directorate of Social Services and Child Security Institution, Directorate General of Foundations and SSI** and third step includes information exchange between **public institutions, local governments and NGOs**.

Together with realization of Integrated Social Assistance Services Project;

- Single roof shall be provided in functional sense by providing coordination between institutions rendering social assistances (execution of services by formation of database to be used collectively),
- Healthy database shall be provided to the beneficiaries of social assistance,
- Reiterated utilization of social assistances shall be prevented,
- Household approach shall be initiated in presentation of social assistances and households ignored shall be accessed,
- Standardization in services shall be achieved by means of single application form,
- Time and resource saving shall be achieved by means of information technologies to be used in supply of social assistance services, and time to access to assistance shall be shortened.

Cooperation with TÜBİTAK is established during execution of this project and Conditional Education and Health Assistances Module having the maximum level of beneficiary is completed. First of all, module is opened to the usage of Foundations located in Black Sea and Aegean Region and disseminated in overall country as of September 2010.

Together with activation of module, educational continuity status being a precondition for provision of services is started to be monitored automatically by means of E-School System of Ministry of National Education and manual entry of information to the system by Foundation employees is eliminated. In addition, social security and asset query of persons is started to be made online by means of SAIS infrastructure during payment periods.

Besides, payment instructions are now given by secure ftp and maximum security is maintained.

After completion of Integrated Social Assistance Services Project, application for assistance, analysis of deserver, scoring process regarding identification of beneficiary, follow-up of assistances and their supervision from the center, realization of payments through banks, monitoring assistance application status of social assistance beneficiaries, as well as complaints and comments regarding services provided shall be performed in electronic medium and common database shall be created for social assistances.

Conclusion

GDSAS provides social assistance to 2,5 million households per year and completes extremely important public service by making **10 million citizens** be confident about the future. Information technologies are intensely utilized to increase efficiency in provision of above stated services.

Improvements regarding infrastructure achieved by means of SAIS and Integrated Social Assistance Services Project are driving force for reorganization and reconfiguration of social assistance system.

Thanks to SAIS, service highlighting added values arisen during formation of inter-institutional network, as well as share of databases arranged in specific networks of all institutions and by means of web service methods is presented.

As an E-state project, SAIS project is a sample model for all other institutions guiding how information share can be achieved in secure and effective manner and without wearing all systems. Public entities and institutions operating in many other different areas initiated studies to realize similar projects.

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POVERTY REDUCTION STRATEGIES IN THE OTTOMAN EMPIRE, THEIR CONTINUITY AND CHANGE



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Abstract

In order for new methods and ideas to be suggested, the history of the fight against poverty should be taken into consideration. This paper will look at the history of the charity activities in the Ottoman Empire and then follow their evolution till today. One of the most important institutions of poverty reduction in the Empire was the Waqf. The change that this institution had faced in the modern world will be taken into consideration. Waqf activities in the Ottoman Empire will first be looked at. Then, their continuing functions through the Social Assistance and Solidarity waqfs will be explained.

Key Words: Ottoman Empire, Waqf, Charity

Poverty is a concept that is as old as the history of the humankind. Societies have always tried to find methods to eradicate poverty throughout the ages. Amelioration of the lives of the disadvantaged groups and bettering the living conditions of the poor has always been a concern either for individuals or states if not for both. Numerous strategies were used in the fight against poverty, but there will always be new methods as long as poverty exists. In order to put forward new ideas and applications, it is crucial to know about the past experiences.

Historical accounts of the fight against poverty should be carefully examined in order to take this struggle a step further. For this purpose, this study will focus on the poverty elimination strategies adopted by the Ottoman Empire during its long history. For a full understanding of the methods and the institutions founded to help the poor and the needy, it is necessary to know how poverty was defined and who the poor were. After defining the concept, it would be wise to look at the ways of helping the poor and the needy. At this point charity comes into the picture and a wide range of documents and institutions become part of the study. The means of charity give us clues about the way poverty was handled. Both state and private initiatives of relief to the poor are in relation with charity practices. Their complex relation is to be looked at in order to understand the practices in the past and to see the continuation and change.

This study will first give a definition of poverty as was used in historical documents. Definition of the term and the way they describe the beneficiaries will be put forward before going into the poverty reduction strategies of the Ottomans. Institutionalized and non-institutionalized types of help for the poor will be scrutinized. *Zakat*, the annual giving of alms, and *sadaqa*, charitable gifts are among the most common applications of helping the poor. In addition to these, there is *waqf* as the wide-spread application of the institutionalized relief to the poor and the needy. These can be counted among the most common practices and if they are understood to the full extent, much can be gathered about poverty alleviation in the Ottoman Empire.

Since *waqf* is a very important institution, a closer look at its operations in the Ottoman Empire will form an important part of this study. How the idea of the *waqf* emerged and how they evolved through time will pave the way for the study of the *waqfs* in modern times. By looking at this institution in the past and then looking at the present will enable us to see the continuation and the change it had faced. In order for us to make a comparison through time, the first poverty reduction strategies implemented by the Republic of Turkey and their evolvement will be put forward. The next step in the examination of poverty reduction strategies is the application of the *waqfs* today. The *waqf* institution under the control of the Prime Ministry General Directorate of Social Assistance and Solidarity will be examined and the change in their structure and the applications will be presented in to show the change and the continuation. Who the *waqf* institution served in the past and how they served will be compared with the activities of the modern *waqfs*. The definition of the poor also changed and the way this has changed affected the functions of the *waqfs* and other applications of poverty alleviation.

Poverty and the Poor

Despite the fact that poverty and poor are concepts that are known all around the world, they are not universally defined concepts. Their meaning and usage differ across time, context and place. Poverty is defined within a society and social conventions living standards of the society also have a big part in its definition. As for the Ottoman texts, the term *fakir* (poor) did not only mean the needy but also modesty, pious asceticism, humbleness to the authorities and vulnerability (Kinberg, 1989). Although this study will focus on the concept of poverty, concerning its meaning as economic dearth, different usages within the texts should be kept in mind for a better understanding of the Ottoman texts. The target group of this study was explained as people who are unable to survive by their own means (Ginio, 2003:167).

The poor were mentioned as a group in the Ottoman texts and they were referred to as the poor people (*fukara ahali*). Furthermore, *zaruret* is also among the terms often used in these documents. "*Fakr u zarurete duçar olmak*" is used as a whole meaning the poor who are temporarily poor and who are in this condition as a result of unexpected events. These people do not necessarily lack economic means, but may be in need for a short period of time. For instance death of the man of the family puts the wife in a bad condition, but this woman may even be the wife of the sultan. These people are accepted among the needy and should be helped by the state (Özbek, 2002:49). On the other hand, there is another concept, *muhtacin*, that is often seen in the texts and this refer to continuous poverty. Other kinds of needy people are the *musabin*, meaning the people who were exposed to a disaster. *Aceze* is used to define those who cannot work and earn their living such as the old and the children. In addition to these categories of the needy; there were widows, orphans, families of the martyrs and veterans and those who are dismissed from a post because of various reasons who were counted among the groups that the state should take care of (Özbek, 2002:50). These people were either given a salary or were helped through the institutions of founded for this purpose.

There were various types of institutions and non-institutionalized means of charity in the Ottoman Empire and the poor and the needy that they aim to serve were defined. In most of the documents, the religion of the beneficiary did not matter. The poor could get help no matter what religion they believe in (Hoexter, 2003:148). Although the poor were defined as if they were a homogenous group, the women and the children were in an inferior position when compared to men, because men could find jobs easier than women and children.

Poverty and charity are two concepts that are hand in hand and it is important to study charity in order to understand a society to a full extent, because the strategies developed to alleviate poverty in a society tell a lot about the structure of that society. Charity existed in the Ottoman lands before and after the coming of Islam and the long-living institutions is the proof of this long existence (Singer, 2002:94). In the 4th century, Roman emperor Constantine paved the way for the state-founded charity institutions and from then on these institutions continued and grew in number (Herrin, 1985). Moreover, the Turkish-Mongolian heritage was also effective on waqf foundation. Especially the palace women were given roles such as care takers of the poor and they were among the most important waqf founders (Singer, 2002:100).

The geography that the Ottoman Empire ruled over already had characteristic of helping the poor. Charity in the form of *sadaqa* is a very important characteristic of Islamic societies. The alms tax (*zakat*) is among the five fundamental obligations of a Muslim. In addition to these, the Qur'an and traditions (*hadith*) always recommend the believers to practice voluntary charity. Furthermore, all the earlier states founded on these lands have practiced charitable acts and their institutions could still be seen and some were even used. With all the history, the Ottoman Empire continued to alleviate poverty and help the needy. Since there is a continuation in terms of the geography and some of the institutions between the Ottoman Empire and the Republic of Turkey, poverty alleviation institutions were also carried on even if there were slight changes in their applications and structures. Before going into changes and continuation, poverty reduction strategies in the Ottoman Empire should be examined closely.

Poverty Alleviation in the Ottoman Empire

As part of the Islamic culture, *zakat* (the annual giving of alms) and *sadaqa* (charity) were among the means of poverty reduction. Zakat was one of the earliest commands to the believers of Islam and the Ottoman state turned it into a tax which was collected by the state and redistributed to the poor. Sadaqa was not an obligation, but it is believed by the Muslims that it would bring benefit to the Muslim donor (Davis, 2003:315).

The idea behind the Islamic system was to provide the movement of surplus wealth from the rich to the poor. Ottoman Empire adapted Islamic obligations as state obligations and took on the role of distributor. Zakat and sadaqa were the old acts of charity and there were institutions formed for their practice. One of the most enduring of those was the waqf which was an institution founded for the giving of property for charitable use (Davis, 2003:316). Waqf is a major example for the circulation of wealth in the Islamic societies and it continued to exist till modern times.

As was stated earlier, Islam holds individuals responsible for giving their surplus wealth to the poor. Thus, charity was seen as a personal act to get closer to God and the state was not perceived as a charitable actor until the nineteenth century. In this century, together with the efforts of administrative centralization and economic and political transformations, the state increased its welfare projects (Ener, Singer, & Bonner, 2003:3).

When compared with social assistance applications in the nineteenth century Europe, Ottoman Empire was did not become a fully welfare state since it lacked the industrial change that European countries had faced. Still, the centralized payments of salaries to the poor and increasing states acts to alleviate poverty can be counted as steps toward becoming a welfare state. Taking care of the poor had become a state obligation. State policies toward the poor were not only for taking care of them, but also these were used to take the poor and the needy under control (Özbek, 2002:49).

Waqfs in the Ottoman Empire

Although there were other forms of charity in Islam, Waqf became the most popular form. It was so popular and long lasting that any study of charity in the Ottoman Empire took the waqf institution as its center of focus. The way it worked, its distinctive characteristics and the way it reflected the basic values of the culture that it grew in enabled the researcher to understand the Ottoman society as well as having means of comparing it with other cultures (Hoexter, 2003:145).

Although there were no certain commands in the Qur'an about founding of waqfs, Islam recommended the Muslims to be generous and help the needy. Waqfs could be seen in the earlier periods of Islam and they became widespread and permanent. Waqfs in all Islamic societies were institutions serving the society. They were intermediaries for the building of anything that is to the benefit of the society as well as helping the students, ascetics and the poor (Singer, 2002:4). Ottoman Empire was the heir of the waqf tradition. Abbasids, Eyyubids, Seljukids and the Memluks also had waqf institutions. Remnants of waqf buildings all around Anatolia and other parts of the world give us clues about the way these societies practiced charity.

Waqfs were mainly property given in the name of God. These were endowments whose beneficiaries were selected by the founder of the waqf. The aim of the waqf, those who will benefit from it and those who will take care of it were decided with a treatise. Since every waqf had its own treatise, it is hard to come up with a general definition of the aims and the beneficiaries, but the definition that could be seen in every treatise was that it was a continuous or eternal charity for the sake of God and his religion: *al-waqf sadaqa jariya fi sabil Allah ta'ala* (Hoexter, 2003:146). Although waqfs could be seen as a religious institution, it was not unique to the Muslims and the beneficiaries were not only the Muslims. Waqfs could be defined as a vehicle for serving the Islam as a society (Hoexter, 2002). Waqf foundation became a very popular mode of charity, because it was visible by all and it was regarded as eternal. As long as the endowment lived, the beneficiaries would get help and the benefactor would attain nearness (*kurbet*) to God (Ginio, 2003:167).

There were different reasons for the foundation of waqfs. Although the religious reasons seemed to be the most important, waqfs were also seen as a way of holding property, investing for the next generations and making charity. Since all the lands in the Ottoman Empire belonged to the state, the people only had the right of usufruct. Thus, the lands were not heritable. On the other hand, if the person holding the right of usage turns the land into a waqf and determines his family as the keepers and the beneficiaries, they could keep the land and its income.

For the continuation and the control of the waqfs, a group of controllers and keepers (*mütevelli*) should be attained. Administrators of the waqfs were chosen usually among the soldiers of high rank or religious authorities. The *mütevelli* should control the waqf, keep it in good condition and collect the revenues of the lands given to the waqf and control the people who work in the waqf. Most of the time, *mütevelli* were chosen among the family members of the waqf founder (Singer, 2002:25). Waqf founders could be from ordinary people as well as the people of high rank. The resources needed for the foundation of the waqfs were provided from lands whose tax revenues were attributed to the waqfs. In the cities, nearby shops and production places were also given to the waqfs to compensate for its expenses. In the non-Muslim provinces, these waqfs also had the aim of spreading Islam (Singer, 2002:36).

As mentioned above, waqf tradition existed even in the very early periods of Islam. It was institutionalized during the Abbasid reign and reached its peak at the time of the Ottoman Empire. Since the Ottoman state endured for centuries, the waqf institution also evolved with time. In the nineteenth century, waqfs faced radical reforms together with other institutions. In 1826, Sultan Mahmud II centralized imperial endowments and those of other state officials under auspices of the Ministry of Waqf Affairs (Barnes, 1987:73). Sultan Mahmud II had a general policy of strengthening the central authority of the government. In the same year, the janissaries were eliminated removing the chief military threat to the Sultan. Removal of waqf management from the wealthy men of the empire would eliminate any fiscal strength against the Sultan. With Tanzimat reforms, powers of the Ministry of Waqf Affairs were broadened and it was granted authority to collect waqf revenues (Singer, 2003:302). As a result of the centralization movements, waqf revenues were included into state revenues and their income was cut to a certain extent. It was not only the economical situation that changed in the waqfs. The autonomous structure that these waqfs had enjoyed also changed and the *mütevelli* had become salaried state officials (Yediyıldız & Öztürk, 1992). With the changing structures of the waqfs, their social assistance obligations had become state functions. Another very important change in the application of charity by the state was that the local municipalities were also given the role of social helper in the nineteenth century.

Poverty Reduction Strategies in the Early Turkish Republic

In the early twentieth century, Turkish Republic took some action to take care of the poor and the needy at the state level. First institution founded in 1935 for this purpose was the Children's Protection Society. Turkish Red Crescent Society was also an institution aimed at helping the poor and the needy. In addition to these institutions, another very important step as a state act to help the poor was the code number 2022. With this code it was aimed that the state would help the poor and the destitute (Tekeli, 2000:21).

In addition to the state regulated social help institutions, the waqfs continued to exist. As was mentioned before, waqfs were collected under one ministry and even the private waqfs are controlled by this ministry. Waqfs as were in the Ottoman Empire continued. Today some very big institutions such as the Süleymaniye Külliyesi and Haseki Sultan İmaret in İstanbul still administered as waqfs for the benefit of the society. In addition to these old waqfs, the tradition continues with private waqfs aimed at helping students or other kinds of needy groups exist and benevolent people continue to give their property for the use of these waqfs. Another kind of waqf is the Social Assistance and Solidarity waqfs of the states which were first formed in 1986. They are organized both at city centers and at the local level. These waqfs are autonomous legal beings, but they are given their resources by the state. Their workers are not state officials, but they are salaried and the money to pay their salaries is given by the state.

General Directorate of Social Assistance and Solidarity Waqfs

After the changing role of the state in the nineteenth century, in Modern Turkey the state still has the responsibility of taking care of the poor and the needy. Although there is continuity in the role of the state, there are changes in the definition of the poor and the means that these people are helped with. As stated above, government-administered social help institutions continued to be founded in the republican era. In addition, the state formed funds to support the poor. With time, this fund turned into General Directorate of Social Assistance and Solidarity which is the state's organ for managing the fund through its social assistance waqfs all around the country.

As was seen in the case of Ottoman waqfs, aim of these waqfs is also determined by legal documents. The common thing between Ottoman waqfs and the modern Turkish waqfs is that they use the same language to define who they help. The term "*fakr u zaruret*" still appears in the code stating the target group of these waqfs¹. Another common aspect is that these waqfs are also attained a *Mütevelli Heyeti* for their administration and control. Members of the mütevelli are high rank state officials together with voluntaries and non-governmental organization representatives. As could be recalled, Ottomans also attained high rank officials to these posts. Moreover, waqfs today do not necessarily own property. They have regular resources coming from the center and they work as intermediaries giving the government funds to the poor.

In modern Turkey, the poor are defined by law and these are the people who can get social assistance from the Social Assistance and Solidarity Waqfs. Unlike the application in the Ottoman Empire, these waqfs' beneficiaries are determined centrally. Although some may use their resources into charity activities specific to local conditions and needs, the beneficiaries should prove their need through the definition of the state. The law may be changed from time to time, but the centrality of the definition exists.

Furthermore, changing economic conditions throughout the world resulted in changes in the kind of charitable acts that these waqfs support. For instance, one of the most important help areas of the modern waqfs is self employment projects. This is a result of the way economical conditions changed in the world. Changing characteristics of social assistance in general can best be seen through the activities of these waqfs. The institution stays but its main character alters.

¹ Code number 3294 encouraging social assistance and solidarity, issued in 14.06.1986

Conclusion

Despite the difficulty of making comparison between the Ottoman and Republican waqfs due to the changes that the world economies and societies have faced, there is a common ground that these stay on. Islamic heritage and the state tradition of helping the poor form the base for the formation of these waqfs. As was tried to be shown, waqf institution has evolved and still continues although with great changes in its structure and applications. Knowing the past of this institution would help us to understand the changes in the society. How the poor is perceived and defined changes with time and as a result of this change, helping strategies should also change.

In order for us to understand the roots of the Turkish culture of philanthropy a closer look at the Ottoman past -especially the waqf making acts- is needed (Singer, Charity's Legacies, 2003:310). In addition, non-Ottoman past of these lands should be examined to see the continuing traditions and the inspiration behind the institutionalization of charitable acts. This study has focused on the waqf as a continuing institution of charity. Although it is represented as continuing, different kinds of charity activities that these make give us clues about how new strategies are adopted in alleviation of poverty. As long as there is differentiation in definitions of poverty and the poor, these strategies will continue to change, while some institutions remain.

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IMPLICATIONS OF DISTRIBUTION-ORIENTED POLICIES FOR POVERTY ALLEVIATION

LESSONS FROM IRANIAN EXPERIENCE



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Abstract

In Iran, in the last decade, different programs have been formulated and implemented for poverty alleviation; among them one can mention divestiture of Justice Shares, Mehr-e-Reza Fund, cheap loans for SEMs and social security for inhabitants of rural and nomadic areas. Analyzing these plans in the macroeconomic context of Iranian economy, which is plagued with inflation, state dominance, and the weakness of competition and transparency, makes clear that the results will not be uniform. The effectiveness of programs is challenged by lack of consensus among political elite and their independence upon oil revenues and their top-down nature.

Key Words: poverty alleviation, Iran (Islamic Republic of), distribution, economic planning.

Introduction

Poverty as a lasting problem of society has been neglected by the policy-makers of different countries for a long time. It seems that, the emergence of the concepts such as “human security” and “sustainable development” contributed to the discussion of poverty problem. Indeed, we cannot speak of development and improving the welfare indices of a society, and in the same time, observe the poverty and its manifestations and consequences in the society. Thinker and researchers discussed the nature and significance of poverty and proposed various definitions and categorized its different aspects and manifestations. There is no need to mention those definitions and we will only have a look at two perspectives which are related to our paper directly, first of them is the definition of poverty which has been proposed by the famous economist Amartya Sen who defined the poverty as a deprivation of basic capabilities. From his point of view, poverty

is the absence of capabilities, for a person to satisfy his basic needs for food and health services, or incapability for protecting his integrity and self-esteem and deprivation of human freedom and minimum standard of education (Sen, 1997:210-212). According to this definition, poverty is not restricted to the income level of an individual relative to other income categories and any program which is directed towards poverty alleviation, must take into account the contexts and circumstances contributing to the emergence of poverty, and should encompass areas such as education, health, and improving the indices of human development .

The second perspective is the goals of the millennium development conference (2000) which adopted a more comprehensive and detailed approach towards poverty reduction. According to the MDGs, poverty has not only nutritional and hunger face, but also must include other dimensions such as education, health and environmental sustainability. In the MDGs, very important goals such as, eradicating extreme poverty and hunger, improving maternal health, combating AIDS/HIV, ensuring basic education, reducing the poverty of infants and children, ensuring environmental sustainability and improving the conditions life of the inhabitants of Slums(MDG,2000),are included. These goals and definitions are very similar to the concepts of human security and capability poverty.

Based on two abovementioned conceptions, we subscribe to a perspective on poverty which, takes into account different dimensions of poverty such as economic, cultural, health, social and environmental aspects of it, and assumes that eradicating the poverty depends on proper and lasting planning by policy-makers and allocation of proper budget, and finally this perspective regards human beings as a part of the whole life of the planet, and claims that human beings are in interaction with their environment and any problem in one part will result in the problems for other side. Poverty and deprivation of basic capabilities, for example, forces people to use the natural resources in an improper manner, and this problem results in environmental disasters and hazards which in turn have effects on the life of everybody in the planet. Then, it can be said that poverty only will be eradicated by the lasting will of states and multi-dimensional planning of the governments.

Programs For Poverty Eradication In Iran

Eradicating the poverty as an independent goal has not been included in the economic programs of Iran, before and after the Islamic Revolution. After Islamic Revolution, provided in various articles of constitution, for example 3rd and 34th articles, that government should try to eradicate the poverty and impoverishment. But the onset of war with Iraq (1980-1988) diverted the resources and the budget to the warfare frontline and many of the plans and economic projects were postponed. In the series of development programs which, immediately after the end of war formulated and implemented, some categories can be found that are related to the problem of poverty. But these were general statements and sometimes were in contradiction with the other sections of programs. Specifically, in 4th Development Plan Act, which implemented between 2005-2009, goals such as securing basic needs of citizens, creating equal opportunities for access employment, providing honorable jobs and business, expanding unemployment securities, and providing targeted subsidies for the impoverished, were emphasized (4th DPA, 2004). It's obvious that most of these titles are generally stated and there were not very systematic, comprehensive and operational programs for realizing them. In Iran, like many other countries of third world, plans and decisions differ radically from one administration to another, because decision-making is not according to long-term plans and depends heavily on the ideas and programs of persons in charge.

Programs of Eradicating Poverty In Iran In The Last Decade

After the Islamic Revolution (1979), and in the light of its goals such as economic, cultural and political independence, several attempts have been made to propose a new model of Islamic economy. Revolutionaries of Iran contended that without a native and Islamic economical model,

eradicating poverty, impoverishment and underdevelopment cannot be remedied. But when we investigate the economic programs and policies of governments/administrations after the Islamic Revolution closely, we observe radical differences between them.

During the war and in the administration of Mirhossein Mousavi, for example, there was a semi-statist economy and in the eight years of Rafsanjani tenure, an economy very resemble to the open market, liberal and even laissez faire was dominant and floating currency, gradually eliminating the subsidies and the economic liberalization and privatization, among others were goals of that administration. The abovementioned goals with some modifications were at implementation in the eight years of Khatami presidency. Ahmadinejad administration promised the revitalization of basic and original slogans of Islamic Revolution and then aimed at Islamicization of banking system and announced various economic policies for building an Islamic economy in the country. Under Ahmadinejad, probably more than any other period in the history of Islamic Republic of Iran, various economic programs have been introduced. Providing targeted subsidies, constructing cheap houses for low-income groups, which are called Maskan-e-Mehr (Mehr Houses), providing cheap loans for small and middle enterprises (SEMs) and self-employment, social security for the inhabitants of rural and nomadic areas and probably the most important of them, distribution of "Justice Shares" for the impoverished people, are among those plans.

If we examine these policies in detail (which will be made in the next part of this paper), it becomes clear that they are somewhat top-down policies and are dependent on the distribution of oil revenues, and then can be called distribution-oriented policies. These economic policies, in the other words, aim at enhancing the level of subsistence, welfare and life of people by distributing national wealth and state revenues and it seems that they are based on a concept of poverty which is defined according to the income level.

The abovementioned policies may be seem, at first glance, at odds with the other policies of the government, such as economic liberalization and privatization, because some of them are directed towards reducing government presence at the economic sphere, and others aim at increasing the role of government (especially in distributing revenues). But, as will be said in the following parts of this paper, that paradox, at least at a theoretical level can be solved.

1-1-Justice Shares

Beginning from 2006 and by proposing a new interpretation of 44th article of the Constitution of the Islamic Republic of Iran (which is about the economic sectors) a new conception of cooperative sector, was introduced. According to this new interpretation Privatization Organization should identify the Shares of state-run companies which can be divested to the eligible citizens. In the rules and regulations regarding the implementation of this plan, goals such as just distribution of wealth and empowerment of disadvantaged and impoverished classes were mentioned. In this plan, for six decimals of the whole population, justice share will be provided, for the two lowest decimals with 50% discount and ten-year payment plan and for the decimals from 3 to 6, only ten-year payment plan will be provided and the price of the shares will be depreciated by dividends.

Eligible citizens, according to the laws and reports of the plan, in a four-staged process will receive these shares and at the first stage individuals who are under a type of state protection and in the second stage, inhabitants of rural and nomadic areas and the public employees and the retired, veterans and widows and so on will receive their justice shares (the eligible, 2006).

According to the official statistics, economic data of nearly 54 millions of has been collected and among them 43 millions have been demanded to complete the process and receive their shares, and finally about 38 millions have been registered for receiving their justice shares. Then it can be said that almost 90% of the eligible citizens completed the process. Paying dividend of the shares has been begun from 2008 and according to the official reports, 11 thousand billion Rials (nearly 11 billions US\$) dividend has been paid to the stakeholders and some part of shares of 56 companies has been divested to the eligible individuals (ibid).

There are, of course, some differences in the figures and statistics, but these differences are not very radical and may be a result of a continuing process. Although paying dividend of these shares has been begun from 2008, some of dividend of the years after 2008 is not paid completely.

1-2-SEMs

Beginning from the election of president Ahmadinejad, new programs have been commenced for realization of his electoral promises regarding the creating jobs and eradication of poverty. In this regard, his cabinets decided, decreasing unemployment in short-term to provide facilities, without red-tape, to the applicants of self-employment. That goal was followed in the next years (beginning from 2006) and this type of cheap loans and financial facilities was directed towards small and middle enterprises and plants (SEMs). There are very different statistics about the performance of these enterprises and plants. According the program, the goal was creating employment and job for 3 million and according to a report by the Majles Research Centre (MRC), these enterprises had acceptable results in the two first years (The performance., 2007). But, according to the newest statistics, which minister of Labor and Social Affairs, based on the report of Iran Statistics Centre (ISC), presented to the parliament, about 968000 jobs have been created and nearly 215000000 Rials (21500 US\$) facilities has been provided.

According to the report of Iran Statistics Center, there were about 5.3% deviations (i.e.: facilities spent to the purposes other than creating jobs) in spending facilities, but according to statistics of Central Bank of Iran, deviation was about 38%. Some critics contend that enterprises founded with the abovementioned facilities, were not sustainable and opportunities created by them are at risk. Central Bank of Iran, also, believes that cheap loans provided SEMs contributed to inflation and liquidity (Economist, 2010).

It also should be added that, Central Bank does not accept that statistics about the created opportunities are reliable and estimates the created jobs between 300000 to 400000 (ibid).

1-3 Mehr-e-Reza Fund

Very high and shocking rate of inflation in the housing sector at the first year of Ahmadinejad administration, made his government to make very important decisions about the housing sector and the consequences of high-rate inflation in it. A new fund Mehr-e-Reza then was established and its primary goal was decreasing prices in the housing sector by eliminating the price of land in the total price of houses, and for this purpose, many of the lands at the disposal of the government, and public facilities were mobilized. This Act would be enforced for the towns which were populated less than 25000 inhabitants and the goal was providing 200000 housing units per year. (Mehr Houses, 2010)

According to the published reports, almost 4500 hectares land for the construction of 236 000 housing units, has been provided and from the 370 000 applications, requirements of nearly 250 000 of the has been approved. Licenses for the construction of 155000 units have been issued and the construction of about 106000 units has begun. It is announced that these units will be divested to the entitled households and their land will be at rent for 99 years. Mehr-e-Reza Fund has two other goals too; creating jobs and protecting the job opportunities, especially in the disadvantaged and rural areas, and providing facilities for the marriage of the youth. There is no detailed and reliable data and statistics about these programs, but some of evaluations do not believe in their success. According to the report of Majles Research Centre, for example, program was not been successful for different reasons, among them, lowness of the provided facilities (for example 10 or 20 million Rials=1000-2000 US \$ which in the face of high inflation rate, about 13%, is negligible). But according to the statistics published officially, this plan in two first years of its implementation, was very successful and the facilities of the fund had 80% effectiveness coefficient and real job creating coefficient of facilities was about 95% in that period, almost 1100000 of that eligible applicants has received their facilities (Hasanpour, 2007:11-12).

1-4. Social security fund for rural and nomadic areas

Protecting the rural and nomadic households has been discussed from the last decades of the Shah regime, but the onset of Revolution and the war, impeded its formulation and implementation for some three decades. In 2004 and with the ratification of the Comprehensive System of Welfare and Social Security, a radical progress was achieved in this direction.

From the 4.5 million rural households in Iran, approximately 1.5 of them, are in this or that way under the protection of charity organizations. Based on this data and other estimates, it can be, safely, claimed that absolute poverty in the rural areas is significantly more than urban milieus. Ahmadinejad Administration established the fund for rural and nomadic areas, providing that if the inhabitants of rural areas can pay their premium for 90 days in a year, government will pay the remainder and they can enjoy health services and remuneration. This Act was a very radical step towards enhancing the subsistence and alleviation of poverty in the disadvantaged areas. But, unfortunately, because of the political and factional infightings and polemics, especially between government and the Majles, its implementation was postponed and even the directorate of the fund was not elected for two years. On the other hand, some interpretations restricting the scope of the act to some age ranges (50 years for men and 45 years for women) reduced the number of qualified households to less than half of them. The procedure for nullification of this interpretation led to some three-year process and then in spite of enough budget provided for it (1600 Billion Rials = 1.6 Billion us \$) by Majles, which would made possible social security for about 1 Million rural households, after four years and according to the last statistical report, approximately 810,000 rural households are now covered by rural social security plan (the performance, 2007). This figure, in the face of possible and anticipated goals is very small, but promises an important improvement in the economic conditions of rural people, if the political ambitions can be put aside.

Macro Economical Politics of Islamic Republic of Iran

It is obvious that any plan and program for alleviation and eradication of poverty, and fair distribution, will not be successful, unless in a proper macro economical context. Then it seems necessary to have a look at the macroeconomic dynamics in the Iranian economy, in the last decade. We said at beginning of this paper that many different interpretations have been made of Islamic economy and some of these interpretations are in contradiction with each other. But most of the analysts believe that Iranian economy has some structural problem and then, before implementation of any developmental plan these structural problems should be solved or these problems should be taken into account in any development plan.

Among these structural problems, the first is the dominance of state in the economic sphere in a way that private sector compose only a very small part of the Iranian economy. After Islamic Revolution and with the confiscation of authorities' Pahlavi regime and transformation of these firms and factories into Revolutionary Foundations (Bonyads), this problem has been more salient. Then privatization has been the official policy of all governments after the end of war (1988). Another structural problem, which arises from the former, is the reliance and dependence of national production on the state protection and subsidies. These subsidies, in the areas such as gasoline and food sector reach to astronomical figures and swallow a big portion of annual budget. As many analysts and even politicians agree, citizens do not equally use this subsidies, and the disadvantaged and the rural inhabitant, for example, do not use of state subsidies for gasoline because they have any car. A solution for this problem has been discussed from the end of war. Besides these, some other problems such as absence of competition also plagued Iranian economy. In an economy which is at state control in different ways no one can speak of competition, and absence of competition, in turn, opens the way for other problems such as rent-seeking. On other hand, the absence of competition creates a kind monopoly for Iranian producers who don't want to enhance the quality of their products and services or decrease the price of their products. Weakness of transparency is another problem which influence negatively the competition environment and contribute to the bureaucratic and economical corruption. Policy-makers and decision-makers in the last decade ratified different plans and programs for solving those

problems, which in spite of differences in the rhetoric and emphasis, had common spirit. We can summarize the macroeconomic policies for combating structural problems as below.

A. Economic Liberalization:

In 1980s and under the pressure of ongoing war, government issued coupons for basic goods, in order to alleviate the effects of high-rate inflation on the more disadvantaged, impoverished and weaker social groups. This program made the state as major actor and agent of economic sphere, increased its volume and made the government to enter in spheres which are out of state normally. After the end of war, gradual elimination of this system and replacing it with an open economy and at the same time, protecting weaker and disadvantaged citizens, became one of the most important goals of governments. Some plans, were implemented in the governments of Rafsanjani and Khatami which caused high-rate inflation even up to 50% for a short while. Under Ahmadinejad, this policy, was followed with another terminology.

According to these plans and their rules and regulations, subsidies which government provide for basic goods and public service, will be gradually removed and, of course agricultural sector will be exception. Concerns regarding the mass reactions and protests made the politicians cautious and belated the implementation of plans. Any way, pilot implementation of this plan, which is related closely to the next plan (will be discussed in the following part of paper) has began in several provinces.

B. Making Subsidies Targeted:

This policy is the complementary of the former and aims at creating an environment in which, removing subsidies does not influence the life the impoverished and the poor. According to the rules and regulations of "Making Subsidies Targeted Act" government should collect information and data regarding the economic situation and income level of the citizens, categorize them according to their income level and identify the eligible for receiving state subsidies (Full text...). This subsidies will be paid as cash money and periodically will be settle to the bank account of the eligible. This plan, of course, has been went under many modifications, as at the first stage it was announced that everybody can receive it according to his income level, but in the next stage authorities stated that only the more disadvantaged and impoverished groups will be eligible and probably, only some of lowest decimials. This act is now at its final stage and seems that in the next months will be implemented completely.

There is no official and reliable statistics and data regarding the eligible and the volume of the cash money, which will be paid for one individual citizen.

Taking all of these policies into account, it seems that government has been implementing paradoxical policies. Privatization, for example, aims at minimizing the size of state and activation of private sector, on the other hand, cash payment of subsidies to the eligible citizens and distribution of Justice Shares, will expand the role and presence of state at economic sphere. We think that, this paradox can be explained, at least, at a theoretical level in this way; payment of subsidies as cash money and distribution of Justice Shares increase the state presence at distribution area (as welfare state), but privatization reduces the presence of state at the sphere of production, and from this point of view, it can be claimed that the economic approach of government is a distribution-oriented one.

EVALUATIONS AND LESSONS

Based on the above-mentioned perspectives and plans and with an eye on the experiences of other countries, we can examine the advantages and disadvantages of current plans for poverty alleviation in Iran critically. In this regard it seems that we can infer lessons below from the experience of Iran (although it should be noted that some of these plans, and probably, most important of them are at its primary stages):

1-*Lack of consensus among political and academic elite* on the theoretical and methodological issues of poverty alleviation causes some political infightings, especially between Majles and

the government, in this regard we can mention infightings on the “Making Subsidies Targeted Act”, and the social security for rural inhabitants. Most of the thinkers and politicians, observe the poverty problem through the lens of poverty line (Araee, 2005:14), which is outdated by the new directions in the poverty studies and it seems that many of plans and acts are directed towards poverty alleviation through reducing the income gap.

2-Lack of reliable and agreeable statistics and data regarding the economic performance and conditions, and contradictory statistics, which are published by different organizations (such as Central Bank and Iran Statistics Centre), hinders objective evaluation and measurement of performance. It is obvious that, in the lack of reliable data any decision-making and implementation will be null.

3-Inflation is the most dangerous threat to any program for poverty alleviation. In an economy plagued by inflation the rich get richer and the poor get poorer and even cash aids of will lose its effectiveness at the short term. Controlling Inflation, then, is a prerequisite for the success of any poverty alleviation plan. In Iran as said early in this paper, contradictory and politicized rates of inflation are published but according to these figures, inflation has been not less than 10% percent in the last years, and this rate of inflation undermines the effects of state cash aids.

4-Decentralization is a prerequisite for poverty alleviation programs. It's not necessary to discuss the importance of decentralization, but we must remind that poverty is a local problem and human beings with flesh and blood are the victims of it. Programs which are directed from a centre, far from the spot hardly can meet the needs and demands of the local people, because the conjuncture and local conditions are various and a uniform program can not take into account these particularities. In Iran, this problem is obvious in for example, the plans for distribution of Justice Shares and making subsidies targeted, because these program suppose that, in any province, poverty is uniform. In addition, poverty eradication is not extending the life of the impoverished by paying cash money, but to create sustainable circumstance in which people can obtain their basic needs and are capable for improving their skills and realization of their goals. It is worthy to mention that, distribution of Justice Shares did not decrease the centralism in Iran, because state remains as the major stakeholder.

5. Empowerment is the prerequisite for sustaining poverty alleviation. In any program for eradication of poverty, education and training must be an essential element, and at the end of the program, the impoverished and the poor should be prosperous and able to meet their need independently. According to the official statistics of Ministry of Welfare and Social Affairs, 75 percent of the jobless people in Iran, which are normally disadvantaged, are unskilled and it is obvious that in an industrialized and information society, finding jobs for them is not easy. Although, Iranian government recently, has tried to implement a new program (called Hejrat plan), for training the disadvantaged and the impoverished people, especially in the rural areas, but there is no enough and reliable data on the scope and the effects of this program. Education is significant also for poverty alleviation: Educated people are more empowered and can express their ideas and needs and then can address the authorities and make them accountable. Accountability is essential for poverty alleviation, because many resources of the third-world countries are spoiled by the bureaucratic corruption, and the corruption can be combated only by transparency and accountability. In sum, poverty alleviation is not a unilateral project (top-down) but should be bilateral and interactively directed. In Iran, it seems that the programs have a top-down nature.

6-Equal opportunities, is necessary for sustainable poverty alleviation. Inequalities arise from either environment or individual incapability. In sustainable development and sustainable poverty alleviation equal opportunities, can only be created through proper education, health facilities and conditions for fair competition in the market and these can be provided only by public policy. In countries as Iran, with the bloated and insufficient state bureaucracy and centralization and aggregation of industrial centers in capital and its suburbs, or some metropolises, creating equal opportunity is not possible. These conditions make the effects of the state aids and protection transitory and short-lived, and the target people of the aids, uses the received resource in the ways other than goals intended by policy-makers and the resulted liquidity, triggers inflation

then undermines the possible positive effects of state aids. In sum, for a sustainable program for poverty alleviation, circumstance and equal opportunities should be prepared and created. It seems that new plan for decentralizing the government organizations and transferring ministries to different provinces, is formulated for this goal, but for the fate of the plan and its possible influence on the equality of opportunities, one should wait and see. If we have a look at poverty eradication plans in Iran which are now at work, it seems that these plans have various results and their effects can be evaluated case by case. Some of them, namely, cash distribution of subsidies, probably are effective at short-term, of course if the inflation can be controlled. But others such as, Social Security Fund for rural areas, if can be implemented completely, will be effective in the long-term as well, and will contribute to the alleviation of poverty from the capability perspective. It, also, seems that, before the evaluation of the possible effects and advantages of any program, some of macroeconomic problems should be solved; after establishing consensus on the necessity of the poverty eradication (which seems that most of the political elite agree upon it), not just palliative and short-term actions a comprehensive, integrated and consistent plan for short- and middle-term, should be formulated through the participation and contribution of the different institutions and organizations. Secondly, in such a plan, institutions and foundations which are now working for poverty reduction and eradication in various areas and sectors should be integrated into an organizational entity or an organic relationship should be established between them. This reorganization can include institutions such as **Imam Khomeini Committee, Shahid Rajaei Plan (Organization)**, official charity organizations, Foundation for the Oppressed and Disabled, Foundation of the Martyrs and the Affairs of Self-Sacrificers, Ministry of Jihad and Agriculture and some other organizations, which are active in the field of combating poverty usually in parallel to each other and without coordination. It is obvious that if these organizations work together and in coordination, the resulted synergy will contribute to the poverty alleviation in a radically different way. But the bureaucrats of the abovementioned organizations will resist to an integration plan, as the experience of integration of the two ministries, The Construction Jihad and Ministry of Agriculture, at the tenure of Khatami, showed it.

Thirdly, poverty alleviation programs will not be very successful and sustainable in an economic circumstance which is plagued by high-rate inflation, weakness of the competition and transparency and state dominance. Then poverty alleviation will be an integral part of any sustainable development, as the sustainable development cannot be achieved without poverty eradication and then two major goals are mutually inclusive.

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COMMUNITY PARTICIPATION IN LOCAL DEVELOPMENT PROGRAM FOR ALLEVIATING POVERTY IN RURAL AREA CASE STUDY IN CENTRAL JAVA, INDONESIA



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Abstract

This study is aimed to assess the level of community participation in local development program with the case of rural area in Indonesia. The study found that to a certain extent, the community has participated in the four phases of local development program, namely: decision making, implementation, sharing benefits, and evaluation. However, the intensity of participation in each phase was ranged from low to moderate. Several efforts to improve community participation in the local development program, among others are providing appropriate technical and management advisory supports and sufficient information to the target members were recommended.

Keywords: participation, poverty alleviation, rural area, Indonesia.

Introduction

The importance of community participation in rural development programs was emphasized since a few decades. The term has a diverse definitions and scopes with different intensity among developing countries. Nevertheless, it was believed that through participation, development policies would better grasp the practical realities of rural development. In addition, participation

came to be seen as a means of promoting democracy by enfranchising the poor people who economically weak (Ingham, 1993). Indonesia is basically an archipelago and agricultural country. Nearly three-fourth of people lived in rural area and involved with agriculture and rural activities. The majority of people who involved in agriculture sector are small-scale farmers who economically weak. However, they need to be empowered through several development programs and activities directed to improve their standard of living. It is one of the ways in helping poor people to alleviate from the situation of powerlessness, poverty, and isolation.

Since the Indonesian's independence, a number of rural development programs were launched. It was aimed at helping poor people to uplift their living by empowering people through their participation. The programs and activities varied among development sectors, especially in agricultural and rural sectors. Technical, investment, and management assistances were provided to the poor people by the government and other donor agencies. In agriculture and rural sector, for example, one of the approaches used in a number of development activities was through co-management processes in which local people and support agencies collaborates among others in implementing development activities. By practicing this approach it is intended that the development programs and activities would be sustainable and provide continuous benefits to the rural people.

Several studies on agriculture and rural development have emphasized the significance of community participation in development program in developing countries (Cohen and Uphoff, 1980; United Nations, 1990; Burkey, 1993; Waridin, 1999). People's involvement in development efforts is to make sense of responsiveness and involvement, increase the degree of aspiration, and mobilize local resources. Burkey (1993) verifies that the essence of development is the process whereby local people learn to take charge on their own lives and solve their own problems.

Materials and Method

Materials:

The main objective of the study is to determine the level of community participation in local development program in Kendal and Demak districts, Central Java, Indonesia. The specific objectives of the study are: (a) to analyze community attitudes toward participation in local development programs in the study area; and (b) to provide policy recommendations for improving community participation.

There are commitments from the government and other non-government organizations to increase their collaboration in agriculture and rural development to alleviate poverty. It is intended as a means of providing development benefits by empowering people in co-management development. The findings of this study would provide a more understanding to the form and extent of the community participation in local development programs. The findings might also useful to various agencies and other related organizations involved in planning, implementation, and evaluation of the local development programs.

The emphasis on grassroots participation in several developing countries was foreshadowed in the 1960s and 1970s by development strategies which saw rural projects as a way of reducing large-scale poverty (Ingham, 1993; Waridin, 1999; Susilowati et al., 2004). It was believed that through participation, development policies would better grasp the practical realities of development. Participation came to be seen as a means of promoting democracy by enfranchising the poor people who economically weak. It is a manner of breaking into what Chambers (1983) term as the "deprivation trap", a mutually reinforcing situation or powerlessness, vulnerability, poverty and isolation into which the majority of poor people are locked. The philosophy which underlies the approach is that local people know to a far greater degree of sophistication than does the government on what problems they face and how best to solve these problems (Rigg, 1991; Bruns, 1993). A number of studies have emphasized the importance of participation in development program (see, Cohen and Uphoff, 1980; United Nations, 1990; Burkey, 1993; Waridin, 1999; Susilowati et al., 2004). People's participation in development efforts is to create sense of awareness and involvement, increase level of aspiration, and mobilize local resources for productive

purposes. The process whereby people learn to take charge on their own lives and solve their own problems is the essence of development.

Participation defies any single attempt at definition or interpretation. According to Paul as quoted by Oakley et al. (1991), community participation is an active process by which beneficiary or client groups influence the direction and execution of a development project with a view to enhancing their well-being in terms of income, personal growth, self-reliant or other values they cherish. With regard to development, participation includes people's involvement in decision-making processes, in implementing programs, their sharing in the benefits of development programs and their involvement in efforts to evaluate such programs (Cohen and Uphoff, 1980). According to Pretty (1995), typology of participation consists of manipulative participation, passive participation, participation by consultation, participation for material incentives, functional participation, interactive participation, and self-mobilization.

The literature is stronger on quantitative indicators of participation than of qualitative indicators. The following is a composite list of quantitative indicators as drawn by Oakley et al. (1991) from a number of sources. These indicators cover: (1) economic indicators, (2) organizational indicators, (3) participation in project activities, and (4) development momentum. Few would argue that quantitative indicators alone are adequate to evaluate fully a process of participation; indeed Rugh as cited by Oakley et al. (1991) for example, comments that they are "relevant, appropriate but limited"; Cohen and Uphoff (1977) similarly recognize the need for a broader dimension. The use of such quantitative indicators is, however, a good way to start. Oakley et al. (1991) mentioned that indicators for the evaluation of a process of participation comprise of (1) beneficiaries' role in the planning phase, (2) beneficiaries' role in implementation phase, (3) beneficiaries' role in maintenance, and (4) project linkages to beneficiaries. By employing Cohen and Uphoff's (1980) model, Bahaman (1992), Waridin (1999) and Susilowati et al. (2004) verified that the degree of community participation related to several factors such as age, education, experience, income, number of family, and length of stay.

Method:

The study area

The research was conducted in rural communities in the regencies of Kendal and Demak, Central Java, Indonesia on March to April 2010. The two study areas are hypothesized to be different in the level of co-management processes (Susilowati, 2001; Susilowati et al., 2004). This is subject to the external characteristics of the community and availability of the local institutions or infrastructures. The selection of the districts was due to a reason that Kendal and Demak have different feature on agriculture community's profile.

Data and sampling

Cross-sectional survey was designed to collect the data through personal interviews by the trained enumerators and guided by a standardized questionnaire. A total respondents of 60 rural people (Kendal, n=30 and Demak, n=30) were selected as the sample using multi-stage sampling.

Analytical approach

The multivariate analysis (Hair et al., 1998) was employed and also was complemented by descriptive statistics (see Mason et al., 1999; SPSS, 1996). The statistical package for social science (SPSS) program was used to execute the data analysis in this study. The details test pursued by the study is as follows: (a) descriptive statistics: frequencies, descriptive summary, cross-tab, and other indicators were used to describe the profiles of respondents and the observed variables; and (2) multivariate statistics: regression and discriminant analyses were employed to determine the factors influence towards community participation in the study area. Moreover, compare means with independent t-test (Mason et al., 1999) was also been employed to verify whether there is different behaviour of community in participation given several factors.

The operational variables of age, gender, level of education, number of family, total income,

and people's residence were employed to explain their participation in the study area. In assessing community participation, this study has utilised an approach based on the four types of participation as suggested by Cohen and Uphoff (1980) and indicators as postulated by Oakley (1991), Bahaman (1992) and Waridin (1999) with necessary modification. Participation in development includes community's involvement in program planning and decision-making, program implementation, sharing benefits, and program evaluation. The Likert scale (1 to 5) was applied to measure the dimensions of participation and attitudes. In addition, categorical scale (1 = low; 2 = high) was used to discriminate the factor influence towards participation. The model of community participation behaviour in the study is formulated as follows: Particip = function of (Age, Gender, Educ, Fam, Inc, DLoc).

Table 1

Definitions and Measurements of the Operational Variables

Variables	Definition	Measurement
Dependent Variable		
Particip Level Particip	Level of community participation to involve in local development program -ditto-	Dimension of participation related to: - planning and decision making - implementation - sharing benefits - evaluation (in metric score) In categorical scale (1=low and 2=high). Participation is low, if participation score \leq averaged score; high, if participation score $>$ averaged score.
Independent Variable:		
Age	Age of rural people	In numerical value (year)
Gender	Gender of rural people	Dummy (1 if male and 0 if otherwise)
Educ	Formal education of people	In numerical value (years)
Fam	Number of persons live in rural people's households	In numerical value (person)
Inc	Average amount of people income per month	In numerical value (Rupiah)
DLoc	Residence of respondent	Dummy (1 if Kendal and 0 if Demak)

Results and Discussion

Profile of respondents

The total of 60 respondents were gathered from the agriculture and rural community of Kendal and Demak for each 30 persons, respectively. It composed by 15 female and 45 male respondents. The age of respondents spreads from 21-57 years old and in averaged they have engaged with agriculture environment for about 15 years. They used to stay in the agriculture community for about 24 years and even along their live as claimed by the eldest respondent until his age of 57 years. The averaged number of family members belong to the respondent is 4 persons per household. Most of respondents are attained in elementary school (67.4%) and junior high school (21.6%). This indicates that they have limited experience in formal education. It was found that education level attained by respondent is not associated with their gender significantly (probability of significancy for Chi-square is only 0.345). The detail statistics of respondents is shown in Table 2.

Table 2

Summary of Descriptive Statistics

Description (n=60)	Mean	St. Dev.	Min	Max
Age	35.20	8.53	21	57
Gender	0.86	0.32	0	1
Education	1.46	0.57	0	4
Experience	15.10	7.56	5	38
Number of family	3.94	1.48	0	7
Total income (Rp. 000)	740.75	317.50	350	1800
Length of stay	23.87	11.65	7	57

Portrait of participation by several factors

Participation level of respondents in development activities and/ or program in the respected community is not statistically different. In other word, participation intensity (low or high) of respondents in Kendal and Demak might not different significantly although the two study areas were observed different in level of co-management processes by Susilowati (2001). While, from gender wise participation level of respondents is found associated significantly. These are confirmed by Table 3 and Table 4, concomitantly. The male farmers are relatively participate more than the female ones in local community development activities. It is understandable that commonly man is relatively independent in engaging the non-domestic activities than woman. Generally, woman in Asian countries has unique responsibility, hence to take care of the domestic matters first before engaging the external activities. Moreover, the participation intensity of people in their community will be not the same given different level of education attainment as shown in Table 4. This implies that more degree hold by the respondents, they will be richer in experience, knowledge and progressive in the way of thinking.

Table 3

Level of Fishers' Participation by Factor Location and Gender

Location	Demak	Kendal	Total
Low participation	20	12	32 (53.3%)
High participation	10	18	28 (46.7%)
Total	30 (50.0%)	30 (50.0%)	60 (100%)
Pearson Chi-Square 0.654	Decision: There is no significant association		
Asymp. Sig. 0.246			
Gender	Female	Male	Total
Low participation	9	23	32 (53.3%)
High participation	5	23	28 (46.7%)
Total	14 (23.3%)	46 (76.7%)	60 (100%)
Pearson Chi-Square 11.496	Decision: There is significant association		
Asymp. Sig. 0.001			

Score of participation: mean =11.76; min=7; max=19; SD=2.14 (low, if \leq mean; high, if $>$ mean)

Table 4

Compare Means of Participation by Location, Gender and Education

Description	F-Levene	t-ratio	Sig.	Decision
Participation by Location	4.249 (prob:0.007)	-0.912	0.364	Not significant
Participation by Gender	7.471 (prob:0.013)	14.559	0.003	Significant
Participation by Education level	ANOVA	F=6.740	0.049	Significant

Educ.level: (1) unschooled;(2) elementary; (3) junior high school; (4) senior high schools; (5) others.

Factors influence towards participation

In the study, community participation in rural development activities is hypothesized will be determined by age, gender, education level, number of family members, income and a place where people live-in [Cohen and Uphoff (1980); Oakley (1991), Bahaman (1992) and Waridin (1999) with necessary modification]. There are two estimation techniques (regression and discriminant analysis) have been invoked to analysis the data. The results from these two techniques provide similar conclusion, i.e. participation of fishers in development is guided significantly by variable age, gender, education attainment, and numbers of family member in a household up to the significance level of $\alpha=10\%$. Meanwhile, income and a place where respondent stayed are not able to drive the participation of respondents significantly in the regression model (see Table 5). This implies that income level of individual did not able to guide the participation in activities or program developments in the community with different level of CMPs, where they are belong to. Involvement of individual in development activities or program is not determined by individual's income but rather guided by the internal and external awareness toward their environments.

Table 5

Summary of Regression Estimation

Variables	Coefficient	t-ratio	Probability Significancy	Decision
Constant	8.542	6.217	0.001	Significant
Age	0.265	4.305	0.001	Significant
Gender	-1.176	-1.958	0.058	Significant at 10%
Education	0.852	2.614	0.042	Significant
Family	-0.512	-2.868	0.082	Significant at 10%
Income	3.442E-08	0.105	0.805	Not significant
Location	-0.398	-1.121	0.192	Not significant
Adjusted R ²	0.384			
F-ratio	5.463; Sig = 0.001			
IVs Significant	4 out of 6 (at $\alpha=10\%$)			
DW	1.892 (dl=1.550 ; du=1.803); Decision: no autocorrelation			

Dependent Variable: Participation

There are 4 out of 6 of the independent variables are significant at $\alpha=10\%$. The overall performance of regression which is evaluated by F-test shows soundly with probability of significance at 0.001, although the coefficient of determination is relatively low ($R^2=0.384$). The summary of regression estimation is as Table 5.

In addition, from analysis of discriminant performed that the independent variables of age, gender, education, family members, income and residence of respondents were able to discriminate the level of participation as indicated from F-approx=4.392 (Sig=0.001) with 79.4% of original grouped cases into low and high participation are correctly classified as shown by Table 6.

Table 6

Summary of Discriminant Analysis

Variables	Standardized Canonical Discriminant Coefficients		
Age	-0.108		
Gender	2.327		
Education	-0.098		
Family	0.359		
Income	0.009		
D-Location	0.237		
Constant	-0.974		
Box's M:	63.350		
F-Approx. (prob-sig)	4.392 (Sig. 0.001)		
Class Commitment	Predicted Group Membership		
	Low	High	Total
Original			
Count: Low	26	6	32
High	5	23	28

Note: Test null hypothesis of equal population covariance matrices.

Conclusion

Participation of people in their community to undertake the development activities and/or program in the study area with the different management processes, eventually, is found not statistically significant different. In contrast, gender and education factors were able to differentiate community participation intensity in Kendal and Demak districts.

By means of regression and discriminant analyses, it was found that age, gender, education, family members, income and residence location as the driven factors in determining participation of people in development activities in the study area. This study suggests that in order to improve people participation, then the selected factors above should be empowered accordingly. This implies that to improve the degree of community participation in the activities related with development, then the magnitude of predictor used in the model (such as: age, gender, education, family members, income and residence) could be explored further. Moreover, the findings of this study might be used for many purposes in enhancing participation of people, among other are for determining the farmers and rural-people's target for extension, training, credit scheme and other treatments or purposes. The study might be considered as the stimulator or a kind of an initial research on community participation and need to be expanded with necessary enhancement.

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ALLEVIATION OF POVERTY

CASE STUDY OF PAKISTAN



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Abstract

The author highlighted that for the purpose of alleviation of poverty in Pakistan, both in public and private sector, a number of programs have been launched in the past. Setting aside these initiatives at small scales, he concentrated his efforts on the institutions which may be considered a financial fulcrum of welfare activities and out of those, but not exhaustive, two basic institutions are worth mentioning as they provide financial resources for subsequent programs and schemes. More specifically saying the author selected those institutions which have state legislation at their back and would take no effect, if Government is changed.

Key Words: Poverty alleviation; Pakistan

1. PAKISTAN AT A GLANCE

Geographically, Pakistan is a South Asian country located at North West of Indian subcontinent. Pakistan consists of four provinces, one federal capital territory, and seven federally-administered tribal areas (Government of Pakistan (GoP), 1973: Article 1). Each province has further been divided into districts, whereas districts are again divided into sub-divisions generally called *Tehsil*. The overall existing administrative and geographical division of Pakistan can be elaborated as under:

S	No Province	No. of Districts	No of Agencies(a district)
1.	Federal Capital	01	-
2.	Punjab	36	-
3.	Sindh	23	-
4.	Khyber Pakhtunkhwa	24	7
5.	Baluchistan	30	-
	Total	114	7

According to the latest census, population of the country counts as 162 million, 97 % being Muslims. The currency of the country is Rupee (Re, Pl Rs.), 85+ rupees convert to one US \$. The foreign exchange reserves amount to US \$ 17+ billion whereas its exports are around US \$ 18+ billion annually (GoP, 2010).

As regards poverty, 22.1 % of total population lives below the poverty line (GoP, 2009: 38). Some other studies with different views indicate different picture and lead to different poverty estimates (Jahangir, 2004: 49-51). Similarly, the Social Policy and Development Centre (2004), through their various studies, explore different statistics. We can, however, rely on official statistics which is aligned with the World Bank's criterion of US \$ 1 per day.

2. Poverty: A global Phenomenon

In economic parlance, the term 'poverty' is defined as the non-availability of sufficient means to be able to have the minimum bare and basic necessities of life. But the true sense of poverty can not be comprehended unless one takes the privilege of the principle of relativity. Tentatively a year ago, some famous German business tycoons came to know that a considerable magnitude of overall German population was in the state of 'poverty' as they were facing scarcity of food and livelihood as compare to a very thin minority of upper class of German society. They, finding this fact about poverty in their homeland, wrote a note to the German Chancellor, offering voluntarily more and enhanced tax deduction from their business transactions and income.

Enjoying the social security benefits at various scales in different European states, the citizens of Europe are not in a position to understand the meaning of poverty which the people of Pakistan are facing.

3. Scope of Discourse

For the purpose of alleviation of poverty, both in public and private sector, a number of programs and schemes have been launched in the past and in the recent years. To redress of the grievances of working class of the country, a social security law is in vogue since long (GoP, 1965) which, in various ways, facilitates this class. Some classified initiatives, at various levels, have also been introduced for the betterment of some classes of the society but aiming not public at large. At provincial level the Governments too launched some effective schemes, some of them are extension in compliance with the Federal legislation, therefore need no further explanation or repetition. Some political parties of the country also have their welfare wings and a number of NGOs claim them to be a welfare organization and are working for alleviation of poverty.

However, setting aside these projects and initiatives at small scales, the author of this discourse shall, in the first phase, concentrated his efforts on the institutions and organizations, more specifically saying the public sector, which may be considered a financial fulcrum of welfare activities and out of those, but not exhaustive, two basic institutions are worth mentioning as they provide financial resources for subsequent programs and schemes as discussed below. More specifically saying the author selected those institutions which have state legislation at their back and would take no effect if Government is changed.

While preparing and submitting the abstract of this article, the author focused primarily at the Benazir Income Support Program of the Federal Government and *Susti Roti* (Cheap Bread) Scheme of the Government of Punjab – the biggest province of the country –, but during the month of August 2010 the Government of Punjab, because of heavy down pour and heavy flood in the Province as well as in the country, discontinued this very effective and popular Scheme among the poor so that the financial resources already reserved for this Scheme may be consumed for more wanted areas badly effected by the flood. Therefore, obviously and keeping in view the current economical and financial circumstances of the country, its discontinuation needs no discussion in this paper, as they do not and will not permit its revival until this financial crisis disappears and a new phase of prosperity appears.

Benazir Income Support Program of the Federal Government is still active and obviously is not

in any dangerous zones but the Government, cutting a heavy amount of Rs. 2 billion(US \$ 23.52 million) reserved for it perpetual projects, allocated livelihood cash grant support for flood victims which will ultimately lead the suspension or complete dismemberment of various projects.

The author hopes that audiences of this article, before going ahead, will definitely keep in mind these two points recently arisen. The initiatives of the State for alleviation of poverty have been mentioned in chronological order.

4. Efforts of State to Reduce Poverty

Before stating the discussion, attention of the audiences of this discourse is also drawn to the fact that Pakistan, in 1947, came in to being as an Islamic state and since then it, in various phases, tried to be an Islamic state in true sense. All of its Constitutions declare the State as Islamic Republic of Pakistan (GoP, 1973: Article 2). The purpose of submitting this document before the international community is just to seek its attention towards the efforts made by various Pakistani Governments for alleviation of poverty whether by taking the crutch of Islam or by adopting general secular principles.

It is hoped that the paper will be analyzed with an academicians' eye but not with the view point taken otherwise, as the author tried to present it on the basis of famous commercial principle 'as is and where is'. So the paper must not be considered as propagation or advocate-ship of Islam, rather it is just a bunch of assembled information of what the State has done in the past.

In Pakistan, the first ever serious step for elimination of poverty at state level was a new legislation for the revival of the famous Islamic institution viz. *Zakat* and *Ushr* which is an integral part of Islamic welfare system. It prevents the concentration of wealth in limited number of people of society but provides a system for dissemination of wealth among the needy people of the society. For proper management of *Zakat* and *Ushr* the State, decades ago, set up an independent Ministry in the Federal Cabinet headed by the Prime Minister of the country.

4.1. Compulsory Deduction of *Zakat* from Bank Accounts

An Article of the Constitution of the Islamic Republic of Pakistan claims that "the State shall endeavor, as respects the Muslim of Pakistan [more than 97%] to secure the proper organization of *zakat*, *ushr* and *auqaf* and mosques" (GoP, 1973 :Article 31(2)(c) . In 1980, in pursuance of this article of the Constitution, a new legislation was promulgated which made it obligatory for the financial institutions to levy *Zakat* through deduction at source, on 1st of *Ramadan* every *Hijrah* calendar year, to be credited to the Central *Zakat* Fund maintained by the Federal Government .The law made it clear that as regards payment and recovery of *Zakat* and *Ushr*, it applies only to the Muslim citizens of the country and a company, or other association of persons, or body of individuals, whether incorporated or not), therefore, the beneficiaries of *Zakat* and *Ushr* are obviously Muslims (GoP, 1980: Section 1).

4.1.1. Utilization of *Zakat* Funds

Since law relating to deduction of *Zakat* applies only to the Muslims account holders, therefore, funds are utilized for the assistance of Muslim needy, the indigent and the poor particularly orphans and widows, the handicapped and the disabled as well as funds offer assistance to needy persons affected homeless due to natural calamities. The institution of *Zakat*, like other religious rituals, is a domestic activity of Muslims that is only obligatory for Muslims.

Islamic law, while deducting *Zakat*, neither applies upon non-Muslim nor does it allow distributing the amount so deducted among non-Muslims. But it does not mean that an Islamic state excludes its non-Muslim citizens from main stream, but makes it obligatory for Muslims not to restrict their charity only to *Zakat*, rather in addition to this institution; the Muslim population is compelled to support non Muslims with its other religious donations such as *Sadaquat*, *Khayrat* and *Atiyyat*. That is why; the same principle of *Zakat* also applies to *Sayyad* (the offspring of the Prophet Muhammad, peace be upon him) who are not entitled to *Zakat* Monies.

Collection of *Zakat* from financial institutions is a federal subject, whereas funds are disbursed among provinces on population basis at the following rates, and provinces distribute the *Zakat* funds through District *Zakat* Committees and Local *Zakat* Committees (GoP, 1980):

Punjab (including Federal Area)	57.36 %
Sindh	23.71 %
Khyber Pakhtoonkhawa	13.82 %
Balochistan	5.11
Total:	100 %

4.1.2. Structure and Disbursement of *Zakat* System

The Central *Zakat* Council and the Administrator General *Zakat* both are under the hierarchy of the full fledged Ministry of *Zakat* and *Ushr* headed by a Federal Minister of the Cabinet of the Prime Minister of Pakistan. For accomplishment of the purposes of *Zakat* law, the legislation provides a Central *Zakat* Council consists of senior officials of the country. The President of Pakistan appoints its Administrator General, who is the Chief Executive in respect of matter relating to *Zakat* and acts in accordance with the policy guide line drawn by the Central *Zakat* Council, keeping in view the amount available for the purpose (GoP, 1980).

Disbursement of *Zakat* is, constitutionally, a provincial subject; therefore, respective Provincial *Zakat* Councils distribute *Zakat* funds in Districts of the province on population basis. The District *Zakat* Committees make allocation to the Local *Zakat* Committees on need basis. The Provincial Governments, District *Zakat* Councils and Local *Zakat* Councils, under the policy guide line of the Federal Ministry of *Zakat* and *Ushr*, disburse the monies collected by the banks and other financial institutions (GoP, 1980). Province wise number of District *Zakat* Councils (DZC) and Local *Zakat* Councils (LZC) are appended below.

S No.	Province	No. of DZC's	No. of LZC's
1.	Punjab	35	25201
2.	Sindh	23	7123
3.	Pakhtoonkhwa	24	3896
4.	Baluchistan	26	2819
	Total:	108	39039

In the following lines the details of disbursement of *Zakat* at various phases or stages may be seen.

4.1.3. Educational Stipends

Regular *Zakat* budget is allocated for educational stipends, rates of which are given below, whereas disbursement is made among deserving students through schools, colleges, universities and relevant educational institutions where head of the intuitions are empower to exercise their discretion (GoP, 2003: 7)

S. No.	Level of Education	Rs./Month
1.	From 1st to 8th Schooling year	75
2.	9th & 10th Schooling year	112
3.	College Level	375
4.	University Level	750
5.	Engg/Medical Colleges & Engineering Universities	874
6.	Computer Sciences	874

This budget is also allocated for students of religious educational institutions. The rates of monthly stipends for students of such registered educational institutions imparting religious education are as under:

<i>Hifzo Nazira</i> (Memorization and Reading Quran)	Rs.150/-
<i>Mouqoof Alah</i> (A Specified Religious Course)	Rs.375/-
<i>Daura Hadith</i> (Course on Prophetic Sayings)	Rs.750/-

The rates of stipends for students of Model Religious Educational Institutions and those affiliated with Pakistan *Madrassah* Education Board (PMEB) are as follows (GoP, 2003 : 7-21):-

From 1st to 10th schooling year	Rs.500/-
Above 10th 14th year or equivalent	Rs.750/-
Master (or equivalent) and above	Rs.1000/-

4.1.4. Health Care

A needy (*mustahiq*) for health care is determined by concerned Local *Zakat* Committee and regular *Zakat* budget is allocated for this purpose. The ceilings for free medical treatment of deserving persons are Rs.3000/- for indoor patients and Rs.2000/- for outdoor patients respectively. For medical treatment involving expenditure higher than the ceiling, Health Welfare Committee of the Hospital is competent to relax it up to the requisite limit, on merit, ensuring that the principle of accommodating maximum number of *mustahiq* patients is not compromised by admitting the expensive treatment of the few (GoP, 2003 : 22-24).

4.1.5. Marriage Assistance for Needy Women

Regular *Zakat* budget is allocated every year for marriage assistance to unmarried needy women. Rs.10, 000/- are granted to a *mustahiq* Muslim lady as one time grant by the Local *Zakat* Committee (GoP, 2003: 34). Marriage Assistance initiative is exclusively meant for women but not for men.

4.1.6. Educational Stipends (Technical)

The scheme aims to create income generating opportunities by vocational or technical training of needy persons the age of 15 to 35 years. The maximum rate of stipend/scholarship is Rs.1000/- per student per month. Where necessary, the ceiling is relax able for the reasons to be recorded in writing by Scholarship Committee subject to approval of District *Zakat* Committee. After the successful completion of the training/course, Rs.5000/- are also given to each student as one-time grant for purchase of required tools and equipment needed for initial starting. Disbursement is made to the needy trainees through respective technical or vocational training institution. (GoP, 2003: 6-9, 37-49).

4.1.7. Guzara (Un-employment) Allowance

An adult Muslim, living below poverty line (earning up to Rs. 670/- pm), preferably a widow and disabled, or unemployed, must not be habitual beggar may be determined a needy person by respective Local *Zakat* Committee and is given Rs. 500/- per month as *Guzara* Allowance (GoP, 2003 : 4).

4.1.8. Grant for Leprosy Patients

In each financial year Rs.0.570 million are allocated for the only centre in Rawalpindi for leprosy patients (GoP, Ministry of *Zakat* and *Ushr* (MoZU): Official Web Site).

4.2. Pakistan Bait ul Mal: an over view

Pakistan *Bait-ul-Mal* (PBM) is an autonomous body set up as a result of an Act of Parliament 1992 (GoP, 1992). It is an attached department of Ministry of Social Welfare and Special Education which primarily, endeavors towards poverty alleviation irrespective of religious affiliations of needy persons through its various poorest of the poor focused services and provides financial assistance on the basis of equal opportunity, to destitute, widow, orphan, invalid, infirm & other needy persons, as per eligibility criteria approved by Bait-ul-Mal Board.

Pakistan *Bait ul Mal* provides social protection to the poor marginalized community of the society, financial assistance to the destitute, widows, orphans, and invalids, infirm and other needy persons with emphasis on rehabilitation. It also aims to offer educational assistance to needy orphans and stipends for the outstanding, non-affording and deserving students for higher professional education, residential accommodation and necessary facilities for the deserving people, free medical treatment for indigent sick people (GoP : 1992).

PBM sets up free hospitals and rehabilitation centers for the poor, offers financial aid to charitable institutions including educational & vocational set ups, and sponsors and promotes self-employment schemes. To achieve its goals, Pakistan *Bait ul Mal*, with its limited financial resources, sets up some projects for its target population; details of some of those are mentioned in the following lines (<http://www.pbm.gov.pk/Policy.html>)

4.2.1. Pakistan Sweet Homes

Pakistan Sweet Homes is a specified project for the children who, for any reasons, do not have parental coverage. As a pilot project, 16 Sweet Pakistan Homes (orphanages) have been established in various districts of the country. The money allocated for the purpose in the *Bait-ul-Mal* provides shelter and necessary facilities to orphans. Pakistan *Bait-ul-Mal* has further planned to establish orphanages at Division (a group of 3-5 districts) level. However, it would not be out of place if it is mentioned that in private sector especially in religious sector the number of such orphanages are far greater than public sector.

4.2.2. Special Friend

Pakistan *Bait al Mal* also provides a wheel chair to a disabled and every person unable to move independently. A family that has 2 or more disabled is given status of Special Friend of Pakistan *Bait ul Mal* and therefore, this family is entitled to get Rs. 25000/- per-annum from Pakistan Bait ul Mal along with wheel chairs, hearing aid, white canes & artificial limbs, if needed.

4.2.3. Lungar (Free Cooked Meal) Project

While classified social security services are not available at the door step of the citizens of the country, most of the poor patients and their poor attendants, come from remote areas for treatment in the cities. These patients and their poor attendants need bare necessities like food at least. Pakistan *Bait ul Mal* has launched a "*Lungar Project*" for the poor attendants of patients in 200 designated hospitals in various parts of the country. For supply of food in the evening to these poor attendants at the designated hospital, Pakistan *Bait ul Mal* provides Rs. 3 (m) each. In 17 districts, these *lungar* has been started on pilot basis.

4.2.4. Individual Financial Assistance

Individual Financial Assistance (IFA) aims the poor, widows, destitute women, orphans and disabled persons who are supported through routine assistance, education, medical treatment and rehabilitation. And its objectives are to fulfil the immediate needs of the poor; medical treatment of major ailments and disabilities of the poor patients; issuance of stipends to deserving and brilliant poor students of educational and technical institutions in the public sector as well as economic empowerment of poor through rehabilitation. At the moment, Pakistan *Bait ul Mal* has some 70,000 deserving beneficiaries with annual budget of Rs 1 billion. Since the establishment of Pakistan *Bait ul Mal* in 1992, Rs. 4990 m have been disbursed.

Assistance is provided to the needy individuals with major ailments or disability on first come first serve basis having no support or source of income. However, priority is given to the students with proven and consistent track record of academic achievement; widows with dependent children; invalid with dependent children; infirm viz. senior citizens above 65; poorest of the poor who are willing to go for rehabilitation within three months; orphans; destitute; victims of unpredictable circumstances.

Any individual can apply for general financial assistance once a year only. Any of the two services i.e. medical treatment, general financial assistance, education stipend and individual rehabilitation may be granted simultaneously within a period of one year to the same applicant. However, to cover as maximum as possible, general financial assistance and rehabilitation cannot be combined.

4.2.5. Jinah Burn & Reconstructive Surgery Centre, Lahore

It will be set up in a 5-storey building with covered area of 160,200 sft, and will be a 65-bed centre equipped with essential facilities like research laboratory for skin alternatives, academic block for training & research automation, computerization for effective inventory and financial management, modern equipment and furniture in line with the international standard. Its construction will be completed during current year which will reduce the mortality of burn victims significantly.

4.2.6. A bone marrow transplant unit of Pak Bait ul Mal and Shifa International

Pakistan *Bait ul Mal* and Shifa International Hospital Islamabad jointly established a well equipped bone marrow transplant unit for deserving needy persons which is the first such initiative in private sector.

4.2.7. Child Support Program (CSP)

Pakistan *Bait ul Mal*, in order to promote primary school education and reduce dropout rate of school going children by providing additional resources to the most poor families for retaining their children to schools, introduced another initiative which initially is started as pilot project in 3 districts of the country and subsequently 8 other district have also been included in to this project. The project has technical collaboration of the World Bank as well. Under this initiative a child receives Rs. 300/ per month as financial assistance with a maximum limit of 2 children per family. The PBM intends to spread over this initiative to 29 districts across the country in year 2010-11.

4.2.8. Institutional Rehabilitation

This is another project of the PBM which provides grand-in-aid to registered Non Governmental Organizations (NGOs) engaged in welfare activities having proven track record of at least three years. This project aims institutional support to needy orphans, disabled, abandoned and destitute women and provides institutional support to orphanages, by covering the expenses of orphans in the field of health, education & vocational training, sharing of capital cost by PBM at the ratio 50% and 50% share of NGO. It also tries to strengthen existing and newly established institutions aiming at rehabilitation of needy persons. It provides free eye care if there is a cataract operation.

4.2.9. National Centers for Rehabilitation of Child Labor (NCsRCL)

In pursuance of an international convention, in 90s, child labor in the country is, though, prohibited but the long social and economic set up of the country does not allow any drastic and sudden changes in the society, therefore the state, because of multifarious and complex reasons, is trying to reduce its ratio gradually. In 1995, by setting up National Centers for Rehabilitation of Child Labor, children between the ages of 5-14 years are not deputed for hazardous labor (in some specified hazardous categories) and are enrolled in these centers where they are provided free primary education, clothing, footwear, study kit and an amount of stipend as well as subsistence allowance to their parents.

4.2.10. Vocational Schools (VDSs) and Diversified Vocational School

To train low-income group of women these schools, throughout the country, provides free and income generating training in 2 shifts of 30 trainees in each shift with 2 instructors to widows, orphans & poor girls in drafting, cutting, sewing, knitting, hand & machine embroidery.

4.2.11. Food Support Program (FSP)

In order to support wheat purchasing capacity of the poorest and to increase storage capacity of wheat, this program was launched in August 2000 at the time of wheat crop harvesting. This very famous and popular program among the poorest of the poor is in collaboration with Pakistan Post Office and Provincial Governments. The program proved it to be effective at grass root level; therefore the Federal Government revised the ceiling paid bi-annually to the victims of poverty from Rs. 2400 to Rs. 3000. Since launching the program an amount of Rs. 24.215 billion have been spent. Financial assistance is provided to the individuals having no support or source of income or to the needy individuals with major ailments or disability; widows with dependent children; invalid with dependent children; infirm mainly senior citizens above 65; orphans; destitute; and victims of unpredictable circumstances.

A subsidized amount of Rs.3000/- is paid to each of household annually through their accounts in post offices countrywide. Applications may be given either to PBM offices, *Zakat* Committees, District, *Tehsil* & Union Council *Nazims* or to District Coordination Officers. Though the program is run irrespective of religion, 3% of the total allocation is consumed for religious minorities' households.

4.3. Benazir Income Support Program This country wide program (BISP), allocating an initial amount of Rs.34 billion (US \$ 425 million approximately), was introduced by the Federal Government in the financial year 2008-09. But in the current fiscal year 2010-11 the allocation is Rs. 70 billion (more than double) to facilitate the poorest of the poor by providing cash assistance to 5 million families which constitutes almost 15% of the entire population tentatively, almost 40% of the population below the poverty line. An amount of Rs.1000 per month is paid to the enrolled families at their doorsteps. This project aims the poverty alleviation and women empowerment among the people living below the poverty line.

Since no solid data and detailed particulars regarding the people living below the poverty line are available in the country, the government had no way except to allocate certain number of application forms to the parliamentarians in equal number irrespective of their party affiliation. Therefore, 8000 application forms were allocated to each member of the National Assembly and the Senate and 1000 to each member of the Provincial Assemblies. The payments to the beneficiaries of this program are made through the Pakistan Post. Benazir Income Support Program also introduced certain other initiatives out of those some, but not exhaustive, are as under (<http://www.bisp.gov.pk/>):

4.3.1. Waseela e Haq (the Right Source)

The initiative is exclusively for woman which aims to extend small loans to women or their representatives so that they may be able to overcome the problems arising out of poverty. The initiative aims to empower female beneficiary or her nominee through acquiring a skill suitable to their abilities. Hence, these women, acquiring vocational training through dynamic and integrated technical education and vocational training service, become economically independent.

4.3.2. Waseela e Rozgar (Vocational Technical Training)

Under this project the technical training includes an officially recognized training which eventually develop any certificate-based skill, and a domestic and in house training that needs no recognition. Trainees will be provided both types of trainings of 4 weeks, 3-6 months and one year. Benazir Income Support Program, under this initiative, aims to rehabilitate the successful trainees of *Waseela e Rozgar* (Vocational Technical Training) by delivering them guidance and counseling. The Program aims to administer this initiative through National Vocational Training and Techni-

cal Education Commission (NAVTEC), Ministry of Science & Technology, National Center for Rural Development (NCRD), Islamabad, Technical Education and Vocational Training Authority (TEVTA) Punjab.

4.3.3 Miscellaneous

Besides above mentioned initiatives, Benazir Income Support Program also allocates its resources to some of emergency relief programs, such as for bomb blast victims, earthquake victims and internally dislocated persons, and therefore need no explanation as are on emergency basis. Similarly the Program has designed some future projects as well, like *Waseela e Sehat* (Health Insurance) which will initially be a pilot project targeting 15 selected districts of the country, details of such programs has not yet been refined (GoP, 2010).

5. Role of Private Sector

The limited space allocation for this paper do not allow the author to draw a full sketch of the efforts on account of elimination of poverty made by the actors in private sector, however, in order to present this effort as holistic one, a brief note of it may be beneficial. In contrast to public sector, the private sector seems to be more active as compare to its counter part. The reasons need no explanation as are common throughout the developing countries, such as tight grip on public exchequer, lethargic and old dated bureaucratic system and limited financial resources the state has. The private sector, in this way, can be divided into the agencies those are in their indigenous color and mostly they rely on their local financial and human resource, whereas the other part of the private sector consists of the NGOs well equipped with foreign rather mostly with Western financial resources.

Most of the local agencies working in this field are both uses local resources and funds donated by their local donors and patrons or in some cases by international philanthropic organizations. Local NGOs in this field, like Edhi Welfare Organization, *Al Khidmat* Foundation, and READ foundation in the field of education only, play a vital and effective role at gross root level, as the people have full confidence on them, because they do not believe in pump and show, rather work directly for the welfare and benefits of the poor people.

Contrary to local welfare organizations foreign funded NGOs, instead working directly for the welfare of the poor and needy people for whom they acquire huge financial resources mostly from Western countries, organizes seminars, conferences only in big cities of the country, arrange foreign trips occasionally, prepare beautifully printed expensive reports for the satisfaction of international donor agencies, though some exceptions are their like READ Foundation in the field of education and Islamic Relief Organization of the UK. No doubt, the services rendered by both the NGOs in combating poverty are remarkable commendable

5.1. The System of *Dini Madaras* (Religious Educational Institutions)

The author, once again, expresses his frailty in explaining a huge heap of valuable information in very limited space allocation. The present religious education system in the country is in continuation of the then system in vogue before the arrival of colonist in the Sub-continent when it was not known as religious one. It is the system which not only used to deliver quality education in the fields of engineering, medicine and social sciences, but also used to provide all types of social security benefits to it students in campus in true sense which include food, shelter, clothing medication, pocket money and even in some cases the travel grant. Upon the arrival of foreign rulers, they have lost their state patronage and no substantial and considerable change occurred after the independence.

Presently, these institutions deliver education normally only in the field of religious sciences and provide full coverage to their students within their limited available resources donated by generous Muslim donors, which include food, shelter, clothing, medication and study kit. They play an important role in providing parentage to million of the poor and orphan students.

Conclusion

Before looking at the canvas to analyze the studies with a view to conclude the outcome of it, one must bear in mind two basic and very important points regarding achievements of the country or otherwise. First important thing is that the life of this country, unlike others, is not in centuries but in decades---sixty three years---, and at the time of its creation, besides others even common paper pins were not available to be used in the offices. Independent and serious researchers can pay a visit to Pakistan National Archives at Islamabad where, they can look at the old official files of the period 1947 until late 50s which, instead of pinning up properly with common paper pins; are pin up with long pricks taken from the local wild bushes. To mention rest of the stationery items would be a futile exercise. On the analogy of this example the state of country's economy can easily be guessed.

Secondly, in this state of affairs, when the country started its business from zero point without having even the least required means, it had to accommodate the ever biggest number of refugees in the history of mankind--- more than 8 million--- without getting a single penny from international community. Therefore, in these circumstances, when Pakistan started establishing state institutions, obviously there may be certain shortcomings, though they must not be excuses.

This study reveals that out of two tools required for elimination of poverty---an effective mechanism or structural set up which includes human resources as well, and financial resources---, at least structural set up is available in the country. One may not find out the institution known as Social Security as in most of the Western countries, but looking with a different view, the *Zakat* and *Ushr* system and the Pakistan *Bait ul Mal* owing same functions and duties, may be considered as other names of the Social Security set up of the Western countries, though their out put is not identical to its Western counterpart. But the audiences of this article are reminded that the title under discussion is structural set up which is available in the country.

Pakistan, economically, is, like its neighboring countries considered, as developing country, and among its group, its Human Development Index (HDI) is still better as compare to its neighborhood. The HDI tells us that 60.03% of Pakistan population lives under \$2 a day, whereas in its east 75.6% of Indian population lives on this amount. The Bangladeshi people live in more miserable state; they are 81.3% who live on \$2 a day. By using another yard stick (\$1 a day), the international agencies have concluded that in Pakistan some 22.6. % lives under \$1 a day compared to 41.6% in India and 49.6% in Bangladesh (UNO, 2009).

The study of some other internationally recognized indicators, such as rate of unemployment, mortality rate, per capita income, adult literacy rate and level of literacy in the country also show better position of the country as compared to its neighborhood, however, in spite of all types of such optimistic approaches, the factual position in the field of elimination of poverty also needs immediate remedial measure. The author of this article, by taking the plea of certain excuses, do not intend to justify the shortcomings of the state agencies in combating poverty, however, it is hoped that with the passage of time and by getting more political stability and economic development, its institutions would be more settled on firm and sound footing, and that would be its real phase of prosperity. Till such time Pakistan, for the sake of humanity, needs close cooperation and best wishes of international community.

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EFFECTIVENESS OF POVERTY ALLEVIATION PROGRAM EVIDENCE FROM MALAYSIA



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Abstract

Malaysia is one of the developing countries that have successfully tackled the problem of poverty. Poverty incidence in Malaysia has declined considerably from 52.4% in 1970 to 3.8% in 2009. The government targeted that poverty incidence to be reduced further to 2.0% by 2015, and hence raises the need to improve the effectiveness of the existing poverty alleviation programs. This paper explores better ways to enhance the effectiveness of poverty programs in Malaysia by seeking the opinion of the poor themselves. We discover that an improvement is needed with respect to access to information, identification of the target group, and adequacy of assistance.

Key Words: Poverty alleviation, effectiveness, Malaysia

I. Introduction

Poverty eradication as well as improving income equality has always been one of the major concerns of Malaysia's development policy and planning. In fact, the fundamental philosophy that

underlies Malaysia's development policy and planning is that economic growth is not an end in itself but it is viewed as a means to bring prosperity and better quality of life to the Malaysian society. In this regards, the principle of "growth with equity" has been a central theme in all Malaysian development policies and efforts. This perspective is initially incorporated in the New Economic Policy (1971-1990), and is continued in the succeeding development policies. The launching of the New Economic Policy (NEP 1971-1990) in 1971 was the most significant policy change in the Malaysian history. The NEP emphasised the importance of pursuing economic growth as a way of achieving the ultimate socioeconomic goals of uniting Malaysians. To achieve this goal, two major strategies were adopted in the NEP: (i) to reduce absolute poverty irrespective of race through improving income levels and increasing employment opportunities for all Malaysians; and (ii) to restructure society to correct economic imbalances so as to reduce and eventually eliminate the identification of race with economic function. Thus, it is not surprising to find that since 1970, the problems of poverty and distribution has been given special attention by the government, and anti-poverty and pro-active redistribution strategies can be found in each of Malaysia Five-Year Plans. Under these development policies and plans, various strategies have been pursued with the aim to overcome the problem of poverty in the country.

The strategy to overcome the problem of poverty basically falls into three aspects (Shireen, 1998). First, to increase the income and productivity of the poor which is to be achieved by expanding their productive capital as well as increasing their efficiency and productivity such as by adopting modern techniques, replanting and redevelopment of crops, irrigation, introduction of new crops, and improved marketing, credit, financial and technical assistance. Second, to encourage inter-sectoral mobility of the poor out of low productivity sector to higher productivity and value added sector, such as from agriculture to industrial sector. This strategy is to be achieved through sustaining high economic growth, where new employment opportunities will be created. The government also provides the necessary education, training, financial and technical skills. Finally, to improve the quality of life of the poor through provision of social services such as housing, health, education and public utilities. Generally speaking, these strategies were mainly indirect and macro approaches, i.e. through public expenditures aimed at sustaining high economic growth, open up employment opportunities and hence, raising income and the standard of living of the poor. These include the provision of education and health services, better infrastructures, as well as expanding accessibility to clean water and electricity.

However, in the late 1980s, as the numbers of poor households become quite significantly low, programs to tackle poverty generally have shifted towards a more direct and micro approaches. Through this approach, effort to reduce poverty is aimed directly at improving each poor household rather than relying indirectly on the trickling down effects of economic growth. While the micro approaches seem sensible as to enhance further the effectiveness of poverty alleviation programs, nevertheless the extent of their effectiveness focuses more towards the output rather than the outcome. It is therefore interesting to investigate the extent of effectiveness of poverty alleviation programs carried out by various the government agencies. Towards this end, this paper tries to deviate from the standard analysis by measuring the effectiveness of the poverty programs, focusing on the outcome following the viewpoint of the poor (program beneficiary) themselves. The aim of this paper is to explore better ways to help improve the effectiveness of the existing poverty alleviation programs.

The rest of the paper is organised as follows. Section II provides a brief overview of poverty trends in Malaysia and Section III discusses the data and method employed in this study. Section IV discusses the finding of the study and Section V concludes.

II. BRIEF OVERVIEW OF POVERTY TRENDS IN MALAYSIA

Rapid economic growth is crucial for poverty eradication. In this respect Malaysia is very fortunate that in the past decades, the country experienced a remarkably high economic growth and rapid structural change. The economy grew at an annual average of 5.2 percent in 1960s and increases to an average rate of 8.3 percent in the 1970s. In 1980s Malaysian economic growth has slightly declined to an average of 6.0 percent. However, since the middle of 1980s up to before the

financial crisis in 1997, Malaysian economy has sustained an annual growth rate of more than 8.0 percent. Besides, this rapid growth is also associated with rapid structural change of the economy from agriculture-based to industrial-based economy.

What is more interesting is that this impressive growth of the Malaysian economy is also associated with significant decline in poverty. Table 1 shows poverty incidence decline significantly from 52.4% in 1970 to 17.1% in 1990, and it decline further to merely 3.8% in 2009. Within these periods, the number of poor household decline from 1,000,000 households in 1970 to 574,500 in 1990 and further to 228,400 in 2009. In addition, the incidence of extreme poverty has also fell from 3.9% in 1990 to 0.7% in 2009. During the same period, the number of extreme poor households has declined more than half, i.e. from 137,100 households to 42,171 in 2009. Thus, it is worth noting that Malaysia has been able to transform the rapid economic growth achieved in the past into a significant reduction of poverty.

Table 1: Malaysia: Poverty Incidence (%), 1970-2009

Year	Poverty Incidence		Incidence of Extreme Poverty ²	
	(%)	No. of Households	(%)	No. of Households
1970	52.4	1,000,000	-	-
1976	42.4	975,800	-	-
1984	20.7	649,400	-	-
1987	19.3	-	-	-
1990	17.1	574,500	3.9	137,100
1995	8.7	365,600	2.1	88,400
1997	6.1	274,200	1.4	62,400
1999	7.5	360,100	1.4	66,000
2002	5.1	267,900	0.5	52,900
2004 ¹	5.7	311,300	1.2	67,300
2009	3.8	228,400	0.7	42,171

Notes:

¹ Figures for 2004 is based on Economic Planning Unit's 2005 methodology, i.e. a revised version of calculating poverty. The increase in poverty incidence between 2002 and 2004 is partly due to this revision.

² In Malaysia, those households who have income half of the defined poverty line income or less is considered as extreme poor households.

Source: Malaysia (1976, 1991, 1996, 2001, 2006, 2010).

Nonetheless, despite the tremendous decline in the overall poverty incidence, poverty in Malaysia appears to remain as a rural phenomenon. Poverty incidence as well as the number of poor households in the rural areas is still significant compared to the urban areas (Table 2). In 2004, poverty incidence in the rural area is 11.9%, decline significantly from 60.0% in 1970. Notwithstanding the fact that poverty in the rural areas has declined impressively, the percentage is still considered relatively high than the urban area. In 2004, poverty incidence in the urban area is only 2.5%. Furthermore, the number of rural poor households is considerably large, i.e. involving 219,700 households in 2004. About one fourth (53,200) of this total rural poor households were categorised as extreme poor households.

Table 2: Malaysia: Poverty Incidence and Number of Poor Households by Strata

Strata	1970	1976	1984	1990	1995	1997	1999	2002	2004
Rural									
Incidence of Poverty (%)	60.0	50.9	27.3	21.1	14.9	10.9	12.4	11.4	11.9
No. of Poor Households	-	864,100	556,400	492,500	281,800	221,800	271,000	198,300	219,700
Incidence of Extreme Poverty (%)	-	-	9.3	5.2	3.6	2.5	2.4	2.3	2.9
No. of Extreme-Poor Households	-	-	-	121,600	68,300	51,800	52,100	40,300	53,200
Urban									
Incidence of Poverty (%)	22.3	18.7	8.5	7.1	3.6	2.1	3.4	2.0	2.5
No. of Poor Households	-	111,800	93,000	82,000	83,800	52,400	89,100	69,600	91,600
Incidence of Extreme Poverty (%)	-	-	2.4	1.3	0.9	0.4	0.5	0.4	0.4
No. of Extreme-Poor Households	-	-	-	15,500	20,100	10,600	13,900	12,600	14,100

Note: Latest data on rural and urban poverty unfortunately is unavailable in the Tenth Malaysia Plan (2011-2015).

Source: Malaysia (1976, 1991, 1996, 2001, 2006).

In the Tenth Malaysia Plan (2011-2015), the government targets the incidence of poverty to be reduced further to 2.0% in 2015 (Malaysia, 2010). While this may be possible to achieve, certainly it will face greater challenges than before, particularly to further reduce poverty in the rural areas. This is particularly due to the rapid process of rural-urban migration in the country which resulted in draining people out of the rural sector and left the rural area dominated by aging population. The aging rural population trend poses a difficult challenge in sustaining the rural economy and also increasing productivity of the rural workforce. Considering this limitation, therefore it is believed that there is an urgent need to further improve the effectiveness of the existing poverty alleviation programs if the target is to be achieved. Based on the viewpoint of the poor themselves, we explore ways and means to increase the effectiveness of the existing poverty alleviation programs in Malaysia.

III. THE DATA AND METHOD

(a) The Data

The unit of analysis in this study is the poor household who participates in the poverty alleviation programs implemented by various government agencies in the northern states of Malaysia, covering the states of Perlis, Kedah and north of Perak.¹ Primary data were collected from respondents through face to face interviews which based on a set of questionnaire. The respondents were randomly chosen from a list of the poor households provided by the poverty alleviation related agencies as well as a list from *e-Kasih*.² From the lists, there are 15,981 households registered as poor household in the area of study. Out of this number, 2100 respondents, i.e. about 13% of

¹ The north of Perak covers the districts of Hulu Perak, Kerian, Kuala Kangsar and Larut, Matang, and Selama. Pulau Pinang, while situated in the northern region of Malaysia is excluded since poverty rate is significantly low.

² *E-Kasih* is a data set on the poor household in Malaysia. The data is gathered and registered in *e-Kasih* by various implementing government agencies at the federal level.

the total population, were interviewed. However, only 1850 of the questionnaires being analysed as some of the questionnaires are found incomplete. Information with regards to demography, socioeconomics, and the perception of respondents on accessibility to information, accuracy of targeting with regards to the eligibility of aids' recipient, quality of services, as well as the impact of the poverty programs are gathered from the respondents.

Generally, poverty program is classified into three main categories: economic-based, human capital and welfare. Economic-based programs are those programs intended to increase the income of the poor households such as provision of physical capital and microcredit scheme. Human capital programs on the other hand are those programs that focus on enhancing the skills and knowledge of the poor, as well as their motivation via training. Welfare program is basically program that is intended to provide the necessary support for the disable, older people and single mothers. The supports are provided in various forms and according to needs, for example cash transfer, food, housing, etc. Nonetheless, in this study we focus only on the effectiveness of economic-based program since we believe that it has direct and significant impact in increasing income and improving the life of the poor. Due to huge numbers of agencies involve in the poverty alleviation program, we select major agencies which directly involve in poverty alleviation program and which their contributions are significant. Thus we have chosen four main agencies as follows, (i) Amanah Ikhtiar Malaysia (AIM); (ii) Welfare Department; (iii) Department of Zakat; and (iv) Kedah Regional Development Authority (KEDA).

Measures of Effectiveness

In this study, the measure of effectiveness of the poverty alleviation program is limited to the perception of the respondent, i.e. those who participates in the poverty alleviation programs. The extent of effectiveness is measured through the perception of the respondent covering the following aspects: (i) accessibility to information; (ii) adequacy and suitability of the poverty assistance; (iii) accuracy of targeting (i.e. whether the programs reach the intended poor); (iv) impact of the poverty alleviation program on their life; and (v) quality of services provided by the related poverty alleviation institutions.

The perception of the respondent on these five dimensions of effectiveness are gathered and analysed. Here, the perception of the respondents is measured using nominal measure (yes or no answers) as well as an ordinal measure using the Likert scale. The respondents were ask to choose the value of 1 to 4 on the scale, where 1 = strongly disagree, 2 = disagree, 3 = agree, and 4 = strongly agree. Apart from that, the respondents are also asked to provide the open ended answers to certain questions particularly with respect to their views in certain issues. Explanation on each aspect as well as their measurement is discussed below.

Measures of accessibility to information

One of the important aspects that should be given attention to ensure the effectiveness of any poverty alleviation program is the accessibility to information by the potential and existing eligible recipient. This is important since without having access to information, the poor might not aware on the existence of programs that might help them to improve their life. Thus, examining the degree of accessibility to information is critical if the effectiveness of poverty alleviation program is to be enhanced. Lack of information in terms of what kind of assistance (program) the poor are entitled to and from which institutions they can get help, will prevent the poor from getting the assistance that they need. Therefore, the accessibility to information by the poor with regards to various poverty institutions and programs are crucial. In this study, the items used to measure accessibility to information are as follows: (i) having information with regards to organisation or institution that involve in poverty alleviation program; (ii) having information with regards to programs related to poverty alleviation; (iii) sufficiency of information; and (iv) sources from which information are accessed.

Measures of adequacy and suitability of assistance

Another important aspect of effectiveness is the adequacy and suitability of the provision of poverty assistance to the poor. As to enhance effectiveness, the kind of supports provided to the poor not only should be ensured in terms of their adequacy but moreover in terms of their suitability. Thus, we measure adequacy and suitability of the provision of poverty assistance by the following items: (i) whether the kind of assistance suits their needs; (ii) whether the amount of assistance is adequate to meet their needs; and (iii) their satisfaction with the assistance in general.

Measures on accuracy of targeting

Whether the poverty alleviation program itself actually reaches the intended group is another indication of effectiveness. We believe this is an important aspect since a good poverty program would be meaningless if the program did not really reach the intended target. Thus, identification of the poor, i.e. the procedure used to identify the poor as well as the monitoring of the implementation of the program is critical. Otherwise, resources that are intended to alleviate poverty will be wasted if the recipients are wrongly targeted. In order to have a better insight on this matter, we pose our respondents with two important questions: (i) do they know anybody else whom they believe are poor, but did not get any form of assistance, and (ii) do they know anybody who get assistance, but whom they believe are not poor and not eligible in getting the assistance. In addition, we also investigate further this matter by asking the respondents to state the reason (if they know any) on why the poverty program did not reach the intended group.

Measures on the impact of the poverty program

The perception and feedback of the respondents on the impact of the poverty alleviation programs is important if the effectiveness of the agencies in carrying out their task is to be improved. In this study we focus on the impact of economic-based program that is aimed directly at improving the economic status of the poor. In this regards, we seek the perception of our respondents if the economic-based program: (i) enable them to increase their income level; (ii) help them to become more financially independent; (iii) enable them to be out of poverty; and (iv) help them to achieve a more comfortable life.

Measures of quality of services

The quality of services provided by the poverty related agencies is also important in ensuring the effectiveness of the program. Thus, analysis on the perception of the poor with regards to the quality of services provided by the agencies is helpful in improving the effectiveness of poverty alleviation program. In this study, we examine five dimensions of quality of services as suggested by Pasuraman et.al (1988). These five dimensions are tangible, reliability, responsiveness, assurance, and empathy. The definition of each dimension is as follows: (i) Tangible – the appearance of the agencies' physical facilities, equipment, personnel and communications materials; (ii) Reliability – the ability of the employees to perform the promised service dependably and accurately; (iii) Responsiveness – the willingness of the employees to help customers and provide prompt service; (iv) Assurance – the knowledge and courtesy of the employees and their ability to convey trust and confidence; and (v) Empathy – the caring, individualized attention the agencies provides its customers.

IV. THE FINDINGS

(a) Profile of the respondents

Table 3 shows the distribution of the respondents by agencies. About 44% of the respondents participated in Amanah Ikhtiar Malaysia (AIM) poverty program, while about a quarter of them (25%) involve in program carried out by the Welfare Department. Respondents that involve in poverty programs of KEDA and Department of Zakat formed about 17% and 14%, respectively.³

³ The high percentage of respondent from AIM is due to the nature of its program, i.e. microcredit program. Thus, all of AIM's program could be categorised as economic-based program. In contrast, not all programs of the Welfare Department, Department of Zakat and KEDA are economic-based.

The distribution of respondents by age, gender, marital status and the number of children are shown in Table 4. The largest group are those whose age between 40-49 years, which form 27.8% of the total respondents. This followed by those whose age between 50-59 years old (21.2%), and those between 30-39 years old (18.9%). About a quarter of the respondent (24.3%) aged more than 60 years old. The average age of the respondents is 49.4 years old. In terms of gender, 65.2% of the respondents are female, while the remaining 34.8% are male. Most of the respondents (64.9%) are married, 4.1% widower and 31.1% widow. More than half (59.1) of the respondents have more than three children, while the average number of child of the respondents is 4.3 child.

Table 3: Distribution of respondent by agency

Agency	No.	Percent
Welfare Department	465	25.3
Department of Zakat	257	13.8
Amanah Ikhtiar Malaysia (AIM)	820	44.3
Kedah Development Authority (KEDA)	308	16.6
Total	1850	100.0

Table 4: Distribution of respondent by age, gender, marital status and number of children

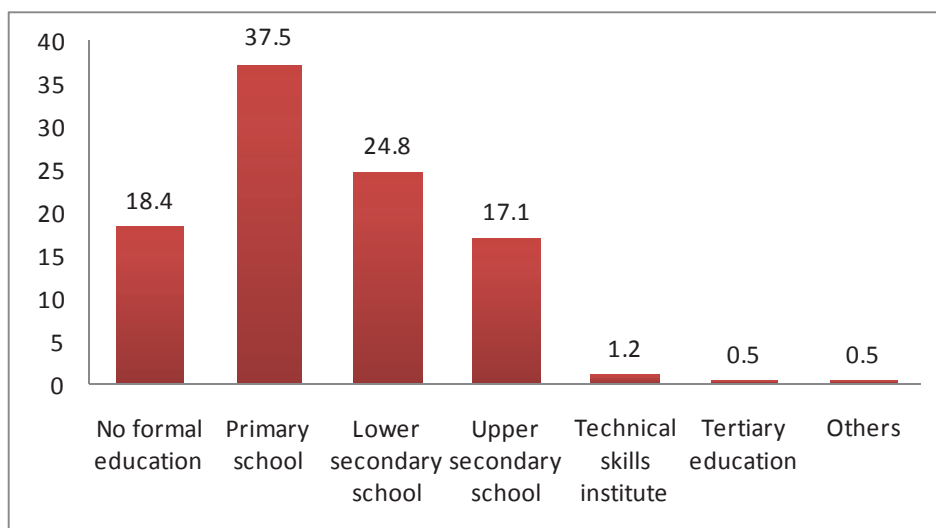
	No.	Percent
Age (Years Old)		
Less than 30	145	7.8
30-39	350	18.9
40-49	515	27.8
50-59	392	21.2
60-69	228	12.3
More than 70	222	12.0
Total	1850	100.0
Gender		
Male	644	34.8
Female	1206	65.2
Total	1850	100.0
Marital Status		
Married	1201	64.9
Widower	75	4.1
Widow	574	31.1
Total	1850	100.0
No. of children		
1	100	5.4
2	268	14.5
3	389	21.0
4	405	21.9
5	248	13.4
6	146	7.9
7	294	15.9
Total	1850	100.0

With regards to the level of education, most of the respondents are found to have low level of education (Figure 1). There are 18.4% of the respondents who did not have any formal education at all. Majority of them (37.5%) only had primary school education, followed by 24.8% lower secondary school, and 17.1% upper secondary school. Quite interestingly, however, there is 0.5% who had education at the tertiary level – polytechnic, college or institution of higher learning.⁴ In terms of type of employment, most of the respondents (38.1%) involve in agricultural and fish-

⁴ Closer examination reveals that they are participants or members of Amanah Ikhtiar Malaysia (AIM).

ing activities, where rubber tapper formed the largest group (21.5%)(Table 5). There are quite a significant number of them who involve in micro-business (34.5%).⁵

Figure 1: Distribution of respondent by education level (%)



Note: Others – religious school

Table 5: Distribution of respondents by type of employment

Type of employment	Percentage
Farmer	10.5
Rubber Tapper	21.5
Fishermen	6.1
Micro Entrepreneur	34.5
Cottage Food Producer	2.6
Village work	7.9
Laborer	10.8
Government/Private Sector Employee	6.1
TOTAL	100

With respect to income, it is found that the average monthly household income of the respondent is RM686.00 per month (Table 6). Respondents who participate in microcredit program of AIM recorded the highest average monthly income, i.e. RM957 per month. In terms of distribution, more than half of the respondents have income RM500.00 or less per month and about one third have monthly income between RM501.00 - RM1000.00 (Figure 2).⁶

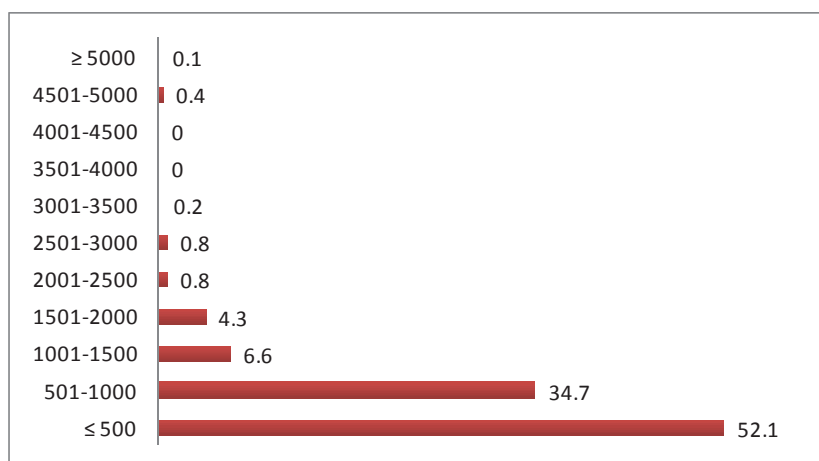
Table 6: Average household income of respondent by agency (RM/Month)

Agency	Average household income (RM/month)
Welfare Department	481.88
Department of Zakat	559.42
AIM	957.53
KEDA	504.04
Total (Overall)	686.48

⁵ Micro-Entrepreneur refers to a single owner-operator, owns a very small business and requires relatively small capital to set up, often unregistered, and usually have no employees or have only unpaid family members as employees.

⁶ Some of the respondents are no longer poor, since their income might have increase above the poverty line after participated in the poverty program. Using poverty line income of RM720.00/month, which is the poverty line income for Peninsular Malaysia in 2007, our calculation shows that 70.5% of the respondents are poor, while the remaining 29.5% are no longer poor. Interestingly, most of those who are no longer poor are those who involve with AIM microcredit program.

Figure 2: Distribution of respondents by average monthly household income (%)



(b) Access to information⁷

We discover that nearly one third of the respondents (33.0%) did not have any information and knowledge regarding poverty eradication agencies from which they could get assistance (Figure 3). Besides, there are 36.8% of the respondents reported that they don't have any information on the poverty program undertaken by various agencies (Figure 4).

Figure 3: Access To Information On Poverty Institutions

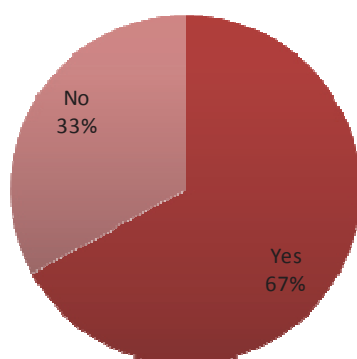
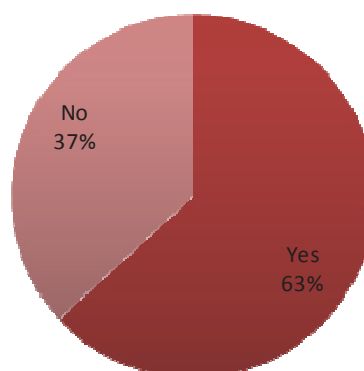


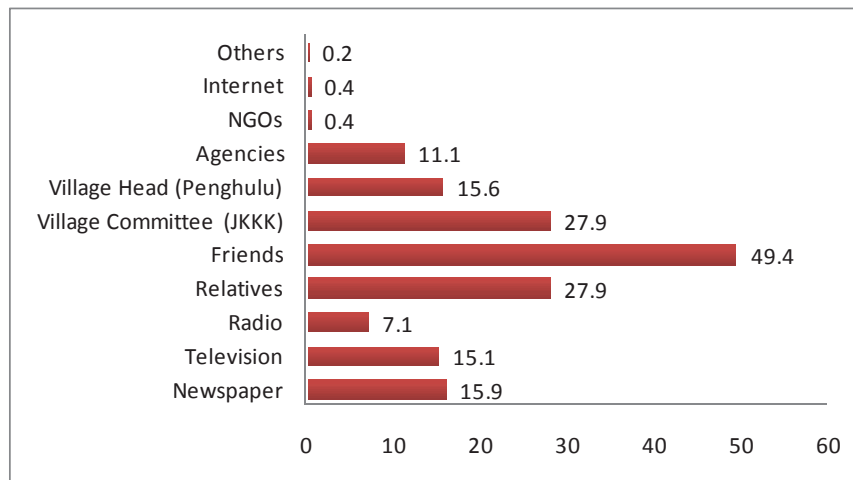
Figure 4: Access to information on poverty programs



Furthermore, for those who have access to information, we also investigate the sources from which the respondents get their information. Our findings shows that 49.4% of the respondents obtain the information from friends, 27.9% from relatives, 27.9% from village committee (JKKK), 15.9% from newspaper and 15.6% from village head (Penghulu) (Figure 5). The agencies itself appears to be relatively unimportant as a source of information, where only 11.1% of them reported that they obtain the information from the agencies.

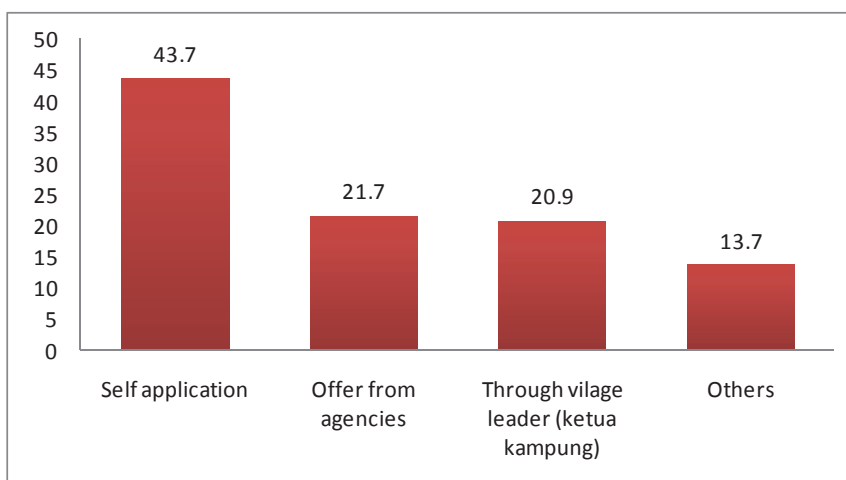
⁷ Access to information here refers to information on the agencies and programs other than the agency and program that the respondents currently participated in.

Figure 5: Sources of information (%)



We also investigate whether the information that our respondents have accessed to is sufficiently enough to help them in securing appropriate assistance from the relevant agencies. Our study reveals that 37% of our respondents reported that they have insufficient information. Furthermore we extend our investigation by examining what kind of additional information that they require. We find that the additional information that they need are as follows: information on application procedure (38.4%), types of assistance offered by the agencies (22.5%), role of the poverty agencies (16.7%), and application terms and conditions (12.3%). We also examine further the channel through which the respondents get the assistance from. Our study shows that majority of the respondents (43.7%) reported that they apply on their own, 21.7% offered by the agencies, and 20.9% get the assistance with the help from the village leader (Figure 6).

Figure 6: Means or channel of getting assistance



Realising that access to information with regards to the institutions and programs of poverty alleviation is vital if any poverty program is to be effective, this study suggests that access to information should be improved. Our study indicates that the percentage of those who did not have access to information, which is more than one third of the total respondents, appears to be high. With regards to the channel of information, our study suggests that the most effective channel through which information on poverty institution (agency) and programs should be disseminated is through the informal channel. In view of this, we suggest that the agencies should

take a more proactive approach whereby the officers should go out and meet with the potential recipient rather than passively waiting their “customer” to come to their office. Besides, our study also suggests that the agencies should provide sufficient information which is clear and easily accessible particularly with regards to the application procedures and types of assistance offered by them.

(c) Suitability and adequacy of poverty assistance

Majority of the respondents (90.3%) agree that the kind or type of assistance provided by the various poverty agencies suits their needs (Figure 7). Analysis by agencies shows that the overall score is 2.86 out of 4. Looking at each agency, AIM recorded the highest score (3.02), while the lowest score (2.62) is recorded by Department of Zakat (Figure 8).

Figure 7: Suitability of the assistance with needs (%)

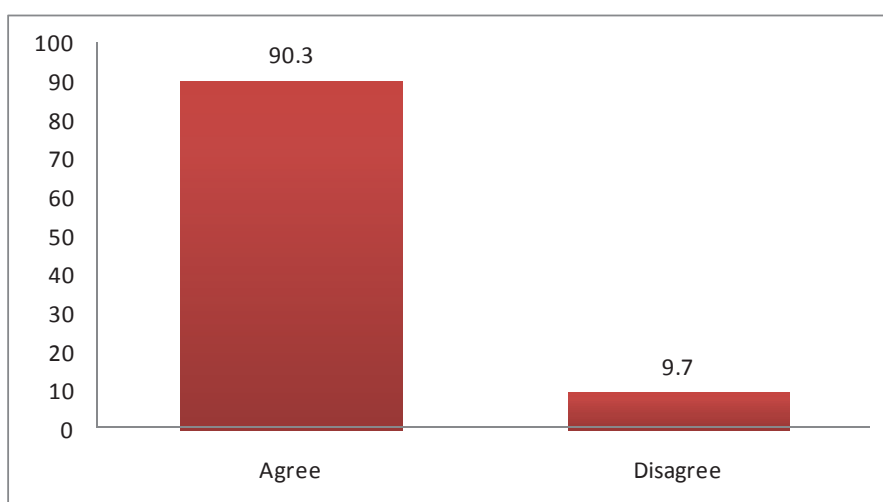
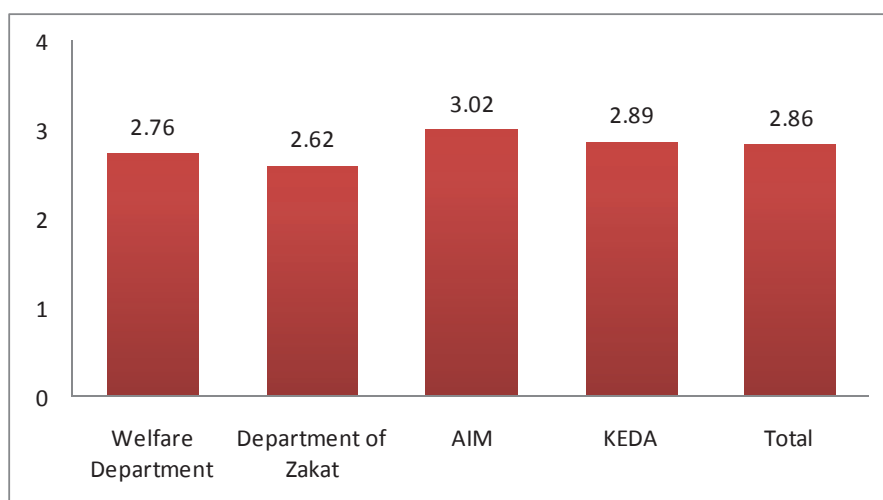
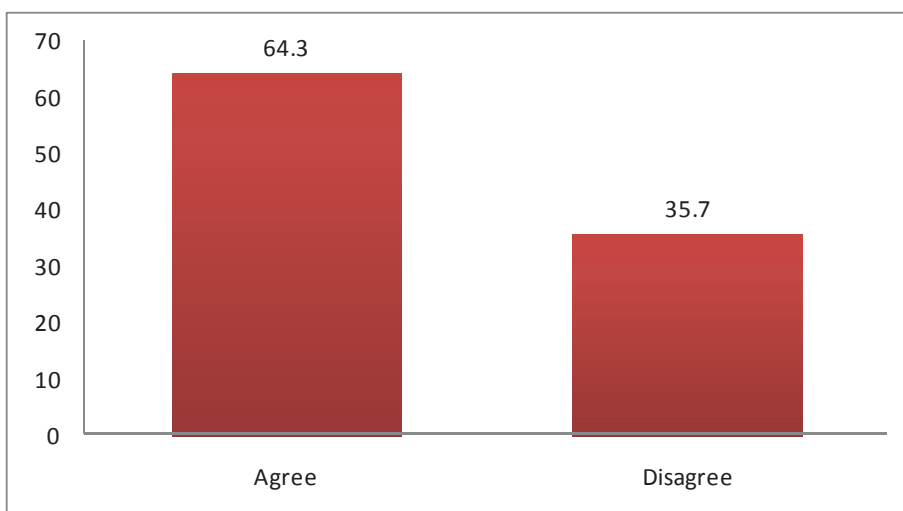


Figure 8: Score on suitability of assistance by agency



While majority of the respondents do agree with the suitability of the assistance, we found that this is not the case with the adequacy of the assistance. Our study reveals that 35.7% of the respondents disagree that the assistance that they received is adequate (Figure 9). This relatively high percentage of disagreement compared to other items is nevertheless indicates the seriousness of their dissatisfaction.

Figure 9: Adequacy of the assistance (%)



Further investigation reveals that, with the exception of AIM, the percentage of respondents that report their disagreement on the adequacy of assistance is relatively high (Figure 10). As for instance, the Department of Zakat shows that the percentage of those who are agree and disagree are almost equal. However with regards to the overall aspect of the assistance, our study reveals that 78.8% of the respondents are satisfied, while the remaining 21.2% dissatisfied (Figure 11).

Figure 10: Satisfaction on adequacy of assistance by agency (%).

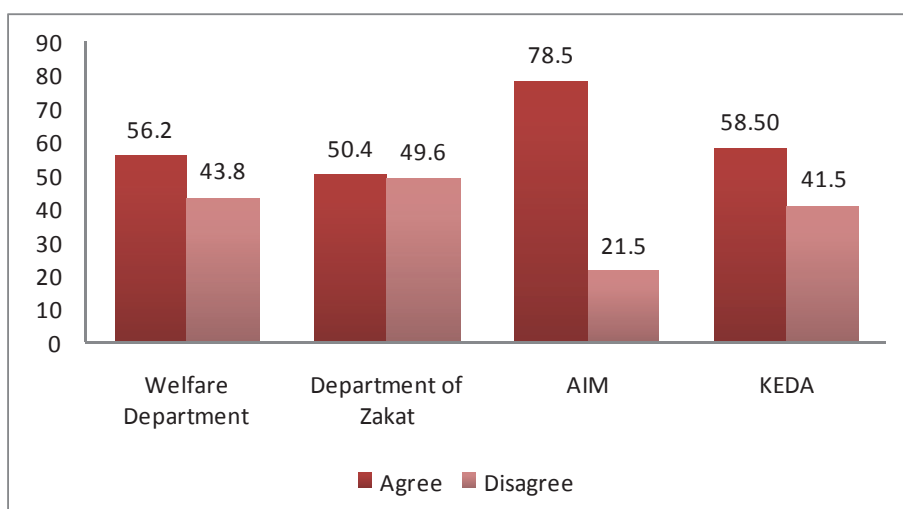
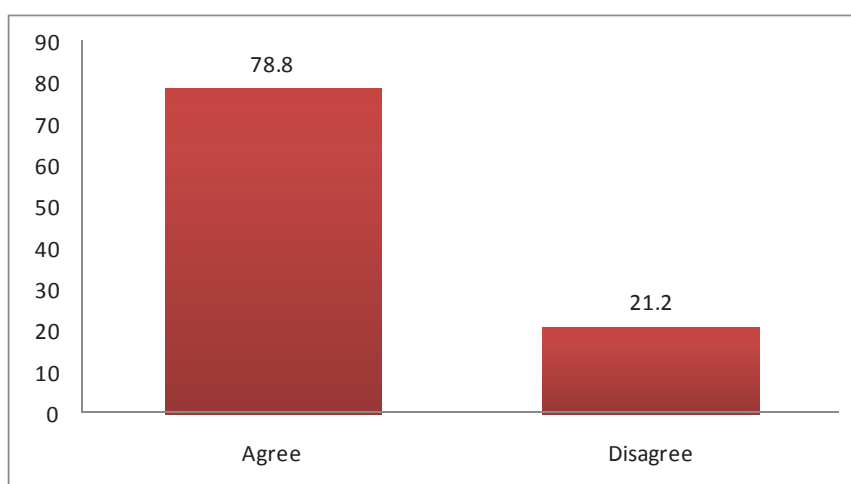


Figure 11: Satisfaction with the overall aspect of the assistance (%)



Our study thus indicates that most of the respondents (90.3%) perceived the assistance given to them suits their needs. Only relatively small percentage (9.7%) perceives otherwise. However, as far as adequacy of the assistance is concerned, our findings indicates that there is quite a significant percentage of our respondents (35.7%) perceived that the support given to them is inadequate. Thus, our findings suggest that the amount of the support given should be further re-examined in order to ensure the utmost impact towards improving the life of the poor. Furthermore, while those who perceive that the support given do not really suits their needs and expectation is relatively small, nonetheless to avoid waste of public funds, a prior study or investigation need to be carried out among each of the poor household as to determine the suitability of the support. In other words, it is to ensure that the support given matches their skills and knowledge, capacity and competency.

(c) Accuracy on reaching the targeted poor

Our study reveals that 34.8% of our respondents reported that they know some households whom they believe are poor and should be eligible for assistance, but did not get any assistance (Table 7). In addition, we further ask the respondents of how many households which are categorised as eligible poor but not getting any assistance that they know. Table 7 also shows that about 70% of them know at least 3 households or more. We however realize that this result should be interpreted cautiously since the reported figures by each respondent might be overlapped. Nonetheless, taking into consideration that our respondents are scattered through a large area within the Northern Region, the possibility of overlapping might be minimal.

Table 7: Number of eligible household but did not get assistance

Do you know any poor households whom you believe should be eligible for assistance, but did not get any assistance?	No. of respondent	Percent of respondent
Yes	644	34.8
No	1206	65.2
Total	1850	100.0
If Yes, how many household do you know?		
1	74	11.5
2	131	20.4
3	245	38.1
4	45	6.9
5	67	10.4
>6	82	12.7
Total	644	100.0

Related to the above issue of accuracy of targeting, our study also uncovers that 29.4% of the respondents reported that they know some households that received assistance, but whom they believe are not poor and not eligible for the assistance (Table 8). Table 8 also shows that about 70% of them know that at least 3 households or more, whom they believe are not eligible but do get assistance. Again, this result may be overstated due to multiple counting, but the problem would be very minimal.

Table 8: Receive assistance but not eligible

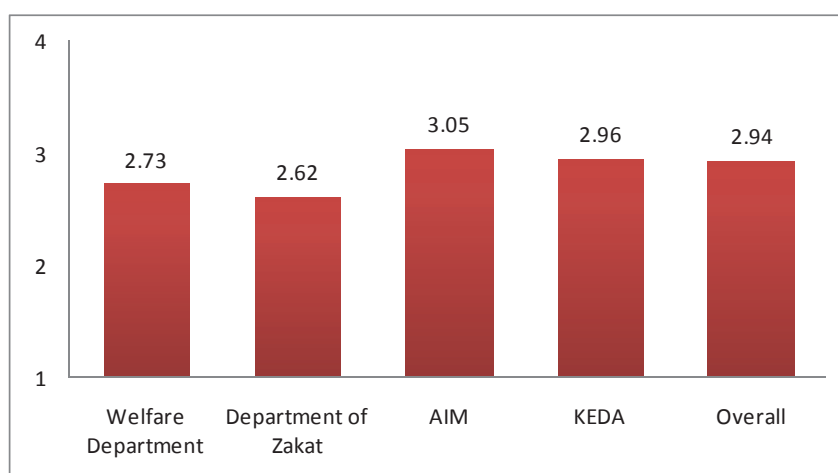
Do you know any households who get assistance, but whom you believe are not poor and should not be eligible for getting the assistance?	No. of respondent	Percent of respondent
Yes	544	29.4
No	1306	70.6
Total	1850	100.0
If Yes, how many household do you know?		
1	64	11.8
2	113	20.8
3	211	38.8
4	39	7.1
5	57	10.6
>6	60	11.0
Total	544	100.0

In addition we further ask the respondents about the probable causes for such inaccuracy and our study discovers that among the reasons reported are favouritism, cronyism, false information, failure to apply due to ignorance and lack or no explanation from the implementing agencies. Thus, the finding of our study indicates that the support given by various government agencies might not really reach the target group and it implies that there are leakages in terms of resources that are intended to help the poor. In our opinion, if the effectiveness of the poverty program is to be improved therefore it is timely that the identification of the poor and the beneficiary of the program should be more transparent. In this regards, we suggest that the record (data) of the poor be updated frequently and furthermore those data are collected, verified, and monitored by an independent body.

(d) The impact of the poverty alleviation program on the poor

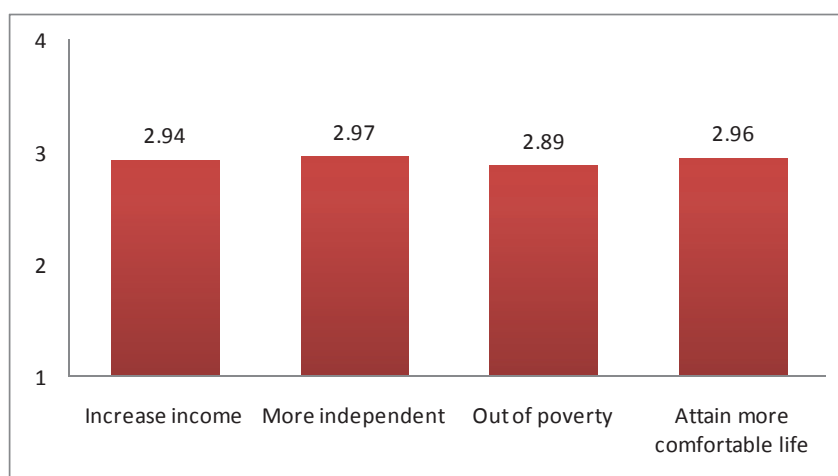
In this study we also gathered and analysed information on the perception of respondents on the impact of poverty programs on the life of the poor. The overall average score is 2.94 (Figure 12). It is also interesting to discover that the total score by agencies reveal that AIM recorded the highest score (3.05), followed by KEDA (2.96), Welfare Department (2.73) and Department of Zakat (2.62). The relatively high score for AIM and KEDA are probably due to good and proper management since both have sufficient provision of assistance due to well trained officers, better monitoring of the program and continuous motivation through training.

Figure 12: Score on economic program by agency



Analysing further on the perception of respondents with regards to economic program reveals that the score for each aspect of the economic program is generally high (Figure 13). It seems that our respondents agree on all aspect of the program that being asked. Specifically, the respondents do agree that the economic program increase their income, enable them to be independent, could lift them from poverty and enable them to attain a more comfortable life.

Figure 13: Score on economic program by dimension



Our finding reveals that a high percentage of the respondents agree that economic-based program carried out by various agencies has helped them to be financially independent, raise up their income, enable them to be out of poverty, and improve their quality of life. This finding implies that economic-based program, such as provision of small capital is appreciated and well perceived by the respondents. Thus the relatively higher score for AIM is attributable to its well managed microcredit program and hence we believe that the outreach of microcredit programs should be intensified and enlarged. This is in line with the development objective to encourage independence rather than relying on government support. Indeed, we find that the poor are no lesser than the rich as such they are rational economic decision maker who response well to incentives. What they are looking for is an opportunity to improve their economic well-being rather than becoming dependent on public support to improve their lives.

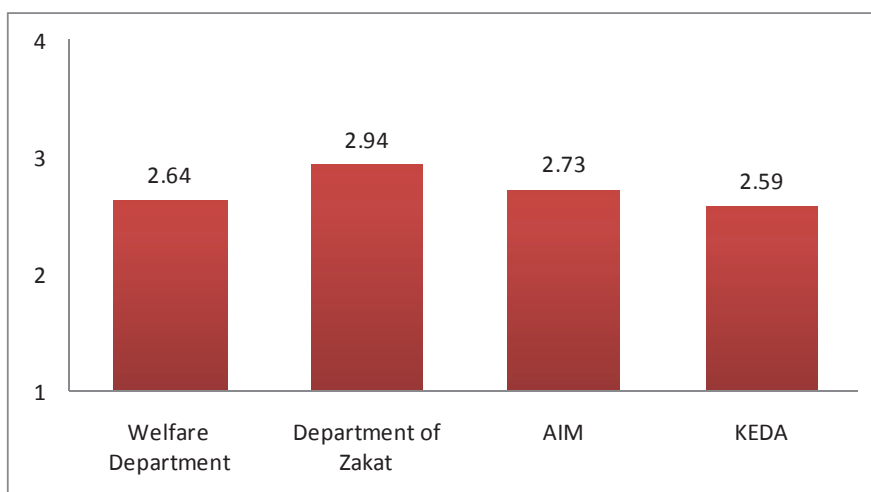
(e) The quality of services from the related poverty alleviation institutions

Our findings show that the overall perception of our respondents on the quality of services is generally satisfactory. The overall score is 2.72 (Table 9). The highest score is recorded for dimension of assurance (2.77), while the lowest score is recorded by empathy (2.72). By institution, the highest score is reported for Jabatan Zakat (2.94), followed by AIM (2.73) and JKM (2.64) (Figure 14).

Table 9: Average score of quality of services by dimensions

Dimension	Average Score (Min)
Tangible	2.68
Reliability	2.72
Responsiveness	2.72
Assurance	2.77
Empathy	2.66
Total (Overall)	2.72

Figure 14: Score on quality of services by agency



Thus, this finding suggests that the quality of services provided by the various agencies, as perceived by the respondents, is generally satisfactory. Nonetheless the respondents do single out aspect of empathy as an aspect to be improved to enhance the quality of services of the poverty related institutions. In this regards we believe that the officers from various poverty related agencies must be equipped with relevant social skills to help them dealing with the poor.

Conclusion

In a situation where poverty is widespread, macro strategies such as ensuring high economic growth, creation of employment opportunities as well as provision of public infrastructure such as education and health facilities, the benefits of these would probably “trickle-down” to the poor. However, when the number of poor household is significantly low, as is currently in Malaysia, how to reduce poverty further is a very challenging task. Micro strategies, which directly aimed at the poor, such as microcredit program, would certainly be a reasonable strategy. Nonetheless, the effectiveness of micro strategies previously focuses on the output rather than the outcome. In this regards, this paper investigate the effectiveness of poverty alleviation programs and deviating away from the standard analysis by measuring the effectiveness of the poverty programs, focusing on the outcome of the poverty programs. Here, we examine the effectiveness of the poverty alleviation programs based on the perception of the poor (program beneficiary) themselves.

The findings of this study suggest that there are still rooms for improvement. First, information with regards to procedures and requirement should be made clear and easily available. Besides, our findings also suggest that dissemination of the information to the intended group might be better done through informal channel of communication. Second, the support given to the poor should be suitable with their skills and knowledge, capacity and competency. Furthermore, the adequacy of the support given should be seriously re-examined, so that it will give the most impact towards improving the life of the poor. Third, the leakage in terms of resources that is intended to help the poor should be minimised. This could be done by avoiding favouritism and cronyism in selection of the poverty program beneficiary. In this regards, data on the poor should be collected, verified, and monitored by an independent body and should be updated frequently. Fourth, it appears that economic-based program, such as provision of small capital is appreciated and well perceived by the respondents. In this regards, the outreach of microcredit programs should be intensified and enlarged. Finally, aspect of empathy should be emphasised so that the poor might feel that they are important, valued, and welcomed. In this regards, officers from the various poverty related institutions must be equipped with relevant social skills in dealing with the poor.

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THE ROLE AND OBJECTIVES OF ZAKAT (CHARITY) IN FIGHT AGAINST POVERTY*

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Introduction

Economic and social investments are of course prior for struggle against poverty. However, this is certain that finding a solution for poorness and poverty problem just with economic and social measures is not possible without creating an aid and solidarity awareness in a society. Understanding mystery and aims of zakat as one of five basic worships of Islam is very significant to solve this problem. Because, Islam imposed social responsibility on people, asked people to take care of each other, have a cooperation spirit far away from egoism; ordered wealthy believers to give zakat as a religious requirement for this. In other words, it considered zakat not as a voluntary aid but as a rightful share required to be delivered for people in need as right holders and a religious worship required to be performed. In addition, it also encouraged voluntary aids for solution of poverty problem.

In this notification, we try to examine zakat worship which makes the life meaningful as other worships and has a very important position and function in individual and social arena with its mystery and aims in terms of its contribution in the struggle against poverty.

A. IN TERMS OF ZAKAT GIVER

Zakat is not only worship in itself but also has some secular ethereal benefits and mysteries in terms of zakat payer. We can list them in main topics as follows:

1. *Keeping Servitude Awareness Alive*

Zakat is firstly a servitude indicator because the Almighty God is commanding to give zakat. Duty of servant is firstly to exactly fulfill the tasks imposed by the creator. For this reason, Muslim person fulfills his/her servitude debt by granting for God's sake without expecting something in return in direction of the God's command in financial worships just like the case in other physical

* The original version of this paper is in Turkish and English translation is appeared here. The original version of the paper is appeared on the Turkish version of the Edited Collection of the Symposium.

worships. By this way, he/she breaks the excessive love for property and prioritizes God love and sake before all loves.

2. Thanking God for Bless

Wealthy person thanks God for numerous bless that He granted for him/her. Because, thanking God, who gives bless and rescues from poorness and poverty, is a duty imposed on servants. Almighty God asks his servants to eat their good and clean daily bread and thank Him. (Bakara, 2/172)

Any wealthy person who is aware of his/her responsibility knows that the society also has a right and contribution in wealth he/she acquired. Could a servant acquire this wealth if he/she lives alone at the end of nowhere instead of the environment living? Of course he could not. For this reason, he/she must pay thank debt for the God who gives all these blesses and the society he/she lives in. Because, zakat is one of the most beautiful examples of thanking for blesses of the God for servants. Servant performs his/her task of thanking for property and wealth bless granted by the almighty God by paying zakat for poor and people in need.

3. Being Protected from Meanness Sickness

Meanness means to avoid from aiding the property required to be spent and from giving this money because one loves so much this property. In other words, meanness is the feeling of benefiting from property holdings alone but not favoring others.

The Koran orders *"And those who, when they spend, are neither prodigal nor grudging; and there is ever a firm station between the two"* (Furkân 25/ 67) while listing the characteristics of the Compassionate God and emphasizes that real believers are people avoiding from meanness, waste and making careful spending.

The Prophet orders *"A slave never has meanness and faith in his heart at the same."* (Nesâî, Cihâd, 8). In some other hadiths, He orders as *"Avoid from meanness, because those before you were destructed due to meanness. Meanness conduced them to avoid from giving, then they did not give, conduced to stop goodness, then they stopped, (to accumulate property) conduced to commit a sing, then they committed sins."* (Ebû Dâvûd, Zakat, 46); *"Avoid from oppression. Because oppression will become darkness in the last day. Avoid from ambition and meanness of self. Because, because those before you were destructed due to ambition and meanness. These emotions conducted them to blood-shed and making their unlawful things lawful"* (Müslim, Birr, 56) *"Two angels land from the sky in every day. One of them prays as God! Give the new one for the one who gives his property! Other curses as God! Destroy property of those who act as mean."* (Buhârî, Zakat 27; Müslim, Zakat 57), let Muslims to avoid from meanness and encouraged for generosity. Moreover, He gave information about communities exhausted due to meanness.

In this respect, property and wealth owners cause stimulation in anger and jealousy of poor unless they oversee needy people with their zakat and almsgiving. In fact people should cooperate with each other. Wealthy people get rid of zakat debt by giving the right on their wealth to needy people; so needy people feel love and respect for rich since they cover their needs. Otherwise, societies are exhausted as notified in hadiths. People started to consider blood shed and taking property and wealth of others as legitimate.

Zakat is a worship that protects individuals from excessive addiction to material, social troubles and meanness sickness.

4. Reaching to Virtue of Generosity

Muslim should be abstinent, the character of preferring Muslim fellows and generosity occurs when he/she has a property. Muslims should do favor and abstain from meanness. The Koran indicates this issue as follows: *"Those who came (into the faith) after them say: our Lord! Forgive us and our brethren who were before us in the faith and place not in our hearts any rancour toward those who believe. Our Lord! Thou art Full of Pity, Merciful ..."* (Haşr, 59/9)

Since generosity rescues needy people from troubles, it is like a curing medicine in some way. With the Prophet's words; *"Generous person is close to the God, close to people, close to heaven, far away from the hell. Mean person is far away from the God, far away from people, far away from heaven, but close to the hell. God loves illiterate generous person more than mean worshiper."* (Tirmizi, Birr and Sila, 40) Our Prophet ordered as *"Aid, stop accounting, otherwise the God also account and withhold from you."* (Müslim, Zakat, 88), stated that one should not behave mean while spending, should avoid from being shabby, otherwise the God will reduce kindness given to the God and begrudges His benefaction.

Generosity should not be understood as just giving much. It implies to aid more or less according to possibilities owned. Muslim should attempt to practice almsgiving even if just a bit. Because even a little amount of almsgiving leads to protection from the hell. Thus, the Prophet asked people to give almsgiving even if just a bit as much as they can and ordered as *"Who among you is protected from fire with a half date palm, this one do this."* (Müslim, Zakat, 66).

Assistance soul, primarily zakat, sharing morality brings people in a spiritual temper and awareness of self-sacrifice for others.

5. Being filled with Compassion and Mercy

Zakat is a worship that approaches slaves to the God, and cleans their soul and property spiritually. Zakat giver is deemed as accomplished tempering excessive love for property. A person who reached to such virtuousness does not have an understanding neither getting spoiled by looking at property nor feeling sorry due to the things not reached. He/she just respects for benediction to be granted by the God in the last day. He/she believes that degree of aid performed in this life will be improved in the afterlife. By this way, the person having spiritual outfit comes to the aid of people considered needy in the society, spiritually enjoys from his/her job, and has a soul full of peace. While performing this, this person does not expect any reward from another person other than the reward to be granted by the God. Mercy feelings stimulate when he/she sees a destitute, hungry, motherless, widow, naked, in short a weak person. He/she cannot be at ease unless feeding needy people.

The Prophet ordered as *"One who sleeps as filled when his neighbor is hungry is not our religious fellow."* (Beyhaki, es-Sünenü'l-Kübrâ, X, 7), and indicated that a Muslim full of compassion and mercy feelings does not leave his/her needy fellow alone in such a bad situation. As a matter of fact, Ensar from Medina has a heart cast in faith and a soul softened, so he enfolded refugee fellows from Mecca who immigrated from Mecca by leaving all their holdings, supported them financially and spiritually, even recommended to make them partner for his property and wealth.

The way of making a Muslim to be equipped with affection, compassion and sensitivity relies on an aid performed with property and life. Zakat comes first for this. Thus, the Prophet responded to a Sahabi as follows: *"Feed poor, caress hair of a motherless if you want to make them soft!"* (Beyhaki, Şuabü'l-Îmân, VII, 472, hadith no. 11034).

6. Having the Awareness of Assistance and Solidarity

One of the outfits innately possessed by a person that will ensure orienting towards good and beautiful is the feeling of assistance, solidarity and sharing feels. The important thing is to stimulate this emotion existing in creation of a human and to ensure its development. Zakat has a function that reveals, improves this feeling and realizes social assistance and solidarity.

Social assistance and solidarity means that the society covers the basic needs of poor and orphans, needy and almsman who does not have the power and strength of working or cannot completely cover their needs by working. In other words, social solidarity means each individual in the society knows, feels that he/she has some duties and responsibilities required to be fulfilled for the society and does his/her part imposed for this purpose.

Muslims are fellows of each other, even similar to organs of a body. Just like all other organs of the whole body are disturbed in case of a pain and hurt in any organ of the body, pain and sad-

ness of a person, or needy situation of a person would also disturb all other Muslims. Upon this, Muslims in good situation come to the aid of their fellows in trouble, share their pain and cover their needs. (Buhârî, Edeb 27; Müslim, Birr, 66) By this way, social assistance and solidarity awareness is improved.

Any suffering, trouble, sadness and pain suffered by a Muslim should be shared by other Muslims. Because, covering the needs of religious fellows, removing their financial troubles, practicing Islamic zakat are encouraged with a number of verses and hadiths: Muslims would prefer poor and needy at the expense of themselves and spend their property to make them happy. They like engaging in suffering of others and do not expect a response. They say *"We feed you for the sake of God only. We wish for no reward nor thanks from you."* (İnsân, 76/8-9). And they exactly know that *"If someone removes a trouble of this life for a believer, the God would remove a trouble of him in the last day. If someone makes things easier for anyone short of money, the God would make things easier for him in the life and afterlife. If someone removes attainment of a Muslim, the God would remove his attainments in the life and afterlife. The God would help a slave as long as this believer slave helps his religious fellow."* (Buhârî, Mezâlim 3; Müslim, Zikr 38; Birr, 58)

In that case, a wealthy Muslim shares his/her property holding with needy believer fellows by means of zakat which is obligatory and of other voluntary aids in the form of almsgiving, and tries to please them. He/she spends money for this purpose willingly and just for the sake of God. (İnsân, 76/ 8-9)

As a matter of fact, Muslims who could notice this kindness have worked, produced for day and night, established foundations and tried to be beneficial for others with the aim of being giver hands during the whole history. They noticed that the greatest happiness relies on the aid for poor and orphans, making them happy and acted with this awareness. Obtaining this awareness has a much greater significance today. Zakat is one of the best social assistance and solidarity establishments.

7. Comprehending the Real Owner of Property and Wealth

Real owner of property is the Supreme God. For this reason, authority of saving on property also belongs to Him. Because, He is the one who created and provided livelihood for. This issue is stated as follows in verses: *"Sovereignty of sky, land and everything just belongs to the God. He is the one strong enough for everything."* (Mâide, 5/120) *"Say: O God! Owner of Sovereignty! Thou gives sovereignty unto him Thou wilt and Thou withdrew sovereignty from whom Thou wilt. Thou exalted whom Thou wilt Thou abased whom Thou wilt. In Thy hand is the good. Lo! Thou are able to do all things."* (Âl-i İmrân, 3/26)

As understood from above given meanings of verses, the property granted for men is the God's relic. He is powerful to retake the property He has given whenever He wants. Because, the real owner of property is Him. Accordingly, anyone in the world does not have the authority of spending property in a limited and irresponsible way in absolute meaning. Just the Supreme God, as the owner of property, has the authority of saving this as he wants.

In short, just like we belong to the God (Bakara 2/156), things we own also belong to the God. (Âl-i İmrân, 3/189). He permitted his slaves to save His property. One has to act painstakingly and make spending as a representative of him while using this permission. People should not hinder zakat and almsgiving as the right of property by paying attention to hadiths of our Prophet *"Giver hands are worthier than receiver hands."* (Buhârî, Zekât, 18) *"Lawful and useful property held by a Suitable person is so good."* (İbn Hıbbân, Sahih, VIII, hadith 6, hadith no. 3210). Those considering them as the real owner of property and not performing an aid on the way to God should take necessary lesson from this heavenly warning; *"And what happens to you that you do not spend in the way of God, when inheritance of the heavens and the earth belong to the God"* (Hadid, 57/10)

8. Restraining the Sense of Ambition

The Koran clearly states that people have an ambition and addiction for property and wealth

(Âdiyât, 100/8); and ordered as *"You love property so much."* (Fecr 89/20). In another verse it is ordered that *"Undoubtedly human being is created as very ambitious and impatient. They bleat when they are subjected to evil. They are shabby when they are made a favor."* (Meâric, 70/19-21). However, the other part of the verse states that people "who perform salaah, oversee the rights in property of those desiring and being subjected to (though not desiring), namely perform zakat, afraid of torture of the God by approving the judgment day, protect their privates, rely on trust, keep their promises, properly give testimony and carefully care about prayers" would be protected from negative attitudes and behaviors like fortune hunting, ambition and hunger. (Meâric, 70/22-35)

The Prophet also orders as *"Humankind having two valleys full of property would definitely want a third valley. Just land feasts their eyes upon."* (Buhârî, Rikâk, 10; Müslim, Zakat, 116, 119; Tirmizî, Menâkib, 32) and indicates that human being has a greedy nature, so this feeling must be turned into a positive feeling like satisfaction, all kinds of expansiveness and deviance should be restrained with satisfaction. The verse *"Any damage caused by two hungry wolves released to a sheep herd is as severe as the damage caused by a fortune and rank hunter person in his religion."* (Tirmizî, Züh'd, 41; Dârimî, Rikâk, 21) of the Prophet indicates the damage to be caused by ambition and greed.

This is a reality that today a number of people are not grateful for benedictions granted by the Supreme God and fail in aids with their property and wealth due to such an ambition and hunger not kept under control with moral supervision. Moreover, they may try to acquire some thing they do not deserve and by oppressing or applying on illegal methods like corruption or bribe.

Uncontrolled sense of ambition and hunger does not only damage religious, moral and psychological life of individuals but also disturb order of asocial life, destroy supreme values like peace, brotherhood, justice, equality, kill solidarity and sharing spirit, cause injustice and trouble.

There are a number of rich people who do not share their wealth with needy people due to ambition and do not spend even for their own needs in vital significance. By this way, they suffer from poverty in a life of wealth. They continuously try to increase their wealth which is neither beneficial for them nor for the society regardless of lawfully/unlawfully. People having such a psychology does not show honor to orphans, not encourage feeding poor, spend thrift to the utmost and love property. (Fecr, 89/17-20) However, if people are exposed to well satisfaction training with control; in this case ambition controlled with satisfaction does not damage them and provide positive contribution in material and moral improvement. Because, satisfaction removes such insufficient worry and fear.

For this reason, all Islamic sources primarily the Koran and Sunnah introduced moral principles in the character of braking ambitions and passions and orienting in the positive direction. Worship of zakat as one of the five basic principles of Islam has a function of controlling and regulating ambition for property.

9. Preventing Occupation of Soul with Property Love

Our Supreme Religion Islam neither asks people to keep their hands off from the life nor to be excessively addicted to property by completely orienting to life. Contrarily, it requires them to ensure both worlds' happiness by establishing a balance between life and afterlife. Thus, a verse orders in this issue like *"But seek the abode of the hereafter in that which the God had given thee and neglect not the portion of the world, and be thou kind even as God had been kind to thee, and seek not corruption in the earth; lo! the God loved non corruptors."* (Kasas, 28/77)

The Prophet ordered as *"One who left the life for afterlife or left afterlife for life cannot be best for you. Your best is just having your share of both because, the way of reaching to afterlife passes through the life. Then, do not be burden for other people."* (Kenzü'l-Ummâl, III, 238, h.no: 6334) and asked Muslims to ensure the balance between life and afterlife.

Mevlânâ Jalaluddin Rumi assimilates life possessions and situation of human to ship and water. While He says "Inclusion of water in ship is destruction of ship. Water under ship helps driving

of the ship" (Mesnevi, l/80 couplet: 985) and love for property and wealth he assimilates to deep waters of sea embedded in the heart of person would drive that person to destruction. However, the ship using water as a tool to proceed would safely reach to destination.

Practicing zakat does not only protect person from being greedy for property but also is a great step for establishing the concerned balance between life and afterlife. A wealthy person does not only purify his own soul from bad habits like greedy, hunger and property addiction, but also ensures the balance between life and afterlife by being protected from domination of material.

10. Purification from Sins and Attaining Mercy

Worship of zakat is a tool for forgiveness, grace, redemption of sins and attaining mercy like all other worships. This issue is emphasized in verses as *"Receive an almsgiving (zakat) from their property to purify and clean with them..."* (Tevbe, 9/103); *"...I promise I will hide your evil and put you in the heaven full of flowing rivers if you perform salaah, practice zakat and believe and support my prophets, and if you make a nice loan to the God (by aiding the poor most sincerely) ..."* (Mâide, 5/12) Another verse orders that *"...My mercy covered everything. I will write this for those abstaining from objecting to me, practicing zakat and believing in my verses."* (Arâf, 7/156) and informs that one of the worships which ensure reach to encompassing mercy of the God and purifies people from sins is zakat as well as salaah.

Declaration of the Prophet, regarding that the examination exposed by people due to their family, children and neighbors could be covered by means of salaah, almsgiving and doing favor, also indicates that almsgivings conduce to purification from sins and protection from troubles and disasters (Buhârî, Zakat, 23) The verse implying that *"Protect you from the fire even with a half date palm"* (Buhârî, Zakat, 10) clearly indicates that every almsgiving paid regardless of its amount, all kinds of benevolence realized in the wake of God would provide redemption for sins and protect people from hellfire.

B. IN TERMS OF ZAKAT RECEIVER

Zakat has a number of material and moral mysteries and benefits both in terms of zakat giver and zakat receiver.

1. Creating a Soul Bridge between Giver and Receiver

We can mention about a number of known and unknown mysteries of worships. One of these is to establish a contraction, love and respect link among people. Here financial worships like zakat and almsgiving constituting our topic conduces to establishment of a moral link based on love and respect between givers and receivers. Because, rich experiences happiness by feeling moral joy of assistance while poor feels affection and respect towards rich. In other words, a love link is created and soul bridges are established between rich and poor by means of this worship performed with property. The verse of our Supreme Prophet as *"Zakat is the bridge of Islam"* (Kenzü'l-Ummâl, VI, 293, hadith no. 15758) points out this issue in one aspect.

Zakat giver considers that richness is a divine testing and one may lose it in the future unless he/she appreciates the benedictions owned today. Rich should never forget loss of benedictions previously owned due to the lack of glorification. Therefore, he/she makes benevolence for others in the same way as the God made to him/her. Zakat receiver also knows that the one actually giving the benediction is the God, but wealthy people function as a mediator in the way of delivering this benediction. He/she feels love, respect and gratitude towards people who delivered the benediction as well as covering the debt of gratitude towards the Supreme God. The Prophet ordered in this issue as: *"Hearts feel love towards people doing a favor, hate from those doing an evil."* (Beyhakî, Şuabü'l-İmân, VI, 481, hadith no. 8983). Another verse states that *"people failed in thanking would not be deemed as grateful for the God"*. (Tirmizî, Birr and Sila, 35)

For this reason, both parties of receiving and giving zakat are in debt for gratitude for each other. Because, wealthy person would not perform ordered the sunna if he/she has not found

right holders to give almsgiving right existing in his/he property. Therefore, needy people are great benedictions for fulfillment of this duty. Wealthy person could rescue from this responsibility and addiction to property by means of poor. Needy people would attain the benediction presented by the Supreme God by means of wealthy people.

2. Covering the Need of Receiver

Human kind wants to live a comfortable and peaceful life and be happy in the world. They work for this and try to cover their needs. However, sometimes they cannot have the power to work for different reasons. On the other hand sometimes they could not find a job or possibility of employment to provide their subsistence legitimately even though they have the power of working. Or they could not obtain an income sufficient to cover basic needs of themselves and their family even though they work in a job. Therefore, they are exposed to various troubles. Spiritual precaution becomes a part of the activity right here. Supreme God inspires the sense of assistance in the heart of His rich slave; fills his/her soul with affection and mercy, orders him/her to practice zakat as a requirement for slavery; upon this he/she covers the needs of people in need.

By this way, the person who receives the zakat feels that he/she is not excluded from the society and is protected in some way. He/she receives an amount he/she needs from zakat. But he/she does not demand any amount exceeding this due to his/her decency. He/she believes that a person having a rich soul is made rich by the God. (Kenzü'l-Ummâl, VI, 503, hadith no. 16726-16727) This case provides a serious benefit in self-denial. It creates a comfort and contentment in the soul world of both giver and receiver. It does not only educate personality of giver and cleans him/her from moral dirt; but also protects receiver from evil behaviors offending human honor like undeserved gain and beggary because, one of the mysteries and aims of zakat is to remove the problem of beggary that damages honor and dignity of human as a glorious creature.

People who give zakat try to determine people really in need by acting in accordance with the verse of the Supreme God as "Zakat shall go to the poor who are suffering in the cause of God, and cannot emigrate. The unaware may think that they are rich, due to their dignity. But you can recognize them by certain signs; they never beg from the people persistently. Whatever zakat you give, God is aware thereof" (Bakara, 2/273).

Thus the Prophet ordered as *"Anyone for whom I give something with soul content, he would benefit from this. However if I give due to begging or covetousness, that person likes one who is not full up regardless of the amount he eats."* (Müslim, Zakat, 98). In another verse, He states that the property would become scarce in case one insists in demanding something (Müslim, Zakat, 96), and warned His community in this issue because, any person who performs beggary would wear out the feeling of modesty and sense of shame.

In this respect, zakat receiver should be satisfied and avoid from begging even though he/she holds property in a sufficient amount.

3. Putting Out the Fire of Grudge and Jaundice

Supreme God personally shares out His benedictions among slaves in a certain scale (Zuhruf, 43/32); gives some plenty of livelihood and makes them largely benefiting from possessions of the world. He gives others less livelihood and deprives of. However, all these are appreciated according to a heavenly mystery in the past eternity. (Nahl, 16/71) If all people had equal amount of property and wealth, they would not need to cooperate with each other, a number of jobs and professions required to be performed could not be fulfilled, material and moral improvement could not be ensured.

For this reason, any person who does not have possessions in an amount he/she desires should not have an eye on others' possessions and should be satisfied. They should not be jealous of benedictions possessed by others and should not nurse a sense of grudge and hatred against others. Wealth owner should not stimulate sense of grudge and hatred of needy people who lack of benedictions by getting spoiled with property and wealth or by making pretentious pur-

pose consumption. Moreover, he/she should be aware of the fact that his/her holdings are transitory and the actual permanent benediction can be obtained in the judgment day; he/she should adopt the principle of sharing with poor and conciliating them by giving zakat and almsgiving from his/her property and wealth in accordance with the order of Supreme God.

Really, if rich people do not cover needs of poor who lacks of job and subsistence possibilities through zakat and do not attempt to solve problems, they cannot prevent grudge and jealousy senses against wealthy people. Thus, continuous struggles have occurred between rich people lack of this awareness and poor lack of job and income opportunities during the whole history. Today, it is generally seen that poor segments feel grudge and anger against wealthy due to the imbalance of income, and sometimes they damage rich by plundering or stealing their property in poor countries.

Zakat and almsgiving ensures individuals to acquire mutually good moral emotions like brotherhood, patience, satisfaction and consent. By this way, emotions highlighting hostility among people are suppressed, so neither wealth holders are given the opportunity to be proud nor poor to nurse grudge and jealousy against rich.

4. Encouraging to Work and Earn Legitimately

Giving zakat is more acceptable than receiving zakat in Islam. The Prophet also ordered as *"giver hands are worthier than receiver hands"*. (Buhârî, Zakat, 18; Müslim, Zakat, 94; Tirmizî, Zakat, 38). In this respect, every believer who wants to promote to a worthy position attempts to earn by working legitimately and to be productive and to obtain a wealth in legitimate ways by means of the consciousness of giving zakat. The Prophet ordered as *"Just two persons are envied: One is the person who is given property by the God and spends this property to a worthy place, the other is the person who is given knowledge by the God and judges with this knowledge and teaches this knowledge."* (Buhârî, Zakat, 5; Müslim, Salâtü'l-müsâfirîn, 268) while mentioning about two enviable persons.

As it is seen, one of two persons who are enviable is the one made rich by the God with legal property. Because, any person in this position spends any property he/she has acquired for the God's sake for places required by the religion primarily zakat. He/she is aware of the fact that the wealth possessed imposes a great responsibility. He/she estimates well the place where he/she would spend this wealth. On the other hand, receiver of zakat would envy the person who gives zakat and spends his property in direction of God's sake and he/she also would try to work and acquire property legitimately in order to reach such a position. Undoubtedly, this understanding encourages people receiving zakat to work and be productive.

In turn, we can easily say that zakat does not make poor and needy people inactive and lazy, nor bring into free-riding and idleness; contrarily encourages them to work and produce to earn legitimately and to be a believer useful for humanity. In this respect, zakat provides a new and additional purchasing power for social segments with a low economic income level and ensures them to cover their basic needs on one hand, reintroduce them to the society as potential producers on the other hand.

C. IN TERMS OF PROPERTY AND WEALTH

Zakat must be given from "valuable" products having a legal and religious value and this product must have been earned in legal ways. In this case, zakat to be given does not only purify and clean property or wealth from rightful shares but also makes productive, increases, protects and turns into an enduring investment.

1. Cleaning Property and Wealth with Zakat

Zakat that means increasing, reproduction, cleanness, plentitude, goodwill and praise must include the meaning of cleanness on one aspect and both spirit and property holding of person

must be legal and legitimate. Such that, human who perceives zakat as a worship made the sunna for slaves of the Supreme Creator and adopts in principle to acquire property in some ways considered as religiously legal/legitimate and spend in legitimate areas.

Since share of right holders is paid from property earned legitimately by means of zakat, property and wealth are cleaned. This means in a way that accumulated and stocked property is purified from dirt by means of zakat. Thus, the Prophet was ordered in the Koran to receive zakat from property of believers and so clean them and their property: *"take alms of their wealth, wherewith thou may purify them and may make them grow and pray for them. Lo! The prayer is an assuagement for them. The God is hearer, knower."* (Tevbe, 9/103).

It is possible to say that cleanness mentioned in this verse has three dimensions as individual, social and financial purification. All these are achieved by means of practicing zakat. The word zakat is primarily a tool for cleanness for property in essential meaning because, poor and needy has the right in zakat. (Zâriyât, 51/19) Accordingly, wealthy person cannot get rid of the responsibility unless he/she pays the financial debt he/she is obliged for needy one, so his/her wealth is not considered as clean even though it has been earned legitimately.

Thus, the Prophet ordered as *"the Supreme God made zakat sunnah just in order to ensure your wealth is clean."* (Ebû Dâvûd, Zakat, 32) in a verse and clearly declared that any property not reserved for a zakat in some amount cannot be cleaned, because poor and needy people have a right in such a property.

2. Making Property and Wealth Productive with Zakat

Even though making a financial aid is seen as declining the wealth of rich at first glance, property of slaves does not really decline by giving almsgiving and zakat. (Tirmizî, Zühûd, 17) Contrarily, zakat conduces to make property and wealth productive and increased. The Prophet ordered in this issue as follows: *"If any person gives almsgiving from his/her clean (legitimate) property, the God just accepts the clean (legitimate) one – the Compassionate accepts it even if it is just a date palm, and grows this almsgiving until it becomes enormous just like you grow a calf or foal carefully."* (Müslim, Zakat, 63; İbn Mâce, Zakat, 28)

As it is also stated in the verse that human being can come to aid for poor by giving zakat and ensures his/her property to meet productivity because, a property reserved for zakat in some amount is similar to a fruit tree. If a person does well irrigation, pruning works of a tree, product derived from this tree is plenty and productive in spite of cut and pruned branches, so it makes its keeper happy. Just like this, zakat and almsgivings also increase productivity of property. Avoiding from practice of zakat by scrimping destroys the productivity of a property. Thus this is one of the most important messages given by the verse *"I promise I will increase my blessing for you if you praise. But if you show ingratitude, my torment will undoubtedly high"* (İbrahim, 14/7).

Similarly the verse the verse with the meaning *"Whatsoever you spend for good on the way to God, He will replace it. And He is the best of providers."* (Sebe, 34/39) clearly guarantees that any spending made for the purpose of benediction will be rewarded by the God, any person who gave zakat and almsgiving by consent will not incur any financial loss for this reason.

In short, any property decreased with zakat given will be replaced by the Supreme God, this will be realized either by means of providing financial possibilities or improving sense of satisfaction as a lifelong treasure or increasing inner peace of person.

3. Insuring Property and Wealth with Zakat

In societies where income distribution is disturbed and income differences highly increase against poor, hostility arises between rich and poor and this hostility may turn into a social conflict in time. Consequently, security of life and property would be endangered; wealth would be plundered and peace and security would disappear in the society.

In this respect, wealthy person is deemed as paid the right of right holders; therefore spiritu-

ally insured life and property against all kinds of bad emotions, thought and acts like grudge, jealousy, revenge, grab and robbery. Because, any property not reserved for zakat in some amount is similar to a property somehow grabbed from right holders or forcefully seized and accumulated. Neither property holder nor right holder finds peace unless their right on this property is paid.

The Prophet ordered as *"Keep your property under protection by means of zakat."* (Kenzü'l-Ummâl, VI, 293, hadith no. 15759) and drew attention to the fact that zakat is spiritual insurance of wealth. Accordingly, any person giving zakat is deemed as kept his/her life and property under protection against all kinds of attack and disaster and succeeded to preserve them in an inaccessible and firm place.

In turn, zakat givers are not in worry of losing their blessings. Because, any attack tackled against life and property like robbery, fraud, strike, burglary, grab would considerably decline in the society by means of zakat and almsgivings properly given. This means establishment of peace, balance and tranquility in every segment of society.

4. Perpetuating Mortals

In addition to blessings and benefits of zakat reflected in our individual and social life, the actual important thing is that it made transitory property permanent and turns into an afterlife investment. (Yâsîn, 36/12) The Koran's order as *"Believe in God and His messenger and spend of that whereof he had made you trustees; and such of you as believe and spend (aright); their will be a great reward."* (Hâdîd, 57/7) indicates that aids and spends to be made for God will be rewarded in form of *"great award and premium"* in eternal life.

This is the real gain! Thus our Master's family slaughtered a sheep and distributed its meat. The Prophet asked for a moment as *"What remained?"* His wife Âişe answered *"Just a shoulder bone remained."* Upon this the Prophet ordered as *"Say so then all belonged to us except a shoulder bone!"* (Tirmizî, Sifâtü'l-Kiyâme, 33), and indicated that anything distributed to poor, rather than that eaten, belongs to property owner in real terms. In another verse, the Prophet declared this situation more clearly as *"Human kind is always saying as 'my property my property'. However, your property is just something you have eaten and consumed or worn out our something you give as almsgiving and make permanent."* (Müslim, Züh'd and Rekâik, 3)

D. IN SOCIO-ECONOMIC TERMS

Zakat also has social and economic functions in addition to strengthening spiritual connection between slave and the God as a binding (farz) worship. We can list some of these functions as follows:

1. Creating a Love and Peace Climate with Zakat

It is undeniable that most of offences committed in today's societies result from economic difficulties and poverty as well as deprivation of spirituality. Undoubtedly, deprivation and poverty cause hostility and conflict among individuals, societies, classes and nations, brings about moral breakdown, endangers life and property security for not only countries but also individuals. Therefore, our Prophet ordered that *"God! I take refuge in you from falling into curse and poverty."* (Ebû Dâvûd, Edeb, 110), and took refuge in God for evil of poverty due to bad results. The Prophet also took refuge in God not only for bad results to be caused by poverty but also evil of richness lack of fulfilled social, moral and economic responsibilities with the pray of *"God! I take refuge in you from disorder of poverty and richness"* (Abdürrezzâk, Musannef, X, 438, hadith no.19631) in another hadith.

Zakat is a worship which has social and economic functions; and contributes in protection of social order, narrows the gap between poor and rich, prevents the conflict among social segments, conduces to decline in a number of offences based on poverty, prevents negative emotions felt by poor towards rich.

Luxury, waste and flourish based consumption oriented life experienced by some rich people

and indifference towards people in need writhing in trouble in various localities of the world stimulates the jealous of them. In other words, existence of people having a delighting life full of prosperity and welfare on one side and masses unable to cover even their obligatory needs on the other side necessarily brings about the problem of social conflict. Particularly, this danger distinguishes itself in societies who did not receive an education on morality and values and did not learn to undertake a moral responsibility.

In this respect, this and similar negative situation to cause tension among individuals in society must be removed for sustaining the existence of society properly and provision of social justice. At this point, zakat has a very significant role and ensures constitution of a confidence, love and peace environment.

2. Provision of Income Flow from Rich to Poor

Zakat is a financial worship required to be practiced by rich. The Koran orders as ***“There is a right for those asking (aid) in their property and those lack of (since they do not ask due to their modesty).”*** (Zâriyât, 51/19), and emphasizes that zakat is a natural right of poor under the debit of rich.

By means of zakat which is a financial worship, a property and income transfer and at the same time mutual interest, concern and affection flow is ensured from wealthy segment towards poor segment in the Islam society. Needy; poor, helpless, debtors and stranded people are observed. By this way, capital hostility that is possible to occur in needy segments against wealthy in the society can be automatically prevented.

Our supreme religion Islam does not want the economic structure of the society into a pyramid. In other words, it does not approve a happy minority and the poor layer which expands downward and has figures finally expressed with billions. For this reason, our religion requires a property and income flow from rich segments of the society towards poor and needy segment existing in the low grade with primarily zakat and other obligatory payments or voluntary benevolences.

3. Finding a Solution for Poverty Problem

It is seen that the significance attached in Salah as a physical worship is also attached in zakat as a financial worship in the Koran. (Tevbe, 9/5) Thus, this situation is clearly commented in 177th verse of Baqara Sura: *“It is not righteousness that you turn your faces to the east and the West; but righteous is he who believes in Allah and the last day and the angels and the Scripture and the Prophets; and gives his wealth, for love of Him, to kinsfolk and to orphans and the needy and the wayfarer and to those who ask and to set slaves free, and observes proper worship and pays the poor-due. And those who keep their treaty when they make one, and the patient in tribulation and adversity and time of stress. Such are they who are sincere. Such are the God-fearing.”* (Bakara, 2/177)

Due to this significance of zakat and other social aids, all prophets oversaw and protected poor, needy, orphans; closely cared with their social and economic problems, ordered their religious community to perform salaah and practice zakat. (Baqara, 2/83; Mâide, 5/12; A'râf, 7/156; Meryem, 19/31, 55; Enbiyâ, 21/73; Beyyine, 98/5 vd.)

On the other hand, killing children before being born on the excuse of poverty even in today just like the whole history evidences that poverty is a social problem that must be definitely resolved. Thus, the Koran mentioned about the fact that poverty results in such bad consequences that people kill their children; seriously reproached people who do not rely on the one who provides livelihood: *“Do not kill your children for fear of poverty. We would provide livelihood both for you and them. Killing them is really a great sin.”* (Isra, 17/31. also see En'âm 6/151). Order of the Prophet as *“Poverty almost approached to abuse”* (Beyhakî, Şuabü'l-İmân, V, 267, hadith no. 6612; Kenzü'l-Ummâl, VI, 492, hadith no. 16682) indicates the worst possible result of poverty.

Obviously, it is almost definite for individuals not matured sufficiently in moral aspect and not reached to the awareness of responsibility before the God to be negatively affected from this case

unless poverty and employment problem approached person to abuse and constituted such a great danger that might cause killing own child is resolved.

Of course, complete removal of poverty problem is not possible. Because, there always exist disabled, sick, motherless, elderly and weak people in the society regardless of how rich people of a country is. Emergence of poor groups is also possible at any time due to natural disasters like earthquake, fire, flood, drought and wars. For this reason, the main criterion for establishment of a world in which the problem of hunger and poverty is resolved though partially or people acquired minimum subsistence possibilities is development and implementation of solidarity and assistance awareness among people and countries. Zakat executes a very important function in this respect.

4. Fulfillment of Social Security and Solidarity

Zakat contributes proper development of social structure with the role undertaken in fulfillment of social solidarity and social security in the society in addition causing personal and social purification. Because, needy people, poor, debtor, stranded people (Tevbe, 9/60) are protected and supported by means of zakat, by this way ensures a social security in one respect.

Zakat functions as a security in troubled situations to be experienced or disasters to be exposed by individuals in the society. Undoubtedly, existing insurance systems also act for task in such circumstances. However, zakat and insurance institutions are different in terms of aim and mission. Because, payments are made according to premium paid for the insurance in insurance systems, and damages are covered in rates stated in contracts in advance. Any payment is not made or loss is not covered in the absence of insurance. On the other hand, zakat does not contain an obligation for the other party like making a payment or paying a premium. Assistances and supports are performed outright and in conformity with needy people or needs of people suffered from disaster completely for god's sake.

To sum up, Islam is based on working, earning and producing in legal ways on one hand and requires providing financial support for needy people by means of different assistance instruments primarily zakat on the other hand.

5. Prevent Assembly of Wealth in Certain Hands

Zakat is one of the most important tools which prevent wealth from being turned into a power assembled in the hand of a certain segment. Because, zakat prevents wealth from being a power just held by rich and presents it for benefit of poor and needy; by this way refreshes economic life by increasing purchasing power of people; pleases needy people and makes artisans happy, so provides a positive contribution in employment by encouraging production of goods and services. Thus, The Koran orders as: *"And (it is) for the poor fugitives who have been driven out from their homes and their belongings, who seek bounty from God and help God and his Messenger they are the Loyal."* (Haşr, 59/7)

The statement of *"These properties should not become a wealth or power just circulating among rich"* given in verse of the Koran emphasized that property or wealth obtained or produced by the society should not be circulated among certain people, social justice should be ensured and welfare should be dispersed to wide masses. Zakat is one of the most effective instruments in fulfillment of the objective mentioned here and dispersion of wealth in the base.

6. Ensure Gain of Property and Wealth in the Economy

Islam aims spending of capital within legal criteria instead of keeping in a stagnant status out of production area, evaluating it within aid and investment process and presenting it for the benefit of society. In this issue the Koran orders as follows *"...Those who hoard up gold and silver and spend it not in the way of God, unto them give tidings of a painful doom. On the day when it will (all) be heated in the fire of hell and their foreheads and their flanks and their backs will be branded*

therewith (and it will be said unto them): Here is that which you hoarded for yourselves. Now taste of what you used to hoard." (Tevbe, 9/34-35), and people not saving their property and wealth and not practicing zakat, so keeping them away from benefit of society are warned.

Undoubtedly, even though a person fulfills religious responsibility by practicing zakat, remaining capital saved and kept away from the market will deplete due to zakat required to be paid in every year and other reasons like inflation and finally wealth owner will suffer from a great economic loss.

Here the aspect of mystery held by zakat in economic means emerges: this is the prevention of capital from being depleted in every day by keeping away from the market. It is aimed to cover requirements of needy people on one hand and this wealth is required to be turned into investment, production and so employment by means of zakat.

E. MANNER OF PRACTICING ZAKAT

Importance of all kinds of benevolence and good, primarily zakat is emphasized in the Koran; some manners required to be conformed during practice are also mentioned.

1. Paying with Honest Earning

Acceptance of zakat and other financial worships is only possible by practicing them with honest earning. Since everything being unlawful is not considered as property by our religion, they cannot be used for benevolence and good. Because, the Koran orders prophets and believers to earn in honest ways and benefit honest benedictions, and emphasized that slavery for God is performed with clear foods:

"O Prophet! Eat clean things and treat good actions. I undoubtedly know everything you do" (Mü'minûn, 23/51); "Hey who believe! Eat of the good things wherewith we have provided you and render thanks to God if it is (indeed) He whom you worship. "(Bakara, 2/172)

The Prophet has drawn attention to the honest subsistence as an important factor for acceptance of worships as follows: *"A person who cruises on the way of God. By begging for to the sky as straggly soil stained and pray as: Oh my God! Oh my God! However, what he eats is unlawful, what he drinks is unlawful, what he wears is unlawful. He is fed with unlawful things. How the pray of such a person is accepted!" (Müslim, Zakat, 65)*

In this respect, Muslim people should seriously avoid from earning by battenning on somebody or in illegal ways and should know that any property or wealth earned in unlawful ways does not have a benevolence, and any zakat or benefaction with such a money will not be accepted.

2. Aiding with Beloved and Valuable Property

Supreme God provided people clean livelihood; reminded in the Koran that He is the real owner of benediction; ordered as *"You will not attain unto piety until you spend of that which you love. And whatsoever you spend, God is aware thereof." (Âl-i İmrân, 3/92) ; "Hey who believe! Spend of the good things which you have earned and of that which we bring forth from the earth for you and seek not the bad (with intent) to spend thereof (in zakat) when you would not take it for yourself save with disdain and know that god is absolute, Owner of Praise." (Baqara, 2/267), asked His slaves to give needy people with lawful and good while performing their social and economic responsibilities.*

3. Hurrying Up in Aid

Life is temporary. However, people have some everlasting desires and ambitions. If a person is fascinated by temporary desires of life, he/she may make a mistake like delaying duties concerning the aim of being created by thinking that he/she has a long period even though he/she believes to be prepared for after death. He/she would plead for receiving an additional period when he/she faces with the reality of death. But the examination time has ended and evaluation started. Delay of zakat worship instead of performing in time would cause such a danger. More-

over, any zakat and benevolence may have lost its meaning for needy people. In this respect, Supreme God warns rich slaves and asks them to perform their duties in time:

"And spend of that wherewith we have provided you before death come onto one of you and he said: My Lord. If only Thou would relieve me for a little while, then I would give alms and be among the righteous. But the God relieves no soul when its term comes and the God is aware of what you do." (Münâfikûn, 63/10-11)

The Prophet stated his opinion in the issue of aid as in the case of all issues and made aid implementers as most generous people of the world. One person with engraved this love asked to the Master about the best and most profitable form of aid as follows: "Prophet of the God! Which benevolence has the best deed?" The Prophet Master ordered as *"Good deed of almsgiving you give when you are healthy, addicted to property, worries about falling into poverty and dreams about being rich is higher. Do not leave this duty until the last time (do not leave a legacy) by calculating the zakat given to whom."* (Müslim, Zakat, 92); and stated that any benevolence practiced in troubled times or addicted to property is more valuable than benevolence practiced in comfortable and welfare times without worry for future.

In that case, any person who will make goodness and aid should catch the aid opportunity and pay zakat for needy people the time comes.

4. Hiding anything given with Right Hand from Left Hand

Muslim people should avoid from hypocrisy and pride as far as possible with zakat, benevolence and benefaction because, hypocrisy and pride would get rid of good of all practices. Any aid practiced secretly prevents any person from esteeming him/her highly against others or feeling lowly for people who give aids. By this way, any aid made secretly would also protect honor and self-esteem of the poor, because virtuous needy people do not want to be considered as beggar in the society by begging for others. The Prophet ordered about secretly practiced benevolence as follows: *"Any almsgiving secretly given quench anger of the God."* (Taberânî, el-Mu'cemü'l-Kebîr, XIX, 421; Kenzü'l-Ummâl, XV, 916, hadith no. 43581)

The Koran draws attention to the fact that aid performed secretly is more superior than that performed clearly as follows: *"If you publish your almsgiving it is well, but if you hide it and give it to the poor, it will be better for you and will atone for some of your ill deeds, God is informed of what you do."* (Baqara, 2/271) Because, one hopes to gain just God's sake with the aid given secretly and just expects the response of Him.

The Prophet also heralded that the God will protect those giving almsgiving secretly from severe hotness of the sun in the last day as follows: *"the God will shadow seven people in His mercy in a day when there is no other shadow than mercy shadow of the God. ... (One of them) is the one who cares about confidence in such a way ensuring the thing given by right hand not being known by the left hand."* (Buhârî, Zakat, 16; Müslim, Zakat, 91)

In this respect, believers who reached to this maturity tried to avoid from announcing their identity to poor while paying their almsgiving, tried to hide them by putting under almsgiving stones or under door of poor during the whole history. Sometimes they tried to hide themselves by means of mediators.

5. Giving Openly if it would be Encouraging

Even though aids made secretly are considered better, one can also make benevolence openly if it would cause people to adapt, take as an example, so ensure poor to benefit by giving zakat and almsgiving. Because, people may be encouraged to fulfill this social responsibility by giving zakat and almsgiving openly. As a matter of fact, the statement of *"If you publish your almsgiving it is well"* (Bakara, 2/271) in the verse praised this situation. Undoubtedly, the condition that keeping away from hypocrisy is so important in this case.

To sum up, both methods should be considered closely in the issue of aid and the most appropriate one should be preferred. Because, which one of open or secret aiding is more appropriate differs from person to person or environment to environment. The verse of *"Take zakat from their property"* (Tevbe, 9/103) indicates that sunnah zakat may be given openly rather than secretly. For this reason, it is stated in a hadith (Beyhakî, Şuabü'l-Îmân, 5/376, hadith no: 7012) that it is virtuous for a role model person to give zakat openly rather than secretly.

6. Avoid from Hurting People While giving Zakat

Helping poor and needy is a necessity for religious fellowship, even for humanity. One of the most important characteristics of believers is benevolence. The Prophet ordered as, *"Muslim is the fellow of Muslim. They do not suppress each other, neither leave alone. If one covers need of a Muslim fellow, the God will help him/her. If one removes trouble of a Muslim, the God will remove one of his/her troubles in the last day. If one covers shame of a religious fellow, the God will covers his/her shame in the last day."* (Buhârî, Mezâlim, 3; Müslim, Birr, 58), and reminded the responsibility of Muslims for their environment and believer fellows.

A rich believer acting with such a consciousness of responsibility should behave so carefully while granting an aid; should not offend amour propre of people and should not hurt their feelings. These basic moral principles are reminded as follows in Baqara surah: *"Those who spend their wealth for the cause of God and afterward make no reproach and injury to follow that which they have spent; their reward is with their Master and there shall be no fear come upon them, neither shall they grieve"* (Baqara, 2/262)

"A kind word with forgiveness is better than almsgiving followed by injury." (Baqara, 2/263)

"Hey believers! Render not vain your almsgiving by reproach and injury, like him who spent his wealth only to be seen of men and believed not in God and the last day. His likeness is as the likeness of a rock whereon dust of earth is; a rainstorm subjected, leaving it smooth and bare. They have no control of aught of that which they have gained. The God guided not the disbelieving folk." (Baqara, 2/264)

For this reason, real believers with feelings enlightened with faith do not let down the good deed they gained by oppressing people they aided or continuously reminding their kindness. They always remember that saying a good thing appeasing poor and forgiving their faults is more beneficent than a kindness offending and humiliating for them (Baqara, 2/263). They behave considerably kind and refined towards people they aid. They expect response for their kindness just from the God as said in *"...We feed you for the sake of God only. We wish for no reward nor thanks from you."* (Însân, 76/9).

As a matter of fact, one of the reasons why it is emphasized that zakat is a right for poor and needy in the Koran (bkz. Zâriyât, 51/19) is to prevent the zakat receiver from being offended and zakat giver from being proud for this reason. Because, rich grants the right of God to poor through zakat and almsgiving they practice, and poor receives their livelihood from the God. Because, wealthy person is in the position of being representative in property. In other words, he/she is like a mediator who delivers a part of property granted him/her to the other party. His practice is composed of delivering deposit to real owners. A wealthy person who perceived the situation in such a way never rubs in the aid he/she made for needy people, neither makes thanksgiving nor torture due to this financial support.

To sum up, zakat is a religious responsibility. Spending it for anywhere determined by the religion is the execution of one of the religious duties. For this reason, concerned needy people should not be hurt while fulfilling the responsibility of zakat; their honor should not be offended. Lawful and well qualified property should be given; the worry of "I wonder whether the God would accept it" should exist; kindness should not be rubbed in after the aid is given; all kinds of pride and hypocrisy should be avoided.

Evaluation and Conclusion

As one of the five basic principles of Islam, zakat is not a voluntary duty put to the preference of wealthy person but a financial duty wealthy person is obliged to perform. Zakat is a right and a deposit embedded to people included in upper class having the amount and quality determined by the religion and belonging to needy people.

Zakat is firstly a servitude act. As understood from clear statements of the Koran and the Sunna, order of the God for his wealthy servant is one of the five basic worships. Zakat is the thanks-giving presented for property and wealth. Servants pay their debt of gratitude for the real owner of benediction by practicing zakat.

Zakat protects individuals from addiction to property and sickness of meanness and causes them to meet virtue of benevolence; purifies feelings of slaves from moral dirt and wealth from rights of needy people. Wealthy people do not only mature the world of feelings by practicing zakat but also ensures the life and afterlife balance by avoiding from being occupied by love for property, possession, authority and wealth and domination of the material.

Zakat is an instrument which ensures assistance and solidarity. Believers having aid spirit and moral of sharing do not live only for themselves, but also make self-sacrifice for others. They share property they own with needy believer fellows by means of zakat which is obligatory and of other voluntary aids in the form of almsgiving, and establish mercy, affection and confidence links with each other. Because, Muslim cannot say "I do not care about hunger of others as long as I am full". Muslims feel pain of hungry people in every segment of the society with a care beginning from closest relatives and expanding as circles. By means of zakat, a property and income transfer occurs from wealthy segment to poor segment of the Islam society, a love and respect flow is ensured at the same time; bridges of soul and permanent friendships are established between those giving and those receiving.

Problem of hunger, poverty and poorness can be considerably resolved by operating zakat, almsgiving, benevolence and establishments like foundations. By this way, negative feelings and opinions among different segments of society like hatred, revenge, ambition, jealousy and hostility are replaced with mutual comprehension, love, respect, social tranquility and peace. A number of negative attitudes and behaviors offending human honor like murder, plundering, theft can be prevented. Offences committed against property and life would decline. By this way, life, property, generation and wealth are protected by means of zakat.

Zakat creates purification and ensures efficiency in property and makes needy people happy by preventing wealth from being just a power held by rich and presenting for benefit of poor; enlightens economic life by increasing purchasing power of people; therefore provides a positive contribution in employment by encouraging production of goods and services. It brings property and wealth in the market again.

Giver hands are worthier than receiver hands in Islam. This statement never means that receiver hands are worthless. It just draws attention to the fact that giving is a more valuable act in the competition of worth; and encourages people to do favor and compete for worth. For this reason, every believer who wants to promote to a worthy position attempts to earn by working legitimately and to be productive.

EXPERIENCE OF TURKEY ON POVERTY ALLEVIATION SOCIAL ASSISTANCE AND SOLIDARITY PROMOTION FUND*

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Abstract

The purpose of this study to examine financial and administration structure which is made for fight poverty in Turkey. In this context, firstly Social Assistance and Solidarity Fund will be explained as a financial source to fight poverty. Then Social Assistance And Solidarity Fund Board (Committee), Social Assistance And Solidarity General Directorate and their activities will be discussed. And then we will talk about Social Assistance And Solidarity Foundations which are the application tools of this financial and administrative structure. In the last section we will look the politics against poverty of this structure.

Key Words: Turkey, Poverty, Fund, Administrative Structures, Politics.

Introduction

For years Turkey and many countries in the world have searched various solution methods for poverty alleviation which is one of the most important problems in the world. Particularly developed countries tried to accomplish reduction of poverty through Welfare State structure during a particular term of the last century. After the crisis incurred by Welfare States after 1970's, poverty was also affected thereby together with many faced problems. Then, countries preferred to find out solutions through voluntary agencies, self help groups and solidarity networks between relatives which are non-governmental organizations. A new political current arisen after 1980s that started first USA and England called neo-liberals who came into power in these countries and in some others also affected this preference.

* The original version of this paper is in Turkish and English translation is appeared here. The original version of the paper is appeared on the Turkish version of the Edited Collection of the Symposium.

As mentioned above poverty is also a problematic area for Turkey. Various remedial means were searched for years even for centuries to get over with this problem in Turkey. However, the research methods for solution in Turkey became to differ from the western society in which it is included, during last quarter century. Because when the developed western countries were ready to transfer the solution to non governmental organization, Turkey started to handle this problem with direct governmental and corporate measures. Moreover this step was taken by the leadership of a party (Anavatan) which was a variation of the mentioned political current in Turkey.

Within this concept Social Assistance and Solidarity Promotion Fund (SASPF)¹ was established in 1986 which formed the financial resource of this new policy and which had taken the umbrella role for this policy according to this aspect. After then executive bodies which shall manage this Fund and determine the regions of utilization for provided resources and divert them to those concerned, were established. Social Assistance and Solidarity Promotion Fund Board which is the decision making body for utilization of fund resources and General Directorate of Social Assistance and Solidarity (GDSAS) which is the executive body, are included in these newly established bodies. Furthermore, Social Assistance and Solidarity Funds (SASF) were established in province and boroughs in order to provide utilization of accumulated resources in the country wherever required. These funds can be called the application tools of the structure.

The objective of this study is essentially to scrutinize the above mentioned financial and administrative structures, to point out the interrelations between them and the progress accomplished in poverty alleviation through this structure as a whole.

A. FINANCIAL RESOURCE OF THE POVERTY ALLEVIATION: SOCIAL ASSISTANCE AND SOLIDARITY PROMOTION FUND (SASPF)

Poverty problem in Turkey is similar to globally faced poverty problem. Poverty could not be excluded from the agenda of public and the government in our country. This problem mostly became the main tool for election campaigns and propaganda and the subject of interest for scientific studies and popular theme for Yeşilçam movies. Neither the governments nor the state did – could attempt an effective and corporate alleviation against poverty for a very long term although poverty has a long standing background and prevailing status. Most probably the reaction of the governments (inactivity) against poverty caused to constitute a ground for deepening and gaining continuity of the problem. First steps in Turkey were taken forward against poverty alleviation on corporate and integrated basis in mid of 1980s. Earlier Governments contended with some limited services called Social Services which covered only a part of the society. (*Caring of orphans through Social Services and Children Protection Institution, accomodation of some old people at nursing houses and allocation of old age pension for people who are older than 65 through Retirement Fund*). In 1986 the “Fund” which is considered as the basic foundation of the mentioned structure. Thus, a new period started in which the State shall take directly and corporately an active role in poverty alleviation. For this objective, a new policy started for central and country organization of this structure in Turkey.

The most important component of this structure which differs the method of Turkey in poverty alleviation amongst its contemporaries is the financial resources allocated only for this purpose and an administrative bodies established to manage these financial resources. Because in contemporary western countries were embarked on a quest to wriggle the State and its organizations which are directly involved in finding out solutions for poverty, out of this role. Within the same time period Turkish Social Assistance and Solidarity Promotion Fund formed the foundation of distinctive financial resource. On May 29th, 1986 it is associated by the law Turkish Social Assistance and Solidarity Promotion Law No:3294¹ during First Turgut Özal Government. The objective of this law comprising 12 Articles, was stated as follows;

“Providing assistance to needy and poor citizens and to any people who are permitted or came to Turkey with whatsoever reason and to provide fair income distribution by taking measures in order to reinforce social justice and to promote social assistance and solidarity.”

Deep poverty and needy people are placed in the center of the new policy with priority dur-

ing association law of the Fund. After then another conditions is mentioned that is Social State comprehension even though it is not particularly denominated. We understand this from the sentences “*by taking measures in order to reinforce social justice*” and “*to provide fair income distribution*” which are the basic principals of a Social State. Thereby either willingly or not a new and extensive step was indirectly taken forward in compliance with the objective of the “... Social State” term mentioned in Article two of Constitutional Law.

At the begining the scope of the law was limited with only Turkish Citizens however, as a result of imposed conditions within the course this scope is enhanced. The Fund which was associated to assist and provide solidarity for only Turkish Citizens according to the first formation of the law was later modified and enhanced with the addendum in 1989 with inclusion of the term “*to any people who are permitted or came to Turkey*”. The main reason of this modification was to provide necessary assistance for Turkish Citizens who came to he Country from Bulgaria due to forced migration. This paragraph which was added to the low provided opportunity for the officials who were in charge of execution of resource utilization, to create solutions during sudden and rapid decision making stages under similar forced conditions.

Within the time course some other modifications were made to the scope of the Fund Law.¹

Besides the required condition as being in a needy position in order to get utilized of the resources of the Fund other provisions such as not be subject to social security institutions associated by law and not to get any monthly salary or income from such institutions, was also stipulated later. Thereby the scope of the financial and executive structure which was expected to handle a wide range of society with the term stated as “*to needy and poor citizens*” was explicitly defined.

A Fund account was opened in Central Bank of Turkey in order to realize the objectives of the law and to commence the implementory studies under this law and the incomes of the Ministry of Finance stated in the law were foreseen to be accumulated in this account according to the principles to be stipulated by the Ministry of Finance. Again the method how, by whom and in what way the fund resources shall be used and by whom the Fund shall be audited was defined by a regulation issued on the subject². Accordingly how and to where to use the fund resources were subject to the decision of the Fund Board and approval of the Prime Minister Relevant Regulation Article 8). According to these regulations The Chairman of the Fund Board is entitled to execute all kinds of accretionary activities for the resources. Auditing of the financial resource accumulated in this Fund is being executed by the Prime Ministry State Auditing Board (Relevant Regulation Article 9). Furthermore, according to the Article 68 of Financial Management and Auditing Law No: 5018 introduced in 2006, the Fund shall also be audited by Court of Accounts with respect to after expenditure auditing tasks. (GDSAS, 2008:41)

Incomes of the Fund: The incomes of the Fund were listed in the Article 4 of the Law. According to this Article the incomes of the Fund;³ “*comprise the the revenues of any funds which shall be associated by laws and decree laws, and from the amounts to be transferred according to the decree of the counsil of ministers, 2,8% of the total collected income and corparate tax revenues, 50% of traffic penalties, 15% of RTUK revenues, subventions in the budget, all kinds of donation and aids.*”

When the revenues of the fund are reviewed it is explicitly seen that some particular income

1 The scope Article 2 is defined as follows according to the foundation of SYDTF Law 3294 as follows:

“People who are in needy and poor position and who are not subject to any social security institution or not getting any salary or income from such institutions and the pepole who shall be useful fort he society and shall be productive if a small and temporary aid or education and training opportunity is provided, are within the scope of this law. However, handicapped people who are subject to Social Security Institutions or who take salar yor income from such institutions but whose treatment expenses and costs of orthopedic devices providing functionality or other assitant devices and tools are not covered by these institutions, are also included within the scope of this law.” At the first issue of the law “people taking monthly salaries” term was included under the heading of Scope but this term is deleted by the amendment made in 2002. The part relevant to handicapped people was added in 1997 which was not included within the scope at the begining (GDSAS , 2010:15).

2 Official Gazette, “Social Assistance and Solidarity Promotion Fund Regulation” Number: 19167, Date:17.7.1986.

3 Some changes were made in the revenue items of the Fund in due course. For example in 1989 the share taken from revenues of the forestry assets sale and shares taken from the sale of petroleum products which were previously included in the income items of the Fund were excyuded. Anothed modification was made in 2004 that was an additional percentage taken from income and corporate tax payers previously started to be transferred to the Fund as 2,8 % over total tax collection of from these tax payers. Again 30% of the TRT advertisement revenues that was transferred to the Fund previously according to RTÜK Law 4397 was modified ir 1998 and it was decided to transfer 15% of the RTÜK advertisement revenue collection to the Fund.

creative items are allocated for this field. However, the item dependent to Traffic Penalties is interesting such as it also covers an irony that is the necessity of more breach in traffic rules in order to get more revenues.

Besides these incomes the Fund is subject to some exemptions. These are given in Article 9 of the Association Law 3294. According to article twenty of Social Assistance and Solidarity General Directorate Law came into force on December 1st, 2004, some modifications were made with respect to exemptions applied to the Fund and the number of these exemptions were increased. According to these modifications *Fund is exempted from corporate tax (excluding its economical institutions, inheritance and transfer tax for any granted donation and aids, all kinds of taxes, levies, duties and funds for any movable and immovable properties and any transactions to be performed⁴. Social Assistance and Solidarity which is one leg of the same structure thereby prevented any deduction from the resources of the fund and aimed to provide utilization of the accumulated resources suitable for its purpose as much as possible.*

A significant amount of resource started to get accumulated in the account of the Fund which comprised important income items. The table given in below is selected to reflect the income and expenditure ratio in a better way. Furthermore, this table has particular importance in order to see the income and expenditure items in detail.

Table:1 2009 Year Activity Report Table of the Fund (Income-Expenditure)

EXPENSES	Fiscal Period TL	INCOMES	Fiscal Period TL
I – Current transfers	2.190.472.297,35	I- Received donation and charity and Private Revenues	1.010,60
<i>A – Transfers made to non-profit organizations</i>	2.190.472.297,35	D- Received donation and charity from institution and individuals	1.010,60
1-Transfers to SYDV	1.638.134.964,47	II- Receivables from other revenues	1.634.258.529,97
Periodic transfers	459.982.200,00	A – Interest revenues	1.745.456,63
Capital transfers	253.985,00	1- T.C. Ziraat Bankası Ankara Corporate Branch	941.002,82
Health transfers	140.777.248,81	2- Vakıflar Bankası A.O. Kolej Branch	118.446,33
Handicapped Support Transfer	1.206.479,52	3- T.C. Ziraat Bankası Tunali Hilmi Branch	686.007,48
Transfers to the Projects that target Vocational Education and Employment	20.890.377,08	B – Shares taken from institution and individuals	1.564.683.891,51
Education Transfers	538.556.868,23	1- Shares taken from Tax and Levy Revenues	1.534.405.035,78
Family Support Transfers	438.081.220,83	2- Other Shares	30.278.855,73
Transfers for social and specific purposes	36.559.785,00	Receivables from Traffic Penalties	11.402.540,03
Other Transfers to Foundation	1.826.800,00	Receivables from the Funds that are regulated by Law and bylaws	8.751.326,20
2-Transfers to Public Authorities	552.337.332,88	Receivables from RTÜK Advertisement Revenues	10.124.989,50
Transfers to Ministry of National Education	452.337.332,88	C – Other Various Incomes	67.829.181,83

⁴ Some exemptions were created for Social Assistance and Solidarity Funds in order to prevent deduction in their revenues. Accordingly the Fund was exempted from the contribution pay to auditing and supervision expenses which was collected by the General Directorate of Funds and the Fund's previously accrued debts within this scope were deleted.

Transfers to Housing Development Administration	100.000.000,00	Returns from the transfers previously made to Foundations	23.517.872,84
II – Amount and Value Change Expenses	85,40	KASDEP Returns	13.964.499,66
E- Other amount and value change expenses	85,40	Back Payment of Income Generating Project Support	14.565.629,44
III – Expenses due to rejection or return of revenues	3.226.707,08	Other return and back payments from Foundations	2.875.662,73
Other Incomes	3.226.707,08	Various Conditional Cash Transfer returns	12.333.186,65
IV- Expenses due to deleted receivables	2,11	Various other incomes	572.330,51
E- Deletions from incomes, receivables	2,11		
<u>TOTAL OF EXPENSES</u>	2.193.699.091,94		
NEGATIVE ACTIVITY RESULTS FOR THE PERIOD	559.439.551,37		
GRAND TOTAL	1.634.259.540,57	GRAND TOTAL	1.634.259.540,57

Resource: GDSAS Activity Report for 2009 Year, Ankara: GDSAS, April 2010, pg. 75.

In the above table showing the Incomes of the Fund two particular points are subject of interest. The first one is almost all of the incomes of the fund provided through transfers made by the State. The second and more important one is donation and aids were left at a very low level. The amount of the donations given in the table shows that the targeted social assistance and solidarity promotion could not be put into practice in due course.

The below given table which shows the income expense status of the Fund between the years 2003-2008, shows that the incomes significantly increase year by year. The financial resource accumulated in the Fund by years has the potential to develop new policies, Project in order to manage poverty and to provide the independence of them to the Fund by correct implementation of such projects.

Table: 2 SASPF 2003-2008 Income-Expense Table

YEARS	INCOMES (TL)	EXPENSES (TL)
2003	826.583.000	651.990.000
2004	1.260.574.000	1.347.846.000
2005	1.357.571.871	1.304.664.099
2006	1.379.511.063	1.389.547.995
2007	1.597.593.985	1.413.757.199
2008 (July)	937.170.544	948.124.772

Resource: sydgm.gov.tr Access Date: 03.11.2008.

As mentioned above the method how to use the Fund resources was stipulated by the Fund Law 3294 and issued relevant regulation. Thereby utilization from the resources are subject to approval of the Fund Executive Board and the Prime Minister. According to utilization fields, General Directorate of Social Assistance and Solidarity Fund uses the resources of the fund either directly or indirectly through the Social Assistance and Solidarity Fund administrations associated at the province and boroughs according to the determined frame. Until recently, the resources of the

fund were expended to basic requirements such as to provide food, fuel, accomodation etc. but after constitution of the corporate structure of the Social Assistance and Solidarity Fund General Directorate other expenditure items were particularly added to the basic requirements (See Table 1).

Besides poverty alleviation, an important portion of the incomes of the Fund are allocated to general budget (at least 40%) between 1988 – 2002 (Bilici, 2003: 25). After 2002, this implementation was stopped and thereby more resources are directed to the purpose of poverty alleviation. Between the years 1987–2001 the portion allocated to the budget from the fund raised to 50-70 % of total expenditure. During this period the resources transferred to the funds could not even reach the half of fund expenses. Between 1986-1991, although it was planned to direct maximum 42 percent of the fund expenditure to poor by means of funds but this percentage was rather decreased between the years 1993-1997 and varied between 10 to 30 percent (Gül, 2002: 118).

Usage of Fund resources for other purposes than poverty caused criticism. According to Gül, political powers generally used the resources of the Fund in various periods in order to cover the budget deficits, to support market economy, to provide additional resource for defence industry and as an actor for vote-hunting during election periods. Dansuk also criticized the usage of the resources out of purpose and considered the source as a tool which can be easily used by the politicians and stated that this kind of open utilization opportunity of these resources depends the consideration that these funds are assumed to be charity funds (Dansuk, 2003: 246).

The most important question on this matter is why solution of such a wide spread problem was tried to be found through such a financial resource having a Fund characteristic. As a result of this importance many arguments had been arisen and being arisen either previously or today about the way of utilization of these resources and sometimes these arguments are rekindled. Most probably the reason why such an out of budget financial resource application was considered as a Fund, is for the purpose to provide flexibility of utilization by the governments with respect to its usage way and convenience. Yet the method of utilization of this resource is explicitly predetermined. Since usage of a resource which is included within the budget is regulated by budget usage principles, initiative of the concerned persons may be limited or even they may not have an opportunity to use their initiatives on utilization of such a resource. However, a resource which is created out of budget can be used easily and in any way by the persons in charge. Therefore, the assertion raised by Dansuk about the utilization of Fund's Resources and the abce mentioned opinion have consistent and matching parts.

B. ADMINISTRATIVE STRUCTURES WHO ARE IN CHARGE OF UTILIZATION OF FUND'S RESOURCES

Regulations are stipulated for the method of utilization of this fund such as by whom these shall be managed, to whom these recources shall be distributed and by means of which bodies this distribution shall be provided. There are three administrative structures who are entitled to dispose of the Fund's resources. Each of these three bodies are entitled to dispose of the different aspects of the fund resources. If we wish to define them; Social Assistance and Solidarity Promotion Fund Board is a decision maker body for utilization of the Fund's Resources. General Directorate of Social Assitance and Solidarity is the executive body which executes the taken decisions on financial resources. Country spread Social Assistance and Solidarity Funds are the implementation bodies which deliver financial resources to poor people.

Basic characteristics of the associated administrative structures for this financial resource are their formation and structural differences. No direct hiearchical relation is also seen between some of the structures which are associated according to different administration principles. (like-wise the relation between Social Assistance and Solidarity General Directorate and the Funds). Particularly, the way of association of the Funds which are the bodies that directly deliver the resorcus to poor people, their member profile and employment style differs from the clasical management structure in Turkey. Therefore, it is not easy to show these Funds within the State Organization Chart.

The structures and operation principles of these Funds comprise both public authority characteristics and private company characteristics. As a result of these characteristics this structure is a sample of governance model.

In the following pages the administrative bodies which are mentioned above and which are entitled to dispose of the accumulated financial resources in the Fund shall be overviewed.

1. Decision Making Body for Utilization of Fund's Resources: Social Assistance and Solidarity Promotion Fund Board

Decision Maker body of utilization of Fund's Resources is "Social Assistance and Solidarity Fund Board".⁵ The tasks of this body are stipulated in detail in the article five of the Law 5263 about Social Assistance and Solidarity General Directorate Organization and Tasks on December 1st, 2004. Accordingly, the Board comprises a Chairman who shall be a State Minister to be assigned by the Prime Minister; Undersecretary of Prime Ministry, Undersecretary of Ministry of Internal Affairs, Undersecretary of Ministry of Health and the General Manager of Social Assistance and Solidarity and General Manager of the Funds. The decisions taken by the Fund Board come into force after approval of the Prime Minister. Secreterial services of the Fund Board are carried out by General Directorate of Social Assistance and Solidarity. Working Rules and Principles of the Board are stipulated with a regulation⁶ and this Board hold ordinary Meetings once a month and upon invitation of Prime Minister or the State Minister in charge Extraordinary meetings can be held whenever required.

The tasks of the Fund Board are listed as follows;

- *To determine the way how to utilize the resources of the Fund and to determine utilization priorities,*
- *Whenever required to transfer powers to General Manager of Social Assistance and Solidarity,*
- *To evaluate social assistance demands taken from Funds and other institution and authorities and to give recommendations to the general directorate,*
- *To propose scientific, social and cultural programs in order to develop and raise up solidarity and sharing awarness in the society, and to support such prepared projects*

The characteristics of the persons assigned to the Fund Board are they are executive managers of the institutions they work for. These characteristics of the Board members are important in order to indirectly show the importance being given in finding out solution for the subject problem which is the reason of association of this Fund.

2. Executive Body for Utilization of Fund's Resources: General Directorate of Social Assistance and Solidarity

Executive body of the Fund is the General Directorate of Social Assistance and Solidarity which was associated by the Law 5263 about Social Assistance and Solidarity General Directorate Organization and Tasks on December 1st, 2004 and which directly works under Prime Ministry.

The tasks and powers of the General Directorate are listed as follows (GDSAS, 2007: 6).

- To take necessary administrative and financial precautions in order to accomplish the objectives of Law 3294 and to provide its implementation,
- To timely collect the fund incomes and to provide them used in accordance with the requirements,
- To review, follow up and audit the works and trans actions of Social Assistance and Solidarity Funds and to take necessary precautions in order to solve faced problems,

⁵ The Fund Board and the tasks assigned are mentioned in Article 4 of SYDTF Law came in to force in 1986 and in the regulation of SYDTF.

⁶ In the issue with number 25913 dated 21.8.2005 of Official Gazzette, A regulation about "Working Principle and Rules about the Social Assistance and Solidarity Fund Board" was issued. This regulation comprises similar arrangements with the article five of GDSAS Articles of Association.

- To determine the working principles and rules and to determine the criteria for social assistance programs,
- To make research and surveys in order to provide more effective and productive activities and to prepare and implement Projects,
- To cooperate with the public and academic institution and authorities on the activities being performed

General Directorate of Social Assistance and Solidarity comprise Main Service Unit, Consultation and Supervision Unit and Auxiliary Services Unit. There are total 154 employees working in the General Directorate as of 2009 including temporary and permanent personnel. Having such an important problem managed by such a few personnel may be considered as a defect, however we should state that these personnel are not in charge of direct application of poverty alleviation and they are responsible to direct and follow up the policy.

General Directorate of Social Assistance and Solidarity deliver a part of the accumulated resources in the Fund directly through its units and the rest is being distributed to needy people through the Social Assistance and Solidarity Foundations in the province and boroughs.

In the current organisation, it is asserted that there is no direct hierarchical connection and supervision relation between the Fund and the associated foundations. Foundations continue their work with their independent bodies. Besides this according to the amendment made in paragraph c of Article 3 in Law 5263, General Directorate of Social Assistance and Solidarity is entitled to review, follow up and supervise the work and activities of these Foundations. Therefore, a kind of ward supervision of General Directorate of Social Assistance and Solidarity can be mentioned on these Foundations.

Activities, corporate and employee expenses of General Directorate of Social Assistance and Solidarity are covered by the allowances allocated from the general budget. The allowance allocated to the General Directorate from 2009 central management budget is TL 12.162.200.00. a portion to a value of TL 5.918.912.00 was spent within that year (GDSAS, 2010:68). It is observed that the allowance amount gradually and considerably increased by 2004 in which the General Directorate was associated. For example the allowance amount in 2006 which was TL 2.790.500 is rather low according to the amount in 2009. A portion to a value of TL 2.073.619, of that amount was used (GDSAS, 2007: 55).

In General Directorate of Social Assistance and Solidarity Internal auditing is being performed by internal auditors and external auditing is performed by court of accounts.

Before association of General Directorate of Social Assistance and Solidarity the executive body of the Fund Resources was General Secretariat of Social Assistance and Solidarity Promotion Fund which was working under Prime Ministry. The organization of Secretariat comprised temporary personnels which were assigned from authorities. At that time there were General Secretary and Assistant General Secretaries were on top management of this organization. This Secretariat was divided into sub-units according to the characteristics of the aids being provided. Secretariat of the Fund was in charge of book keeping, timely distribution of the resources to the Foundations, accounting of income, and to make necessary correspondence and carry out all document works and to assist High Supervisory Board for auditing. Basic difference from the current organization was there were no corporate identity of that organization. This status constituted an impediment for specialization in the field. Because, since the personnel were assigned temporarily from other authorities during Secretariat Organization, there was a possibility for them to return back to their own authorities. This of course hindered continuous background information and information transfer and also could not provide sense of belonging for the assigned temporary personnel. Also some of the officials we had negotiated in December 2003, particularly expressed this situation. We believe the most important advantage of the status change from Secretariat to

General Directorate, shall be corporate sense of belonging and accumulated information transfer. Ofcourse specialization that shall be provided by continous working on the field of provided services shall also have particular importance.

3. Social Assistance and Solidarity Foundations as Implementation Body which deliver the fund resources to needy people

Foundation (VAKIF) word meaning of which is “*to stop, to impede*” always existed in the past as an institution both in İslamic world and particularly had an important role during Ottoman age (Yüksel, 2003: 23). Today Foundations which particularly survive prevalently in civil life, are being associated as special legal entities. These are regulated by Articles 101-107 of Civil Code 4721. In the Article 101 of the law Foundations are defined as “*foundations are propertied communities with legal personality established when natural or legal persons allot sufficient resources and rights to a particular and continuous objective*”.

Social Assistance and Solidarity Foundations (SASF- Foundation/Foundations) both have a prive association and a public authority characteristics. Since the Chairman of the Board of Trustees is a Local Authority, having been mostly dependent to the Fund, having most of the members of the Board of Trustees are from public authorities, having operated at either district governor or governorship buildings, having the utilization of resources are regulated by laws make it appear like a public authority. On the other hand the way of abbociation, working principles, employment style and with respect to some of the members of the Board of Trustees it appears like a private institution. Furthermore, Foundations are being constituted according to the provisions of the law ahr auditing and registration of these foundations are being carried out according to the provisions of the low.⁷ Therefore, these foundations can be perceived as private organizations.

It is hard to put Social Assistance and Solidarity Foundations in a position within classical management organization scheme of our country. Additionally the member profile of the decision maker body Board of Trustees makes it a kind of governance model.

Constitution of the Foundations: Social Assistance and Solidarity Foundations are regulated by the Article 7 of Social Assistance and Solidarity Promotion Fund Law 3294. In the relevant Article it is stated as “*Social Assistance and Solidarity Foundations shall be established en each province and borough for distribution of the accumulated resources in Social Assistance and Solidarity Promotion as financial and in-kind aids to needy citizens throughout the country annd to perform activity and works in accordance with the objectives of this law*” In the article where the association objectives of these Foundations are stipulated a sample of “Foundation Voucher” that comprises the way of association is issued as an annex to the Prime Ministry Mandate in 1986⁸. At the begining of the Mandate the objectives of Social Assistance and Solidarity Promotion Fund was repeated. This Mandate expressed the importance of structuring the Social Assistance and Solidarity Promotion Fund and Foundations for Turkey and it was stated the Main Task is given to Foundations to be established in province and boroughs in order to implement the Social Assistance and Solidarity Promotion Fund Law. Subject Mandate is important since it appeals to spiritual values of Turkish Society and by this means it attracts interest to assistance and solidarity and it ansqers the question why this structure is not associated as a normal public authority.

In the mentioned Prime Ministry Mandate information about the way of association of the Foundations, how to prepare the “Foundation Voucher”, which activities shall be carried out, how the registration shall be made, working procedure of the Board of Trustees, auditing and dissolution of the Foundation are given to local authorities. In order to establish a Social Assistance and Solidarity Foundation in the Province and Boroughs this “Foundation Voucher” is taken as sample and the procedure is followed respectively. In General there are 973 numbers of Social Assistance and Solidarity Foundations in Turkey as of 2010. In the units which become province or borough foundations are being associated as mentioned above.

⁷ Republic of Turkey Prime Ministry General Directorate of Personnel and Principles, Prime Ministry Mandate dated 16.7.1986 with no 19-383-14399 and No 1986-11.

⁸ Republic of Turkey, Personnel and Principles General Directorate of Prime Ministry, date 16.7.1986 number 19-383-14399 and Prime Ministry Mandake with number 1986-11 .

Decision Making Body Of the Foundations: The decision making body of the Foundations is Board of Trustees and the Chairman of this Board is the governors in the provinces and district governors in the boroughs. The members of the Board of Trustees in the provinces are Major, Head of Provincial Treasury, Head of Provincial National Education Directorate, Head of Provincial Health Directorate, Head of Provincial Social Services and Children Protection Directorate, and Mufti of the Province and in the boroughs members include major, fiscal director of the district, District National Education Manager, Top manager of the Ministry of Health in that district and mufti of the district.⁹ An important modification is made with respect to the members of the Board of Trustees in the Law 5263 which regulates the association of Social Assistance and Solidarity General Directorate. With the mentioned amendment the members which were the top management executives of the police department in province and districts, are excluded and one representative who shall be elected amongst the village and borough headmans by them selves and two representatives of Non-Governmental Organization who shall be elected by them (one representative in districts) were included. In the same way, two persons who were being selected by the governor of the province or districts amongst the benevolent citizens in that region (one in districts) changed as to be selected by the General Provincial Council. If there is no NGO in the province or borough General Provincial Council selects one person amongst the benevolent citizens (GDSAS, 2008:16). The objective of this amendment was to increase non-governmental participation.

Board of Trustees are the only authorized body of the Foundations and takes decisions on determination of the people who shall be provided with the aid according to the "Mandate for Principle and Rules of Application, Review, Evaluation and Delivery for Social Assistance Foundations" issued by the Social Assistance and Solidarity Promotion Fund Board on 21.06.2006 with number 8921. By means of this Mandate eliminated implementation differences between the Foundations.¹⁰ Board of Trustees is gathered with majority and takes decision with majority. Whenever voting is resulted with equal votes, the vote of the Chairman is considered as two votes. Board of Trustees takes a fee for each Meeting. The Meetings are organized in order not to exceed 10 (ten) meetings in a month (Prime Ministry Mandate with no 1986-11.)

Structure and Administrative Operation of the Foundation: Foundations are managed by the manager of the Foundation who works under the Board of Trustees. Additionally, Assistant Foundation Manager, social service specialists, accountant and other personnel appropriate for the provided services are employed in these Foundations. Employees of the Foundations are employed as contracted employees according to the Labour Law 4857 for Foundation Employees. Since their salaries and working hours were being determined by the Boards of Trustees, there were not a Standard for the salaries paid to employees of the Foundations. In order to eliminate the differences on this issue between the Foundations and to provide a country wide standard a new regulation was commenced by Social Assistance and Solidarity Promotion Fund Council¹¹. In this new regulation the number, qualifications, working conditions, titles that can be assigned, top and bottom level salaries and other personal rights were included. The number of the employees in the Foundations is determined in parallel to the population of the province and the districts as permanent staff (GDSAS, 2008: 18.). There are 4831 employed personnel in all foundations as of 2009 (GDSAS, 2010:13). The personnel of foundations makes correspondance, keeps income-expense records, receives the aid request petitions of the citizens, determines the status on site with respect to these petitions and sometimes performs distribution of the aids to citizens.

Foundations which aim to give assistance to needy people with the shares taken from the fund, have autonomus structures and these are independent from each other. There is no hiarchical connection either between them or between them and the Fund that is constituted officially. However, since they are dependent to the Fund with respect to most of their incomes, it is undeniable that there is an actual and implicit hiarchy. Therefore, although there is no official

⁹ Official Gazette, Social Assistance and Solidarity Promotion Fund Law, Date:14 June 1986 - Number: 19134.

¹⁰ Before this date the Board of Trustees of the Foundations were deciding to whom aids shall be provided without any limitation and notwithstanding to any rule, in periodical weekly meetings. The Boards of Trustees were taking into consideration the affirmative or negative reports of foundation personnel during taking decision on aid requirements of the citizens. However, they were not obliged to stand with these reports.

¹¹ Board of Social Assistance and Solidarity Fund "Principles for Permanent Staff Standards and Qualifications, Personal Rights and Working Standards of Solidarity Foundations", Date: 02.08.2006 (Decision No 2006/4).

obligation it is assumed that Foundations comply with the order and instructions of the Central Organisation (GDSAS) that manages the Fund. Almost in all articles written on this subject and in the statements of the representatives of these authorities, it is generally stated that there is no pecking order between the Foundations and the General Directorate of Social Assistance and Solidarity. However, in paragraph c of Article 3 of the Law 5263, the tasks to review, follow up and supervise the Foundations is given to General Directorate of Social Assistance and Solidarity. By means of this new arrangement which was included in the Fund Law, made Foundations to be subject to a kind of ward /financial ward of General Directorate of Social Assistance and Solidarity.

Revenues of the Foundations: Revenues of the Foundations are mentioned in Article 8 of the Fund Law 3294. Accordingly the revenues of the Foundations shall be provided from the amounts to be transferred from the Social Assistance and Solidarity Promotion Fund, all kinds of islamic alms – charity, charity given as skins and bowels of the animals sacrificed for God, incomes to be collected from institution and affiliates and other incomes. Foundations may accept charity and donations, may purchase movable and immovable properties, and can operate them within the purpose of objectives. Foundations are provided a share from the Fund in paralel with the population of the province and the district but in inverse correlation with their development level. Within this aspect, the Foundations associated in the East and South East take 50% more share from the Fund in comparison to the Foundations in other regions.

Since utilization from the incomes of the Foundations are predetermined in detail it is seen that all Foundations naturally provide similar aids. This is also observed personally in implementation. In our study performed on this issue in December 2003, we had negotiated with the representatives of Ankara Provincial Social Assistance and Solidarity Foundation and Sincan and Çankaya District Social Assistance and Solidarity Foundations in order to observe which kind of aid and assistance being provided. Many of our colleagues within that term had negotiated with district governors within the scope of their master and doctoral programs. The common ground of all negotaitons became the similarity of the provided asistance and aids. These assistance and aids mostly comprised food, clothing, fuel and education items which were periodically provided.

First of all Foundations are obliged to use their incomes in compliance with the objectives of association and in accordance with the legislations. While the incomes of the Foundations are being used, the criteria given in the Prime Ministry Mandate are guidelines for Foundations. According to these criteria, the status of the persons to whom in kind and financial aids shall be provided should be assesed with utmost care and after providing these aids these persons should be followed up. Furthermore, distribution principles of the Foundation incomes should be determined according to local requirements and the amounts of these aids should be determined. The documents that show the income and expenditures of the Foundations and budget programs sholud be prepared.

Application to Foundations and Burden of Proof to Poverty: The incomes of the Foundations are being spent with approval of the Board of Trustees upon application of the citizens. According to Articles of Association of Social Assistance and Solidarity Promotion Fund, the citizens should be in poverty so that they can get benefit from these aids. Another criteria is they shouldn't be secured under any Social Security institution. Foundation staff investigate whether the citizens are registered in any Social Security Institution or not through the database SAIS¹². Previously Citizens were obliged to prove that they are not secured by any Social Security insurance by having the stamp of each Institution on their documents. This was a case that their status was registered-proven poverty. Proving that they are not secured by any Social Security Institution with a document also brought citizens a requirement of particular bureaucratic procedures together. At that time the poor people had to obtain separate documents from Bağ-Kur, SSK and Pension Fund (Social Security Institutions) and they had to shuttle between these institutions for days. Investigation and Verification on SOYBİS database system is a very important development for verification of the poverty of citizens and to eliminate the bureaucratic procedures.

¹² SAIS is a e-state implementation of General Directorate of Social Assistance and Solidarity, necessary investigations are performed on this database system (such as whether citizens are secured in a Social Security Institution, title deed and vehicle registers etc.).

Citizens whose applications are found appropriate, the process is performed according to "Mandate for Principle and Rules of Application, Review, Evaluation and Delivery for Social Assistance Foundations" issued by the Social Assistance and Solidarity Promotion Fund Board on 21.06.2006 with number 8921.

Auditing and Supervision of Foundations: With respect to accounting auditing of the Social Assistance and Solidarity Foundations are subject to auditing of General Directorate of Foundations and with respect to administration since the Chairmans of the Foundations are local authorities these are subject to supervision of Ministry of Internal Affairs. As mentioned above, with the stipulated new law General Directorate of Social Assistance and Solidarity is entitled to investigate, review, follow up and supervise the Works and activities of the Foundations and to take necessary precautions on any defects, to determine the working principle and rules of the Foundations and to determine the criteria for the aid programs. Thus, although it is not explicitly expressed after then Foundations are subject to ward/financial ward supervision of General Directorate of Social Assistance and Solidarity.

C. POVERTY ALLEVIATION POLICY AND POLICY IMPLEMENTATION OF THE FUND CENTERED STRUCTURE

Since 1986, the policy or strategy of poverty alleviation of the associated structure can be divided in two periods. The first period is the duration until 2001. The assistance and aids provided for poor as both financial and in kind aids form the basis of poverty alleviation policy. That is to say assistance and aids given to people who are appropriate to be provided with the aids, in specific periods as financial and in kind aids. The basic characteristic of this period is the persons who were provided with these aids became dependent to this structure. The policy implemented within this period was for the purpose to keep their poverty at a survivable level. Therefore this period can be summarized with a sentence that is "neither die nor survive like a human" Although gradually increased amounts by years given to the Foundations, dependancy of the people to the structure could not be decreased and contrarily their dependence increased by participation of new needy people. *(In 2004 a resource to the value TL 158.617.400 is transferred to the Foundation and this figure is increased to TL 459.982.200 as of 2009) (GDSAS, 2010: 93.).*

Periodical transfers are benign provided in accordance with the population of the province and districts and their socio-economical developments. 50% more resource is being transferred to East and South-East Regions. Within this frame TL 459.982.200 is transferred to Foundation in 2009 (GDSAS, 2010:93).

Periodical resource transfers include Health Aids, Education Aids, Family Support Aids and Social purpose and Specific Purpose Aids, Aids for the persons who are imposed to damages as a result of Natural Disasters and Terror and other Social Assistance items.

Each aid and assistance item is subdivided within its group. These are (GDSAS, 2010:93-110) ;

➤ Health Aids: Health Aids based on Treatment Expense Support,

Conditional Cash Transfer for Health Aid and Aids for the Requirements of the Handicapped people are the sub items.

Health expenses of some people with respect to aids based on treatment expense support are being provided through Fund resources. These people are generally the ones who hold green card.

Conditional Cash Transfer for Health Aid is the most important sub item of Health Aids. This application which started at the beginning of 2003, targets to reach the lowest level of the society. The objectives of this application is to provide families to take their children to healthcare organizations regularly and to have them controlled. Monthly 20 TL is being paid to families per child which applies to 0-6 age group. If the expectant mothers go to healthcare organizations after

2 months pregnancy for follow up, these expectant mothers are being paid 20 TL during their pregnancy and for 2 months after their delivery. If the delivery is made in the Hospital they are paid 60 TL.

The number of tühe people who benefited from these aids in 2009 was 836.506 and the total amount of the aid was TL 138.781.038,81.

Aids for battery powered vehicles, motor powered vehicles, and prothesis included in the Aids provided for Handicapped people. Total 462 people benefited from these aids in 2009 and total amount of the transferred resource is TL 1.206.479,52.

Educational Aids item, Education Material Aid, Student Accomodation, Transportation, Catering Aids etc. These assistance and aids comprise sub items like Higher Education Scholarship, Conditional Cash Transfer for Education, Lunch Time Aid in Transportation System, Free Book Distribution and Free Transport of Handicapped Students. In 2009 an accumulated total resource to the value of TL 990.894.201,11 is transferred from the Fund. The maximum share within this amount is for Conditional CASH Transfer that is by 34.82 %. Within the scope of the Conditional Cash Transfer for Education monthly 20 to 45 TL aid is provided for the girls and boys of needy families according to their grade in the School. In 2009 more than 2 million children benefited from this aid.

➤ Family Support Aids comprise food, fuel and accomodation items.

In 2009 4.339.811 families benefited from these aids and a resource to a value of TL 438.081.220,83 was transferred.

After 2001, a new policy on poverty alleviation started to be implemented. In this period besides the provided financial and in kind aids, assistance started to be provided in order make poor people get employed even though these were limited. That means a change and transformation started in the policy. Within this period still there was a double sided structure and such assistance and aids covered a small part of the general. An essential change started to be by means of association of the General Directorate of the Social Assistance and Solidarity. After establishment of the General Directorate, the condition to make people have an employment gradually started to be a general rule for the aids which is exceptional. Thereafter instead of financial and in kind aids in general, employment projects which were prepared in corporation with public and private authorities, gained importance. Today although we can not say that the whole of the policy is structured on this base, this trend which is very important to find out solution for poverty or at least to mitigate poverty, is progressing in an encouraging path.

Decreasing Social Risks Project, Social Support in Rural Areas Project, Income Generating Projects, Training Projects for Employment Purposes, Social Service Projects, Temporary Employment Projects and Social Development Projects commenced in relation to the contract entered into with World Bank in 2001, are within this scope. Some of these projects which are considered to be important shall be summarized herein below.

Social Risk Mitigation Project (SRMP): Social Risk Mitigation Project is one of the most important projects that is being executed by the Executive Structure by whom the Fund is managed although it not directly supported by Fund resources. This Project is realized by the contract entered into with the World Bank in 2001 and completed as of 31 March 2007. This Project was considered to support the economical program which was implemented by the 57th Government (DSP-MHP and ANAP 1999-2002) and 500 million USD loan is taken from IMF and World Bank within this frame. The total resource is increased to 635,46 million USD by contribution of the government to a value of 135,46 million USD. The Project comprised a five years period divided in two parts that were rapid aid and investment.

Main objective of this Project;

➤ Urgent income support to the poor society affected by the Crisis (decreasing the social risk),

- Increasing the capacity of the institutions that provide social assistance (social risk management),
- Implementation of basic social assistance system which targets the poorest six percent of the population for the purpose to develop basic health and education services (conditional cash transfer)
- Providing income generation and employment opportunities for the poor level of society (prevention of social risks) (SRAP Introduction Brochure, 2004: 1-2).

In the Rapid Aid part of the Project, the activities performed by the Funda were supported financially. Within this concept, the Project targeted to reach one million fifty thousand children within the package named "Attendance to School" and it was foreseen that a resource to a value of total 52,2 trillion Turkish Liras which shall be distributed as 50 million TL to each child. Within this part of the Project the aid to a value of total 142 trillion 523 billion Turkish Liras provided for food, fuel and health aids in this part of the Project (Bilici, 2003: 30). Although the Conditional Cash Transfer to 6% of the population that covers the poorest part of the society is completed, the Fund continues to provide such aids from its resources. As of the end of 2007 1.757.187 children were paid TL 224.456.894.66 within this scope for education and health. In this Project Fund pays 17 TL for the children between 0-6 ages as health aid and paid 55 TL to expectant mothers for once providing that they should have their deliveries at hospitals. Thereby, mothers of 999.041 children were paid TL 95.943.606 TL, and 30.662 expectant women were paid TL 665.615 TL in 2007. In the education part of this Project TL 96.609.521 was paid to 1.029.703 children (GDSAS, 2008: 82-83.).

Investment part of this Project comprises three components. These are Corporate Development (*The objective is to develop the capacities of the institutions providing poverty aid*), Conditional Cash Transfer and Local Initiatives to provide income generation and employment opportunities to the poorest 36% population of Turkey. Local Initiatives are construction on four basic piers. These are income generating micro-scale sub projects, employability projects, temporary employment opportunities for social benefits and generalization of social services.

Other projects almost became a continuation of SRAP, some of them are:

- Social Support Project in Rural Areas (KASDEP) as it can be understood from its name this projects targets to direct poor families in Rural Areas to Production in Agriculture and Husbandry activities. Within this scope 1038 projects were supported between 2003-2009 and a resource to the value of TL 579.819.776,70 is transferred to these projects. Total 74.908 families benefited from these 1038 projects (GDSAS, 2010:86).
- General Projects are also supported by the Resources of the Fund. These projects are the income generating projects that target to have people gain their own incomes and Training projects for employment purposes so that to make the poor, women, and unemployed people employed by means of given trainings, projects with low cost that provide access to social services targeting the groups that are street worker children, handicapped people, old people and needy persons and temporary employment projects for particular people and social development projects that implements more than one Project together having a wide extend. Within the scope of General Project Support total 10896 projects were supported in 2009 and a resource to a value of TL 205.428.723,34 is spent for these projects and 606.912 people benefited from these projects (GDSAS, 2010:87-90).

D. REFORMATION EFFORTS IN ADMINISTRATIVE WORKS FOR POVERTY ALLEVIATION

Besides the Policy Change in Poverty Alleviation that caused the change in the type of the aids; the administrative arrangements that provide delivery of the aids to needy people under better conditions also subject of interest. The Main target of the administrative reformation studies carried out weightedly by the General Directorate of Social Assistance and Solidarity is to perform the carried out activities as fast and productive as possible with low cost and with minimum

bureaucracy. Within this frame some of the administrative reformation studies are summarized here in below;

- **Integrated Social Assistance Project:** Basic objective of this Project is to gather all Social Assistance and Aid activities carried out in the country under one roof.
- **Social Assistance Information System (SAIS):** SAIS is an e-state Project being realized by the resources of the authority. The purpose is to investigate in electronic environment from the databases of relevant authorities whether the applicants are social security right holders or not. Thus, applicants are prevented from the obligation to shuttle between the authorities to prove their poverty. On the other hand poverty alleviation structure gained an opportunity to access a more healthy and realistic information in a very short time.
- **Project for Development of Scoring Formula in order to Determine the Social Assistance Beneficiaries:** The purpose this important Project is to prevent favoritism in the assistance and aids to be provided. Furthermore, it aims to bring a Countrywide Standard for the applicants.
- **Social Help Line Project (Alo 144):** Social assistance Call Line Project aims to make people to directly access to the authorities.
- **Free Internet line (VOIP) Project:** It is a free phone line Project through which all personnel in the General Directorate and in all Foundations spread to Turkey can talk free of charge. It is important to reduce communication costs.

Conclusion

Social Assistance and Solidarity Promotion Fund which is considered as a Financial Resource in Poverty Alleviation in Turkey and the administrative structures which are organized in order to utilize and manage these resources appropriate with the objectives undertaken many important tasks in order to mitigate the destructive affects of starvation and poverty since 1986. Same structures performed many activities for this purpose within the frame of the relevant legislations. Poverty Alleviation based on Fund Resources particularly had a great function and role to prevent social explosions during the course of economic crisis and accompanying social problems.

On the other hand, despite the increase in accumulated resources in the Fund approximately 15 million people in our country still lives below the poverty line in our country (albeit there is a decrease in the number of poor in recent years.) Although the task to solve the poverty problem in Turkey is not explicitly given to the mentioned administrative and financial structures, the activities to solve this problem is actually being carried out through these structures. Therefore, the activities performed by these structures within the past course have particular importance to display the executed governmental actions. All study and activities performed in this field for a long time can be summarized with the sentence "neither die nor survive like a human". The basic reason of this is a mechanism which shall eliminate the dependence of the poor to this structure could not have been considered until quite recently. Because these structure which execute their activities in parallel with the policies of the governments on this field, made most of the poor citizens dependent to this structure through financial and in kind aids.

Due to this characteristic of the poverty alleviation policy in our country, the problem was tried to be solved by considering to keep the poverty at survival level. That means the resources are utilized with an approach in order to provide basic requirements of citizens so that to make them enable to survive by providing their short term and daily needs. Projects that shall eliminate the poverty could only started to be implemented by the poverty alleviation structure in the last decade.

Today the aid projects which lead people to get employed started to be highlighted besides the provided financial and in kind aids. Therefore, the policy namely neither die nor survive like a human transformed to a policy that is namely "Survive" within the bounds of possibility. This affirmative policy change shows that Turkey progress in performing correct activities in poverty

alleviation, and in line with these features also has the capacity to be a model for other countries in poverty alleviation.

Conclusively, despite all arguments and defects it is clear that the social function of the state and social state tools are highly important against continuing poverty and state should continue to fight against poverty and similar issues. Because it is an inevitable truth that such important problems can not be left to its own fate by trying to solve it through market conditions, affinity relationships, solidarity networks etc.

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TACKLING POVERTY AND INEQUALITIES IN OLD AGE

IMPACTS OF AN UNCONDITIONAL CASH TRANSFER ON NUTRITION AND FOOD-RELATED INDICATORS IN OLDER PERSONS FROM MEXICO CITY

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Abstract

Since 2001, the local Government of Mexico City benefits persons aged 70-and over through an unconditional cash transfer, aiming at reducing poverty and inequalities in old age. An evaluation of the programme through a quasi-experimental design was carried out. Though limitedly, a secure source of economic resources improves dietary diversity and access to food in beneficiaries. A prevalence of 63.0% of overweight or obesity in the total population was found, with no significant differences between beneficiaries and non-beneficiaries. This programme would probably have better impacts on older persons' nutritional status and food security if complementary actions were implemented.

Key Words: *impact evaluation, unconditional cash transfers, nutrition, food security, Mexico City*

Introduction

In 2001 the Government of Mexico City (GMC) set out a local social policy framework based under the precepts of social security universality (GDF, 2001a, 2001b and 2001c). In accordance with the above, the GMC focused on the unmet basic needs of what has been considered one of the most historically neglected population sectors in this major urban area: the elderly. As part of this social policy framework, the comprehensive *Pensión Alimentaria Ciudadana para Adultos Mayores de 70 años residentes en el Distrito Federal* (Food Assistance for Older Persons aged 70-and-over living in Mexico City) was implemented (GDF, 2001d). Following the signing of a contract with the GMC, a monthly-based cash-transfer is paid in personal bank accounts. Beneficiaries are home-delivered a debit card with which staple foods and products can be bought at specific supermarket outlets all over Mexico City. However, no cash withdrawals can be done in any form since beneficiaries are not given a PIN number.

PAC programme (to use its Spanish acronym) was designed to operate in two main coverage stages. The first one (analysed by this study) aimed at improving the food budget of subjects aged 70 and over living in poor and extremely poor neighbourhoods of Mexico City, along with individuals from the same age group living in non-poor areas and proving that their income was less or equal to a minimum wage per month at Mexico City's rate in 2001 (MX\$ \leq 1,200; US\$ 132). Local authorities were firmly convinced that through PAC, money would not be a limitation for older adults to access an adequate diet any more, further assuming that the economic autonomy resulting from this benefit would positively impact on the quality of life of beneficiaries. The second stage of PAC (not analysed in this study) involves the process of upgrading this initiative into a social pension with universal coverage, where all adults aged 70 and over demanding the benefit are eligible regardless of their neighbourhood of residence and level of income.

In its nine years of existence, 436 thousand beneficiaries have been recruited, corresponding to more than 90 percent of older adults aged 70-and-over in Mexico City (according to the GMC estimations). The cost of PAC for the GMC is high, as shown in Table 1. In nominal terms, from MX\$ 600 per month per older person given in 2001, the transfer reached MX\$ 882 in early 2010. However, in real terms, mainly due to the devaluation of the Mexican peso, the value of the cash transfer plateaus between 2001 and 2006, increases between 2007 and 2008, and returns to its initial value of US\$ 65 in early 2010.

Table 1. Number of beneficiaries and costs of PAC by year						
Year	Beneficiaries (in thousands)	Benefit		Cost of the programme (in millions)		Share of the GMC budget
		MX\$	US\$	MX\$	US\$	(%)
2001*	250.0	600.0	65.6	1,224.9	134.0	2.9
2002	325.0	638.0	65.2	2,080.2	212.5	3.4
2003	335.5	668.0	63.5	2,605.2	247.6	3.3
2004	352.0	688.0	66.1	2,889.6	277.6	3.6
2005	381.5	709.0	66.9	3,188.7	300.8	n.a.
2006	400.0	730.0	66.8	3,415.9	312.8	n.a.
2007	416.5	758.5	69.4	3,706.3	339.1	n.a.
2008	430.0	788.8	78.6	3,983.3	397.1	n.a.
2010*	436.0	822.0	65.0	4,300.7	340.2	n.a.

* Data correspond to March n.a. not available Source: GDF, 2005 & 2008

PAC is undoubtedly one of the most ambitious social programmes addressed at older people in Latin America. This effort is valued not only by the recipients themselves, but also by large sectors of the population. Its acceptance among beneficiaries and the society as a whole has pushed other regional and local governments of Mexico either to reinforce their propaganda on current programmes or to start implementing programmes designed for this segment of the population.

The availability of economic resources, particularly cash, is a necessary condition for survival in urban areas (Rivera-Márquez, 2007; Rivera-Márquez *et al*, 2009). However, in Mexico City, as well as in other urban areas of the developing world, many older adults cannot easily generate their own economic resources given the limited job opportunities available during late stages of life, and they are not entitled to benefit from contributory pensions either. For this reason, where available, non-contributory pensions play a crucial role in achieving of better quality of life among this segment of the population. The presence of a secure source of economic resources coming from an old-age social pension should, hence, result in better nutrition-related indicators, better food security and reduced poverty among its beneficiaries. Therefore, the main objective of this work was to assess the specific contribution of a cash-transfer programme in improving selected indicators of malnutrition and food insecurity amongst older persons from Mexico City.

Study design

Concerns about how potential changes derived from PAC occurred in the target population, and to which extent those changes can be attributed to the intervention, were assessed through a *quasi-experimental* design in 2002. This study comprised an *ex-post* comparison of participants to PAC and a control group without a *pre-test* (Valadez & Bamberger, 1994), as neither observations before the intervention were done nor a control group was previously defined by the GMC. The intervention group was composed of potential and actual recipients of PAC. But given that the GMC was supposed to have recruited all the residents of targeted poor neighbourhoods, there were no real possibilities of studying differences attributed to PAC between beneficiaries and non-beneficiaries of the same area of residence. Thus, the comparison group included those individuals from the same age group living in selected municipalities of the Metropolitan Zone of Mexico City (MZMC).

The main criteria for recipients and non-recipients selection is described in Table 2. The comparison between beneficiaries and non-beneficiaries of PAC was carried out through an intention to treat analysis.

Table 2. Criteria for the definition of intervention and comparison groups	
Intervention group	Comparison group
Individuals of both sexes aged 70 and over	Individuals of both sexes aged 70 and over
Residents of poor, moderately poor and extremely poor neighbourhoods of Mexico City	Residents of poor, moderately poor and extremely poor neighbourhoods of the MZMC
Subjects permanently living in Mexico City at least the three previous years at the moment of recruitment	Subjects permanently living in MZMC at least since 1997 (which is the three previous years at the moment of PAC provision in Mexico City)
Actual or potential beneficiaries of PAC	Non-beneficiaries of any cash transfer for older persons

Sample size and sampling strategy

The sample size of this study was sufficient to detect as statistically significant any 10 percentage point difference between the intervention and the comparison group. For its estimation, *alpha* and *power* have been set to 0.05 and 0.90, respectively. A 5 percent margin was added in case of refusals or repeated absence from the home. The final sample size of this study was set up as follows: 850 households with older adults in Mexico City and 425 households with older adults in MZCM, which gives an overall sample size of 1275 households.

Selection of the intervention group: Mexico City

Multi-stage sampling was employed in such a manner that each PAC-eligible resident aged 70 and over had an (approximately) equal probability of selection.

a) *Primary sampling unit.* The PAC programme provided a list of beneficiaries according to Territorial Units (TU)¹ in which they lived. The programme only recruited beneficiaries living in TU defined as *extremely poor*, *poor* and *moderately poor*.² A systematic sample of 85 territorial units (TU) was selected from the universe of targeted TUs with probability proportional to size, where *size* means the number of beneficiaries living in a given TU. The sample was drawn by first ordering the TUs by *delegación* (i.e. borough) and official code. After cumulating the number of beneficiaries, a systematic sample of TUs corresponding to every 2,816th beneficiary in the list was taken. The initial starting point was random.

b) *Second-stage unit.* It was not possible to match TUs between Mexico City and MZMC since there are no data on TUs in the MZMC. Furthermore, TUs were extremely unequally sized

¹ A Territorial Unit is an electoral ward created and used by the Federal Electorate Institute, for which census data are not reported. However, Mexican policy planners from the different levels of government rather use data from Basic Geo-statistical Areas (AGEB, to use its Spanish acronym) when interventions are geographically targeted.

² The rationale by which GMC targeted PAC eligible neighbourhoods is not totally clear to date. In theory, a poverty index aiming at identifying aggregations of households, namely territorial units (TU), with potential beneficiaries was constructed using data from the 2000 Census.

in Mexico City, making them unsuitable for geographic matching. Maps were used to determine which Basic Geo-statistical Areas (AGEBs)³ fell within each TU. Again probability proportional to size was used to select one AGEb within each TU.

- c) *Third stage.* Having the maps of every AGEb printed, all the blocks in a given AGEb were sequentially numbered. Using a random number generator, a block was selected to begin the house-by-house search for older persons.
- d) *Sampling of individuals within households.* Once all potential older respondents of a given household (both willing and able to participate) were identified, fieldworkers chose the one whose given name appeared first in an alphabetically ascending order to be individually interviewed.

Selection of the control group: MZMC

Multi-stage sampling was also employed in such a manner that each resident 70 and over had an (approximately) equal probability of selection.

- a) *Primary sampling unit.* For each selected AGEb in Mexico City, a similar AGEb was selected in MZMC.
- b) *Second-stage unit.* Within each selected AGEb, the same as in Mexico City was exactly done, except that only five households with older persons aged 70 and over were selected.
- c) *Sampling of individuals within households.* This sampling was carried out in exactly the same way as in Mexico City.

Matching neighbourhoods

In order to achieve the highest degree of comparability between beneficiaries and non-beneficiaries, all the variables from the 2000 Mexican Census database (INEGI, 2001a) were used to identify pairs of AGEbs composed of one AGEb from Mexico City and one from the MZMC with similar characteristics. Many of these variables were highly correlated with one another. Factor analysis was employed. A single socioeconomic score variable was created using the following variables: illiterate population 15 and over, population 15 and over with no instruction, VCR, blender, fridge, washing machine, telephone, boiler. This made it possible to identify overlapping subsets of AGEbs from both regions — namely, the area of support — from which the survey AGEbs were finally sampled. The area of support contained those AGEbs of the MZMC in which PAC could have been implemented since some of their conditions were similar to a group of AGEb from Mexico City where PAC is already running.

Isolating the impacts of PAC

Multivariate approaches were used to isolate PAC impacts, differentiating beneficiaries from non-beneficiaries. Area of residence was considered as a proxy for receiving PAC. Differences found were essentially attributed to the intervention. This analysis was carried out using STATA™ version 8.1 (STATA Corp, 1984-2005). Probit and ordered probit regressions (where appropriate) adjusted for clustering were performed, and *p* values < 0.05 and < 0.01 were respectively considered as significant and highly significant. Only 1,253 older persons were included in the multivariate analysis, because one selected AGEb from Mexico City was excluded given that no older person from its pair in the MZMC wanted to participate in this study. Dietary diversity, old-age food insecurity, household food insecurity, selected indicators of inadequate care for older persons and body mass index (BMI), as an indicators of nutritional status, were analysed by area of residence (Table 3).

The analysis was controlled for confounding. Potential confounders of the relationships between malnutrition, food insecurity and poverty during old age were sex, age, old-age household

³ An AGEb corresponds to the smallest unit for which geographical and statistical information is available in Mexico.

headship, maximum educational level in the household, availability of a living spouse or partner, household size and composition, number of hours worked at the household level, participation in the labour force at the household level; participation of the older person in the labour force; dwelling ownership, availability of telephone, vehicle, motorcycle, van or pick-up truck and water pump; participation in the national milk programme, and availability of the discount card from the National Institute for the Elderly (INAPAM, to use its Spanish acronym). The matching design employed was thought to be robust enough to detect two comparable population groups.

Table 3. Definition of variables included in the study

Dietary diversity	Dietary diversity is associated with better nutritional status, as well as with physical and cognitive functions during old age (Bernstein <i>et al</i> , 1999; Clausen <i>et al</i> , 2005). A list of the 58 most consumed food items in households with older persons from Mexico City and its Metropolitan Zone during the last 24 hours was included. Food items were chosen from those reported in the Mexican 2000 National Household Budget Survey (INEGI, 2001 <i>b</i>), and were divided into seven major categories, according to the most representative food grouping suggestions all over the world (Painter <i>et al</i> , 2002). To date, there is no agreed definition of dietary diversity. Methods to score food variety, as well as the development and validation of its indicators may differ from one study to another (Ruel, 2003).
Food insecurity:	Even though food acquisition may be affected by a lack of non-wage income, and unavailability of social safety nets, among other factors, the concept of food insecurity used throughout this study describes situations in which limited or uncertain access to food due to a lack of financial resources is perceived (World Bank, 1986; Anderson, 1990).
<i>a) individual level</i>	Old-age food insecurity current and past experiences were evaluated by asking older persons five questions corresponding to the quantitative and qualitative components of the Cornell-Radimer food insecurity scale. This information was summarised by calculating the number and proportion of older adults perceiving <i>at least one</i> current and one past experience of food insecurity (Olson <i>et al</i> , 1996; Lee & Frongillo, 2001 <i>a</i> , <i>b</i> and <i>c</i>).
<i>b) household level</i>	Recent or usual experiences on food insecurity focused on the amount of food eaten in the household, anxiety over not having enough food and money to buy more, and the perception of qualitative and quantitative components of uncertain access to food. A summarised indicator of current experiences of household food insecurity was constructed (Olson <i>et al</i> , 1996; Lee and Frongillo, 2001 <i>a</i> , <i>b</i> and <i>c</i>).
Inadequate care for older persons	This approach included indicators of loneliness and abandonment, lack of support from relatives and friends, and degree of bargaining power <i>vis-à-vis</i> other members of the household regarding food-related decisions. Most of these indicators are a methodological innovation of this study.
BMI	Body mass index has proved to be useful in ascertaining both determinants and consequences of malnutrition, targeting interventions and assessing responses to food and health-related programmes in older populations (WHO, 1995).

Results

Sociodemographic characteristics

The three main similarities between the two samples on pre-programme variables are the sex distribution of their respective older populations; mean age values and the composition of their households. Higher proportions of older subjects as households heads, and educational levels of older persons from Mexico City suggest, respectively, a higher degree of participation in the household and better access to information that may eventually be crucial to face malnutrition, food insecurity and poverty. That more older persons from the MZMC have a living spouse or partner suggests greater access to an important source of help and support during late life.

Table 4. Distribution of the population under study by sociodemographic characteristics and area of residence				
	Mexico City		ZMCM	
Sex (% , <i>No.</i>)				
Men	35.9	300	39.2	164
Women	64.1	535	60.8	254
Age (mean \pm sd)				
Men	77.5	5.9	76.8	5.7
Women	76.4	5.6	77.8	6.5
Older person as household head (% , <i>No.</i>)	64.0	534	51.9	217*
Men	85.7	257	76.8	126
Women	51.8	277	35.8	91
Primary school complete and more (% , <i>No.</i>)	35.0	292	22.5	94*
Men	45.0	135	28.7	47
Women	29.3	157	18.5	47
Has a living spouse or partner (% , <i>No.</i>)	33.1	276	39.7	166†
Men	54.0	162	61.6	101
Women	21.3	114	25.6	65
Household composition (% , <i>No.</i>)				
Multigenerational households	73.2	611	77.3	323
Single-member household (≥ 70)	10.2	85	8.9	37
Older persons only	16.6	139	13.9	58
* $p < 0.01$				
† $p < 0.05$				

Income poverty

Whilst more households count on a source of wage income and own water pumps in Mexico City, the ownership of a dwelling, bicycle, car (or other vehicle for the use of the household) and radio favours more households in the MZMC (Table 5).

	%	No. = 835	%	No. = 418	(adjusted)
I. Income from employment or self-employment					
At the household level	68.6	573	76.6	320	-7.9*
Members aged 12-and-over ‡	56.1	894	54.8	492	1.2
Older persons	16.8	140	16.3	68	0.5
Source of income from employment and self-employment in the household					
Younger members only	51.9	433	60.3	252	-8.4
Both younger and older members	10.4	87	9.3	39	1.1
Older members only	6.3	53	6.9	29	-0.6
II. Selected assets					
Owned dwellings	81.1	677	88.5	370	-7.4*
Bicycle	16.3	136	28.5	119	-12.2*
Car, truck or motorcycle	20	167	28.5	119	-8.5*
Computer	11.9	99	10.3	43	1.6
VCR	33.8	282	34.9	146	-1.2
Radio	61.3	512	69.6	291	-8.3*
Sound system	69.5	580	71.1	297	-1.6
Television	93.7	782	94.3	394	-0.6
Microwave oven	28.9	241	26.3	110	2.5
Washing machine	63.2	528	60.3	252	2.9
Fridge	89	743	86.6	362	2.4
Cooker	97.2	812	96.7	404	0.6
Water pump	32.2	269	24.4	102	7.8†
III. Income from pensions					
Households	30.7	256	27.8	116	2.9
Older persons	23.5	196	21.1	88	2.4

Table 5. Indicators of income poverty in the population under study by area of residence (continued)					
	Mexico City		ZMCM		Difference
	%	No. = 835	%	No. = 418	(adjusted)
IV. Participation in food programmes					
Milk	40.7	340	27.5	115	13.2*
Food baskets, meals, food banks, etc.	7.8	65	7.4	31	0.4
Food vouchers as a benefit from job	4.4	37	3.6	15	0.8
Older person's card (INAPAM)	1.3	11	8.1	34	-6.8*
Other cash transfers	0.4	3	0.0	0	0.4
* p < 0.01					
† p < 0.05					
‡ total number of persons aged 12 - 69 years: DF = 1,594, ZMCM = 897					

It is nonetheless worth mentioning that the slightly greater proportion of dwellings owned in the MZMC would not necessarily suggest better income or expenditure levels in these households. Over the last decades, many people have moved from Mexico City, or migrated from other parts of Mexico, to the neighbouring MZMC because both land and mortgage plans were (and sometimes still are) more accessible. On the other hand, that more households in the MZMC own cars (or other means of transport like motorcycle) should be assumed as a need, rather than as a luxury.

That more households in Mexico City participate in the subsidised milk programme can probably be attributed to the greater number, less scattered, and therefore more accessible milk shops available in this area than in the MZMC. Meanwhile, the higher use INAPAM's card in the MZMC may be due to there being fewer opportunities to be benefited from other interventions than in Mexico City.

Nutritional status

The older populations under study are also similar in physical terms. Both mean values of BMI and the prevalence of overweight or obesity confirm not only that both populations can be classified on average into the category Overweight I (>25.0 kg/m²), but also that excessive adiposity affects more than half of the elderly in this metropolis. Overweight or obesity are more prevalent in older women than in older men. (Table 6). Being overweight and obese are increasingly prevalent in older adults from both developed and developing countries (Gutiérrez-Fisac et al, 2004).

Table 6. Mean values of body mass index and prevalence of overweight or obesity in the population under study by area of residence*				
	Mexico City		ZMCM	
Body mass index (kg/m ²) (mean ± sd)				
Male	25.6	3.8	25.7	3.9
Female	27.0	4.8	26.4	4.7
Overweight (% , No.)				
Men	51.2	150	51.2	84
Women	63.0	334	62.8	159
* Neither unadjusted nor adjusted differences were statistically significant				

Dietary diversity and food insecurity

Table 7 describes the consumption of both food groups and items in the last 24 hours by area of residence. When analysed by major food groups, only dairy products showed highly statistical differences. Meanwhile, when disaggregated by food item, subjects in Mexico City reported higher percentages of consumption. Most food items showing statistically significant regional differences are expensive and are usually bought in supermarkets, suggesting that most of the components of older persons' diet in Mexico City are accessed through PAC's benefit. The highest differences are those of cheese and yogurt; followed by rice, soft drinks and sliced bread; breakfast cereals, other dairy products, chicken, sweets and desserts, and soured or double cream; beef, canned tuna fish, pork ham and other fats, and fresh fish. Area differences in the consumption of some fruits and vegetables also proved to be statistically significant. However, these food items are not exclusively bought in supermarkets. Some households buy them in local or itinerant markets, presumably because they can be cheaper. These results may also suggest that it is not only important sources of protein, fibre, calcium, phosphorus or complex carbohydrates presumably being purchased as expected by the GMC, but also food items containing high amounts of saturated fats and highly industrialized carbohydrates.

Table 7. Food groups and items consumed by the population under study in the last 24 hours by area of residence					
	Mexico City		ZMCM		Difference
	%	No.	%	No.	(<i>adjusted</i>)
I. Bread, cereals , pasta, rice and tubers	99.6	832	99.8	417	-0.1
II. Dairy products	89.1	744	78.0	326	6.7*
III. Animal products and legumes	95.7	799	95.9	401	-0.4
IV. Fruits	85.9	717	82.5	345	1.4
V. Vegetables	93.9	784	96.7	404	-2.6
VI. Fats and sugar	96.2	803	94.3	394	1.0
VII. Drinks	68.6	573	71.8	300	-4.2

Table 7. Food groups and items consumed by the population under study in the last 24 hours by area of residence
(continued)

	Mexico City		ZMCM		Difference
	%	No.	%	No.	(adjusted)
I. Bread, cereals , pasta, rice and tubers					
Maize tortilla	87.2	728	92.8	388	-4.6†
Bread rolls	53.7	448	53.1	222	0.8
Rice	46.3	387	37.8	158	8.9*
Sweet bread rolls	44.1	368	37.6	157	6.4†
Pasta	41.9	350	41.6	174	0.5
Potatoes	40.6	339	31.6	132	7.0†
Bread loaf	22.8	190	12.0	50	7.8*
Other maize products	20.7	173	10.8	45	9.2*
Breakfast cereals	17.0	142	9.6	40	7.3*
II. Dairy products					
Fresh milk	78.7	657	72.7	304	1.3
Cheese	40.8	341	26.6	111	12.9*
Yoghurt	25.4	212	12.9	54	12.0*
Other dairy products	10.4	87	4.1	17	6.0*
III. Animal products and legumes					
Beans	60.0	501	61.0	255	-0.8
Chicken	52.6	439	44.7	187	5.9†
Eggs	40.7	340	37.3	156	0.6
Beef	28.1	235	24.2	101	5.0†
Lentils	9.7	81	8.4	35	1.2
Canned tuna	10.5	88	5.7	24	4.0*
Pork ham	10.5	88	5.3	22	4.7*
Pork	6.6	55	6.5	27	0.2
Fresh fish	7.7	64	3.8	16	3.4†
Other animal products	4.8	40	3.3	14	0.7
Sausages	3.0	25	2.2	9	0.8
IV. Fruits					
Banana	48.0	401	43.1	180	3.6
Lemon and lime	45.3	378	40.7	170	4.1
Apple	32.8	274	27.3	114	4.1
Other fruits	24.4	204	22.0	92	1.5
Papaya	23.1	193	18.9	79	0.5
Apricot or peach	17.5	146	16.7	70	0.9

Table 7. Food groups and items consumed by the population under study in the last 24 hours by area of residence <i>(continued)</i>					
	Mexico City		ZMCM		Difference
	%	No.	%	No.	<i>(adjusted)</i>
Guava	18.9	158	10.3	43	8.2*
Orange	15.1	126	8.6	36	4.8†
V. Vegetables					
Onion	77.1	644	80.4	336	-4.0
Tomato (red)	78.1	652	74.9	313	4.9
Chilli peppers	52.2	436	50.7	212	3.3
Tomato (green variety)	36.4	304	38.5	161	-0.6
Carrot	32.2	269	23.7	99	7.2†
Courgette	29.9	250	27.0	113	2.2
Nopales	29.2	244	22.7	95	6.4†
Lettuce	19.2	160	17.5	73	1.4
Chayote squash	20.2	169	12.2	51	7.8*
Green beans	16.3	136	12.4	52	3.2
Other vegetables	12.1	101	12.4	52	-1.7
Cucumber	10.7	89	5.5	23	3.1
Frozen mixed vegetables	9.5	79	5.5	23	2.4
Artichoke and radish	3.2	27	1.9	8	0.7
VI. Fats and sugar					
Cooking oil	87.5	731	83.7	350	4.2
Sugar	71.6	598	71.8	300	-1.8
Soft drinks	32.2	269	22.5	94	8.3*
Avocado	27.5	230	23.2	97	3.7
Sweets and desserts	25.4	212	17.7	74	6.0†
Sour or double cream	22.6	189	15.8	66	6.0†
Other fats	11.9	99	6.5	27	4.9*
Fried pork skin and/or meat	9.3	78	7.7	32	3.5†
Chorizo	3.1	26	3.6	15	-0.2
VII. Drinks					
Mineral water (still)	65.6	548	60.3	252	2.8
Other drinks	4.0	33	19.4	81	-11.8*
Beer, wine and spirits	2.5	21	4.1	17	1.0
* p < 0.01					
† p < 0.05					

A second approach to dietary diversity in older persons from Mexico City and the MZMC is presented in Table 8. Important regional differences are observed when the number of food groups that older persons included in their diet during the last 24 hours are summarised. Diets including 5 or more food groups were considered as diverse. According to this criterion, the adjusted difference between older persons from Mexico City and the MZMC is 7 percentage points. Higher

significant adjusted differences were found when estimating the proportion of older persons including at least 2 food items in every group during the last 24 hours. Older persons from Mexico City reported a more diverse diet according to this criterion.

Table 8. Indicators of dietary diversity in the population under study by area of residence					
	Mexico City		MZMC		Difference (<i>adjusted</i>)
	%	No.	%	No.	
Dietary diversity					
≥ 5 food groups in the diet	71.3	595	60.8	254	6.7 [†]
≥ 2 food items in every group	26.6	222	15.5	65	9.2 [*]
* p < 0.01 (probit regression adjusted for clustering)					
† p < 0.05 (probit regression adjusted for clustering)					

Food insecurity: individual and household levels

Table 9 shows that three out of the four selected indicators of present experiences on old-age food insecurity were higher among older persons from the MZMC: *couldn't afford to eat properly*; *being often hungry* and *eating less than thought they should*. Differences, though small, proved to be highly statistically significant. Meanwhile, the analysis of food insecurity at the household level shows that prevalences are similar in both areas of residence.

Table 9. Indicators of food insecurity in the population under study by area of residence					
	Mexico City		MZMC		Difference (<i>adjusted</i>)
	%	No.	%	No.	
Food insecurity: older person					
<i>Current experiences: last week, older person...</i>					
...couldn't afford to eat properly	16.3	136	23.4	98	-5.2 [†]
...often hungry but didn't eat because she/he couldn't afford enough food	12.3	103	20.8	87	-5.9 [*]
...ate less than she/he thought she/he should because she/he didn't have enough money for food	18.4	154	25.1	105	-4.9 [†]
... ≥ 1 food insecurity experience (last week)	23.4	195	28.2	118	-3.3

Table 9. Indicators of food insecurity in the population under study by area of residence (continued)					
	Mexico City		MZMC		Difference (adjusted)
	%	No.	%	No.	
<i>Past experiences: last year, older person...</i>					
...lose weight because there wasn't enough food	13.4	112	15.1	63	-0.5
...had hunger pangs but couldn't eat because she/he couldn't afford food	7.8	65	7.7	32	0.9
... ≥ 1 food insecurity experience (last year)	15.2	127	18.2	76	-1.2
Food insecurity: household level					
Sometimes or often not enough food eaten in the household	34.7	290	36.8	154	-0.9
Sometimes or often true...					
...we worry whether our food will run out before we get money to buy more	41.4	346	41.4	173	2.3
...we eat the same thing for several days in a row because we only have few different kinds of food on hand and don't have money to buy more	41.6	347	40.7	170	0.3
...the food that we bought didn't last and we didn't have money to buy more	37.0	309	35.9	150	2.3
...we ran out of the food that we needed to put together a meal and we didn't have money to get more	40.8	341	40.2	168	2.0
≥ 1 food insecurity experience (usual/present)	60.2	503	57.9	242	4.0
* p < 0.01 (probit regression adjusted for clustering)					
† p < 0.05 (probit regression adjusted for clustering)					

Inadequate care for the older person

Even though the comparative analysis of indicators of inadequate care for the older person evidences not many contrasts between Mexico City and the MZMC, more beneficiaries eat alone most of time than non-beneficiaries. Around 75 percent or more of older persons in both areas of study decide or are taken into account to decide what foods or things to buy. However, the presence of this expression of bargaining power *vis-à-vis* other members of the household is higher in Mexico City (Table 10).

Table 10. Selected indicators of inadequate care in the population under study by area of residence					
	Mexico City		ZMCM		Difference (<i>adjusted</i>)
	%	No.	%	No.	
Not visited by anyone	43.8	366	41.9	175	4.8
Eats alone most of time	40.6	339	32.5	136	7.1 [†]
Does not count on someone if/when...					
...wants/needs to talk	22.9	191	23.7	99	-1.1
...is unwell or needs to take a medicine	19.8	165	16.5	69	1.7
...needs to see the doctor	16.2	135	12.2	51	3.0
...needs money or things	19.9	166	19.4	81	0.8
...needs something from the shop	16.4	137	16.0	67	0.8
Does not decide or is not taken into account to decide...					
...what to eat	19.6	164	23.9	100	-0.7
...what foods or things to buy	18.4	154	27.5	115	-6.0 [†]
...how to prepare own meals	21.3	178	25.8	108	-0.3
* $p < 0.01$					
† $p < 0.05$					

Discussion

PAC has clearly proved to impact dietary diversity in older persons. Despite the limitations of a one-day 24-hour recall, beneficiaries systematically reported higher consumption of most selected food items, particularly those traditionally expensive (such as, animal and dairy products, breakfast cereals and other sources of carbohydrates) that, furthermore, are mainly bought in supermarkets and, otherwise, would not have been included in their diets. But on the other hand, the monetary transfer is also being used to buy less healthy items, such as soft drinks. Differences in old-age current experiences on food insecurity, along with a lack of evidence for positive impacts on household food security, suggest that PAC is mainly used by, and essentially benefits, older people, as expected by the GMC. However, the fact that questions and statements on old-age food insecurity derive from those designed for younger adults and households with children may have been the cause of some underestimation (Olson *et al*, 1996; Lee and Frongillo, 2001*a, b* and *c*; Nord, 2003; Rivera-Márquez & Díaz de León-Vázquez, 2010). Counting on a secure source of economic resources also seems to have positive impacts on beneficiaries' bargaining power regarding food choices and decisions.

No clear impacts on BMI were found, probably because data were collected in a stage of the programme in which no tangible effects on the nutritional status could have been yet observed. Neither a positive effect of PAC on BMI suggesting less undernutrition, nor a negative effect of this intervention suggesting increased prevalences of overweight and obesity among their beneficiaries were observed. However, that malnutrition, food insecurity and poverty affect important sectors of the older population in Mexico City and its Metropolitan Zone, that overweight and obesity are highly prevalent among adults aged 70 and over, and that a secure source of economic resources is strongly associated with dietary diversity in older persons are, *per se*, important findings from this assessment.

PAC is not an intervention based on a poverty alleviation approach, but rather designed upon a universalisation of available resources basis. Therefore, it would not be rare that the few impacts of this large-scale non-contributory pension are assumed as a success by the GMC. Local authorities are paying attention to a group traditionally excluded from the social agenda, are increas-

ing their political capital, presumably, are making older persons economically independent, and could be absolutely sure that it is older persons mainly using and benefiting from the intervention, given that no significant improvements at the household level were found.

It is nonetheless necessary to evaluate other indicators exploring, for instance, satisfaction among beneficiaries, what do they think about their local authorities investing in them, and what other changes occur once they count on a secure source of income, among others. With PAC, local authorities of Mexico City could also probably design accurate, non-intrusive strategies to find out whether beneficiaries are using the card or not, and what they use the benefit for, identifying how important is for older persons the acquisition of food and basic products through this programme. By responding to these questions, the GMC would be able to decide if it is necessary to implement awareness campaigns addressed at increasing the use of the benefit to buy and consume healthy foods. The GMC could also stimulate the creation of support groups at the neighbourhood level to assist PAC beneficiaries with the food shopping, paying special attention to housebound beneficiaries. By doing so, the GMC would guarantee that the monetary transfer is used to meet old-age food needs in a much better way. Local authorities of Mexico City should also carry out systematic nutritional surveillance among beneficiaries, given the high prevalences of overweight and obesity reported. In addition, educational and physical activity-related interventions to face this public health problem, and to prevent younger cohorts from becoming obese should be set out.

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TIME AND POVERTY FROM A DEVELOPING COUNTRY PERSPECTIVE



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Abstract

This study is concerned with the measurement of poverty in the context of developing countries. We argue that poverty rankings must take into account time use dimensions of paid and unpaid work jointly. Reviewing the current state of the literature on this topic, our methodology introduces a critical but missing analytical distinction between time poverty and time deprivation. On this basis, we proceed to provide empirical evidence by using South African time use survey data compiled in 2000. Our findings show that existing methods that work well for advanced countries require modification when adopted in the case of a developing country. The results identify a group of adults who previously were inadvertently missing, as they were considered “time wealthy.”

Key Words: Time Poverty Measurement; Time Use; Poverty; Policy

JEL Classification: J22; J16; I32

1. Introduction

The devastating human, economic, and social consequences of poverty have been long recognized and, as a result, national and international commitments for remediation have been a part of the development discourse for over three decades. All along, it has been crucial to identify poverty thresholds and socioeconomic characteristics of those who fall below that datum. This has been considered particularly important because data collected over time sheds light on how

effective poverty reduction strategies are and on how to improve the design of interventions in accordance to the demographic characteristics of the population they are meant to serve.

In this regard, the very definition of what constitutes poverty and the means through which poverty thresholds are calculated matters, as they determine the ranking of households and/or individuals vis-à-vis the poverty scale; misjudgments in this regard can result in miscalculations of quantity, depth, and trends in poverty—making some population groups in need disappear all together. Even though the most widely used measure remains the World Bank’s global \$1/day (now revised to \$1.25)¹ or \$2/day threshold, over the years researchers have proposed a movement away from the singular emphasis on (earned) income poverty (Townsend 1962; Sen 1976; Ravallion 1996).

Concepts such as “minimum caloric intake,” “consumption expenditures,” and “extended income” have drawn attention to the fact that necessities of life can be secured through government contributions (public provisioning to education and health services) and other income sources (i.e., remittances, short-term loans), all of which expand the space of commodities enjoyed; also, to better identify subpopulations at risk of being or falling into poverty, much work has insisted on cross-listing income/consumption data with other multidimensional deprivations poverty engenders. Examples here include frameworks based on the notions of “capabilities, functionings, and achievements” (Sen). The World Bank provides basic poverty estimates according to \$1 per person per day for 22 countries using purchasing power parity (PPP) exchange rates in 1985 (detailed information is available at: siteresources.worldbank.org/DATASTATISTICS/Resources/WDI08supplement1216.pdf). Estimates are revised using 1993 PPP exchange rates with a poverty line of \$1.08 and 2005 PPPs with a poverty line raised to \$1.25. Since 1985 the number of countries that provide household income and expenditure surveys has considerably expanded. The World Bank’s poverty monitoring database now includes more than 600 surveys representing 115 developing countries. (Chen and Ravallion 2008; UN 2009) 1985 and 1992), “dignity and self-respect” (Cagatay 1998; Fukuda-Parr 1999), “citizenship, participation, and voice,” and “marginality” and “social exclusion” (Townsend 2002; Burchardt 2000)

Yet, despite many advances made, a critical dimension that has received little attention—with a few notable exceptions that we will discuss shortly—is the availability and distribution of *time* across and within households. Simply put, for the vast majority of the world population, in addition to gaining access to goods and services from the government and the market, standards of living also depend on unpaid household work. For that, time must be spent on household (unpaid) production activities, such as cooking, to transform market purchases to final consumable goods; cleaning, to maintain a sanitary and healthy home environment; and caring, to attend to the needs of young children, the elderly, etc. For developing countries—especially among poor households—time must also be spent to collect water, fuelwood, and free goods for household use; the absence of basic infrastructure and lack of durable household appliances also increases the time needed to perform routine daily household functions and for transporting goods and people to their destinations.² The time requirements and ability of households to meet them is bound to result in variations and inequalities affecting the standard of living individuals and households enjoy. Poverty thresholds and deprivation measures do not incorporate this fundamental—but unaccounted for—inequality. How important of an omission might “time” then be? Vickery (1977) for the case of the United States, and more recently, Harvey and Mukhopadhyay (2007) for Canada and Burchardt for England (2000), have shown through their research findings that it matters a great deal.

¹ The World Bank provides basic poverty estimates according to \$1 per person per day for 22 countries using purchasing power parity (PPP) exchange rates in 1985 (detailed information is available at: siteresources.worldbank.org/DATASTATISTICS/Resources/WDI08supplement1216.pdf). Estimates are revised using 1993 PPP exchange rates with a poverty line of \$1.08 and 2005 PPPs with a poverty line raised to \$1.25. Since 1985 the number of countries that provide household income and expenditure surveys has considerably expanded. The World Bank’s poverty monitoring database now includes more than 600 surveys representing 115 developing countries. (Chen and Ravallion 2008; UN 2009)

² Also referred to as unpaid reproduction work, the conceptualization of unpaid activities as “production” that expands the pool of available goods and services, and hence of well-being, can be traced back to M. Reid in the 1930s, G. Becker (1970s), Mincer (1962), and many contemporary feminist economists.

To our³ knowledge, this analytical framework has not been used in the context of a developing countries⁴ and this is what we propose to do in this paper. For that, a modified analytical framework must be developed. This modification is imperative, as existing measures of time-adjusted poverty thresholds are built on assumptions germane to advanced countries, but quite unrealistic for developing ones. For example, in the face of Also referred to as unpaid reproduction work, the conceptualization of unpaid activities as “production” that expands the pool of available goods and services, and hence of well-being, can be traced back to M. Reid in the 1930s, G. Becker (1970s), Mincer (1962), and many contemporary feminist economists. Except for Bardasi and Wodon (2006 and 2009), which analyzes time poverty issues in the case of Ghana. However, they use a different framework than we discuss here. We elaborate on these studies in the next section. very high seasonal unemployment in agricultural-based economies, the allocation of time to market work is neither readily available, nor year-round and or full-time; or, time spent on unpaid work cannot be represented by the use of a single value across the board, as physical location and other household characteristics result in exorbitant variations around the mean/median. In this paper, following this pioneering work, we modify previously developed analytical frameworks to make them suitable for developing countries and apply it to the case of South Africa.

The paper is organized as follows. In section 2, we provide a summary of the literature, focusing mostly on two time-adjusted poverty measures that have been important in developing our own methodological framework. In section 3, we develop the scope of this study and build our arguments analytically. Section 4 summarizes the data, income poverty characteristics, and description of time use patterns in South Africa and presents our empirical results. The final part, section 5, concludes with some observations and policy recommendations derived from the obtained empirical results.⁴

2. TIME-ADJUSTED POVERTY THRESHOLDS: LITERATURE REVIEW

Decision on allocation of time between work and non-work is in general taken as determined jointly by the level of income earned per paid work hour and the demographic composition of the households individuals live in. Given that there are 24 hours in a day, a person is assumed to be able to decide freely how much to spend on work vis-à-vis leisure after the necessary personal time (i.e., time spent on eating, sleeping, bathing, and other personal needs) is subtracted from 24 hours. The total amount of time people have available for free allocation (T_m), as noted by Vickery (1977: 28) and Harvey and Mukhopadhyay (2007: 60), is, however, constrained by the time required to maintain their household. Time necessary (T_1) for cleaning, preparing food, maintaining the household and taking care of children and/or other household members varies widely. Note that this is the first in a series of exploratory papers on the topic with the aim to advance knowledge on how various proposed methodologies can be modified for use⁵ in the context of developing countries. among households depending on their composition. Work time thus includes both paid work time and time spent on unpaid work activities to sustain the household.

It is well accepted by now that not all goods and services are provided in the market. Any well-being measure indicating the living standard attainable by any household includes the goods and services produced by non-market unpaid work in addition to paid market work. However, the standard poverty thresholds, i.e., minimum necessary levels of income/consumption, take into account only the needs of the households with respect to money income. Nevertheless, standard poverty measures assume that every household has a sufficient amount time for unpaid work as these measures do not take into account variations in unpaid work needs. In particular, house-

³ Except for Bardasi and Wodon (2006 and 2009), which analyzes time poverty issues in the case of Ghana. However, they use a different framework than we discuss here. We elaborate on these studies in the next section.

⁴ Note that this is the first in a series of exploratory papers on the topic with the aim to advance knowledge on how various proposed methodologies can be modified for use in the context of developing countries.

⁵ The amount of time necessary for personal needs is determined as the societal averages for activities included. Similarly T_1 is determined as the societal average of this time considering different compositions of households, i.e., number of children or number of adults. Benchmark personal necessary time and T_1 level is assigned to every adult and every household with the same compositional characteristics.

holds with an income level just above the cut-off level of minimum standards may not be able to devote the required unpaid work time to their households. Based fundamentally on this issue, time-adjusted poverty thresholds were built by Vickery in 1977.

If minimal nonpoor consumption requires both money income and unpaid work products then, argues Vickery (1977: 27), the official poverty standards do not correctly measure household needs. Only if the household has T_1 hours of time available for homemaking are standard income poverty thresholds sufficient. But in case when paid work hours are more than T_m minus T_1 hours, then the household has a time deficit and adult members need to substitute forgone necessary unpaid work products with goods and services purchased in the market to attain the same standard of living as those who have sufficient time. Note that here Vickery assumes that unpaid work time is perfectly *substitutable* with paid work time/money income except for a nonbinding minimum level of unpaid work time (T_0) and vice versa.

Vickery (1977) identifies time-poor households indirectly by examining the wage distribution. She calculates the level of wage, i.e., critical wage per adult living in different household types, depending on the amount of time available for paid work after T_1 is subtracted from T_m . Comparing the wage distribution of full-time workers (i.e., The amount of time necessary for personal needs is determined as the societal averages for activities included. Similarly T_1 is determined as the societal average of this time considering different compositions of households, i.e., number of children or number of adults. Benchmark personal necessary time and T_1 level is assigned to every adult and every household with the same compositional characteristics. Vickery assumes people can choose how much time they spend doing paid work and also that when they work they are employed full time) living in urban areas with the critical wage cut-offs constructed for different types of households Vickery identifies the potential poor. If the wage level is below the critical wage level then the household is considered as involuntarily time poor, but if above then not time poor. Her findings show that single-adult households, particularly single-female-headed household with children, are highly associated with being time poor.

Three decades after Vickery's pioneering work that presents the time poverty situation in the United States, Harvey and Mukhopadhyay developed time-adjusted poverty thresholds for Canada, introducing a remarkable modification to Vickery's measure. Identification of involuntarily time-poor households based upon the critical wage-level analysis can only be possible if we assume people can choose the amount of their paid work time. The contemporary structure of paid work time across the globe (including advanced countries) shows that this is not the case. This is an assured fact given the irregular, precarious, and/or part-time jobs of today's world. Thus, Harvey and Mukhopadhyay (2007) aimed at relaxing the assumption that people have the choice to decide how much time to spend on paid work.

Similar to Vickery's calculations, after subtracting T_1 from T_m , Harvey and Mukhopadhyay obtain the amount of available time (T_A) for different types of households to be allocated between paid work and leisure. If this available time for paid work is less than the actual time spent doing paid work that means the household has a time deficit, which in turn means not only that the household has no leisure time, but also does not have enough time for the required unpaid work activities. The difference between the available and actual amounts of time for paid work is what determines time deficit/wealth both in both Vickery (1977) and Harvey and Mukhopadhyay's (2007) measures.

When it comes to the method used to identify the time-poor households, Harvey and Mukhopadhyay's measure differs significantly from Vickery's method. Instead of the indirect method that provides the potential poor with critical wage analysis, Harvey and Mukhopadhyay (2007) calculate the money value of the time deficit. They impute a monetary equivalent of the time deficit amount by the working poor and adjust the usual poverty threshold by the amount obtained, implementing a replacement cost set at the minimum wage rate in the market. Here Harvey and Mukhopadhyay assume that paid work time cannot be changed or substituted by unpaid

work time due to the contracted nature of paid work time, but unpaid work time, except for the minimum nonbinding amount (T_0), is again perfectly substitutable with paid work time/money income.

Similar to Vickery's results, Harvey and Mukhopadhyay (2007: 75) have found a high incidence of time deficit among employed single parents with children. Unlike Vickery, they have not addressed the gender issue, arguing that in Canada (as supported by the data) there are very few single fathers and that single fathers face similar challenges to single mothers.

Both studies summarized above consider the time poverty issue within the context of advanced countries. The only exception in this respect is provided by Bardasi and Wodon (2006), who raise some issues peculiar to developing-country cases by providing evidence from Ghana. They, however, use a framework that is not adequate for capturing the issue at hand, i.e., minimal standard of not being poor can only be jointly determined by time needs and income needs at hand. The time dimension of poverty in Bardasi and Wodon focuses on time dimension of poverty in its single dimension. Both conceptually and analytically this strand of research carries some differences from what we discuss here. Bardasi and Wodon apply the methodology used by the World Bank in calculating poverty thresholds and proceed to a headcount of the time poor. No need to mention that all of the criticisms valid for the head-count ratio measurement of poverty are valid also for the time-poverty line introduced by Bardasi and Wodon (2006).

Time in their study is the only attribute considered to identify poor. The time- poverty line is calculated considering the total individual working hours (paid and unpaid) and a lower threshold is assigned equal to 1.5 times the median of the total individual working hours distribution; a higher threshold is assigned equal to 2 times the median. If a person spends more time than the social median on paid and unpaid work activities together then that person is identified as time poor. First, the ways these two thresholds are chosen is arbitrary. Second, for a person to be time poor, spending long hours on paid and/or unpaid work is a sufficient condition independent from income level of the household they live in. Third, employed people in the market who spend long hours doing unpaid work are highly likely to be time poor, but this might lead to bias against the unemployed who are living under extreme income poverty conditions.

In a more recent study, Bardasi and Wodon (2009) aimed to correct their omission regarding the impact of income poverty on time poverty. Categorizing people as poor and nonpoor according to money income poverty, they identify time-poor people among the income-poor group as the ones who work longer than time poverty line. In addition, they add to this group people who would fall into income poverty if they were to reduce working hours below a given time-poverty line. However, the issue of the determination of time poverty jointly by time needs and money income needs cannot be captured by the latter analysis, unlike the time-adjusted poverty thresholds explained above. Given high rates of unemployment, paid work time may be more restrictive than Bardasi and Wodon consider. Assuming that people are free to reduce their paid work hours and solve their time-poverty problem by changing their choices may not be considered very appropriate in a developing country context.

3. SCOPE OF THE STUDY AND THE PROPOSED APPROACH

Time-poverty measures, as summarized above (despite some methodological differences), share the common critical view on traditional poverty measures for being blind towards the time dimension of poverty and inequalities among people with respect to the allocation of time as a limited resource. Each measure provides a way to overcome the limitations of the traditional measurement of poverty, yet their focus has been more on the issues and problems particular to poverty situations in advanced countries. For instance, while Vickery (1977) put forth the idea that time needs of households have to be considered for minimum sufficient living standard, what she had in mind was the fact that a working single parent has to either do a second-shift to accomplish the required unpaid work or buy their market substitutes and thus needs more time or a higher income level in order to reach a sufficient living standard. Then, recognizing that Vickery's full-time employment assumption does not fit with the recent situation of employment pat-

terns in advanced countries, Harvey and Mukhopadhyay (2007) introduced a modified method for the identification of time-poor households. Evidence shows that not only in advanced countries, but across the globe, people are not able to choose their employment hours and full-time employment is no longer a social norm; current evidence weakens the assumption of full-time employment. With the rise in the share of part-time, irregular, and informal forms of employment, particularly in 1980s and 1990s (ILO 2002), it is highly likely for the employed to spend greater or fewer hours working than regular full-time employment hours. However, all these issues were discussed more within the context of advanced countries. Possible limitations of the existing measures from a developing-country perspective, other than a full-employment assumption, have not been discussed yet.

Unlike advanced country cases, in some developing countries there are several unpaid work activities where market substitutes and/or state provisioning options do not exist for citizens. This is the central point we want to raise in the current study. To put it simply, we question the assumption of perfectly substitutable unpaid work activities in earlier work, except for a minimum nonbinding, nonsubstitutable amount (T_0). In fact, the nonsubstitutable amount of unpaid work that is similar to paid work time varies in high degrees depending on the development level of the country. The nonsubstitutable amount of unpaid work time in a developing country context can be as binding as contracted paid work time, where unpaid work includes activities such as collecting fuel and fetching water. As it is highly unlikely to hire someone to collect water for your household, time spent on these activities cannot be assumed as perfectly substitutable in the market, because such markets usually do not exist. What if the nonsubstitutable portion of unpaid work is as restrictive as paid work? Then given the possibility of lower or zero degree of substitutability of unpaid work time in several developing countries, estimates for the required unpaid work time (T_1) explained above become problematic.

Similar to the determination of T_1 , both Vickery (1977) and Harvey and Mukhopadhyay (2007) assign the societal average as the benchmark required level for personal necessary time (the difference between 24 hours and T_m). For this assigned T_0 is set as two hours a day in Vickery for managing the household and interacting with its members if the household is to function as a unit. Vickery uses the observed average derived from the Michigan (United States) 1966 time use survey and adds to that ten more hours as the necessary free time per week for each adult. Then each adult is assumed to need 81 hours of maintenance each week. Harvey and Mukhopadhyay use the comparable figure from the 1998 Canadian study and they add two more hours per day to this necessary personal activities time, personal necessary time, no time substitutions/adjustments are allowed in both studies. Thus, it must be assumed that variations among people with respect to amount of time they spend on necessary activities are negligible. However, evidence shows that in some instances people do substitute their time for personal necessary; for example they sometimes compromise their sleep in order to meet the time required for work. In particular, consider the case where they cannot substitute both paid and unpaid work time they need to spend. They find themselves with persistent time burdens that last for extended periods of time.

To drive the point home, consider a fresh graduate out of law school who is required to put in very long hours of paid work, often bordering 12–13 hour days. There may not be enough hours in the week for unpaid work, participation in family events, and/or sufficient time for sleep. In order to distinguish such cases where people engage in time substitution from the time they need to spend for their self-reproduction; we'll call these situations *time deprivation*. Time deprivation enables us to describe and categorize people according to the way they adjust their time, lacking time. Hence, the young lawyer in our example may be referred to as time-deprived.

Very long hours of paid work not only result in time deprivation, but also long hours of unpaid work together with paid work or sufficiently long hours of unpaid work by themselves may also result in time deprivation. For instance, in South Africa a single parent with two/more children

⁶ T_0 is set as two hours a day in Vickery for managing the household and interacting with its members if the household is to function as a unit.

⁷ Vickery uses the observed average derived from the Michigan (United States) 1966 time use survey and adds to that ten more hours as the necessary free time per week for each adult. Then each adult is assumed to need 81 hours of maintenance each week. Harvey and Mukhopadhyay use the comparable figure from the 1998 Canadian study and they add two more hours per day to this necessary personal activities time, generating a total of 12.5 hours per day and 87.5 hours per week required for personal subsistence for each adult.

living in an ex-homeland spends more than ten hours doing unpaid work, while her counterparts living in rural commercial areas spend almost thirteen hours on average.

Similarly, a taxi driver in a metropolis such as in New York City, an unemployed single parent with children living under poverty who has to collect water for cleaning, cooking, even bathing children and herself, or a live-in housekeeper (male or female) working under informal conditions in many parts of the world (especially in developing countries) are often on call 24-hours a day and can also be time deprived. While the young lawyer is subjected to very long paid working hours, household production activities can be reduced close to zero due to high received income and available market generating a total of 12.5 hours per day and 87.5 hours per week required for personal subsistence for each adult. substitutes. Also, the expectation of gaining more control over the allocation of his/her length of the working day down the road is a reasonable one. In the other examples we provided, people have no such prospects, neither in the immediate or distant future. This qualitative difference, based on the interconnectedness of one's earning ability and what we may call *necessary time* for paid work and unpaid work, is important to bring to the fore-front.

Both the lawyer and the taxi driver are certainly time-deprived, but their time- deprivation status does not necessarily indicate that they are both time poor. In this simple example it is possible to observe that the former owns a larger capability set than the latter. Let us illuminate the difference between time deprivation and time poverty with the help of a hypothetical example from a developing-country perspective.

Assume we have two single-adult households (adult member A and B respectively) equal in size with the same composition. Assume also that both person A and person B have to spend 12 hours a day for personal necessary activities, which corresponds to their societal average (τ_n^A). Then the total available time to allocate to paid and unpaid work (T_m) would also be 12 hours a day (24 hours- τ_n^A) for both. As the household compositions are the same, the required amount of unpaid work (T_1) and hence available time for paid work (τ_p^A) would be equal to four hours, obtained as the residual available time from total available time for work (T_m) after the required time for unpaid work (T_1) is subtracted. A summary of these statements is provided by the figures in table 3.1.

Table 3.1 Benchmark Levels (hours per day)

	Personal Necessary Time (societal average) (τ_n^A)	Total Available Time for Work (T_m)	Required Time for Unpaid Work (T_1)	Available Time for Paid Work (τ_p^A)
Person A	12	12	8	4
Person B	12	12	8	4

Given the societal averages for each category above, assume that actually observed time use patterns of A and B are as shown in table 3.2. Both participate in paid work, i.e., employed in the market, but while person A spends nine hours doing paid work, person B has a part-time job working only three hours per day. With respect to unpaid work time, they actually spend five hours and eleven hours, respectively. Consider the case where person B lives in a rural area where access to water and electricity is not available and/or person B has to take care of a child who needs long hours of supervision. Hence, as shown below, B spends more than twice the amount of time spent by person A on cleaning, cooking, and/or taking care of children. Lastly, both A and B actually spend ten hours on personal necessary activities: sleeping, bathing, eating, and other personal activities—two hours less than the societal average level of personal necessary time. Given these we observe that both A and B are time deprived, with a degree of time deprivation equal to two hours per day.

Table 3.2 Time Actually Spent (hours per day)

	Actual Paid Work Time (T_p)	Actual Unpaid Work Time	Actual Necessary Time (T_n)	Time Deficit ($T_p^A - T_p$)	Time Deprivation ($T_n^A - T_n$)
Person A	9	5	10	-5	2
Person B	3	11	10	0	2

Note that despite both A and B being time deprived at equal degree, the amount of time deficit they face is different. We observe this clearly when we implement Harvey and Mukhopadhyay's modified time deficit measure. Subtracting T_1 from total available time for work (T_m) we obtain available time for paid work. Available time for paid work is equal to four hours for both. Since person A actually spends nine hours in the market she/he faces a time deficit of five hours. However, person B faces no time deficit and, in fact, it appears B has a time surplus (one hour), working only three hours in the market. As can be seen in table 3.2, regardless of the fact that both A and B spend fourteen hours for total work (unpaid work plus paid work time), only person A is identified as time poor with (five hours deficit), whereas person B shows up as time wealthy.

The traditional income poverty threshold for both households would be set at the same level of income given the same compositional characteristics of their households. However, the time-adjusted poverty threshold (by Harvey and Mukhopadhyay's measure) detects the need for a time adjustment in case of A, who works longer hours in the market. On the other hand, the standard income poverty threshold would be suggested as relevant and sufficient for person B, even though she/he spends the same amount of time working, yet more of unpaid in nature. Thus, placing time-adjusted poverty measurement issues within the context of developing countries reveals some peculiarities of these countries, in which case adopting measures relevant for advanced countries may lead to a bias totally undesirable in poverty measurement.

Here in section 3, we tried to hypothetically show how a time-adjusted poverty measure may lead to biased results against people who also work long hours and be time deprived, but are not identified as time poor because they do more of unpaid work. Next we move to our empirical results obtained using South African data implementing, Harvey and Mukhopadhyay measure without any modifications.

4. DATA AND EMPIRICAL RESULTS: THE CASE OF SOUTH AFRICA

Data we use in our empirical analysis is provided by the first time use survey implemented in South Africa in the year 2000 (TUS 2000). The survey covers all nine provinces. Within each household, at most two people (aged ten years or above) were selected and asked what activities they had performed on the previous day. A list of all activities is provided in table A1 in appendix A.

The total sample size is 8,327 households, comprising 14,290 respondents. The subsample (6,387 households) we use is comprised of one-, two-, and three-adult households. Thirty-two percent (2,019 households) of these households are single adult, where 42 percent (2,720 households) are two-adult households. The remaining 26 percent corresponds to three-adult households (1,648 households). Full information only exists atmost for two adults.

We grouped households together based upon the location of the household and poverty status. Households were first categorized by an urban and rural divide. Urban households were further divided into two, as formal and informal. Formal urban residential areas include traditional residential suburban areas and city or town centers; those residing within these areas are typically middle-income or wealthy households. Informal areas, on the other hand, include shantytowns and slums. See appendix B for the imputation method we used to include three-adult households.

⁸ See appendix B for the imputation method we used to include three-adult households.

Demographic structure and other selected characteristics of our sample are summarized in table A2 in appendix A. The majority of the households in the subsample live in formal urban areas (51 percent), followed by families living in informal urban areas (11 percent). The rest of the population is settled in rural areas, either in rural commercial or rural ex-homeland areas (32 percent and 7 percent, respectively). For more information on the sample, see tables A2.1–A2.4 in appendix A.

We grouped households also according to their poverty status using household income level as a criterion. TUS 2000 contains only one categorical variable on the usual monthly income of the household. Respondents were asked to indicate their monthly income based on a range of ten values and, for the purposes of this study, the midpoint value for each category was allocated as the actual monthly income per household. Midpoint levels obtained were compared with the income poverty line (table A3) based on the Bureau of Market Research's Minimum Living Level, derived using the Oxford equivalence scale for different household sizes.

Accordingly, 52 percent of total population in South Africa is living under poverty (table 4.1). Being female, African, living in a three-adult household, having at least two children, being employed, and living in rural/ex-homeland or in urban informal areas are all highly associated with income poverty. The female population corresponds to 58 percent of the people living in income-poor households and 92 percent of the income-poor population are African. The unemployed or economically inactive population comprises 30 percent of the total. In terms of residential location, 47 percent of the income-poor population is residing in ex-homeland areas and 13 percent in urban informal areas. Thirty-three percent of them are living in urban formal areas (table 4.1).

Table 4.1 Sample Characteristics: Income Poverty Status

	Income Poor (52 %)	Not Income Poor (48 %)	All (100 %)
% Female	58	53	56
% African	92	53	73
% Colored/Asian	7	14	10
% Urban Formal	32	70	51
% Urban Informal	13	8	11
% Ex-Homeland	47	16	32
% Rural	8	6	7
% Employed	34	58	44
% Not Economically Active	9	4	7
% Unemployed	27	19	23
% Not Working Age	29	19	24
% Single Adult	19	23	21
% Two Adult	44	51	47
% Three Adult	38	26	32
% No Child	25	52	38
% One Child	22	22	22
% Two or More Children	52	26	40

Going beyond the traditional income-poverty measure, in order to identify time-poor households and estimate the depth of their time deficit we follow Harvey and Mukhopadhyay's (2007) measure, as explained in the following steps:

Step 1. Derivation of Personal Necessary Time and T_m

Similar to Harvey and Mukhopadhyay, for personal necessary time we derived the median level of the time spent on each activity taking into account only the individuals who are of working age (>15 and <66). We exclude children and the elderly from our sample who are not of working

age simply because the necessary time for sleeping (in a similar manner for other necessary time categories as well) might be very different from an adult of working age. In addition, we keep our reference group limited to employed adults given the fact that unemployed/economically inactive individuals spend a significantly longer time sleeping, as well as on leisure activities. Figure A1 presents distribution of time spent on sleep, leisure, and necessary care. The median levels of leisure, sleep, and necessary care time for the employed of working age are equal to 210, 540, and 120 minutes, respectively, which adds up to 870 minutes (14.5 hours) in a day⁹ Then time available for total work (T_m) is calculated as a residual obtained when personal necessary time is subtracted from 24 hours, which corresponds to 9.5 hours in South African case.

Estimates for personal necessary time have been identified as 12.5 hours in Harvey and Mukhopadhyay, while it is 10.5 hours in a day in Vickery. Vickery uses the average of 10.2 hours per day; this estimate consists of sleeping (7.6 hours), resting (.3 hours), eating (1.2 hours), and personal care (1.1 hours), derived from the Michigan (United States) 1966 time use survey and adds to that ten more hours as the necessary free time per week for each adult. Then each adult is assumed to need 81 hours of maintenance each week. Harvey and Mukhopadhyay use the comparable figure of 10.5 hours from the 1998 Canadian study and they add two more hours per day to this necessary personal activity time, generating a total of 12.5 hours per day and 87.5 hours per week required for personal subsistence for each adult. Compared to earlier estimates, South African adults spend longer hours sleeping, which might indicate a higher rate of unemployment in South Africa relative to the United States and Canada.

Step 2. Derivation of Required Household Work Minimum (T_1)

Following Harvey and Mukhopadhyay, we calculate the average required minimum for unpaid work conditional on the number of adults in the households and the number of children living in the household younger than 16 years. Similar to their method, the means are established from households in which one of the adult members reported herself/himself as the homemaker, i.e., main responsible person for house work (5,425 households out of 6,387). Table 4.2 below presents the conditional means for unpaid work time specific to different types of households in the case of South Africa.

Table 4.2 Estimates of T_1 per Adult (in minutes)

	No Children	One Child	Two or More Children
Single Adult	151.11	306.80	392.54
Two Adult	145.80	203.83	234.43
Three Adult	130.52	166.60	201.48

Step 3. Derivation of Time Deficit/Surplus

Subtracting T_1 from T_m we obtain the available time for market work. Then comparing available time for market work with the actual time South Africans spend on paid work, we are able to find whether they face a time deficit or surplus. Time deficit implies they need more money income to substitute the unpaid work time they lack. For those households, the time-adjusted poverty line also covers the amount of income that is needed to compensate for the difference between the time actually spent unpaid work and the amount that is necessary.

Accordingly, our estimates show that 18 percent of the total population face a time deficit. Supporting Harvey and Mukhopadhyay's findings, a higher percentage among the single-adult households (34 percent) are time poor (table 4.3). Among single-adult households who are time poor, 25 percent have two or more children and 14 percent have one child (tables A.4 and A.5 in appendix A).

⁹ On average, South African adults of working age spend 9 hours 20 minutes sleeping, 2 hours 38 minutes on necessary care activities, 3 hours 5 minutes doing unpaid work, and 2 hours 40 minutes on paid work.

¹⁰ For the benchmark time spent on home maintenance (housekeeping in her case), Vickery only takes into account the time allocation of women who are employed full time in the market, arguing that housekeeping is subject to great variation unlike other types of unpaid work time. Harvey and Mukhopadhyay do not find a significant variation on that and do not make the distinction among the unemployed and employed respondents. Here, following Harvey and Mukhopadhyay, we also do not make that distinction.

Table 4.3 Percent of Population with Time Deficit/Surplus

	Households with Time Surplus	Households with Time Deficit	Total
% Single Adult	66	34	100
Col. Per.	17	38	21
% Two Adult	82	18	100
Col. Per.	47	46	47
% Three Adult	91	9	100
Col. Per.	36	16	32
% Total	82	18	100
Col. Per.	100	100	100

Table 4.4 provides information on the depth of the time deficit/surplus. Except for the single-adult households who are employed in the market and living with at least one child, all other households, on average, have a time surplus.

Table 4.4 Mean Time Deficit/Surplus per Adult (in minutes)

	All Adults Unemployed/Inactive	One Adult Employed	Two/Three Adults Employed
Single Adult			
No Children	345.72	62.41	
One Child	215.96	-31.22	
Two or More Children	112.07	-64.05	
Two Adult			
No Children	383.79	225.09	85.72
One Child	299.30	161.81	96.42
Two or More Children	260.48	136.43	11.88
Three Adult			
No Children	337.26	265.24	154.89
One Child	301.79	195.28	139.75
Two or More Children	279.70	195.49	131.51

Using the estimates above, one can set up a new time-adjusted poverty threshold for South Africa via adding the monetized value of the time deficit onto the traditional poverty threshold for the households with a time deficit. Rather than establishing time-adjusted poverty threshold levels, for our purpose here, we show that there could be some people who are not included among the time-poor group despite the fact that they are time deprived when these measures are adapted to developing countries without any modifications.

We grouped households according to their time-deprivation status, i.e., calculating the difference between the amount of time people actually spent on necessary personal activities and the benchmark level for necessary personal activities (median level as explained in step 1, above) and we identify the households whose adult members spend less/more time on doing necessary personal activities than the benchmark. By this, we categorize households whose adult members are time deprived (TD) versus not time deprived (NTD). Combining time-deprivation and income-poverty status, we are also able to categorize households identified as: 1) income poor and time deprived (PTD); 2) not income poor, but time deprived (NPTD); 3) income poor, but not time deprived (PNTD); and 4) neither income poor nor time deprived (NPNTD).

Table 4.5 presents the demographic characteristics of our sample, taking into account their time-deprivation status. As can be observed, being female, being African, living in ex-homeland, being elderly (not working age), living in a single-adult household, and having at least two children are all highly associated with being income poor and, at the same time, being time deprived.

Table 4.5 Sample Characteristics: Income Poverty and Time Deprivation Status

	PTD	NPTD	PNTD	NPNTD	All
% Female	61	47	58	55	56
% African	92	54	92	52	73
% Colored/Asian	7	16	7	13	10
% Urban Formal	24	70	34	70	51
% Urban Informal	13	10	14	7	11
% Ex-Homeland	51	11	46	17	32
% Rural	12	9	7	5	7
% Employed	49	81	31	52	46
% Not Economically Active	12	6	30	22	23
% Unemployed	7	2	10	5	7
% Not Working Age	32	11	28	22	24
% Single Adult	44	35	13	19	21
% Two Adult	39	50	45	51	47
% Three Adult	17	15	42	30	32
% No Child	21	52	26	52	38
% One Child	19	22	23	22	22
% Two or More Children	60	26	51	26	40

Note: The row total does not add up to 100 since each cell corresponds to the percentage of the group living in the households in the header row. For example, 61 in the top first cell shows that 61 percent of the people living in PTD households are female.

In addition, figures in table 4.6 show that 52 percent of the total population is living under income poverty in South Africa. Almost 10 percent of the total population is living under income poverty as well as being time deprived. However, among the income-poor and time-deprived group, 46 percent of them appear to have a time surplus rather than deficit (highlighted cells in table 4.6) and thus no time adjustment is considered for these people. The other 54 percent of time-deprived and income-poor households are identified as time poor by Harvey and Mukhopadhyay's measure and their standard threshold level of poverty is suggested to be adjusted by the amount of time deficit they face.

¹¹ We discuss the characteristics the PTD who appear as time wealthy in detail in the following because we think that all PTD households should be considered as time poor by any measure. However, note that there might be some people among NPTD households who should be counted as time poor, but show up in time-wealthy group. In order to determine who would be time poor among this group, we need a modified measure, which will be discussed in another paper. Thus, here we limit our discussion to the income-poor and time-deprived group.

Table 4.6 Percent of Population with Time Deficit/Surplus: Income Poverty and Time Deprivation Status

	PTD	NPTD ^{II}	PNTD	NPNTD	Total
% Time Surplus HHs	5	2	50	43	100
Column Percentage	46	15	96	93	82
% Time Deficit HHs	28	49	9	15	100
Column Percentage	54	85	4	7	18
% Total	9	10	43	37	100
Column Percentage	100	100	100	100	100

Among the PTD households, some are considered as time poor and some appear as time wealthy. At this point it is possible to ask the question, what makes this difference between the two groups, why do some of the PTD households not appear to have a time deficit? Who are these income-poor and time-deprived people that as time wealthy?

Table 4.7 presents some characteristics of this missing group among the time-poor households. As can be seen, 65 percent are female and 92 percent African. While 42 percent correspond to single-adult households, 35 percent are living in two-adult households. Among the single-adult households, 71 percent have two or more children (see table A6). Living in an ex-homeland is highly associated with falling into this group (see table 4.7 and table A7). In addition, not being of working age, being a single adult, and also having at least two children are among other likely characteristics of the group.

Table 4.7 Characteristics of Missing PTD Households

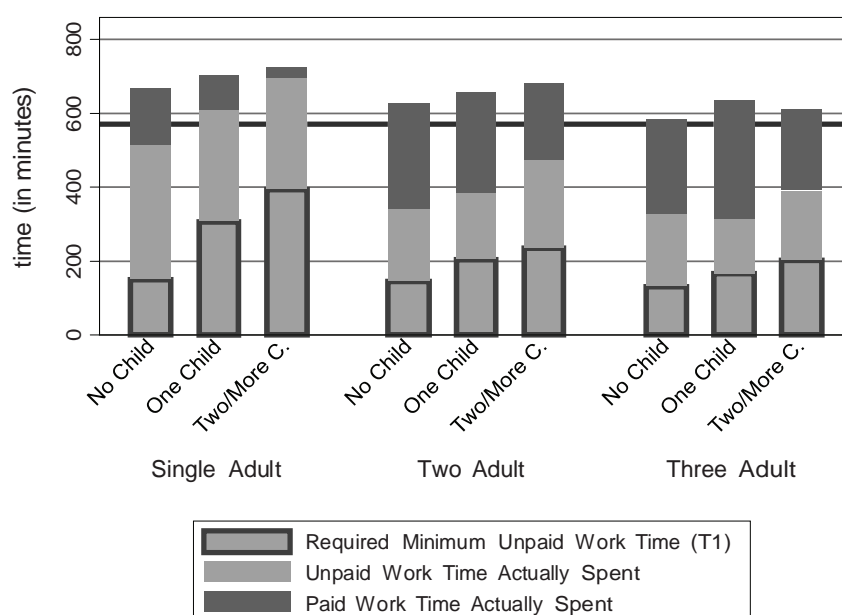
	PTD with Time Surplus	All
% Female	65	57
% African	92	74
% Colored/Asian	7	10
% Urban Formal	17	49
% Urban Informal	11	11
% Ex-Homeland	62	35
% Rural	9	6
% Employed	34	39
% Not Economically Active	21	27
% Unemployed	7	7
% Not Working Age	38	26
% Single Adult	42	17
% Two Adult	35	47
% Three Adult	23	36
% No Child	13	37
% One Child	17	23
% Two or more Children	70	40

Note that a majority of the adult members of the missing group are women (65 percent). This is particularly true for single-adult households. Demographic characteristics based on the sex of

the adult member show that 86 percent of the adult members are women in single-adult households (table A8 in appendix A). Among the single-adult households where the adult member is female, we observe that 76 percent of them are living in an ex-homeland and 10 percent live in urban informal areas. In addition, with respect to their employment status, we observe that more than half of them are either unemployed (13 percent) or economically inactive (38 percent).

When we compare the time use pattern of the PTD households with time surplus with societal averages we find some evidence to answer why some of them are missing among the time-poor group. As can be observed in figure 4.2, these PTD households spend a much higher amount of time on unpaid work in comparison to the society's average (shown as the light gray portion of the bars bordered with dark gray outline). As expected they spend a very limited amount of time in the market (shown with dark gray parts). Allocation of total work time among unpaid and paid work presented in figure 4.2 shows that the missing group¹² members spend almost twice as much as the societal average of required unpaid work time (T_1).

Figure 4.2 Unpaid and Paid Work Time by PTD with Time Surplus (per adult)



We observe that adult members in this missing PTD group spend more time doing unpaid work than the societal average of required minimum (T_1). A more detailed analysis of their time use pattern is needed in order to understand the underlying reasons, yet some simple estimates may provide insights on the issue. For instance, while, on average, a single-adult households without children spends only four minutes on water and fuel collection, among these missing PTD households, single adults without children spend thirty-two minutes and single adults with children spend one hour. Similarly, we also see that this subgroup spends more time on home maintenance activities (the difference is one and a half hours for single adult with one child where the difference is more than two hours for single adult with two/more children), as well as on social care (the difference is one and a half hours for a single adult with one child, where the difference is around forty minutes for single adult with two/more children). Analysis of the group according to different sample characteristics may provide better explanations on why they appear time wealthy although they are time deprived. Figure A2 in appendix A presents time use patterns of

¹² The thick horizontal reference line at the top shows the benchmark level for total work time (T_1 + paid work time). If an adult spends more time on work than this benchmark then she/he is identified as time poor. If we add up the paid work time to the required unpaid work time (leaving the part of unpaid work time above the required unpaid work benchmark outside) then we can see that the total amount would be less than the time available for total work. Note that when compared to two-adult and three-adult households, single-adult households (and among them, particularly the single adult with two or more children) are the most severely time-deprived group.

each subgroup according to the different residential location. Observations on the variations in terms of the depth of time deprivation and the underlying reason behind time deprivation can be derived from these figures. This type of analysis helps to identify the subgroups that are in desperate need of some policy intervention relative to others and might improve understanding of income poverty and time-deprivation status in terms of the specifics of their needs.

Conclusion

Traditional poverty measures do not consider inequalities across households with respect to their time resources. Few studies consider time as a limited resource and discuss the relevance of time inequalities in poverty analysis. Among these, one strand of research constructs and discusses time-adjusted poverty thresholds, on which this study centers. The thresholds are built using several assumptions that may work well with advanced country cases, but do not fit in the context of developing countries.

Here, we raise issues particular to developing countries, suggesting that there is a need for a different approach to time-poverty issues, particularly in some developing countries. Given the close association of unpaid work burden and poverty, which is stronger in case of developing countries, we argue that a nonsubstitutable amount of unpaid work time can be as binding as paid work time. Consider the fact that unpaid work activities in some developing countries include activities such as collection of water and fuel for which market substitutes do not usually exist or reachable. Nonmarketable unpaid work activities are fundamentally necessary for households living under poverty and, in general, hinder people's paid work participation. Thus unpaid work time can be as restrictive as paid work time in determining the time deficit/wealth of people.

Introducing the concept of time deprivation, we analytically construct our arguments and provide supporting empirical evidence by reproducing Harvey and Mukhopadhyay's (2007) measure of time-adjusted poverty using South African time use data. We show that though their method works well for Canada, it might discriminate against certain social groups when adopted in a developing country case without any modification, for instance, in a country like South Africa. The results we obtain present that the measure cannot capture some income-poor and time-deprived households whose adult members also spend long hours doing work, yet appear as time wealthy due to the nature of work they do—unpaid work.

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APPENDIX A

Table A2.1 Demographic Characteristics (% of total population)

Number of Adult Members		Number of Children	
Single Adult	21	No Child	38
Two Adult	47	One Child	22
Three Adult	32	Two/More Children	40
Total	100	Total	100
Race		Sex	
African	73	Female	56
Colored/Asian	10	Male	44
White	17	Total	100
Total	100		
Employment Status		Residential Location	
Employed	46	Urban Formal	51
Unemployed	7	Urban Informal	11
Not Economically Active	23	Ex-homeland	32
Not Working Age (age <16 or >65)	24	Rural	7
Total	100	Total	100

Table A2.2 Characteristics (cont.)

Main Source of Household Income (% of total population)	
Wage/Salary/Piecework Pay/Commission	55
Earnings From Own Business or Farm	9
State Grants	16
Private Pension	3
Unemployment Insurance Fund	1
Investments	1
Money from Other Household Members	12
Remittances from People outside the HH	1
Private Maintenance	2
Total	100

Table A2.3 Characteristics (cont.)

	Emp.	Unemp.	Not Econ. Active	Not Working Age	Total
Wage/Salary/Piecework Pay/Commission	74	40	40	38	55
Earnings From Own Business or Farm	13	5	6	8	9
State Grants	5	12	21	32	16
Private Pension	1	2	5	4	3
Unemployment Insurance Fund	0	4	1	1	1
Investments	0	1	1	2	1
Money from other Household Members	5	26	23	13	12
Remittances from People outside the HH	0	2	2	1	1
Private Maintenance	1	8	2	1	2

Table A2.4 Characteristics (cont.)

Dwelling Type (% of total population)	
House or Brick Structure on a Separate Stand or Yard	56
Traditional Dwelling/Hut/Structure Made of Traditional Materials	15
Flat in a Block of Flats	7
Town/Cluster/Semi-Detached House	3
House/Flat/Room in Backyard	2
Informal Dwelling in Backyard/Shack in Backyard	2
Informal Dwelling/Shack Elsewhere, e.g. in Informal Settlement or Traditional Area	13
Room(S)/Garage not in Backyard, but on a Shared Property	1
Caravan/Tent	0
Other, Specified	2
Total	100

Table A3. Poverty Income by Household Size

Household Size	Rand per month
1	587
2	773
3	1028
4	1290
5	1541
6	1806
7	2054
8+	2503

Source: South African Regional Poverty Network (SARPN), 2004.

Figure A1. Distribution of Sleep, Leisure, and Necessary Care

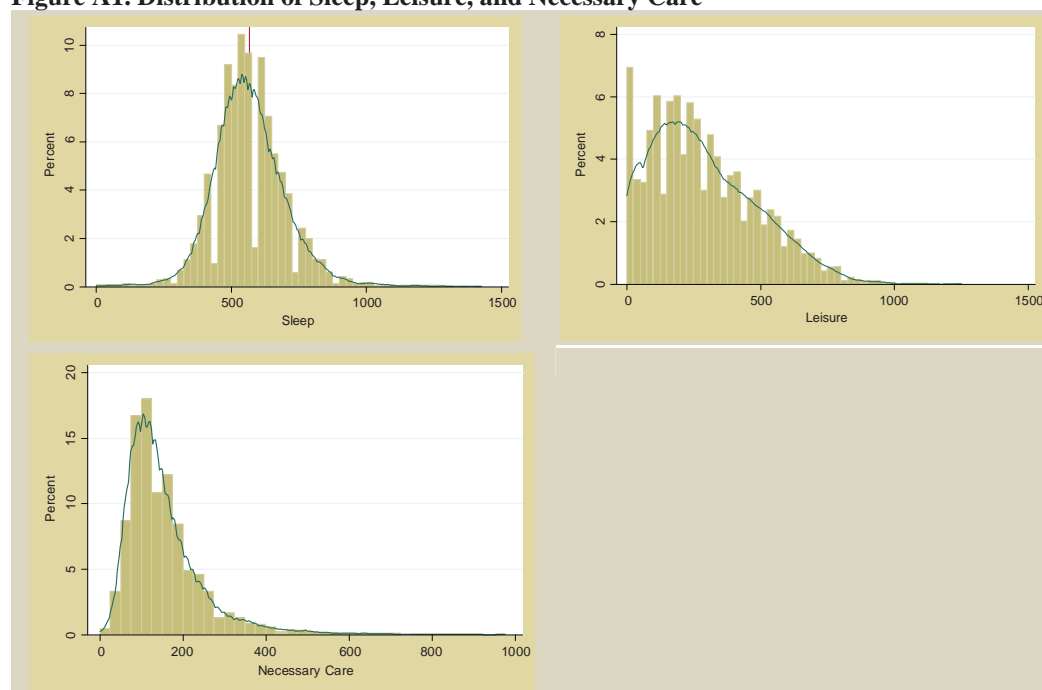


Table A4. Population Distribution According to Time Poverty Status (cont.)

Households	With Time Surplus	With Time Deficit	Total
Single Adult	17	38	21
No Children	9	23	12
One Child	3	5	3
Two/More Children	5	10	6
Two Adult	47	46	47
No Children	18	17	18
One Child	11	9	11
Two/More Children	18	19	18
Three Adult	36	16	32
No Children	9	4	8
One Child	9	5	9
Two/More Children	17	7	15
Total	100	100	100

Table A5. Distribution of Households According to Time Poverty Status (cont.)

Living in HHs with Time Surplus					Living in HHs with Time Deficit			
Adult Number	No Children	One Child	Two/More Children	Total	No Children	One Child	Two/More Children	Total
Single Adult	53	16	31	100	61	14	25	100
	24	12	13	17	53	27	27	38
Two Adult	39	23	38	100	37	21	42	100
	50	48	45	47	39	46	55	46
Three Adult	26	26	48	100	24	35	42	100
	26	40	43	36	8	27	18	16
Total	37	23	40	100	44	20	36	100
	100	100	100	100	100	100	100	100

Table A6. Characteristics of PTD Households with Time Surplus—Household Composition

	No Children	One Child	Two/More Children	Total
% Single Adult	8	21	71	100
Column Percentage	26	51	43	42
% Two Adult	21	11	69	100
Column Percentage	56	22	35	35
% Three Adult	10	21	69	100
Column Percentage	18	27	22	23
%Total	13	17	70	100
Column Percentage	100	100	100	100

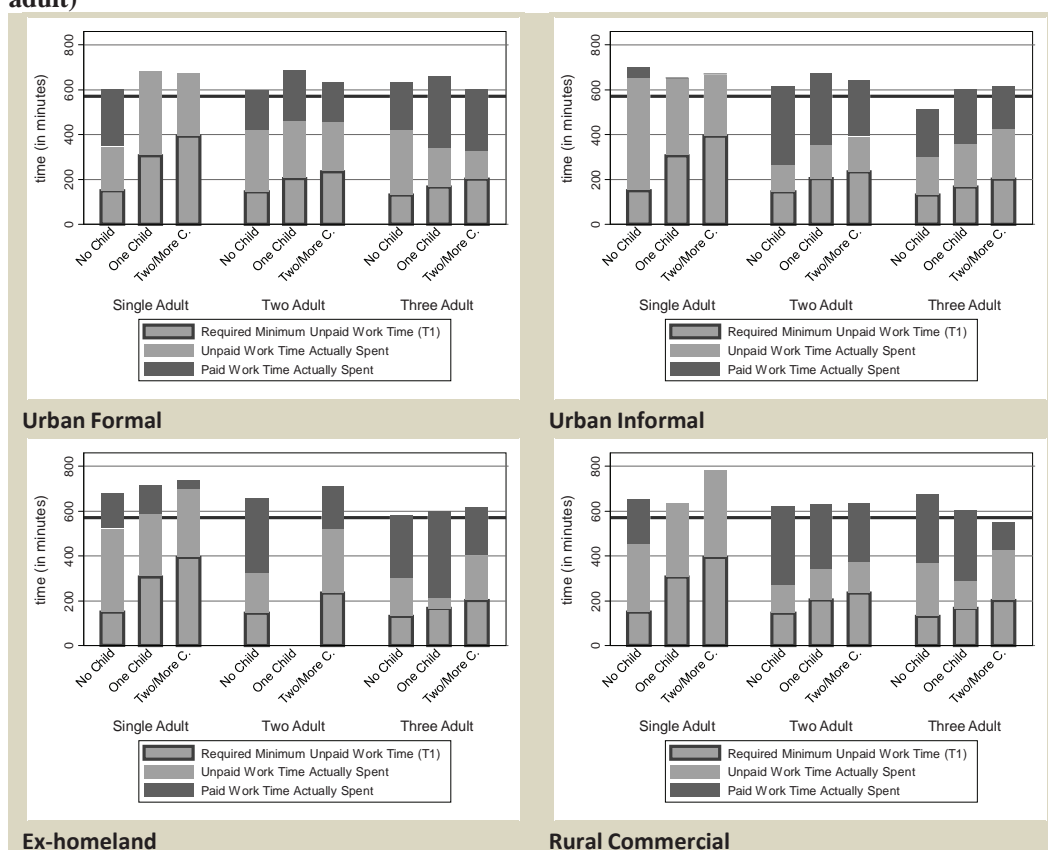
Table A7. Characteristics of PTD Households with Time Surplus—Residential Location

	Urban Formal	Urban Informal	Ex- homeland	Rural	Total
% Single Adult	9	9	78	3	100
Column Percentage	23	35	53	15	42
% Two Adult	22	12	48	18	100
Column Percentage	45	37	27	70	35
% Three Adult	25	14	55	6	100
Column Percentage	33	28	20	15	23
%Total	17	11	62	9	100
Column Percentage	100	100	100	100	100

Table A8. Characteristics of the PTD Households with Time Surplus—Gender

	Adult Members		
	Male	Female	Total
% Single Adult	14	86	100
Column Percentage	18	41	34
% Two Adult	40	60	100
Column Percentage	58	34	41
% Three Adult	27	73	100
Column Percentage	24	26	25
%Total	28	72	100
Column Percentage	100	100	100

Figure A2. Mean Time Spent on Unpaid and Paid Work According to Location (per adult)



APPENDIX B

In this part, we first summarize the imputation method we used in order to include three-adult households into our analysis and present problems we addressed due to lack of data availability while working with South African TUS 2000 data.

1. Data is collected from a limited number of people in each household

Two people, aged ten years or above were selected systematically for TUS 2000 within each household and asked what activities they had performed on the previous day. We do not have time use information of every member of the household. In case data were available, we would be able to calculate, for instance, required time for unpaid work for each household. In addition, complete information on personal diaries is only available for the single-adult and two-adult households on the condition that both adults are selected as respondents for demographic questionnaires and time use diaries. The total amount of unpaid and paid work time spent by all members of the households could only be calculated for these households.

Lack of time use diaries of the adults who are not selected made us use an imputation method to impute the values missing. The problem of missing data is sometimes solved by using only the available instances of complete cases or using some indicator variables that are filled with the mean or mode of the nonmissing values of that variable. Some approaches allow for missing data. The multiple imputation method is a general and more appropriate method for dealing with missing data (Rubin 2004). Here we used the multiple imputation method¹³ in order to include three-adult households in our sample by imputing the required variables for the third adult analyzed. Here, switching regression method of multiple multivariate imputation is implemented as

¹³ See Rubin (2004) and Royston (2004) for a detailed discussion on multiple imputation of missing values.

described by van Buuren, Boshuizen, and Knook (1999). The procedure followed is summarized in Royston (2004:233).

Through imputation we were able to cover single- to three-adult households, after which our sample added up to 77.1 percent of the whole survey data. When three-adult households are excluded, only 57.2 percent of the data set would be covered. Imputation of paid work time and unpaid work time has been done in two steps. First, a probabilistic imputation is addressed in order to determine whether the third adult is employed in the market or not. Information on the employment status of the adults that are not selected is not available in the data. While imputing the amount of paid work time we excluded people who are not employed in the market. Missing values imputed correspond to 23.6 percent of the sample. Kernel density functions obtained for paid and unpaid work time are provided by figures B1 and B2, below.

Figure B1. Paid Work Time

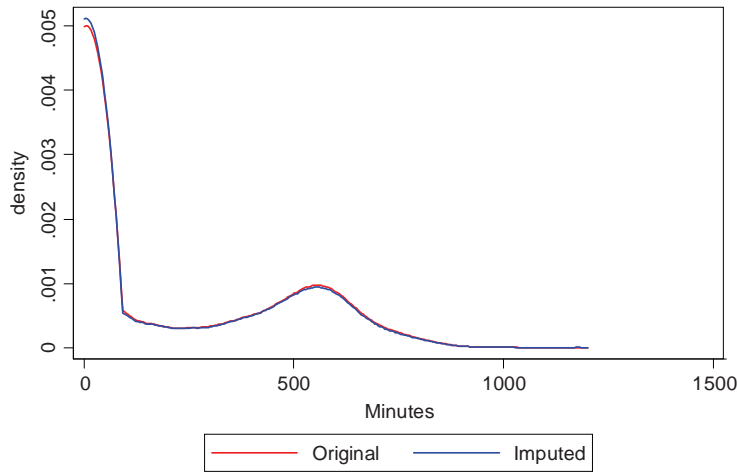
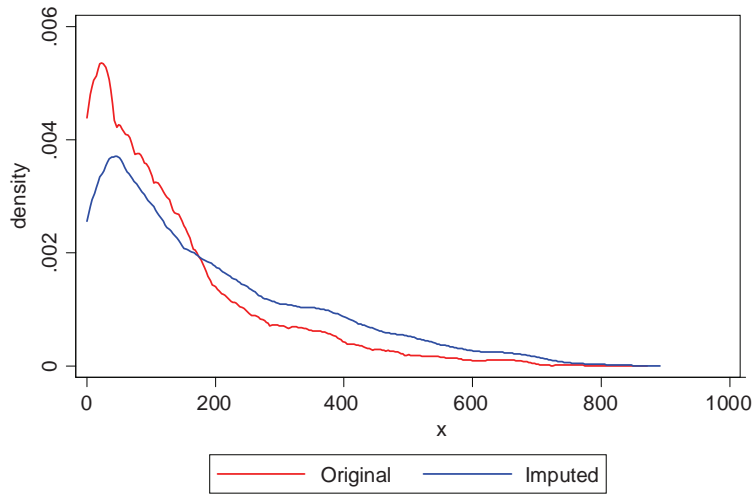


Figure B2. Unpaid Work Time



2. Lack of data availability with respect to income variables

TUS 2000 questionnaires do not include information of the actual level of income earned. Instead, the usual total monthly income of the household/individual (including all

sources) is provided in income ranges, thus the available income variable is a categorical one. In order to classify households according to their poverty status, we calculated the midpoint within each range of income levels and used these midlevel values in identifying the poverty status of the households. Categories for the households' income given are as follows (with midpoint shown in brackets):

R0–R399	(R200)
R400–R799	(R600)
R800–R1 199	(R1000)
R1 200–R1 799	(R1 500)
R1 800–R2 499	(R2 150)
R2 500–R4 999	(R3 750)
R5 000–R9 999	(R7 500)
R10 000 or more	(R15 000)

The personal questionnaire provides information on income earned by each respondent; however, categories assigned for the household income level do not match with the categories designed for the individual monthly income. Thus, given the possibility that the midpoint of personal income might be higher than the midpoint of the corresponding household income range, we avoid using personal income in our calculations. Classifications for the usual total monthly personal income from all sources are as follows:

No personal income
R1–R500
R501–R1 000
R1 001–R5 000
R5 001–R10 000
R1 001 plus
Payment only in-kind
Don't know
Refusal

WHY IT IS DIFFICULT TO ERADICATE CHRONIC POVERTY?



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Abstract

Chronic poverty is usually defined as a state in which people continuously experience various forms of hardship and a multitude of vulnerabilities for several years. This paper is based on a case-study from Mauritius, where the successive governments have tried to eradicate chronic poverty over the past few decades. The main aim of the paper is to consider the major difficulties in the eradication of chronic poverty. The study analyses data collected through a variety of techniques; 54 photographic evidence, 18 unstructured in-depth interviews, 4 focus group discussions. The research participants of this study are people living in chronic poverty and development workers working for the eradication of chronic poverty. The grounded theory analysis of the data reveals that some of the main answers to why it is difficult to eradicate chronic poverty could be categorised as being the 5Is; Ignorance, Internalisation, Illusion, Impositions and Illegalities. The paper therefore recommends that for the eradication of chronic poverty policy makers have to recognise such difficulties, as mentioned in this paper.

Key Words: Chronic Poverty, Poverty Eradication, Social Policy and Welfare State

Introduction

Mauritius is an island that is situated in the Indian Ocean and has a land surface area of 1,865 square kilometres and a population of about 1.2 million. The country is considered as one that is peaceful, politically stable, multi-ethnic and multicultural. Since its independence from Britain in 1968, Mauritius has been making remarkable socio-economic progress. In fact, Mauritius is regarded as a model for socio-economic development within Africa. As from the early 1980s, Mauritius is having an average annual economic growth of around 5%, and continuous efforts are also being made by successive governments to consolidate the welfare state. In addition, Mau-

ritius has made a remarkable progress in the world ranking in the Environmental Performance Index (EPI) moving from 58th in the last classification published in 2008 to the 6th place in the 2010 publication (See EPI, 2010). Despite several years of continuous effort towards sustainable development, poverty and income inequality has remained a major challenge for the past few Mauritian governments.

In particular, UNDP (2008) reports that in Mauritius:

"the proportion of poor households below the relative poverty line increased from 7.7% in 2001/02 to 8.0% in 2006/07...and the Gini coefficient increased from 0.371 in 2001/02 to 0.389 in 2006/07 indicating an increase in income inequality" (pg.1).

According to official figures there are 7,157 families living in extreme poverty in 229 deprived regions of Mauritius (Ministry of Finance & Economic Development, 2009). In particular, some 12% of the Mauritian population is estimated to be poor, based on a poverty benchmark calculated at 50% of the median monthly household expenditure (Ministry of Environment & National Development Unit, 2010). An analysis presented by the CSO (Central Statistics Office), which is mainly based on data collected during the 2001/02 and 2006/07 'Household Budget Surveys', report that poverty has worsened in Mauritius during this period (Ministry of Finance & Economic Development, 2009).

The current Mauritian government in its 2008-2009 Budget has therefore earmarked billions of rupees towards poverty alleviation projects and programmes. For instance, the National Empowerment Foundation (NEF) has been set up with a budget of Rs 560 million for the funding various empowerment programmes such as adult literacy, employability, life skills training, learn to earn and so on. Moreover, the Trust Fund for the Integration of Vulnerable Groups (TFIVG), another body within the government sector, is working with some 60,000 vulnerable men, women and children. In addition, in Mauritius all profitable firms are required to spend 2 percent of their profits on Corporate Social Responsibility (CSR) activities approved by the Government or otherwise transfer the funds for use in the fight against poverty (Refer to Government of Mauritius, 2010). The CSR contribution from all profitable companies for the year 2010 is expected to be around Rs 1 billion per year (Ibid).

During the past few decades there has also been debate on what is meant by poverty. Some decades ago poverty was defined as the inability to attain a minimum standard of living (World Bank, 1990). Nowadays, there seems to be general consensus among various researchers and academics that poverty is a complex and multidimensional concept. It is also firmly being believed by most researchers and academics that poverty exists within a complex and dynamics 'poverty traps' (Chronic Poverty Research Centre, 2010). Given the complexity in focusing on poverty, policy makers have started to focus more attention on the chronic form of poverty. Chronic poverty is defined as a state in which people continuously experience various forms of hardship and a multitude of vulnerabilities for several years. Chronic poverty is therefore regarded as the absolute form of poverty that is experienced for an extended period of time or even over the life course (Shepherd, 2007). Chronic poverty is visible and considered as being an important element within the consolidation of a welfare state (Tepe, 2005). A focus on chronic poverty allows researchers to examine the intensity, duration, dynamics, severity and multi-dimensionality of poverty, so as to have a better understanding on the scope, opportunities and challenges in its eradication (Hulme et al., 2001).

According to the Chronic Poverty Report 2008-09, policies to eradicate chronic poverty need to be customised to specific national contexts (Chronic Poverty Research Centre, 2010). Understanding chronic poverty is to understand the context and structural aspects of 'poverty traps' that keep the poor into poverty. As Shepherd (2007) puts it:

"...chronically poor people are structurally positioned so that escape is difficult or impossible without significant changes to the contexts in which they live and work" (pg.1).

In particular, specific national contexts represent certain specific aspects that need to be stud-

ied, understood and taken into consideration in designing chronic poverty eradication policies, strategies and programmes. From this perspective, this paper considers the challenges in eradicating of chronic poverty from a Mauritian case-study. After the introduction, a brief overview of the context is presented. Then, the methodology utilised for this paper is explained. The main part of this paper is focused on a discussion based on the analysis of the findings from the case-study. The analysis of the paper is therefore centred on to provide answer to the question on why it is difficult to eradicate chronic poverty. Then after, some policy implications of the findings are highlighted. Finally, a general conclusion is drawn from the discussion carried out in this paper.

The Context of the Case-study

The southeast costal region of the Island of Mauritius includes rural villages such as Trois Boutiques, Mahebourg, Old Grand Port, Bois des Amorettes and Grand Sable that are located in the district of Grand Port. The CSO (2002) carried out a ranking exercise (from 1 for the highest to 145 for the lowest) based on the Composite Relative Development Index (CRDI) for small areas. In this particular exercise, the ranking of some of these coastal villages from the southeast (out of 145) were as follow: Grand Sable, 136; Old Grand Port, 117 and Bois des Amorettes, 138. In particular, a research commissioned by UNDP (2001) has identified the southeast coastal regions of Mauritius among the most deprived and vulnerable ones in the country. The majority of the poor people from the southeast coast region of Mauritius tend to rely heavily on fishing and micro-scale farming for subsistence and cash income (IFAD, 2007). The Ministry of Environment and National Development Unit (2010) states:

"As a result of overfishing, a general decline in fish catch has been observed in lagoon fishery which has resulted in some degree of poverty in coastal villages" (pg.46).

This means that a number of poor people from the southeast coastal villages of Mauritius who earn their livelihood through small-scale fishing are having a hard time. The poor people in the southeast coastal villages also earn their livelihood from low paid jobs such as seasonal labour in the sugar cane plantation, part-time construction work, factory manual work. In addition to being low-paid, such jobs are also unstable, unsafe and insecure. IFAD (2007) also mentions:

"In the wake of the recent exposure to global competition, and the consequent decline in the production of sugar and textiles for export, rural poverty is on the rise across the country. Unemployment is increasing, and those who are already disadvantaged are sinking into deeper poverty" (pg.1).

Moreover, the relatively low level of education together with the absence of acquired skills and unemployment further inhibits the chances of the people from these coastal areas to get out of the poverty trap. In a similar vein, Sobhee (2004) write that among students who left primary school (approximate at the age 10) in the region of Grand Port, less than 50% have enrolled in secondary school in 1998. For instance, in the region of Bois des Amorettes, UNDP (2001) reports that most of the males and females consulted by them had "dropped out of school prior to Standard VI (usually 10-11 years old), with only a small number having reached Form III at secondary level (usually below 16 years old)". Furthermore, in a study carried out by Sobhee et al. (2007) it was found that the majority of uneducated fishers were from the district of Grand Port.

In the case-study villages, some people have been living for more than 10 years in small huts made of rusty iron sheets and with old newspapers used as room separation (See Box 1). In addition to the lamentable housing conditions, a number of those who are in chronic poverty suffer from various forms of marginalisation. For example, in some cases, a number of inhabitants are considered as squatters, as they do not have in their possession the land deed, despite having stayed in the place for more than 20 years. Consequently, the 'squatters' do not have access to housing loans and therefore have to stay in poor housing.

Most of the southeast coastal regions are located at the foot of the slope of Grand Port Mountain Range. There. During heavy rainfall, several places get flooded and soil, rocks and sewage are drained to the sea passing through several vulnerable houses. In a similar manner, the study carried out by UNDP (2001) reports that in Anse Jonchée:

"Most houses are made up of corrugated iron sheets. ..., inhabitants suffer tremendously during heavy rains..., water coming from mountains over-floods their toilets and creates a highly unhygienic conditions" (pg. 104-105)

Box 1: Living Conditions of some Chronically Poor Research Participants



Methodology

This study employs a grounded theory approach in answering the main research question, that is, why is it difficult to eradicate chronic poverty. Grounded theory is the process of discovering theory from the gathered data. According to Flick (2002: 41) grounded theory approach gives preferences to the data and the field under study as against theoretical assumptions. Thus, the research findings presented in this paper are grounded on the data collected from the field.

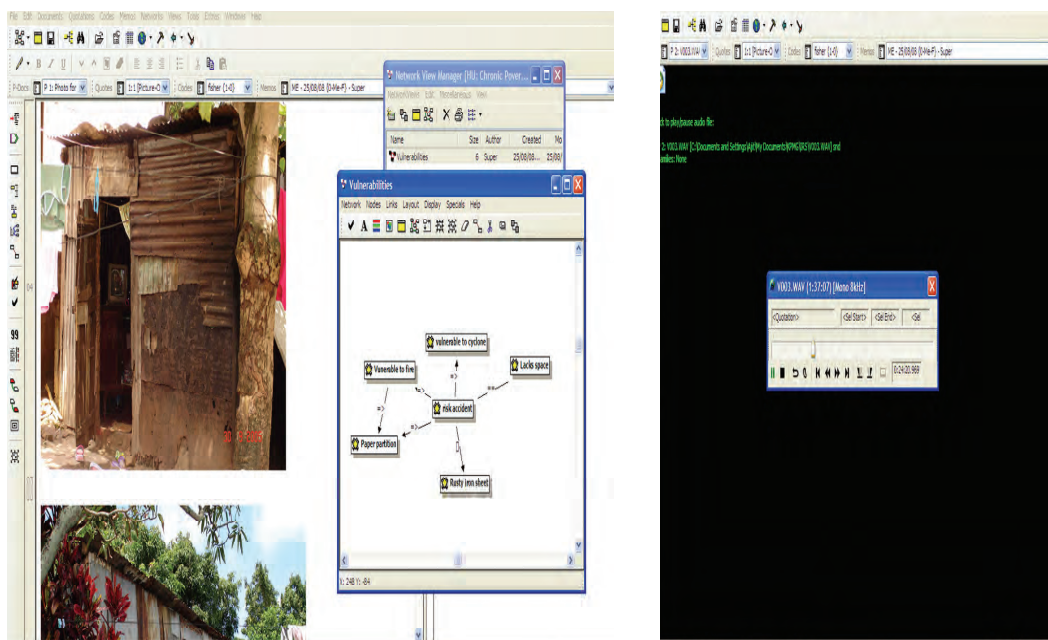
The data gathered are from the inhabitants of three purposively selected villages - Bois des Amourettes, Grand Sable and Vieux Grand Port - found within the district of Grand Port. These three villages are purposively selected because they are (a) the poorest one in the region (b) regularly followed by development workers (c) located close to each other (taking care of the research budget's limitation). To begin with the data collection, the help of field development workers operating in the region of southeast of Mauritius was sought. Through the development workers, initial contacts with the inhabitants living in chronic poverty were made. Once the initial contacts with the research participants were established, several field visits were carried out during the period 2004-2009 in order to gather the data. Social research ethical guidelines (such as informant consent, voluntary participation and anonymised reporting) were carefully taken into consideration while undertaking this study.

This paper is based on a longitudinal chronic poverty study database and the data were collected through the use of a variety of techniques; 54 photographic evidence from the field visits, 18 unstructured in-depth interviews of responsible members of households and development workers from the region, and 4 Focus Group Discussions (FGDs) with the local inhabitants living in chronic poverty. The in-depth interviews were carried out in Creole and/or Bhojpuri languages (local languages) depending on the preference of the respondents. The FGDs were in Creole.

The units of analysis for this study are mainly the chronically poor inhabitants of three purposively selected coastal villages from the south east coastal villages of Mauritius and to some extent the development workers from these three respective villages. The responses, perceptions, experiences and understandings of the research participants are used in the forming of the grounded theory. In addition, the researcher's own reflective analysis is also included as part of the discussion within the analysis section of this paper. The gathered qualitative data from the interviews and the FGDs, including the photographic evidence were analysed with the help of Atlas-ti 5.0 (A Computer Aided Qualitative Data Analysis Software) under the same 'Hermeneutic Unit' (as shown in Box 2).

As per the rule of grounded theory, data from the electronically kept database were used until saturation was achieved in the emerging theory (theoretical fit). Hence, a theoretical sampling method has been applied in this study. The process of data analysis began with open coding of the gathered qualitative data. The gathered photographs used as evidence of the situation were also coded in relation to what were observed by the researcher and the research participants. The open codes were then regrouped under various categories of emerging concepts. The concepts were then subjected to axial coding and relationships between the categories of concepts were finally used in theorising the answer to the main research question. The memo capability of Atlas-ti has been used for integrating the researcher's own reflective analysis of the context, situation and responses.

Box 2: Photo and Audio Analysis under the same 'Hermeneutic Unit' with Atlas-ti 5.0



Findings

The grounded theory analysis of the data reveals that some of the main answers to why it is difficult to eradicate chronic poverty, within this particular case-study context, could be categorised as the 5Is; Ignorance, Internalisation, Illusion, Impositions and Illegalities. It is worth pointing out that these categories are inter-linked and overlap with each other, but for the sake of explanation and theorisation these are considered as being distinct here.

Ignorance

Ignorance is usually seen as a lack of information and knowledge. Ignorance is perhaps one of the greatest difficulties in the eradication of chronic poverty. Particularly, ignorance could be seen as the root cause of poverty. In this case-study, the majority of those people living in the chronic poverty have a low level of education (few years of primary level of education) and most of them have difficulties in understanding the complexities surrounding the causes of poverty. Knowledge and information related to causes of poverty is vital for getting out of chronic poverty. For example, a number of chronically poor inhabitants seem to be in ignorance of why and how education and good sanitation is important for getting out of poverty. What is striking is that, some of the inhabitants living in chronic poverty give a strong impression of not being concerned about issues such as pollution and sanitation. Particularly, a number of the inhabitants report that they are used to live under polluted and poor sanitary conditions. From the interviews carried out it was found that the majority of the chronically poor people had some difficulties in agreeing on the link between poor sanitation, ill health and chronic poverty.

In some areas, some people regularly dump the solid waste in nearby bare land; and on a periodical basis, set fire for burning the garbage (Box 3). From the photographic evidence one can identify a number of toxic materials that are regularly burned. A small number of the inhabitants living around this illegal garbage burning station report that they do not think that occasional burning of garbage (which always have toxic materials) can affect their health. In addition, in Bois des Amorrettes, where there has been a water distribution problem, several people reported having rashes and scabies on their bodies (See Box 4). Most of the rashes and skin problems are caused by the bad sanitary conditions that the chronically poor people live in and also because of lack of clean water. The large majority of the people interviewed were unable to provide a clear description of what they have, how they got it and what they should do in order to avoid getting the same health problems again. For instance, one of the photographic evidence in Box 4 shows a woman using polluted water for washing her hands and face on her way to home from work in the field.

Most of the respondents believed that they are in chronic poverty either because of god will and/or because of others like politicians and the wealthy industrialists. Some of the chronically poor people believe that their children have 'weak brain' and therefore education is not for them. How can policy makers eradicate chronic poverty when the poor are either in ignorance and ignore the importance of vital elements such education and health in getting out of poverty.

Box 3: Dumping and Burning of Garbage



Box 4: Health Related Problems from Poor Sanitary Conditions



Internalisation

Internalisation, here, means learning and adopting certain perceptions, values, behaviours and practices that become difficult to change. Gathered field-evidence from this study suggests that some chronically poor have learned and adopted certain values, behaviours and practices that 'trap' them into poverty. The internalised values, behaviours and practices of some chronically poor people generate a culture of poverty that is characterized by various interacting social, economic and psychological features (Lewis, 1969; Niemelä, 2008). In particular, the old theory on the 'culture of poverty' in explaining poverty has been surrounded by controversies for "blaming the victims" (the chronically poor) for their impoverished state (Vaisey, 2010). However, there are certain realities within the 'culture of poverty' explanation that need to be recognized. As Vaisey (2010) puts it:

"The moral and political fear of blaming the poor and sociologists' overreaction to the limits of earlier models of culture have prevented us from asking whether the cultural models and motives that the

poor internalize might have an “exogenous explanatory power” that serves to inhibit socioeconomic success” (p. 96)

In this case-study it is found that certain internalised behaviours and practices of the poor put them at risk of accidents and ill-health. For instance, a number of people have internalised the practice of dumping around their localities. In addition, as it can be seen in Box 6, a number of women still go to the river to wash their laundry despite having tap water facilities at home. In addition, despite twice a week garbage collection facilities provided by the local authorities, some people still dump their garbage in some nearby field for burning after. Such practices have polluted the canals and rivers. The polluted water is then used by a number of poor people for washing their hands and face. The polluted rivers and environment create various types of health problems to the inhabitants of the region. A number of the chronically poor people of the regions report that they have developed chronic illnesses such as asthma, bronchitis problems and skin reactions. During the past few years, there have been some cases of dengue fever (not common in Mauritius) among the chronically poor people. When probing why the people still come to wash their laundry in the rivers, they reported that they have been doing this over the years and now they are used to it. One of the women doing laundry in the river states:

“...fine habitué...pas capave changé... Line vine couma dire ene passe temps pour moi pour...” (been used to it...can't change...its has become like hobby for me...).

Furthermore, there are a number of practices that the chronically poor people do not even recognise and accept it as being a problem. In Box 5, there is also photographic evidence of a woman not using pavement in a dangerous curve. Despite the government has been providing pavements for the safety and security of the people, some people have adopted old practices of walking on the road. When asked why people still have such environmentally depredating practices and why they seem not to be concerned about their safety and security, the most common answer gathered was that they are used their old behaviours and practices of walking on the road and the pavement is too narrow. One of the interviewees also pointed out that the drivers are aware that people walk on the road and latter will be able to see them and therefore there is no risk of accident.

These sorts of internalised behaviours and practices therefore make the eradication of chronic poverty difficult. By putting themselves at risk in terms of their health, safety and security, the chronically poor make themselves more vulnerable to some other problems within the poverty spiral. For instance, by having accidents or a poor health many of the chronically poor become dependent on their families thereby sinking into further poverty.

Box 5: Some Common Practices of the Inhabitants



Illusion

There is also a type of illusion regarding how realities regarding chronic poverty are understood by some development workers and policy makers in Mauritius. Several policy makers and development workers have their own subjective construction of why people are and remain poor. For instance, one of the development workers from the region states:

“Ou conne ena dimoune jamais zotte pour réussi faire progrès dans zotte la vie. Zotte vivre en manière bien différent....mangé boire, bal tout les temps... fini zotte case bien facile...” (You know, some people will never be able to make progress in their life. They live in a different way....eat and drink and always partying...easily wasting their money)

As example, the problem of heavy alcohol consumption by the chronically poor is considered here. During the field visits, several households have been identified as having alcohol problems. In some places various alcohol bottles could be easily seen in the yard (See photographic evidence as per Box 6). The empty bottles could be easily sold for cash. When it was probed why the owners do not sell the empty bottles, the common answer was that they regularly need those bottles for buying new ones. The owners of the bottles also admit that they are heavy consumers of alcohol.

Box 6: Empty alcohol bottles found in the backyard



While probing further, one of the interviewees states the following regarding why they in the family drink so much:

“Nous boire pour blié la mizere...Nous fine née dans la mizère nous pour mort dans la mizère.... amizé sa nous façon pour prend sa la vie. Jamais personne pou capave tire nous dans la mizère...” (We drink to forget our misery....We are born in the misery and we will die in the misery...this is our way of taking this life. No one can ever take us out of our misery...)

In the two statements, one given by the development worker and the other by the person living in chronic poverty, we can distinguish two different realities. In the first one, the reality is about people not being able to manage their lives and therefore be trapped in poverty. In the second one, the reality is that poor people do not believe in coming out of poverty as a possibility and therefore have their own way of taking life as it is. Now, to use the phrase of Chambers (1997), whose reality counts?

There is also another form of illusion that exists among the chronically poor people. In this case-study, several chronically poor people were living with the illusion that politicians will give them secure jobs, deed for the illegally occupied land and decent housing. A number of them report that they have been promised jobs, pensions, land, and housing and so on by either politicians or the agents of the politicians. However, almost all of them said that these sorts of promises are usually made during the election campaign.

Understanding, deconstructing and making the sense of poor people's realities is therefore challenging in eradication of poverty initiatives. For those involved in the eradication of chronic poverty, in-depth understanding of chronically poor people's realities, behaviour, attitudes, practices, norms and values is essential but difficult to acquire in certain contexts. Like one of the development officers of the region working for the eradication of poverty puts it:

"Bizin ene PhD ek dix bannés expérience pour comprend zotte sa" (It requires a PhD and ten years of experience for understanding them (the chronically poor)).

Imposition

Yunus (as quoted in The Tech, 2008) opines:

"Poverty is not created by the poor. It is created by the system. Poverty is an artificial imposition on people" (pg.14

Data gathered and analysed from this case-study also reveal that poverty is imposed on certain chronically poor people. These impositions that have been identified in this particular case-study are: child-care, low-paid insecure jobs, poor health and safety condition both at home and at work. Childcare is perhaps one of the major issues for certain chronically poor people. In a number of cases, it was found that women could not join the formal labour market because of lack of free childcare facilities. For instance, a woman with three children reported that she has never worked as she had to look after her children due to not being able to afford for childcare. Childcare services cost a minimum of Rs.1000 (1 US \$ is about Rs. 33) per month (mostly informal and unregulated by authorities), and for many women this cost is about half of the monthly income that they could earn in the low paid insecure jobs. In this way women stay at home for child-care and therefore become dependent (femininisation of poverty) on others for their livelihood (mainly the man as mono-income earner). In particular, mono-income heightens the financial and economic vulnerability of the whole family. In some cases, the whole family collapses into deep poverty after the death or serious accident of the mono-income earner.

Those women, who manage to go to work after the death of their husband, find employment in low-paid insecure seasonal jobs. In the majority of cases the chronically poor people are employed in jobs that start at 5.00 a.m. and to finish at 11.a.m. The daily salary earned from these types of jobs is commonly around Rs.100 for women and Rs. 150 for men. A number of people also report that they have been victims of accidents at work. While probing, it was found that their jobs as well as their residences lack certain basic health and safety regulations and enforcement. As most of the chronically poor have a low level of education and poor capabilities for voicing out for their health and safety rights at work, they therefore remain in vulnerable working and living conditions; and thus stay within the poverty trap. In a similar manner, Kern and Ritzen (2001: 2) state that poverty creates illiteracy, leaving people poorly informed about health risks and 'forced' into dangerous jobs that harm their health.

Moreover, within this case-study it was surprising to find high voltage electricity having been provided and installed in a manner that jeopardises the life of people. In some cases, high voltage wires and main electricity supply boxes hang at the reach of small children (See photographic evidence as per Box 7). Some of the connections for the main high voltage supply were very dangerous in terms of health and safety of the people. It is difficult to understand how authorities such as the Central Electric Board could supply electricity in such an amateur way. Given that the electric consumption meter is always located next to the main supply connection, how come no reports of such risks have been made by the officers who take the metre reading on a monthly basis? This is what could be termed as 'imposition' of risks and therefore poverty on people. Chronic poverty will be difficult to eradicate if people will continuously be exposed to such types of risks and living conditions.

Box 7: Burden and Risks for the Chronically Poor



Illegalities

In the southeast coastal regions, most of the chronically poor people live in houses that are illegally built on the state land. Over the years, there have been a number of people who have been squatting state land and therefore do not have the required deed and legal permits for construction. Most of such illegal constructions therefore do not follow the health and safety regulations, as well as the sanitation norms. In some cases, the government have tried to demolish the illegally-built houses and such moves have caused uproar in the press and among certain politicians and some non-governmental organisations. In certain cases, the TFIVG (Government body) has tried the relocation of the squatters by offering low cost housing in other regions, but most of these chronically poor people have refused to move out. When it was probed why these squatters do not opt for the low cost housing, the most common response was:

"nou pas capave alle reste lezot place...nou travaille dans la mer...nou bizin reste prés are la mer... Nous famille fine reste la plis qui dix ans, sa nous la terre" (we cannot move away from the sea, we are sea workers...we have to live next to the sea...Our family has lived here more ten years, this is our land).

In addition, there are a number of people who are involved in illegal and informal (non-registered) income generating activities and businesses. During the field visits a number of chronically poor people were found to be illegal fishers and also non-registered small scale business owners (backyard animal rearing, street vending, and unlicensed trading etc). For instance, a number of people have small-scale cattle/poultry rearing (See Box 8) which are, in some cases, not appreciated by the neighbours. These businesses have no permit and do not meet health and sanitation requirements. In most cases, relevant authorities have not allocated those people the permit for animal/poultry production because (a) the owners do not possess the land deed and (b) in most cases the land is too small for such types of businesses. Consequently, the chicken and the cattle in such types of informal and illegal businesses do not have access to vaccine facilities and therefore are vulnerable to diseases and infections.

Moreover, there were several cases where the chronically poor people have been found to commit offences such as stealing vegetables and fruits from others in the neighbouring fields and selling them on the streets in search of livelihood. Therefore, through the illegal practices the chronically poor people get involved in poverty trap. People with a criminal record get difficulties in getting normal employment, which in turn, bring these chronically poor people back into illegal activities. One of the chronically poor persons interviewed reports:

"Mo rode en ti la vie dans la mer, parfois mo alle coquin impe fruits oubien légumes pour mo alle vender lor la rue... mo pas pour honte pour dire ou mo fine faire prison...mo pas capave laisse mo famille mort sans manger" (I try to live through fishing (illegally), sometimes I steal fruits or veg-

etables to sell on the street...I am not ashamed to tell that I have been jailed ...I cannot let my family die of hunger)

When the people are involved in illegal activities, it becomes difficult for development workers to eradicate chronic poverty. Development workers cannot support chronically poor people who live in illegal conditions. For instance, it becomes difficult for the development workers to provide housing construction facilities for those who are squatting land. If chronically poor people do not have registered micro-businesses, development workers cannot provide them with financial support to improve their income generating activities.

Box 8: Illegal practices- Squatters livelihood



Policy-implications

Policy makers therefore have to take into account all the above-mentioned difficulties and challenges in the policy planning for the eradication of chronic poverty. Having narrowly focused policies, programmes and projects is certainly not enough. The broad complexities within eradication of chronic poverty within a specific given context should be recognised and appropriate measures and actions are prerequisite for achieving success. In particular, the findings of this case-study have certain important policy-implications for the eradication of chronic poverty and these are considered next.

In terms of dealing with ignorance, people need to be empowered on the linkages how good sanitation, health and education are vital elements for coming out of poverty. Thus, Sen's (1999) capability approach in development work is very relevant as a strategy to empower people through knowledge and information. The provision of information in a passive way is certainly not enough in countering the problem of ignorance. For policy makers it is important to think strategies on how to make people actively capable of understanding risks, dangers and protecting their welfare and rights. If poor people can actively make sense of the dynamics of their poverty status and make relevant demands and also stand up for their rights, this will help them towards the eradication of poverty. Poor people usually are marginalized because they also lack the capabilities of being vocal and therefore easily ignored by policy-makers and field workers (Narayan et al, 2000). Policy makers cannot have a people centred approach when the people themselves are in ignorance.

In addition, efforts to eradicate chronic poverty become more difficult when focus is laid on alleviation of economic/financial hardship only; and the internalised behaviour of the chronically poor people are ignored by policy makers and development workers. The alleviation of economic/financial hardship need to be accompanied by changes in norms, values, behaviours, attitudes and practices that are vital in order to sustain the effort on the eradication of chronic poverty. Eradication of chronic poverty should be based on interventions for changing at risk behaviours and practices of the poor. In other words, the challenges lies in making the concerned people accept and believe in new norms, values and practices for a healthy and less risky lifestyle. In this sense, chronically poor people need to be involved in making their situational analysis, identifica-

tion and construction of their problems and solutions. Perhaps, this is easier said than done as a lot of resources are required for these sorts of comprehensive interventions/programmes.

Furthermore, it is vital for policy-makers to have an in-depth understanding of the various realities that surround chronic poverty. Chronic poverty has multiple realities. Policy makers have to figure out which realities count and why. Chambers (1995: 173) writes: "The realities of poor people are local, complex, diverse and dynamic". According to Chambers (1997) development workers often fail because of errors and misused power, resulting in social problems. Having an academic knowledge on poverty is essential but certainly not enough in understanding the multiple realities of chronic poverty. Regular interaction with the chronically poor people, within their natural setting, is also vital in having a clearer picture of chronic poverty. It is therefore important for field/development workers to have a good grasp of the psychological, emotional and mental health state of each of the chronically poor, which is indeed difficult. A participatory approach with the chronically poor people at the centre is a prerequisite in the making, delivery and evaluation of eradication of chronic poverty policy and programmes.

In order to deal with the various types of impositions faced by the chronically poor people, it is essential that poverty eradication interventions are accompanied by various essential social welfare programmes such as child care, health and safety regulations and enforcement. For instance, essential services such as electricity should be provided with great care without jeopardising the life of others. It is unacceptable for essential service providers, such as for water and electricity, to contribute as a factor in the cause and maintenance of poverty. In particular, there are several such types of systemic, structural and institutional factors that create and maintain poverty. Policy makers have therefore the duty to see that poverty is not imposed on people.

Finally, it is essential for policy makers to recognise that many aspects of the lives of the poor are illegal although not criminal (Mitlin, 2006). From this perspective, policy makers have to reflect on how to deal with those illegalities that become part and parcel of some chronically poor people's life. As far as possible, the eradication of chronic poverty policies need strategies for protecting people from getting into illegalities as well as mechanisms for getting them out of such conditions.

Limitations and Conclusion

This study has two important limitations, which need to be pointed out. Firstly, this research is based on a specific case-study taken from a specific country context. Therefore, careful consideration should be given before generalizing the findings from this study to other contexts. Secondly, this paper is mostly focused on the chronically poor people and very little attention has been given to the policy makers' perspectives. In this sense, it would be important as a continuation to this study to compare the policy makers' perspectives with that of the chronically poor people. Nevertheless, this study provides an in-depth understanding on why it becomes difficult to eradicate chronic poverty in certain contexts. This case-study, using three qualitative data collection techniques, reveals among others five main categories of difficulties in the eradication chronic poverty, which are termed and explained as being ignorance, internalisation, illusion, impositions and illegalities.

As a general conclusion, it could be said that poverty has always been in our society and its eradication has always been a hard nut to crack. However, there is also a general agreement that chronic poverty is inhumane and cannot be tolerated in economically progressing societies. From this perspective, the political will and commitment of the concerned government to consolidate the welfare state with a prime focus on the eradication of chronic poverty is essential. However, it is also important for each and everyone to realise that poverty is complex and its eradication requires multidisciplinary, multi-sectoral and comprehensive and coherent policies, strategies and programmes. In this sense, it is important for everyone including the chronically poor to realise the difficulties in the eradication of chronic poverty and make individual and collective efforts in making this mammoth task possible. As the Chronic Poverty Report 2008-09 (2010: 113) puts it: "Chronic poverty must not be allowed to become the poverty of 'hopelessness'".

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HOMELESSNESS UNDER CAPITALISM COMMODIFIABILITY AND ATTACHMENT CONTINGENCIES THE CASE OF MULHOUSE (FRANCE)



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Abstract

This article aims to capture the provisos for successful rehabilitability of homeless people. It stresses on the necessity of pro-active efforts of comprehension and adaptation from the business community to create progressive, reinforcing contingencies. The discussion draws on the theoretical propositions of Marris (1991), notably on the social construction of uncertainty, to argue that businesses should aim to understand and take account of the salience of rendering structures of attachment more resilient in the face of uncertain futures.

The article provides empirical evidence from a qualitative study completed in Mulhouse (France) on the case of homelessness.

The analysis indicates that experiences of attachment can either be punishing or reinforcing which stimulates different scenarios in the pursuit of commodifiability.

Key words: commodifiability, resilience, homelessness, attachment contingencies, capitalism

Introduction

Inequality and poverty, Eissel (2008) argues, as major consequences of global capitalism, are viewed either as drivers or impediments for economic growth and general prosperity. That is, two divergent scenarios can be discerned: while Eissel (2008) reports the perspective that human beings must be poor in order to exert themselves and thus contribute to growth in the society they live in, Springer (2008) warns that inequality may lead to insufficient willingness/ability to achieve *capitalistically constructive* ends and rejection of the system. A Marxist definition of capitalism, notably reported by Springer (2008), Colas (2003), and Harvey (2003), conceives of the system as a mode of production occurring via an exchange between workers and capitalists: the valorisation of capital by commodified labour or, as Hawken, Lovins, and Lovins (2002) call it,

"monetized human resources". Industrial capitalism is often pointed as a financially profitable, non sustainable aberration in human development which naturally focuses on tangible, material and/or meritocratic ways to meet human needs but fails to value spiritual, immaterial needs (Hawken et al., 2002). In this (unpropitious) neoclassical context, the question of commodifiability (or alienability) of the labour power of impoverished people is raised as the precondition for successful integration into the competitive capitalist system through the disposition and/or potential to produce economic value. The commodifiability of individuals is viewed as a precondition for their integration into the working environment and successful economic activity, and is understood as rooted in an aspiration to maximise utility (von Neuman and Morgenstern, 1947, Cohen and Winn, 2007).

The aim of this paper is to understand the conditions of extreme poverty (Santos and Laczniak, 2009) that apply to homeless individuals and examine how far this condition of commodifiability applies to this *marginalised* fragment of population. Empirical evidence from a qualitative study completed in Mulhouse (France) is provided as part of an examination of how and why homelessness undermines the resilience of the poor against the competitive and materialistic pressures of capitalism. The study investigates the potential for commodifiability of homeless individuals with very limited or no material and social resources who may often be hopeless, isolated and totally dependent on others, such as the government or charitable organisations (Santos and Laczniak, 2009). In exploring the condition of *"resourcelessness"*, the discussion draws on the work of Marris (e.g., 1991) who argues that our capacities to attribute meaning and predict human interaction depends on the way attachment relationships are managed as we grow up. The experiences of attachment influence the growth of personality and determine our capacity to make predictable sense out of what others, including businesses (potential employers) or governmental institutions expect from us (Marris, 1991). This research seeks to comprehend the attachment criteria that build resilience for human beings and influence how far the contingencies of life under capitalism *"reinforce"* or *"punish"* individuals and either promote or undermine the achievement of commodifiability. An aspiration is to capture not only the provisos for successful rehabilitability of homeless people but also to stress on the necessity of pro-active efforts of comprehension and adaptation from the business community to create progressive, reinforcing contingencies.

CONCEPTUAL BACKGROUND

The literature dealing with homelessness and unstable housing is largely dominated by investigations on a variety of health issues. That is, the homeless population is often associated with dire implications for public health and healthcare systems (Jones et al., 2009) and considered as one of the most vulnerable groups in developed regions, suffering from an increased risk of HIV and STI transmission (Marshall et al., 2009), alcohol-dependence, drug addiction (Kertesz and Weiner, 2009), high rates of poorly controlled chronic disease, smoking, respiratory conditions and other mental illnesses (Ramin and Svoboda, 2009).

Recent studies (Kresky-Wolff et al., 2010, inter alia, Hoch et al., 2008, Kryda and Compton, 2009, Carton et al., 2009, Mares et al., 2008, Foster et al., 2010, McGraw et al., 2010) have attempted to influence public policies in the quest to tackle the issue of homelessness, notably through the analysis of the efficiency of social services. An important part of this literature, principally on mental and psychological health (inter alia, Raskin et al., 2008, Bonin et al., 2009, Yu et al., 2008), is dedicated to the identification of a typology of homeless people with a view to effectively adjusting the quality of social services. As the literature demonstrates, it is indeed paramount to understand what homelessness implies in terms of public health, social status and potentialities – i.e. employability and rehabilitability – in order to develop considerate, socially just and viable policies.

By contrast, a number of authors (inter alia, Taussig, 1992, Watts, 2000, Bourdieu and Wacquant, 2004, Bourgois, 2004) relate the exclusionary underpinnings of the current dominant ideology of neoliberalism whereby the poor are deemed *"morally suspect"* and supposedly violent (Springer, 2008).. As Hocking and Lawrence (2000) observe:

"In short, many people subscribe to a range of stereotyped views of homeless people. Anecdotally,

we have observed that the homeless person is typically male, lazy, morally bankrupt, and potentially dangerous. Because homelessness is seen largely as a character flaw rather than as a product of socioeconomic circumstances, homeless people are often held personally responsible for their plight."

In other words, hegemonic assumptions within both private and public institutions are *inhospitable* to the creation and development of conditions which might encourage resilience amongst the homeless. Wolch, Rahinian and Koegel (1993) agreed with the proposition of this paper in that efforts should be made at educating the business community about homelessness and positive approaches to interacting with homeless people. A different mind-set giving rise to true democratic – in lieu of meritocratic – systems of governance based on the needs of people rather than business can, according to Hawken et al. (2002), contribute to reduce environmental harm, create economic growth, and increase meaningful employment.

Social Attachment As A Means To Building Confidence

Marris (1991) suggests that, as human and social beings, our resilience is shaped by experiences of attachment. Within this class of experiences, five classes of objects of attachment can be meaningfully discussed – i.e. people, institutions, ideals, culture and place. The meaningfulness of the individual human life depends on how successfully the individual is able to integrate past, present and future in a meaningful whole. The potential for this derives from sociality, which itself depends on reliable and secure attachment, from the everyday experience of care from particular others within a family or other care setting in childhood onward. Reliable attachment produces secure expectations, and thus the uncertainty of the future is integrated into experience. As the individual matures, the "circle" of attachment expands to encompass a wide range of particular others, some human, and some not. The experience of place is one vital dimension of attachment, grounded in everyday journeys around the locality the individual inhabits (Tilley, 1994). At a different level, institutions provide contexts for self-discovery and development in which capacities and abilities can be enhanced. Taking one step further towards more embracing dimensions of symbolic value, particular ideals become expressions of qualities which are seen as vital to attachment relationships (justice, courage, fidelity and so on). However, attachment introduces vulnerability at the same time as it makes self-development possible.

It is from experiences of attachment that the deep reverberations of uncertainty within human life emanate. How human lives go, and the degree of wellbeing and flourishing that accompanies them, depends on how relationships with particular others go. Some of these relationships will be relatively incidental, but some will be core, defining ones (and there is no *a priori* reason to exclude relationships with non-human objects of attachment in this latter category). The meaning-conferring role of attachments, in this sense, is that of an Aristotelian constitutive value, a value whose existence is constitutive or ingredient in someone's good, as contrasted with something which is a means to an end (O'Neill, 1993). Humans, in Marris' understanding, are thus (to use Alasdair MacIntyre's phrase) "*dependent rational animals*" (MacIntyre, 1999); that is they depend on their connectedness to the world around them to make sense of their vulnerable lives (and of this condition of vulnerability itself). As such, they need to take care to sustain these relationships, and need to be secure in their expectation that their relationships will also result in them being cared for. The loss of attachments (through the departure or death of other humans or non-humans, the transformation of places, the dissolution of institutions, the betrayal of ideals etc.) tends to produce experiences of grief, which can shake the foundations of well-being and must, over time, be worked through if destructive patterns of behaviour are not to result (Marris, 1986).

The objects of attachment discussed above are likely to be relatively ambivalent from the perspective of homeless individuals. It is hence relevant to comprehend the link – or degree of attachment (Marris, 1991) – between homeless individuals and institutions within the French social context. Cassidy, Lichtenstein-Phelps, Sibrava, Thomas and Bokovec (2009) point to two important components of attachment which may influence current social and psychological functioning: childhood attachment experiences, and current state of mind with respect to attachment. Attachment gaps may generate anxiety disorder (Cassidy et al., 2009) and annihilate the potential of homeless people to sublimate in situations of uncertainty. That is, material difficulties, includ-

ing separation and divorce (Hunt et al., 2002, Whisman et al., 2000), lack of friends (Whisman et al., 2000), and low family cohesiveness (Ben-Noun, 1998), can explain negative displays of emotion during self-disclosure interactions (Erickson and Newman, 2007) – such as employment interviews – as well as the emergence of destructive patterns of behaviour. Seeking community support as a form of attachment may trigger a metamorphosis of the impoverished that result in a partial redefinition of self, empowering them to adopt new attitudes and behaviour patterns (Hill, 2008). Bowlby (1973) comments about the importance of the availability of an attachment figure:

“When an individual is confident that an attachment figure will be available to him whenever he desires it, that person will be much less prone to either intense or chronic fear than will an individual who for any reason has no such confidence.”

Building confidence through experiences of attachment or socialisation can, as well as being a fundamental ingredient in wellbeing, thus be viewed as an essential catalyst for commodifiability; in particular, it enhances the coping resources of vulnerable individuals. Yet, the pernicious stigmatisation and criminalisation of homeless individuals are important obstacles. They translate a lack of understanding of human development and limit our capacity to tackle poverty. The inherent violence of homelessness goes hence unperceived (Springer, 2008).

The notions of adaptability and entrepreneurship suggested by Vazquez et al. (2009) are integrated to specifically define the interactions between businesses and stakeholders. As established above, while homeless people are to be capable – *employable, rehabilitable* – of responding to homelessness initiatives, it is commendable to build awareness among the business community and promote practices of adaptation and entrepreneurship (Vazquez et al., 2009) between businesses and wider, vulnerable stakeholders; in particular, businesses are to understand and take account of the importance of rendering structures of attachment more resilient in the face of intrinsically uncertain futures. This implies that certain strategies for managing uncertainty privileged under neoliberal assumptions are to be seen as very costly in social terms. In outlining what he calls a “competitive” strategy of constructing and managing uncertainty, Marris (1996) uses the example of General Motors’ decision to close a Detroit manufacturing plant, which resulted in attempts by the city to construct a more attractive environment for investment by, inter alia, razing a working-class suburb – without ultimate success. The plant closed and the business went elsewhere. Uncertainty here erupted within multiple, closely woven relationships: between people and a physical environment radically altered by municipal diktat, between people within families and between families themselves, between employees and employers, and between citizens and their municipal representatives. The company, from a position of economic power, chose to cut off its relationship with municipality and workers so as to protect its investments elsewhere. The company managed its own economic uncertainties by transferring them elsewhere, making municipalities in effect bid for its investment. This constitutes an illustration of the phenomenon of ‘accumulation by dispossession’ – alternatively termed ‘accumulation by exclusion or inadvertent segregation’ – which tends to neglect the importance of experiences of attachment and the central, existential role of uncertainty in human life. That is, instrumentally-driven business decisions can have an inadvertent, detrimental impact on local communities – e.g. breaking bonds of trust, destroying attachments to place and ruining individual futures through the destruction of stable expectations and hope.

What Marris calls strategies of reciprocity, by contrast, aim to ensure that a system of reciprocal commitments remains in place so that individuals and groups understand what is expected of them and what they can expect in the short to longer-term future. Their first priority is to stabilize commitments and the provision of common goods, so that attachments (and the objects of attachment) can be maintained. Forms of social solidarity and trust such as union membership and welfare systems are good examples of this kind of non-instrumental reciprocity (Jaeggi, 2001). Strategies of reciprocity seek to create a “commons” of mutual recognition and trust, a normative context within which behaviour is restrained and guided in the interest of ensuring that uncertainty is managed in the interests of all. Strategies of competition or autonomy, by contrast, often undercut reciprocity by exploiting the expectations of others for short-term advantage. By seeking to maximise freedom of action in the present, actors who employ them tend to relocate

uncertainty by shifting it onto those who have less resources, more infeasible commitments, or both, as in the General Motors example furnished by Marris. This relocation of uncertainty is a crucial dimension of the process of *accumulation by dispossession*, by which actors are forced to adopt practices of uncertainty management that align with those adopted by those who are economically more powerful, and thus better able to compete. In neoliberalism – and in capitalism more widely – human beings must contribute to accumulation if they aspire to avoid dispossession or exclusion.

An essential proposition developed in this paper is that the achievement of *employability* and *rehabilitability*, as expressions of stable structures of attachment, will predict the capacity of homeless people to join the *normative social order* and to be cared for. The literature review stresses the salience of understanding what homelessness implies in terms of public health, social status, potentialities and expectations in order to develop considerate and viable policies or partnerships. The assumptions of the business community are assumed to be a consequence of the exclusionary capitalistic underpinning of *accumulation by dispossession* (Springer, 2008, Harvey, 2003); in particular, the absolute pursuit of economic efficiency tends to eclipse the importance of rendering structures of attachment more resilient, as a means of encouraging the integration of the poor. In order to evaluate the potential for commodifiability of homeless people within this context, it is necessary to assess openings for strategies of adaptability and entrepreneurship, and to outline how the homeless and business may come together.

These theoretical reflections lead to four research questions:

What constraints does *homelessness as a situation* impose on the homeless individual?

- What is and what should be the position of businesses – as potential employers – to reduce homelessness?
- What are the conditions bolstering or inhibiting the capacity of resilience of impoverished people?
- What kinds of attachment should be sought to create the conditions for commodifiability?

METHOD

To address these research questions, the issue of homelessness is examined in Mulhouse, applying qualitative research methods. The location is Eastern France, by the Swiss and German borders. This region is characterised by a large influx of asylum seekers who represent an important segment of homeless population in the city. With about 280,000 inhabitants in the metropolitan area, Mulhouse is the second largest city in the Alsace region. An important network of associations has developed over the last decades to continuously adapt to the evolution of homelessness. However, the ever increasing number of homeless people has led social services to a critical situation. The decision to carry out this research was inspired by the frequency of public calls from leaders of associations throughout France emphasising the urgency of the situation – excessive demand for social services leads to the impossibility to effectively and efficiently help every single individual – and the need to reconfigure the system, implementing alternative solutions to eradicate homelessness.

28 qualitative semi-structured interviews were carried out to gain insights into the variety of situations and developmental impediments of homeless people in Mulhouse via an ethnographic analysis. The data collection method comprises interviews with 8 presidents/ members of associations, 5 business managers, and 15 homeless individuals. Their opinions are confronted to develop coherent answers to the questions raised above.

The view of homelessness associations in Mulhouse is conveyed through the voice of their presidents who have a first-hand perspective of the urgency of the situation. Interview participants from associations include: Anne-Marie Weibel (SURSO, Service d'URgence Sociale), Jean-Luc Sutter, Sébastien Castells, Nour Ahmat-Brahim (ALSA, Association pour le Logement des Sans-Abris de Mulhouse), Jean-Robert Yapoudjian (ACCES, Association Chrétienne de Coordination,

d'Entraide et de Solidarité), Liliane Bick (Espoir), and (Mimi Wisselmann and Nathalie Benhaida ('Les Restaurants du Coeur'). A table describing each association is proposed in appendix 1.

5 managers have been subsequently interviewed. These include managers from a temporary agency, a retailer, an IT company, the chamber of commerce (business consultant) and a car manufacturer who consented to participate under the condition of confidentiality; their names and companies are thus not cited in this article. Field observations complement the study, notably to corroborate the findings and ensure the accuracy of the analysis. Homeless people were specifically questioned about their experiences with the business community and the reasons why they ended up homeless.

The commodifiability of homeless people is thus analysed with an emphasis on the views of homeless people who aspire to integrate the *normative social order*, social care-givers whose core purpose is to accompany homeless people towards employability and commodifiability, and business managers who expect to deal with commodifiable individuals as a precondition for employment and on-the-job settings.

The data analysis process is inspired by the requirements of grounded theory and latent content analysis. The analysis is extended to an interpretive reading of the symbolism underlying field notes and recorded verbal communications (Berg, 2009). The technique proposes to infer deep structures and meaning within discourses. With regard to this study, the latent content analysis of the discourse and observation of attitudes of homeless individuals enable to develop an ethnographic analysis in the form of a nexus of socio-demographic situations and developmental impediments – i.e. socio-economic, psychogenic, cultural, legal and physical impediments. This semantic approach requires a lot of judgment and cautious reflection to ensure the robustness of findings.

HOMELESSNESS IN MULHOUSE

The magnitude of homelessness or poverty situations is evolving, notably because of the impact of the current economic slowdown. The interviews completed in Mulhouse confirm a drift towards the emergence of an extended typology of needy people and a diversifying taxonomy of developmental impediments. This evolution forces social care associations to constantly develop their services and propose adaptive solutions; yet these care-givers are now facing excessive demand, which threatens to hamper further development. It is stressed that the institutional context in France is characterised not only by a strong yet increasingly overwhelmed network of associations but the *rigidity* of governmental organisations, an intimidating, discouraging job market and restricted social engagement from the business community. Prior to discussing the need to build awareness among the business community and the importance of material resources and spiritual needs as instruments for solace and resiliency, it is necessary to explore what homelessness implies in Mulhouse, especially in terms of the developmental impediments it generates.

Definition And Related Impediments

According to the evaluation, supervision of care-giving associations and interviews with homeless individuals, this population can be categorised into four main socio-demographic *classes*, delivering insights into the scope of homeless profiles and impediments to social development.

Young people, aged from 18 to 25 years old, represent a particularly visible fragment of population, currently excluded from the French system guaranteeing a minimum social income. Five out of fifteen homeless interviewees belong to this *category*. Often totally devoid of resources, this dependent public is mainly characterised by situations of family breakdown and heteronomy. These young people are not financially assisted, hence often insolvent, and often, as a result, experience debilitating mental problems. These developmental impediments principally translate into a latent lack of maturity required to successfully integrate a professional or even a social environment and associated discipline, as explained by Jean-Robert Yapoudjian (director of ACCES). Nour Ahmat-Brahim (ALSA) relates that he uses to work for “people who have difficulties in

'professional settings' demanding a minimum of discipline and with rules to be respected... for example, arriving on time is not granted. Some of them do not even have the motivation to complete trainings and improve." This ultimately impedes or suspends their potential for rehabilitation and commodifiability.

The measures advocated by policy makers to address these precarious situations arguably do not constitute a social cohesion-based approach to social exclusion. The focus of policies tends to be on social justice in a minimal sense, that is, on employability as a basic form of socialisation, with no recourse to financial aid. The social support is thus solely provided by associations in the form of individualised social counselling – i.e. interviews, social activities and material support. This route towards professional insertion or commodifiability generally comes only once housing situations are stabilised.

Moreover, Mulhouse sees a large influx of asylum seekers (70 to 120 monthly), illegal immigrants, mostly from Eastern European countries, and, to a lower extent, health tourists. Four out of fifteen homeless interviewees were asylum seekers. The region, Alsace, is a gateway to France as it extends along the German and Swiss borders. This geographical location facilitates an abundant influx and concentration of refugees in the city. Though this segment of vulnerable population has access to aid programmes; yet not guaranteed and often transitory; in the form of legal, financial aid and health services for essentials, its social subsistence is merely dependent on and ensured by local care-givers to the best of their potential. It is further subject to cultural (language) and legal (process of application for status and work permits) impediments which strongly undermine relational, integrative capacities and potential for *rehabilitability* and *employability*. A homeless interviewee concedes: *"I can't work. As long as my situation is not 'regulated', it is impossible."* Jean-Robert Yapoudjian refers to this category of homeless people as *"foreigners who seek asylum in France but don't necessarily have the intention to integrate socially, although, would they intend to integrate, they would still need to obtain the status of refugee to be able to stay in France and work here."*

The third category that can be emphasised concerns individuals confronted with a variety of health issues such as mental, physical disability and addiction problems. Two out of fifteen homeless interviewees present health conditions. Anne-Marie Weibel (SURSO) comments: *"an important category concerns people who have health problems: disability, psychiatric disorder, addictions, etc."* Among this population, drug and alcohol addicts face particularly detrimental conditions as they are generally not only houseless but are confronted with a lack of personal security, healthcare, and hygiene not mentioning alimentary and relational, social difficulties. Often totally dependent on support and guidance from voluntary associations, this *public* can be qualified as behaviourally destabilised – with the physical aspects of addictions or other health conditions being the dominant cause – and socially disaffiliated, hence hardly able to respond to rehabilitation and employability programmes.

In addition to these vulnerable socio-demographic segments, the recent emergence of the phenomenon of casual employment or casualisation has considerably modified the typology of homeless, needy people. That is, employment has shifted from a preponderance of full-time and permanent or contract positions to higher levels of casual positions that are negatively affecting job security and present certain *peripheral* effects that impede the capacity to purchase property, engage in further education, support superannuation, or afford private health insurance. Three cases out of fifteen homeless interviewees are *casually* employed. Liliane Bick (Espoir) describes the trend: *"with the issue of impoverished workers, we begin to touch upon a changing conception of poverty and homelessness... temporary employment is very unstable in terms of the resources it provides, which is a problem, especially regarding housing conditions and perspectives."* Intensified by the current economic crisis, this phenomenon coincides with a widening of precariousness, with temporary employment producing a new group of vulnerable people. That is, individuals who are granted minimum social incomes and some temporary workers – who are often at the bottom of the existing low-waged unstable job markets – cannot be self-sufficient. A homeless interviewee briefly explains his situation: *"I work between 10 to 20 hours per month. Even if I add social incomes to my earnings, it is still insufficient for me to afford a decent living."*

In this socio-economic context marked by casualisation and a sharp rise in commodity prices, single-parent families are clearly amid the most vulnerable fragments of population. The government recently adapted its position to respond to this socio-economic trend through the creation of the 'Revenu de Solidarité Active' (RSA, put into practice since the 1st of June 2009) as an extension of the 'Revenu Minimum d'Insertion' (RMI) that enables individuals who are (precariously, newly) employed to benefit from a supplement of income. The concepts of rehabilitability and employability do not fully apply to this segment of homeless population. Further research should be undertaken to improve understanding of what *intrinsic* or *relational* conditions can alternatively be used – e.g. *marketability* or ability to sell themselves as full-righted employees or *adaptability* to understand and respond to business needs.

These precarious situations are all remediable insofar as individuals are able to exert themselves (Eissel, 2008) and improve their social conditions. While the pressure of finding solutions for housing problems applies to the situations of all four classes, their homelessness situations are not identical in terms of the potentialities they offer for social integration or of constraints. That is, they can be linked to different dominant symptoms inhibiting social advancement, hence the necessity to adopt different remedies. According to statements from homeless respondents and professional social care-givers, these symptoms take the form of developmental impediments that affect the degrees of rehabilitability and employability of homeless individuals. As discussed above and conceptualised in Table 1, the relational, integrative capacities of individuals are principally impeded by socio-economic, mental, cultural, legal and physical developmental issues. The strength or dominance of these developmental impediments depends on the socio-demographic segment to which the homeless individual belongs. Table 1 includes typical quotations from respondents belonging within each socio-demographic segment to illustrate the range of associated constraints. The developmental impediments also represent axes on which solutions – remedies stressing the development of employment skills and competencies (e.g. adherence to disciplinary norms) – are and should continue to be constructed, taking into account the mobility dynamics inherent in the homeless population. The complexity of homelessness as a problem is compounded by the fact that the homeless population is not static but rather characterised by a high mobility from one housing or social situation to another.

Perceptions of weak potential of employability and rehabilitability tend to lead some within society, such as members of the business community, to assume that this heteronomous population cannot be moulded into a commodifiable labour power, as stressed by Song (2007). The approach to social exclusion in France enabled the creation and development of a strong network of associations that provides tangible material support (e.g. phone, computers, internet, shower, etc...) and intangible (psychological support, appropriate and timely social follow-up) solutions to counter the developmental, emancipative impediments linked to homelessness. It is accepted that associations are expected to be uniquely responsible for looking after the needs of this marginalised population which can explain, to some extent, the distance of governmental institutions and the prevalence among businesses of detachment and passivity.

TABLE 1
The nexus of homeless socio-demographic situations and dominant developmental, emancipative impediments.

Socio-demographic segments	Housing constraint	Dominant developmental impediment	Typical citations of interview respondents
Minimum social income beneficiaries Temporary, casual workers	SOLVABILITY	Socio-economic - e.g. phenomenon of casualisation	"It is obvious that I don't have the capacity to afford a rent and feed my family" "Everything is getting very expensive, it seems that food, garment, etc... prices are rising while I still have the same ridiculous resources, it is just impossible"
Young individuals		Psychogenic - e.g. maturity	"I usually can't cope with the rules and harshness of my boss" "I was late at work a few times to the relationship with the firm became quite tense"
Asylum seekers		Cultural Legal	"For the time being, I am totally tied, I can't get a job until my status gets regulated" "Language barrier is a difficulty. It prevents me from speaking with people and understanding the local culture and traditions"
Individuals with addictions and other health conditions		Physical	"I am diminished and can't fight to improve my situation, deal with the administration"

Building Awareness Among The Business Community

The combination of dominant homeless developmental impediments, the (perceived) distance of the government and the predominantly negative attitudes of the business community arguably contributes to the problems which face homelessness partnership initiatives and the increase in homeless uncertainty, insecurity, vulnerability and marginalisation. Jean-Luc Sutter (ALSA) notes: *"the system in which we live is clearly not based on solidarity. Solidarity is in fact 'accessory'."*

There is an expectation to institute a style of governing interactions with homeless individuals that takes as its first principles reciprocity of commitment, predictability and respect for the unique structure of meaning and attachment which makes human lives meaningful. This is a radically more collaborative and democratic style of governance, notably discussed by Marris (1991,, 1996), one which contradicts the political ideology of neoliberalism currently prevailing in France.

The current system principally relies on associations to elaborate and maintain an adapted approach and develop effective – i.e. meeting the needs of homeless people – and efficient – i.e. responding to situations of urgency – actions to cater for homeless people. The pernicious effects of homelessness are directly confronted only by homeless individuals and, indirectly, by care-givers. Jean-Robert Yapoudjian (ACCES) explains the situation of saturation faced by care-giving associations in Mulhouse: *"as it is now, everything is paralysed, saturated because of a significant increase in poverty and a growing number of asylum seekers... Yet, the social 'tool' is well developed and could work excellently without saturation."* The urgency of the situation in Mulhouse justifies the need to undertake more cognitive efforts to develop innovative homeless solutions. The detrimental cumulative effect of uncertainty, insecurity, vulnerability and marginalisation of homeless people is believed to be potentially weakened by means of diplomatic, pedagogic and informed implication of companies and public policy-makers.

Although businesses are not expected to get involved and concretely achieve very little to combat homelessness in Mulhouse, their social role as providers of employment gives them potential to aid needy people and identify resources that can be engaged in the context of partnership or independent initiatives. This would constitute a shift towards a socially responsible attitude on the part of business towards homelessness. The manager of a temporary agency concedes: *"companies cannot irrationally disperse resources. Nevertheless, there must be a minimum of social contribution from the part of businesses."* In fact, one of the reasons that can explain the uncertainty and distress of homeless people is the disconnection of this population from one of the objects of attachment identified by Marris (1991), i.e. institutions. A greater frequency of contact of needy people with professional and societal institutions should be instigated as a means of promoting social cohesion. Companies arguably have a responsibility to reconnect the homeless population to the *normative social order*; for instance, it is their responsibility to rethink the recourse to temporary agency from a means to effortlessly obtaining cheap and flexible labour – which generates the growth of casualisation of the workplace and socio-economic developmental impediments – to a more responsible approach attentive to the socio-economic conditions of temporary workers. Otherwise, a solution to the (disturbing) expansion of casual employment would also require efforts on the part of government to make recourse to temporary employment contracts less attractive for business, in order to *normalise* or rebalance the relation between the powerful business lobby and wider society.

The view is acknowledged that homeless people may not have the responsive capacity to make intelligible and predictable sense out of what businesses (potential employers) and governmental institutions expect from them (Harvey, 2005, Harrison and Huntington, 2000). Cronley (2010) distinguishes individual interpretations claiming that homelessness is the result of personal deficiencies (such as substance abuse and social disaffiliation) from structural interpretations arguing that homelessness is provoked by systemic factors (such as lack of affordable housing and employment opportunities). This is why ameliorating the impact of homelessness requires a more widespread awareness, particularly among the business community, of how homeless people suffer from an erosion of the attachments which support autonomy. It is awareness of this

kind that can assist in “opening up the path towards reciprocity of consciences and liberties” (Pope Benedict, 2009). The role of attachment in building autonomy has already been discussed. The discussion now turns to the issue of how the conditions of autonomy for homeless people can be promoted.

The Salience of Material Resources And Spiritual Needs As Instruments For Solace And Resiliency

A homeless interviewee who emigrated from Algeria to France in 2006 commented:

“When I arrived in France, I was fortunate to meet a nice woman and we got married. Things didn’t turn well for me since the marriage ended and I found myself alone, miserable, incapable of finding alternatives. I didn’t have enough resources which is the reason why I ended up in the street. I missed my country very badly.”

This statement alludes to experiences of loss related to culture, place (“missed my country”), and social connectedness: people, institutions (“alone”). Two essential elements shaping the capacity of resilience can therefore be identified: connectedness to place and social context – as the degree to which such attachment needs as people, institutions, and place (Marris, 1991) are satisfied – and mental investment in broader dimensions of meaningfulness – as the extent to which attachment needs related to culture and ideals (Marris, 1991) are met. The capacity of resilience of homeless individuals is therefore inferred to be dependent on the extent of connectedness to the objects of attachment proposed by Marris; in particular, the fulfilment of spiritual needs (the contribution of different forms of attachment to a sense of meaningfulness and the integration of past, present and future).

Venturing beyond extreme and marginal casualisation towards ‘harmony’

Across the four categories of homeless people listed in Table 1, there are evident disharmonies between material and spiritual achievements. These may be taken as evidence of a variety of difficulties with attachment, and with dealing with the loss of attachments. These difficulties reflect socio-economic, psychogenic, cultural, legal, and physical dominant developmental impediments, and can reinforce these obstacles. They obstruct successful making and management of attachment which is conceptualised in terms of a “zone of harmony”. This is represented in Figure 1 (p.14). The intensity of spiritual experiences and disposition of material resources are both required in order for homeless people to achieve an adequate level of resilience and autonomy. Harmonisation thus occurs at the intersection of adequate material resources with experiences of connectedness and spiritual investment. Crucially, the fulfilment of both conditions is necessary for autonomy. To epitomise the affect of negative spiritual and material attachment, Anne-Marie Weibel (SURSO) comments: “in our association, we receive many individuals whose mental has been severely weakened by various negative social experiences... these people are often homeless and clearly don’t have the material and relational resources which are absolutely necessary to autonomously overcome their difficulties.”

The attachment gaps implicitly deduced from Table 1 tend to undermine the equilibrium of the structure of attachment to which one is conditioned and, consistent with Cassidy et al. (2009), generate anxiety disorder. As observed and illustrated in Figure 1, this entanglement may breed different degrees of casualisation – i.e. extreme or marginal. The degree of casualisation can be inferred from the pattern of weak/strong (intensive) spiritual experiences. Interviews with caregivers and field observations suggest a correlation mechanism that considers homeless people showing the strongest patterns of psychological investment and behavioural consistency – assumed in Figure 1 to constitute marginal (or moderate) casualisation – to be suitably accommodated to overshadow the developmental impediments (identified in Table 1) and pursue harmony. By contrast, those who are psychologically affected and behaviourally inconsistent or unwilling – who are subject to extreme casualisation – are too feebly equipped to attain harmony (this is illustrated in Figure 1 with the bright-coloured arrow leading to the zone of harmony). This distinction is acknowledged by Jean-Luc Sutter and Sébastien Castells (ALSA) who both refer to “a variety of potentials for rehabilitability among the homeless population.”

The mechanism sketched in Figure 1 suggests that access to material resources and fulfilment of spiritual needs defines harmony and determines the potential for commodifiability whereas a lack of such access and fulfilment interferes with resilience and is inevitably linked to the incapacity of homeless people to assimilate the conditions of capitalism and successfully integrate into the working environment. The hegemony of neoliberal expectations therefore obstructs the pathway towards commodifiability and the transition of the homeless from extreme or marginal casualisation and heteronomy to harmony and autonomy. The business consultant (chamber of commerce) confirms that *"the gap between homeless people and the business community is clearly too wide"* and Anne-Mari Weibel (SURSO) adds: *"the homeless does not represent competences which are useful for companies."*

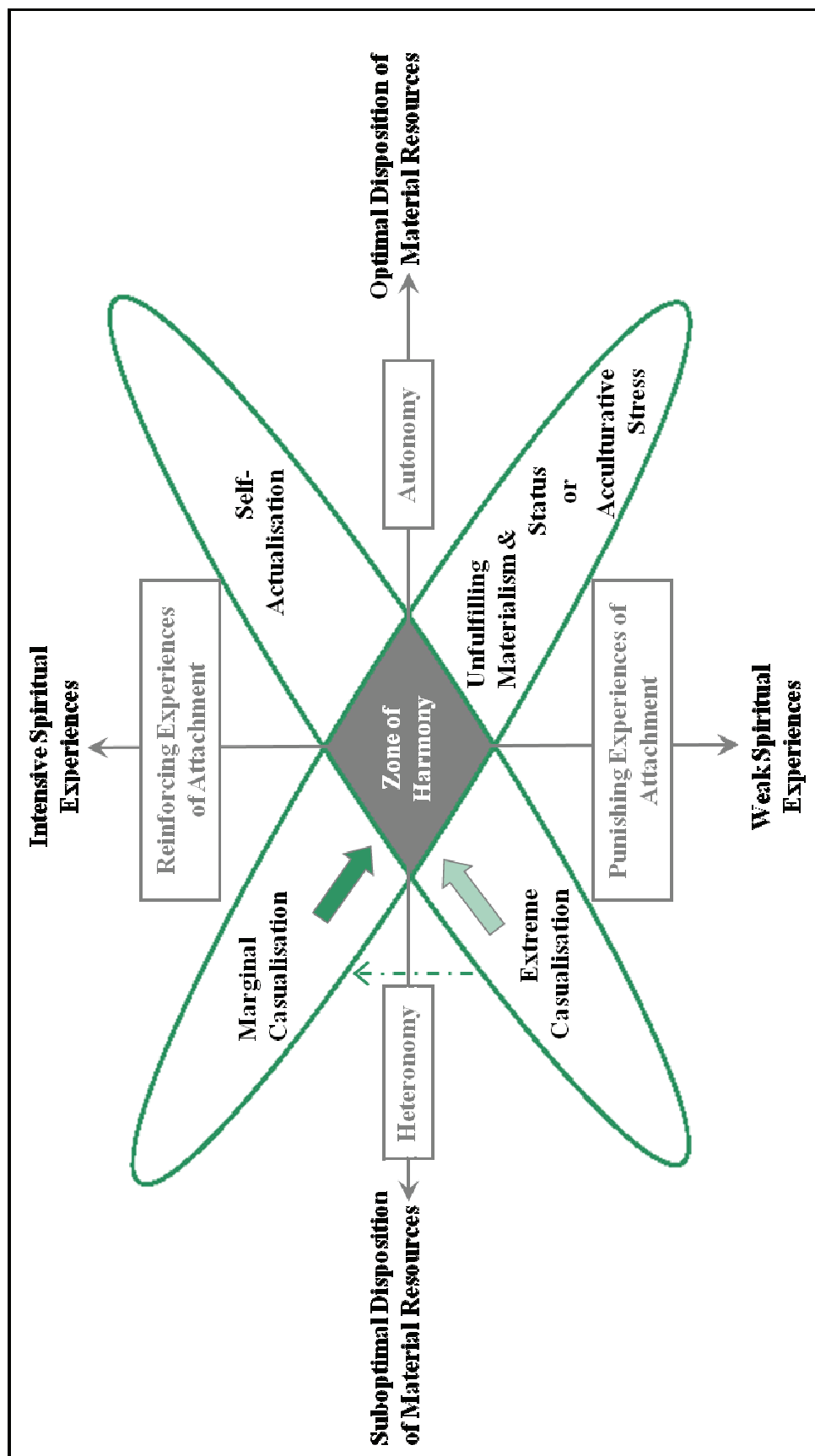
In situations of extreme casualisation, vulnerable individuals' lack of personal autonomy and connectedness can lead to a focus on other collective forms of attachment, leading to a search for forms of association that can support a stable sense of expectation. An asylum seeker, homeless in Mulhouse, explains:

"I am not confident but there are other people like me, we hang around together and share some values. We also love football and support different clubs, we're not so miserable. Besides, associations are very helpful..."

Such observations undermine the perception that homeless people, even in a state of extreme precariousness, are somehow prey to a condition of *irremediable* unsociability. Indeed, they indicate that searching out attachment is part of the experience of homelessness, and may be socially constructive (Hill, 2008) insofar as it may help move them from extreme casualisation to marginal casualisation (dashed arrow, Figure 1) and eventually harmony (dark-coloured arrow, Figure 1). In other words, positive experiences of attachment may provide the conditions for a transition from absolute heteronomy to increased autonomy. This transition can be facilitated as the homeless manage to hold permanent and intense experiences of attachment through, e.g., community support, family affiliation, sport, etc.

FIGURE 1

The pursuit of harmony and commodifiability. A proposed illustration of the salience of exploiting material resources and spiritual needs – fulfilled or impeded by experiences of attachment – as instruments for solace and resiliency



Engaging the homeless & the business community in assessing attachment needs

Given the lack of material stability inherent to the state of homelessness, the pursuit of durable experiences of attachment is paramount to building individual resilience and a normatively acceptable degree of commodifiability – indicated in Figure 1 by the zone of harmony. Insofar as vulnerable individuals are able to harness the catalytic power of strong experiences of attachment, they may attain or regain the capacity for control over their personal circumstances. A disabled man from the homeless community demonstrated an extraordinary capacity to adopt initiatives during his interview. He notably spoke about his *“project to start a woodcutting business”* with numerous references to his family, especially to his daughter as principal source of attachment and motivation: *“I have a daughter and I want to make her proud of me... I will do everything I can to get to a more stable condition.”*

Experiences of attachment can be constructively exploited as a means to fulfilling spiritual needs which, in turn, invest homeless people with the aspiration to exert themselves, develop the bases of commodifiability – i.e. flexibility and autonomy – and create the possibility of reconciliation with the capitalist normative social order. The degree of fulfilment of spiritual needs can be assimilated with a barometer of mental stability essentially based on social connectedness. The capacity of impoverished individuals to calibrate this barometer – thus determining the optimal balance of social attachments and the capability to achieve the transition suggested above – depends on the durability, frequency, and intensity of experiences of attachment and is a cornerstone of resiliency and commodifiability. Nour Ahmat-Brahim (ALSA) argues: *“it is evident in many cases that the longer these initially vulnerable individuals stay and work with us, the stronger is the positive impact on their personality and competence... They usually leave us with more confidence.”*

The process of calibration can be substantially facilitated if a convergence process of integrity, adaptability and entrepreneurship (as proposed by Vazquez et al., 2009) – whereby capital holders and impoverished people mutually compromise – is developed. While business leaders are to offer accessible employment opportunities via practices of fair selection, therefore creating progressive *reinforcing contingencies*, homeless individuals need to build the responsive capacity to make intelligible and predictable sense out of what potential employers expect from them. As Anne-Marie Weibel puts it, *“it has to be a mutual process of exchange, that is homeless people need to make an effort of adaptation and companies have to be open, leave a chance to create possibilities of development and emancipation.”* In fact, businesses need to shift their perspective from the dominant, *neoliberal* conception of homeless as deserving poor (Daly, 1996) – afflicted by personal irresponsibility or cultural inferiority (Harvey, 2005, Harrison and Huntington, 2000) – to a view of the homeless as potentially resilient individuals who are worthy of opportunities for professional and social integration.

It is hence critical to instigate strategies of reciprocity by which uncertainty is integrated into social practice in the interests of all; in particular, the capacity for resilience and commodifiability should be assessed on a case-by-case basis to avoid stigmatisation and the creation of *punishing contingencies* (Ravenhill, 2008). There is an urgent necessity to respond to the current situation reported by the International Labor Organisation in Geneva – see Hawken et al. (2002) – consisting of a waste of human potential affecting nearly a billion people who either cannot work (extreme casualisation) or have such marginal and menial jobs that they cannot support themselves or their families (marginal casualisation).

Conclusion

The analysis of homelessness in Mulhouse enables to capture the dominant developmental impediments – socio-economic, psychogenic, cultural, legal, and physical (Table 1) – which tend to perpetuate the perception of businesses of weak potential of employability and rehabilitability of homeless people. This leads to assume that this unstable population cannot be moulded into a commodifiable labour power, in line with Song (2007). Businesses are not legally required to get involved and, in concrete terms, achieve very little in combating homelessness in Mulhouse, a situation which reflects the role of accumulation by dispossession (Springer, 2008, Harvey, 2003) in a neoliberal order. To overcome the problems faced by the homeless, a growth in awareness among businesses of the actual impediments affecting homeless people is essential, and of the potential that businesses possess, as providers of employment, for aiding needy people. This relates to the notions of adaptability and entrepreneurship proposed by Vazquez et al. (2009) as well as to Marris' concept of a strategy of reciprocity. While businesses can offer accessible employment opportunities via the practice of fair selection and non-discrimination, homeless individuals need to build resilience on the basis of experiences of durable attachment.

Figure 1 suggests a paradigm for distinguishing between marginal casualisation and extreme casualisation. These situations are characterised by divergent psychological and behavioural patterns which determine an individual's capacity to integrate and emancipate into the working environment. The optimal balance of social attachments should enable homeless people to reach what is conceived as the zone of harmony – the intersection of adequate material resources with connectedness and mental or spiritual investment – which enables homeless people to respond to employment-related expectations. What is ultimately required is a process of convergence in which homeless people receive assistance in forming attachments and building resilience, and businesses recognise the specific difficulties facing the homeless as social difficulties stemming from insecurity and disconnectedness.

There is a need for further research. Since this essay focuses on the case of homelessness in Mulhouse, the proposed ethnographic analysis of homeless people and related impediments may not be widely generalisable; nonetheless, the framework proposed in Figure 1 arguably provides a way of understanding the interactions between the material and social/spiritual needs of homeless people which can be tested in other contexts and geographical locations. The approach employed here would also be complemented by quantitative approaches designed to investigate the rate of occurrence of different developmental impediment and the situations which are defined as those of extreme and marginal casualisation.

APPENDIX 1

Description of associations

Associations		Interview participants	Missions
S.UR.SO	Service d'URgence Sociale	Anne-Marie Weibel. President	Shelter and orientation service which aims to establish a synergy among all social partners solicited by individuals in precarious situations with a view to providing an adapted response to such needs as shelter, safety, social link, access to hygiene conditions, healthcare, housing and social insertion.
ALSA	Association pour le Logement des Sans-Abris de Mulhouse	Jean-Luc Sutter. President	ALSA's purpose is to respond to the needs and expectancies of the most vulnerable individuals.
		Sebastien Castells. Responsible of social service	The association shelters people who benefit from social minimum incomes and have unstable housing situations. The objective is to help them to find all the autonomy which they are capable to reach and enable those who need it to find long-term support with a view to guaranteeing the best possible quality of life.
		Nour Alumat-Brahim. Responsible of training site	
Espoir		Liliane Bick. President	Espoir provides shelter and housing to adults and family in precarious situations. It was created and developed on the initial ambition to shelter men and women in situations of social breakdown and left with strictly no support.
ACCES	Association Chretienne de Coordination, d'Entraide et de Solidarite	Jean-Robert Yapoudjian. CEO	ACCES is a departmental association comprising facilities and services in four main sectors: housing, social rehabilitation, employment and projects for refugees. It permanently caters for more than six hundred individuals with a view to sheltering, advising and facilitate social and professional insertion. The association accompanies vulnerable people towards autonomy and responsibility through the procurement of material, moral and spritual development. To do so, it is supported by Europe, France, local co-operatives and donors.
Les Restaurants du Coeur		Mimi Wisselmann Regional Coordinator	Initially founded on the idea of distributing food packages and hot meals to the needy, Les Restaurants du Coeurs have developed into a 'multi-task' social care-giving association with the inclusion of social reinsertion, housing, employment, combat versus homelessness, social assistance and cultural or leisure initiatives into their social agenda.
		Nathalie Benhaida. Association Manager	

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LESSONS DERIVED FROM LOCAL APPLICATIONS IN STRUGGLING WITH POVERTY THE CASE OF KAYSERİ*

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Abstract

In this study the case of Kayseri is examined as an example of struggling with poverty. A model suggestion is introduced from local application of Kayseri example in struggling with poverty to be extended through the country. This model has been developed by Kayseri Metropolitan Municipality to struggle with poverty and it is called as “Kucak Açan Şehir” (The City receiving with open arms).

Key Words: Applications of Struggling with Poverty, Kayseri

1. Introduction

In recent years, poverty and mitigation of poverty issues are the most essential problems of humanity. Migrations have arisen due to poverty emerging in the shape of shortage and hungers dramatically throughout the history and it witnessed large scaled migrations of nations of the human history, as well as internal migrations occurred within geography of nations. Shortages and poverty cases can be illustrated by natural disasters and climatic conditions such as children dying due to hunger in Africa, cases lived in Pakistan due to flood, what lived in Indonesia due to Tsunami or Haiti cases after earthquake. Poverty meant meeting basic needs event at minimum level and became common problem of developing countries.

Main objective of this study is to focus on application and model recommendation on the basis of local examples and applications; therefore, theoretical data about poverty shall be presented in summary during which study of Aktan and Vural, 2002 is utilized in large scale. In other sections, University, faculty and hospitals founded by the contribution of benevolent in Kayseri and then activities of Public Institutions and NGO's and thereafter, Struggling with Poverty model developed and applied by Kayseri Metropolitan Municipality is analyzed and explained. Finally, recommendations are established on the basis of information presented.

* The original version of this paper is in Turkish and English translation is appeared here. The original version of the paper is appeared on the Turkish version of the Edited Collection of the Symposium.

2. TERMINOLOGY ABOUT POVERTY

Poor literally means the person not having adequate level of money or not having means required to sustain a comfortable life. The word poverty defines deprivation of possibilities required for living.

Human is a social asset and hence, has feeding needs as well as socio-economical and cultural needs such as clothing, sheltering, education, health, culture, establishment of association, resting, entertainment.

Human needs can be divided into two as needs met in accordance with economical conditions (needs having financial nature and relevant with structural conditions) and needs not being related with economical conditions (needs having intangible nature and being specific to people). Poverty definition including satisfaction of intangible needs (love, participation, creativity, identity, freedom, etc.) may cause some important problems.

To illustrate, a person having many assets, but alone may be characterized as poor. On the other side, human needs may change by time. A certain amount of income may be adequate to sustain minimum living standard of an individual, but this individual may face risk of poverty when married and has child and his/her income level remains same (Aktan and Vural, 2002).

3. CONCEPTS ABOUT POVERTY

3.1. Absolute Poverty – Relative Poverty

Absolute poverty is minimum income and expenditure level needed by households or individuals to improve them. Definition is based on minimum food components or calories required to sustain a life, which gains absolute characteristic to the concept. This definition is used to make comparisons between countries. On the basis of this objective, effort is presented to establish a global poverty limit that can be applied in all countries and without considering different conditions, as well as differences among income distribution within countries. This limit identifies a poverty level corresponding with cost of group of assets meeting basic consumption requirements. In other words, in accordance with the definition preferred, poverty limit identifies minimum consumption level under which sustaining a life becomes impossible. This poverty limit is then compared with calculated real household or individual income. Person or household under poverty limit is classified as poor and extremely poor.

Relative poverty concept is based on humans representing communal assets. In accordance with relative poverty concept, poverty is not only lack of access to resources and not to sustain a life. Poverty is related with having minimum life level accepted by the community in which individual or household is living. Therefore, relative poverty concept focuses on differences in distribution of income and welfare, instead of absolute income level owned by different groups. In other words, relative poverty concept defines the difference arisen due to capability to own income resources between poor household or individual and household or individual living in same community and having an average level of income with respect to current conditions ((Dumanlı, 1995a), Aktan and Vural, 2002)).

3.2. Objective Poverty – Subjective Poverty

While defining poverty, objective approach (welfare approach) includes predetermined (normative) evaluations regarding what causes poverty and what are needed to eliminate poverty of individuals. However, subjective approach prioritizes preferences of people (benefit approach) while defining poverty. Economists traditionally tend to adopt objective approach due to difficulties encountered during calculation of total benefit obtained by individuals. According to those supporting this approach, individuals are capable of evaluating what is best for them. To illustrate, nearly all methods utilized in measurement of poverty adopts objective approach and highlights minimum food requirements. However, persons represent different evaluations and preferences regarding amount and type of foods consumed by them. While some people prefer bundle of foods required to sustain their lives, others may prioritize group of foods being important to sus-

tain their physical existence. Therefore, subjective approach leaving definition of poverty to the evaluation of persons and households may cause certain problems and conflictions while measuring poverty (Aktan and Vural, 2002)

3.3. Income Poverty – Human Poverty

Income poverty can be defined as being incapable of obtaining adequate level of income to meet minimum living standards required by an individual or a household or to sustain a life. In general, income required to provide minimum living level is defined as **limit of poverty** within income poverty related calculations. A person or household having income/consumption level under poverty limit is identified as poor. A global poverty limit is identified to make comparisons between countries. However, such a global poverty limit is not beneficial to analyze poverty within the country. Therefore, a poverty limit reflecting current socio-economical conditions of the country may be established. Similarly, different poverty limits may be created, if differences exist between price of goods and services, as well as access to these goods and services in different regions of the country (rural areas – urban areas).

Poor people are not only deprived of income and sources, but also they are deprived of opportunities. Due to a few opportunities and social exclusion, finding a job and access to the markets is difficult for them. On the other side, their inadequate level of education affects job finding possibilities and access to the knowledge increasing their life quality adversely. They cannot benefit from food and health services as a result of which it becomes difficult for them to reach job opportunities and they cannot protect their mental and physical health conditions. This situation may become worse in terms of poor people after elimination of safety.

Human poverty concept developed within 1997 dated Human Development Report of United Nations Development Program (UNDP) is based on monetary opportunities, as well as economical, social and cultural possibilities for human development and humanly life and to meet some basic requirements (capabilities approach). Therefore, it focuses on tangible welfare more than minimum requirements and views poverty as multi-dimensional concept. Human poverty index (The Human Poverty Index – HPI) is established to measure human poverty within same report. Human poverty index measures deprivations arisen in terms of human development, such as shortness of life, deprivation from basic education and lack of access to public and private sources and it measures ratio of people out of human development (Aktan and Vural, 2002)

4. STRUGGLING WITH POVERTY ACTIVITIES IN KAYSERİ

4.1. PHILANTHROPISTS

Importance of education and health in terms of struggling with poverty cannot be ignored. Education and health is a prerequisite to achieve long-term elimination of poverty. Higher education constitutes the most significant part of education. Businessmen in Kayseri are aware of importance of education and founded many schools and hospitals. One of them is Erciyes University. Nearly all of this University is founded by philanthropists of Kayseri. Erciyes University includes 16 Faculties, 4 Colleges, 6 Vocational Schools and 7 Institutes. While institutes function in common buildings, other schools have independent buildings. Facilities built by Philanthropists within Erciyes University are as follows:

- 1) **Faculty of Dentistry**- Hülya-Mehmet Tatar
- 2) **Faculty of Pharmacy**- Mustafa Kılıçer
- 3) **Faculty of Science-Literature**- Nuri Cingilioğlu
- 4) **Faculty of Religious Studies** (Additional Building)-H.Mehmet Bayraktar
- 5) **Faculty of Education** -Ziya Eren
- 6) **Faculty of Law** - Özbıyık-Göknar Aileleri

- 7) **Faculty of Communication** - Süleyman Çetinsaya
- 8) **Seyrani Faculty of Agriculture**
- 9) **Faculty of Health sciences** -Kayseri Higher Education Foundation
- 10) **Hospitals of Faculty of Medicine**
 - Mehmet and Yılmaz Öztaşkın-**Cardiology Hospital**
 - Semiha Önkibar- **Organ Transplantation and Dialysis Hospital**
 - M.Kemal Dedeman- **Oncology Hospital**
 - F.Mercan- M.Eraslan- **Children's Hospital**
 - **Laboratories**
 - Çetinsaya-**Genetic Research Institute**
- (Policlinics, service renewals and furnishing not stated herein)
- 11) **Building of Institutes** -Nuri Has
- 12) **Civil aviation school** - Anadolu Group
- 13) **School of social Sciences**- İzzet Bayraktar
- 14) **School of Tourism and Hotel Management** - Türkan-Tuncer Haşçalık
- 15) **School of foreign Languages**- Makbule Küçükçalık
- 16) **Health Occupation High School**- Halil Bayraktar
- 17) **Vocational High School** (Technical Sciences)-Mustafa Çıkrıkçı
- 18) **Vocational High School** (Food and Stock Breeding)-Safiye Çıkrıkçı
- 19) **Vocational High School**- Develi Hüseyin Şahin
- 20) **Kadir Has Central Library**
- 21) **Sabancı Culture Center**
- 22) **Hızıroğlu Mansion (Hotel-Guest House)**

Above table and additionally, **Melikşah University** financed completely by **Boydak Holding** and **the university having same name** and financed by **Nuh Naci Yazgan Foundation** are all illustrations regarding contributions of philanthropists to the education and in particular higher education in order to achieve long-term elimination of poverty in Turkey general.

4.2. ENTITIES/INSTITUTIONS STRUGGLING WITH POVERTY IN KAYSERİ:

4.2.1 GOVERNORATE:

Governorate uses approximately 150.000 TL/month to meet immediate needs of needy citizens (school registration fee, transportation costs, etc.) through Provincial Social Assistance and Solidarity Foundation. In addition, it transfers 300.000 TL/ year to the Erciyes University for distribution as scholarship to the students.

4.2.2 DISTRICT GOVERNORSHIPS:

Melikgazi District Governorship:

It provides following assistances through Sub-provincial Social Assistance and Solidarity Foundation:

4.2.2.1 Type of Assistances

Foundation Board of trustees provide following in accordance with requirement level of people:

1. Cash Assistance:

- a) One-time cash assistance, b) Monthly cash assistance.

2. Health Assistance:

Green Card owners’;

- a) Prescription expenses arranged by health institutions as a result of inspection by standing,
- b) Eyeglasses prescription costs arranged by health institutions,
- c) Hand, foot..., etc. denture and hearing aid expenses in accordance with Report of Health Council,
- d) Other health assistances with respect to the provisions of the regulation.

3. Educational assistance:

- a) Cash education assistance, b) Educational assistance in kind.

4. Aid in kind:

- a) Supplies, b) Fuel, c) Clothing.

5. Other aids.

As of 2008, amount of aids provided is TL 1.833.674 (<http://www.melikgazi.gov.tr/onemli.aspx?id=20>). Afterwards, periodical share of the district is identified as 209.000 TL/ month.

Kocasinan District Governorship: Similar assistances are provided by SYDV (Social Assistance and Solidarity Foundation) of the district.

4.2.3. PROVINCIAL SOCIAL SERVICE DIRECTORATE:

Activities of Provincial Social Services directorate are grouped under two main service areas named as community oriented aids and care of institution. Community oriented services can be counted as Fosterling, in kind-Cash Aid, Voluntary and Protective Family, Family consultancy services.

Corporate care includes 6 social service institutions named 1 Nursery (0-12 ages), 1 Orphanage for Boys (13-18 ages), 1 Orphanage for Girls (13-18 ages), 1 Rehabilitation Center (13-18 ages), 1 Care and Social Rehabilitation center for Girls (13-18 ages) and 1 Children Youth Center.

Deprivation of individuals in economical and social sense is the main principle of corporate care. Therefore, deprivation to the protection identified by means of law no 2828 is considered.

Services are provided in special rehabilitation centers whose opening, monitoring and supervision are executed by provincial directorate for people not having any social security in economical sense and in particular for disabled people. Again, day nursery and day care centers function in accordance with age groups and under same conditions.

4.2.4. NON-GOVERNMENTAL ORGANIZATIONS

Erciyes Feneri Social Assistance and Solidarity Foundation:

This foundation represents one of the first examples applied in this area in Turkey and provides

assistances to 500 families through a market application named “Fener Market” where people visit once in every 45 days for shopping purposes. People have the opportunity to supply all of their seasonal basic food needs amounting to between TL 40 and TL 80 from this market. Service facility is also provided for the people from different quarters. In addition, packaged meats having an average amount of 2.5 kg are presented to the registered families on monthly basis. Besides, all family members are provided with clothes 3 times in every year. Hamam and Laundry Room service is also provided by the foundation, which is a first application in Turkey. By this way, everybody has the opportunity to bath in Hamam once in every week and their clothes are washed by industrial type washing machines. Needy citizens are satisfied with this service. Nuh Hasyüncü, the director of the foundation, states that their objective is to realize fellow family project and increase figure of markets.

Kayseri branch of Kimse Yok mu Foundation:

The Foundation was acting under name of Gökkuşuğu Aid and Solidarity Foundation till 8 months before; then its name is amended as Kimse Yok mu Foundation. 1143 people applied to the foundation during the last three years and 967 of them is furnished with home equipments, electricity, water, etc. bill payments. Cash aid amounting to TL 8.200 is provided to 7 persons. The Foundation supports various national and international activities as Kayseri Branch of International Kimse Yok mu foundation. It supports needy citizens in different geographical locations from Haiti to Indonesia without making any religion, language and race discrimination. Abdurrahman Haskahraman, Kayseri branch president, states that they desire to provide assistance regarding scholarship and rent issues in the future. In addition, the foundation plans to expand its service area through its modern operation building and warehouses to be established on an area of 7300 meter squares. The foundation plans to move this new building within two years and aims to focus on vocational, capital support and directing, as well as monitoring those opening workshops issues. By this way, they shall give effort to break vicious cycle of poverty.

In addition, the foundation plans to contribute to continuity of health life by providing health services. In this context, health scanning is applied in 16 towns of Kayseri. This scanning is performed by doctor-laboratory and pharmacy, by which rapid and in-site service is provided to the needy citizens.

Besides, efforts are presented to increase level of assistances by decreasing aids provided by philanthropists under name of Aid Banking from their tax assessments.

Yeni Ufuklar Foundation:

This foundation is established to provide scholarship to poor students. Young foundation directors, who completed high school education, state that they can understand needs of young population better due to their young ages and comment that they serve to their country by providing scholarship to poor students encountering difficulties while searching for opportunities to complete their education. They also state that their assistances are provided in outright manner, but they expect voluntary participation of students to their foundation after they become a job owner (Seven, 2010: p.112).

Verenel Foundation:

Directors of the foundation state that their main objective is to provide intangible support to needy citizens, instead of tangible aids, in other words they aim to provide educational and supporting services. However, after a time period, it is observed that any grant cannot be obtained by such a foundation trying to provide intangible support to people, to produce solutions for family and psychological matters, to combine distributed families after which the foundation turned to a foundation executing aid related activities. By this way, they eliminated the problem regarding collection of grants. 800 families are provided with good, rent, etc. assistances. In addition, the foundation gives effort to sustain educational activities (Seven, 2010: 113).

In addition to above explained NGOs, Workhouse Foundation and other foundations operate in Kayseri to struggle with poverty.

4.2.5. MUNICIPALITIES:

Effective works are performed in the area of struggling with poverty under leadership of Kayseri Metropolitan Municipality. First of all, in kind and cash assistances are provided to the needy citizens and in this scope, 17 public kitchens is established to meet daily food needs of people and a menu consisting of minimum 3 types of food is presented to the needy citizens and 22.000 breads are distributed on daily basis.

In addition, 300 elders are protected within nursing home having a capacity of 400 people. In addition, people living outside are protected here until a place for their residing is provided.

Impacts of poverty on children and families are tried to be mitigated by means of family support services and family consultancy centers.

On the other side, vocational courses are organized to improve economical condition of poor population. Sport schools and other courses are also important in terms of community rehabilitation and harmony of children.

In addition, 500 more people are directed towards various tasks identified as a result of researches and interviews through KBB (Kayseri Metropolitan Municipality) Social Services Department Presidency and 350 of them are provided with a job (Mehmet Ali Kircioğlu KBB SHD President)

Besides, Kayseri Metropolitan Municipality arranged and applied following protects regarding mitigation of poverty (models). This model can be developed and applied in Turkey wide.

4.3 STRUGGLING WITH URBAN POVERTY AND SOCIAL RESPONSIBILITY PROJECT:

This project whose details and concept is completely developed by **Kayseri Metropolitan Municipality (KBB)** consists of 6 main sections under heading of “**KUCAK AÇAN ŞEHİR**” (province receiving with open arms). “This project is improved as a requirement of social state understanding, by which Kayseri Metropolitan Municipality had the brass to initiate comprehensive and multi-dimensional project that can be considered as a model in Turkey in order to provide direct and first-hand solution to social problems.” (Quotation from KBB Kucak AÇan Şehir Project, Introduction Section).

Before arrangement of this project, study is identified by means of a scientific study and face-to-face questionnaires were performed in 2008 and “Social Risk Map” of the province is prepared. In addition, web based Aidless Household Information System is activated on the basis of information shared with non-governmental organizations acting on the area of struggling with poverty (Mehmet Ali Kircioğlu, Date of Interview: August 20, 2010) .

Objective of the Project: To provide perfect cooperation by gathering social projects under a single roof; achievement of integration between social issues; to struggle with urban poverty and social insulation arisen together with internal and external migrations.

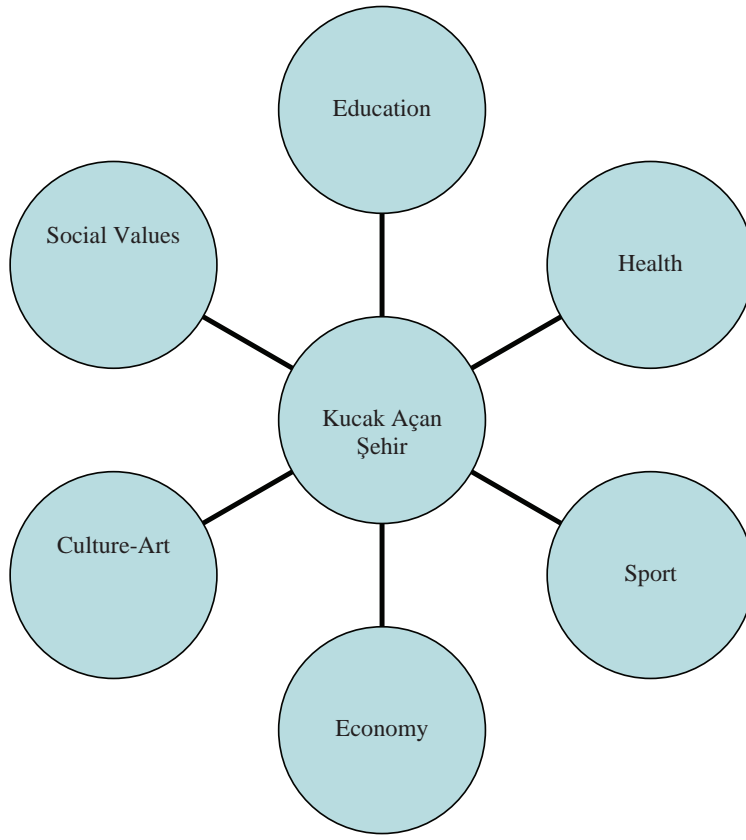
Target group of the Project: Families, women, elders, children, young people, unemployed and disabled people.

Application principles: Coordination between sub-projects and management from single

Financial Resources: Municipality budgets and opportunities.

Project model is presented below:

Figure 1. Kucak Aan ehir Model-Kayseri Metropolitan Municipality



Sub-headings of the project:

1) Education and educational support: It is aimed to support children to be successful in their educational lives in the scope of the project. In this context, stationery assistances are provided to the students having textbook and secondary source needs. Students deemed appropriate shall be included within "Glen Yzler Deniz Yıldızı" project (EU Project).

Tangible outputs: Together with opening of new branches in the scope of Glen Yzler Deniz Yıldızı Project during 2009-2010 Education and Training Period, 2173 students are provided with the services by means of 7 branches whose distribution are as follows: 2 YGS-LYS branches, 3 SBS branches and two primary education branches.

In the scope of Glen Yzler Project, 170 of 230 poor students included within the scope of the project in 2009 won university exams and 193 of 381 poor students won the university exam in 2010. Details are presented in Table 1:

Table 1. Students achieving University Exam by means of Gülen Yüzler Project/Faculties

FACULTY	2009 GRADUATE	2010 GRADUATE
FACULTY OF LAW	0	2
FACULTY OF MEDICINE	2	0
FACULTY OF ENGINEERING	10	17
FACULTY OF EDUCATION	29	27
FACULTY OF SCIENCE-LITERATURE	35	30
FACULTY OF HEALTH SCIENCES	10	16
FACULTY OF ECONOMY AND ADMINISTRATIVE SCIENCES	19	24
FACULTY OF RELIGIOUS STUDIES	2	17
FACULTY OF TOURISM AND HOTEL MANAGEMENT	2	4
CIVIL AVIATION VOCATIONAL HIGH SCHOOL	0	2
BESYO	0	2
VOCATIONAL HIGH SCHOOL	61	46
FACULTY OF OPEN EDUCATION	0	6
COULD NOT WIN THE EXAM	60	190
TOTAL	230	381
TOTAL NUMBER OF 4-YEAR SCHOOL WINNERS (INCLUDING 6-YEAR MEDICAL FACULTY)	109	147
TOTAL 2-YEAR SCHOOL WINNERS	61	46
TOTAL NUMBER OF WINNERS	170	193

Source: Bef-Kayseri Metropolitan Municipality.

2) Sport Facilities: Children are directed towards sports by means of face-to-face conversations performed with 200 students identified at the end of questionnaires included in the scope of social risk map. What is aimed here is to eliminate rampant status of children and potential dangers that may be occurred due to children and to make them participate to at least a sport activity; thereby, improve their community loyalty senses and make them plan the future in a more optimistic manner. In this context, 500 children participated to sporting activities in sport facilities of the municipality located in three different areas under instruction of 2 trainers in football branch, one trainer for each of basketball, volleyball and taekwondo branches.

Tangible outputs: 205 children participated to football activities regularly and at predetermined hours of the week, whereas this figure is 98 children in basketball branch, 106 children in volleyball and 91 children in taekwondo branch. Football license is provided to all of the children by Turkey Football federation at the end of these activities. 7 of above stated children are included within basketball branch of Panküp Sport Club in Kayseri and 2 of them are accepted to football branch as licensed players. Galatasaray Sport Club requests transfer of a child. Additionally, meeting facility is arranged between Kayserispor football players and Panküp women basketball team.

3) Health: This area is also included within the scope of the project as it is thought that local governances should be interested in health matters of the public like their social and economical problems and should contribute to generation of solutions.

Tangible Outputs: Students accepted in the scope of the project are subjected to health scanning. Seminar is arranged about disabilities by experts. In addition, seminar is arranged about mouth and tooth health for the children and tooth paste and brush are distributed. Those identified as having health problems in their families in accordance with questionnaire results are inspected at their houses and required treatments and recommendations are provided.

4) Economical Dimension: The most significant factor while eliminating poverty is improvement of economical welfare level of individuals. Poor people are defined as those not having a

job and income or having inadequate level of income. Accordingly, finding job for unemployed people and performing economical activities increasing income level of others is the basic objective. On the other side, what is aimed is to make poor people stand on their own feet. Therefore, vocational courses are arranged in the scope of Kayseri Vocational Institution (KAYMEK) established within the Municipality.

Tangible Outputs: Family members are directed towards KAYMEK courses in accordance with their interest areas determined by surveys applied on families participating to the project. Thanks to these courses, trainees receiving certificates are directed towards various working areas. Vocational consultancy seminars are arranged to expand job opportunities of skilled students and to assist them while in establishing conscious preferences. Vocational education branches: nurse and companion training, training and foster-mother, Computer Operating, Cookery, Public Relations, English, LKS (Accountant training) and usage, maintenance and repair of Industrial type sewing machine. In this context, 980 trainees are provided with the opportunity of employment. In addition, Yeni Umutlar Project (New Hopes Project) supported by EU supported 101 young people not having any qualification, being between the age of 16 and 20, living and working outside, not continuing formal education by providing furniture covering and electrical installation educations. 87 of these young people are employed and 4 of them won university exam and had the opportunity to continue their educations.

5) Culture Art: It is aimed to introduce cultural and art related value of Kayseri to the students included within the scope of the project. In this context, students shall continue to protect values of the city without breaking their connections with developing and changing world. Qualified children shall be directed towards fine art branches in accordance with their skills. In the scope of introduction of our cultural heritages, free of charge visits to open and closed museums are arranged. In addition, activities, such as Hacivat-Karagöz plays for children and open air cinema addressing to all people are organized during Ramadan months.

6) Social Values: Technological progressions realize rapidly in developing world. Students remain anti-social within this rapid change. Project aims to instill social urbanism concept among children. A life far from the city cannot be anticipated; therefore, students shall both learn values of Kayseri and protect these values. Young people shall represent individuals having their source of power from the past and transferring this power to next generation by protecting above stated values (Refik Tuzcuoğlu, Date of Interview: August 20, 2010).

Conclusion and Recommendations:

Poverty has been common problem of humanity throughout the history and represents a concept affecting communities deeply. In order to struggle with poverty, Islamic societies give effort to assist needy citizens through philanthropy and charities on the basis of references received from their religion. In this context, fountains, workhouses, madrasas, foundations have been opened to serve to the people. Today, these charities continue. Kayseri is one of the cities keeping this tradition alive in the best manner. Hospitals, schools, mosques are still constructed by philanthropists in Kayseri. The best example of these services is Erciyes University Hospitals and Faculties whose details are presented above.

In addition, poor people are supported by the state, non-governmental organizations or individuals.

Struggling with poverty project is executed by means of "Kucak AÇan Şehir" project of Kayseri Metropolitan Municipality. Thanks to this project, employment opportunities are generated for unemployed people identified by studies performed at outskirts of the province, which represent social risk areas of the city created due to migration (employment is provided for 980 people); sport training is provided to children living at streets (500 children are provided with license) and on-site treatment is provided to families and children through health services. Additionally, cultural and art values are taught to new generations in the scope of the project, as well as efforts are presented to improve urban loyalty sense of poor people by creating urban awareness and to achieve their inclusion within the community. Group of children staying at dormitory for

protection of children lives in different 4 houses furnished and arranged by the municipality under control of a caregiver and prepared for the real life. Various activities are also performed for disabled people.

In fact, this project may be adopted as a road map in Turkey to Struggle with Poverty with its current status or by expanding the current project. The basic problem emerged through this project as to be eliminated rapidly and prioritized while struggling with poverty is good-planning and coordination of resources and support activities. On the basis of Kayseri case, it can be commented that a resource disarrangement and resource management problem exist in Turkey general. To illustrate, Governorate and district Governorships, as well as Provincial social Services directorate plan and utilizes certain resources without establishing a coordination and information share between each other. If Municipalities and Non-Governmental Organizations are added to this list, it shall be obvious that large amount of resource is not utilized in beneficial manner. In order to eliminate this problem, a board for provincial assistance coordination should be established where all contributing entities and institutions participate and university and industry are represented (all authorized persons interviewed support this point of view).

In addition, realization of aids to poor people by means of non-governmental organizations and transferring certain part of sources of Social assistance foundations to here by the state shall create more effective and accurate struggling policy. Here, state should realize more activities regarding improvement of education and employment infrastructure and should deliver aids, such as coal, food, etc. by the hand of non-governmental organizations. To achieve this, state should share associated poverty information with NGOs and should create a common data pool. On-site identification of needs of poor people and generation of solutions accordingly shall increase level of productivity. Voluntary is the basic principle of NGOS. In conclusion, NGOs should be utilized effectively and intensely during this process.

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ATTACKING POVERTY AND INTERNATIONAL ORGANIZATIONS



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Abstract

The outstanding leading organizations in the fight against poverty are the World Bank, United Nations Development Programme and the International Labor Organization. The policies of these institutions are guiding for the countries that are attacking poverty. However the policies recommended by these institutions are not fully practicable for all the countries. Every country has its own original condition. It is necessary for the countries to develop alternative policy measures according to its own original conditions. The aim of this study is discussing the poverty alleviation policies of these institutions after 2000.

Key Words: *poverty alleviation, international organizations, World Bank. UNDP*

Introduction

While deciding to the policy preferences about poverty alleviation, it should be crucial to point out the attempts of poverty definition. In the definitions of poverty economic, social and ethical values are often emphasized. However before stating the definitions of poverty, the word "poor" should be defined.

Poor is a person who does not have enough income. Lipton defined poverty as "A person is poor in any period if and only if her or his access to economic resources is insufficient for a reasonable expectation that she or he will acquire enough commodities to meet basic material needs adequately" (Lipton, 1997:127). Basic needs in this definition refer to nutrition, clothing, shelter, education, health care and participating in cultural activities. Because basic needs for survival

could differ according to society, environment and conditions, the definition of poverty could vary by age, gender and by cultural, social and economic conditions (Narayan, 1999:32). Also poverty can be defined as lack of resources to participate in the activities and have the customary living conditions that are widely accepted in the society. The resources should be significantly below the average individual or household (Townsend, 1979:30).

One of the most prominent and common definitions of poverty is absolute poverty. Absolute poverty is the minimum income or consumption level that households or individuals need to reproduce themselves biologically (Insel, 2005:2). Minimum needs to sustain life, food components and calories give poverty an absolute character. The definition of absolute poverty is objective and scientific and based on "subsistence". Subsistence is the minimum needs that are required for survival and to be below the subsistence level is to be absolutely poor. For, the individual does not have the needs to sustain life (Alcock, 1997:68). Besides this, relative poverty is whether the household or the individual have the minimum living conditions that are traditional in their society. Relative poverty is generally defined as "to be impossible or inadequate or very limited to participate in everyday life of society, to have at least promoted and approved participation in normal activities and living conditions" (Şenses, 2001:91).

Poverty can be defined according to subjectivity or objectivity. Objective poverty is a lack of resources that is needed for standard living in community, however subjective poverty is the individual's thought that he/she suffers from that shortage of resources (Lipton, 1997:158). A study conducted by Narayan asked the poor how they should define themselves in many countries around world. These definitions are subjective. Poor people defined poverty as insecurity of food, livelihood, shelter, to be dependent and unable to protect from shocks, to be lack of power and assets rather than income (Narayan, 1999:64)

According to Amartya Sen, it is more proper to define poverty with lack of capabilities or deprivation. Deprivation of capabilities is the inability of individuals or communities to choose what they will be and do that are basic to their lives. In other words poverty is absolute lack of getting specific valuable capabilities. Sen defined six basic capabilities that do not vary across societies. These six basic capabilities are to meet nutritional requirements, to escape avoidable disease, to be sheltered, to be clothed, to be able to travel and to be educated. Moreover he added to having self-respect, the capability to live without shame and being able to participate in the activities of the community that can differ from a society to another (Sen, 1983:160,162). Sen stated that death rates (life expectancy) are good indicators of capability. "Being alive" is a valuable functioning by itself. Also "being alive" has a special status among other capabilities: it is in the centre of capabilities to reach other functionings. Because of this, mortality rate statistics are good indicators of capability (Alkire, 2005:158).

Therefore the poor are not only deprived from resources and income, but also opportunities. Because of social exclusion and lack of opportunities it is difficult to reach the market and to be employed. Besides, the lack of education has a negative effect on the ability to access information that will improve their living conditions and employment. Malnutrition and inaccessible health services reduces the possibilities of their mental and physical health protection. Taking into account all these elements United Nations Development Programme has developed "human poverty" concept in the Human Development Report in 1997. The concept of human poverty based on the idea that for meeting the basic needs, along with financial resources, economic, social and cultural opportunities are necessary for human development and decent living (UNDP, 1997:15–16). A person even he/she is above the poverty line income, said to be deprived when he/she is illiterate or subject to vulnerabilities that lead to premature mortality or has no access to safe water and health care services. Furthermore human poverty should be defined differently for developing and developed countries. In developing countries poverty implies hunger, illiteracy, epidemics, lack of health services, however in developed countries poverty is associated with social exclusion and inability to take parting the life of community (Anand&Sen, 1997:5-7).

I – POLICIES FOR POVERTY ALLEVIATION BEFORE 2000

Two organizations dedicated to fighting poverty in the world are the World Bank and United Nations Development Programme. Although the purpose of the establishment of the World Bank was different, the last 30 years it has been working to reduce poverty around the world. The World Bank put poverty on agenda by periodically publishing World Development Reports about poverty. And also, by publishing reports every year since 1990, United Nations Development Programme measures the progress of the countries in human development.

In the 1970s World Bank summarized the sources of growth under four main headings. These are natural resources, investment and physical capital, human resources and population. During this period, the ILO and the World Bank realizing that economic growth alone is not sufficient to reduce poverty at the desired speed, stated that effective policies should focus on four different complementary strategies: increasing employment, meeting basic needs, reducing income and wealth inequality and increasing the productivity of the poor (World Bank, 1980:32).

Major role falls to governments in reducing inequality and poverty reduction. Governments may increase the income of the poor with various measures such as land reform, infrastructure investments such as road irrigation system, education and health services, presentation of pro-poor research and technology, transfers and subsidies (World Bank, 1980). For the poor living in the places appropriate to epidemics, not being able to access to protective and preventive health care services, difficulty of full-time employment of health care providers in these areas, making health services an important component for the them. Mobile health units developed for this can not give good service in short time. Therefore, the emphasis is on the supply of basic preventive and curative health services (World Bank, 1980:57). Moreover, measures such as food subsidies, supplementary feeding programs, food rationing, promoting education of women to reduce the rate of population growth are emphasized (World Bank, 1980:62-63).

World Bank focuses on two important pillars of effective policies that would be implemented in the 1990s. The first is promoting the use of effective and productive asset that the poor have most i.e. labor, secondly is providing basic social services such as health, family planning, nutrition, primary education (World Bank, 1990:iii). 1990 World Development Report provides a two-sided opinion for the fight against poverty. The first the appropriate initiative of market, physical infrastructure, institutions, and active labor-intensive growth based on technological innovation, the second is the adequate provision of social services including family planning, primary education, and basic health care. In addition, transfers and providing social security are other policy measures that were emphasized (World Bank, 1990:138).

Policy measures that would improve access to land, credits, infrastructure and productive inputs for poor were considered. As shown by the country experience it is necessary for rural development to remove agricultural taxes, provide strong support for rural infrastructure and small farmers with access to technical innovations. In addition governments should be able to stimulate job creation activities and increase in demand of labor by preventing the distortions in the goods and labor markets and providing the appropriate infrastructure in urban areas (World Bank, 1990:56). In other words, poor should be provided by access to land, credit and infrastructure. Because of this, the focus was on measures such as the reform of property rights, improving tenancy, balancing of public and private property, credit subsidies, and adaptation of technology for small farmers (World Bank, 1990:64-69).

In 1990s the main solution in fight against poverty was considered as economic growth. But the increase in per capita national income alone is not enough. Recovery should be seen in generally accepted indicators of poverty such as Consumption per capita, life expectancy and educational level. Although they remain below the poverty line the conditions of poor who have access to basic services are improved. For this the basic role of the government is to provide health care services in areas where private sector step aside. More shares from government budget should be devoted to primary education instead of higher education and social security system should be extended (World Bank, 1990:84,87).

Despite United Nations with all its institutions support globalization that is gaining popularity in 1980s and 1990s, it works to ensure that it is fair and effective for all people and countries (UNDP, 1997:93). The United Nations focused on six major policies to reduce poverty. These are i) by providing the opportunity of political participation to individuals, households and communities to strengthen their control over their lives ii) to strengthen gender equality to increase women's participation in social life, iii) Accelerating pro-poor growth in developing and transition economies, iv) better management of globalization v) ensure effective public participation in the fight against poverty vi) determine the specific policies for specific situations (UNDP, 1997:110).

Due to the global recession and debt crises at the beginning of the 1980s, in the countries that were facing macro-economic challenges, structural adjustment programs have been implemented widely in the guidance of World Bank (Sönmez, 2005:278,327). Policy recommendations which are widely called Washington Consensus are consist of fiscal discipline, privatization of state enterprises, but redirecting public expenditure towards education, health and infrastructure investment, a tax reform that broadens the tax base, market determined and positive interest rate, competitive exchange rates, openness to foreign direct investment, trade liberalization that is to replace quantitative restrictions with low tariffs, deregulation and legal security for property rights (World Bank 2000:63).

World Bank argues that economic growth will be secured and national income per person will increase as a result of structural adjustment policies. Growth of agricultural sector that a large proportion of the population earns their living in developing countries will reduce poverty. On the other hand countries in where adjustment policies implemented have little or no growth at all. The results of a survey of Latin American countries show that countries that use loans did not grow faster than the countries that not use structural adjustment loans, their growth performance is even worse than the credit users (Crisp&Kelly, 1999:540).

The empirical studies that were made in order to find growth rate required to reduce poverty has revealed that poverty reduced at the very high growth rates, but economic growth alone is not sufficient, policy formulation and institutional changes needed to reduce poverty (Besley&Burgess, 2003:9). Easterly did not find evidence about influence of structural adjustment policies on growth, but structural adjustment policies reduces the growth elasticity of poverty, i.e. for a given growth rate they decrease the amount of change in poverty rate. It means that under structural adjustment economic expansion has less benefit for the poor and economic recession has less harm (Easterly, 2001:2). Edward searched the effect of growth on poverty by using poverty, consumption and Gini coefficient variables. The results estimated showed that growth benefits developed countries more than the poor countries and inequality in terms of income level has been raising (Edward, 2006:1673).

The World Bank's main objective is to reduce poverty. But there are very different evaluations about to what extent the institution's policies reduce poverty. Many researchers stated that poverty did not decrease by the provided aid, technology gap did not close, and sources provided for education and capital accumulation did not obtain much success in growth and poverty reduction (Uzun, 2003:161). In a study that estimated the effects of loans on various health and education indicators in African countries found that even the aid had an positive impact on human poverty indicators in the short-run, the effect is not significant in the long-run (Bhaumik, 2005:431).

The minimum wage legislation in the labor market has a positive effect on poverty reduction. An increase in minimum wages reduces poverty and the possibility for an individual to fall in extreme poverty in Honduras (Gingling&Terrell, 2010:909). The results of a study that analyze the effect of trade liberalization on poverty in China indicated that liberalization harm the agricultural producers and the poor who produce importable commodities. As a result trade liberalization may worsen the poverty and cause inequality in income distribution (Huang&oths., 2007:260). On the other hand, Maerten and Swinnen searched for the effects of trade standards on poverty in Senegal and came out with the results that poverty is much higher among households who do not participate in export production than the household employed in export industry. In Senegal trade standards on agricultural products lead to large-scale estate farming which in return

contribute in poverty alleviation by creating employment opportunities to small-scale farmers (Maerten&Swinnen, 2008:167,173)

Stiglitz stated that the conditions imposed on developing countries reduce the effectiveness of the fight against poverty. Also, he indicated that developed countries by not accepting the application of the policies that were imposed to the developing countries, harm the dignity and sincerity of the World Bank (Stiglitz, 2007:10).

II - POLICIES FOR POVERTY ALLEVIATION AFTER 2000

In the 1990s anti-poverty strategy was based on labor-intensive growth, human capital development and social security. 2000/1 World Development Report has developed a more balanced strategy in the fight against poverty. These are opportunity, empowerment and security.

By the 2000s the World Bank has assessed the causes of poverty under three headings. These are being deprived of income to meet basic needs such as food, shelter, clothing, education and health, the weakness and voicelessness in society and state institutions, vulnerability to shocks and inability to deal with them (World Bank, 2000:34). Opportunity, empowerment and security are essential for the poor, so effective poverty reduction strategy should be established on these pillars (World Bank, 2000:37). 2000/1 World Development Report had a multidimensional definition of poverty; it found a new and balanced strategy which includes opportunity, empowerment and security. It has also chapters on international activities. The chapters of the report about opportunity refers to the economic growth and empowerment is about formation of social capital and responsiveness of state institutions to the poor (World Bank, 2000).

In 1988, the World Bank and the ILO published "Declaration of Principles and Fundamental Rights at Work" focuses on the dissemination of universal labor standards. This declaration includes statements such as freedom of association, collective bargaining rights, the removal of forced labor mandatory work, the prohibition of child labor, elimination of discrimination in employment and occupation (World Bank, 2000:73). But it does not mean that standards would be applied, it is expressed that implementation of some standards in developing countries result in poverty (World Bank, 2000:74).

Public expenditures may increase the human capital investments of poor for their future and children by directly providing services like roads, schools, clinics and construction of water system; demand-side subsidies in health and education. The report indicated that in many countries public resources were transferred to debt services, inefficient subsidies and military rather than poverty policies, even in the countries where these social services provided by public service it can be difficult to reach the poor (World Bank, 2000:82-84).

Furthermore, the government should provide a suitable environment for pro-poor activities, support the coalitions and associations of the poor and should increase their political capacity (World Bank, 2000:99). The legal system should support legal equality and justice should be achievable for the poor. At the same time the rule of law should support political voices of the poor and should encourage their participation in the political process. On the other hand, the central government and local authorities should establish mechanisms for broad participation and elite groups should be prevented from capturing the benefits (World Bank, 2000:102-107).

2000/1 report defines poverty as worrying about the future, not to know when a crisis will strike and whether can cope with it along with lack of consumption, education and health services. Main sources of risk are classified as natural, social, economic, health, political and environment and also according to their micro, medium-term and macro effects (World Bank, 2000:136). Risk management tools are health insurance, old-age pension and assistance, unemployment insurance, workfare programs, social funds, microcredit programs and cash transfers (World Bank, 2000:135). Besides, risk management is grouped under three main headings, reduction of risk, mitigate and to cope with shocks (World Bank, 2000:141).

In struggle against poverty United Nations considers the Millennium Development Goals as its main targets. 189 member countries of United Nations in Leaders Summit held in New York in 6-8 September 2000 agreed on achievement of these goals by 2015 (UNDP, 2000):

1-Eradicate extreme poverty and hunger

- Reduce by half the proportion of people living on less than a dollar a day
- Reduce by half the proportion of people who suffer from hunger
- Achieve full and productive employment and decent work for all, including women and young people

2- Achieve universal primary education

- Ensure that all boys and girls complete a full course of primary schooling

3-Promote gender equality and empower women

- Eliminate gender disparity in primary and secondary education preferably by 2005, and at all levels by 2015

4-Reduce child mortality

- Reduce by two thirds the mortality rate among children under five

5-Improve maternal health

- Reduce by three quarters the maternal mortality ratio
- Achieve, by 2015, universal access to reproductive health

6-Combat HIV/AIDS, malaria and other diseases

- Halt and begin to reverse the spread of HIV/AIDS
- Halt and begin to reverse the incidence of malaria and other major diseases
- Achieve, by 2010, universal access to treatment for HIV/AIDS for all those who need it

7-Ensure environmental sustainability

- Integrate the principles of sustainable development into country policies and programmes; reverse loss of environmental resources
- Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss
- Reduce by half the proportion of people without sustainable access to safe drinking water and basic sanitation
- Achieve significant improvement in lives of at least 100 million slum dwellers, by 2020

8-A global partnership for development

- Develop further an open, rule-based, predictable, non-discriminatory trading and financial system
- Address the special needs of the least developed countries
- Address the special needs of landlocked developing countries and small island developing States
- Deal comprehensively with the debt problems of developing countries

- In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries
- In cooperation with the private sector, make available the benefits of new technologies, especially information and communications

United Nations announce the performances of the countries on these goals every year in Human Development Reports. After 2000, economic growth which will reduce the income poverty is seen as a priority policy in achieving these goals (UNDP, 2003:67). Economic growth will both reduce income poverty and generate resources for investments in human development. Investment in human development will provide productive labor force who can participate in world economy. In addition supporting technological R&D activities that will increase the productivity of small scale agricultural farmers, increase the infrastructure investments in rural and marginal lands to encourage investments, create an industrial policy for small and medium-scale entrepreneurs are other recommended policies (UNDP, 2003:18).

III- POVERTY POLICIES IN TURKEY

The first Millennium Development Goals report for Turkey was published by State Planning Organization with the technical support of the UN Turkey Office in 2005 and second report in 2010. To begin with the first Goal, extreme poverty which indicated by the proportion of population below one dollar per day was eliminated by 2008 and food poverty that was 0.2% in 2002 decreased to 0.54% by 2008. The decline in proportion of the population living below the poverty line that is defined by food and non-food expenditures was significant. The achievement of universal primary education is nearly reached by almost 100% net enrollment rate with the help of the campaigns that promote the schooling of girls, conditional cash transfers and use of school transport in rural areas. However the ratio of children left out of primary education is still high in some regions and two-thirds of that children are girls. Literacy rate for 15-24 years old group was 97.4% in 2008 and the gap between women and men is closing as it is 98.7% for men and 96% for women. The gender ratio which is one of the indicators of third goal and defined as ratio of girls to boys in primary education increased from 85.7% in 1998 to 98.9% in 2009. It can be said that Turkey is almost achieved the target of eliminating gender inequality in primary education. The participation of women in labor force is rather low and women's representation in politics remain below the average of European, American, Pacific and African Countries both at parliamentary level and at local government. Under-five and infant mortality rates had declined significantly between 1993 and 2008. Under-five mortality rate that was 60.9 per 1000 live births in 1993 decreased to 23.9 in 2008 and infant mortality rate declined from 52.6 per 1000 live births in 1993 to 17 in 2008. Also maternal mortality rate was 49.2% per 100,000 live births in 1998 and decreased to 19.4% in 2008 (SPO, 2010:12-37).

Several projects have been implemented by Social Assistance and Solidarity Fund, United Nations Development Programme and World Bank in Turkey since 2000. Social Risk Mitigation Project to support the Structural Reform Programme was applied between 2000 and 2007 with additional fund of 500 million U.S. \$ by World Bank in Turkey. The aim of this project is reducing the negative effect of 2001 economic crisis on the least protected and disadvantaged groups, improve the capacity of social service organizations and increasing the human capital of poor in order to participate in labor market. The first component of this project is to reduce the impact of the 2001 economic crisis upon poor. The other two components are increasing the capacity of state institutions that provide social assistance and services to poor and also increasing income generation and employment opportunities for poor. The last component of the project is Conditional Cash Transfers contains social assistance to the poorest 6% of population in order to improve basic health and education services. In this context, cash transfer to the poor people with the condition of maintaining regular health checks for those children between 0-6 years old and pregnant; cash transfers to the boys and girls in primary and secondary education, higher for the girls in order to promote their education; distribution of free books to primary school students was introduced. These transfers were made directly to the mothers to strengthen the position of women in society and family (SYDM, 2010). Education campaigns, especially for girls to go to

school, continue. In this context, who have built school or distributed free textbooks to students; have tax relief ranging from 5% to 100% (Karadeniz, Köse ve Durusoy, 2005:69).

However despite the success achieved in education, a survey which focuses on determining the basic skill levels of students in every country showed that Turkey is one of the lowest ranked among the OECD countries. And the number teaching staff is not at the desired level compared with EU and OECD countries. For improving the quality of education an ideal class size, adequate educational material, equipment and number of teaching staff should be provided (SPO, 2010:26-27).

Rural Area Social Support Project, carried out by Social Assistance and Solidarity Fund, the Ministry of Agriculture and the Agricultural Bank. The aim of this project is to encourage raising the level of income of the poor in rural areas, increasing employment, encouraging the participation in production by providing support in evaluation and marketing of agricultural products and maintaining the sustainability of the production (SDYM, 2010). In addition, after 2002 within the framework of micro-credit projects, projects that increase employment were carried out in conjunction with the World Bank (Gül, Sayin and Vural, 2010:7). Microcredit is one of the policies to fight poverty in rural areas. Microcredit is defined as small amount of loans given to the poorest households to undertake small production activities or to enlarge their small businesses (Aşçı & Demiryürek, 2008:75). This project aims to support the potential of entrepreneurship, especially poor women. Because of the interest rate applied to microcredit projects are not too low from commercial standards (Bugra & Keyder, 2005:31), it can cause problems to reach the targeted groups by creating barriers. The effectiveness of the policy will increase if the income generation period of the economic activity is considered in repaying the loan and supporting individuals by entrepreneurship and marketing trainings when it is necessary (Odabaşı, 2008:4-5).

Social security reform has been implemented which will collect fragmented structure social security system under one. In this context, the retirement age increased to 58 for women and 60 for men. Reform aims to eliminate multiple and different applications in the existing health insurance and retirement salary. In addition, gathering three social security system into one single will generate a single data base and eliminate multiple payments (Karadeniz and others, 2005:65). The "Green Card System", which provide health services to the poor without any social security and constitute the largest expenditure item in Social Assistance and Solidarity Fund transferred to the Ministry of Health after 2005. Except that the Fund provides assistance to the poor who have no social security and not entitled to win the Green Card by paying health expenditures in excess of their payment ability. Among other things, the Social Assistance and Solidarity Fund provide food, fuel, clothing and housing benefits in kind and cash to those poor in the economic and social aspects (SDYM, 2010).

The United Nations within the framework of the Millennium Development Goals with its various sub-organizations engages in many projects with private and public institutions in Turkey. For example, the International Labor Organization supporting activities like preventing the informal economy, child labor prevention, supporting women's entrepreneurship and ensuring the employment of young people. UNICEF conducting projects such as vaccination campaigns, improving nutrition of infants and children, improving girls' education, preschool education, primary and secondary education and eliminating gender disparity (UN, 2007).

UNDP assists the local government reform program, the participation of women in political life, human rights education to public officials, development of small and medium-sized enterprises in Southeast Anatolia Region, the development of rural tourism in Eastern Anatolia Region, the Health Transition Project and the Agricultural Reform Implementation Projects. World Health Organization support and develop specific projects that formed for purpose of improving effectiveness, quality and access to child and maternal health services, ensure the ability of health system dealing with emergency situations, control of vaccine-preventable infectious diseases (UN, 2007).

Conclusion

World Bank in reports that was published in recent years considers poverty as one of the main problems threatening the future of the world economy. The important point that comes forward in these reports is the concept of human capital. Because accumulation of human capital in countries which are fighting against poverty means development in production knowledge and skills, the poverty will weaken in the medium-long term.

As mentioned above the policies in 1990 poverty report focused on encouraging productive use of labor, the most valuable asset of poor, and providing the basic social services like health, family planning, nutrition, primary education. Nutrition, life expectancy, child mortality rate under 5 ages, enrollment rates were added to the income/consumption definition of poverty. It has been emphasized that economic growth is the most crucial solution to poverty. Economic growth will raise the income of the poor by increasing the resources for public investment that would improve human capital. Besides, reducing rural poverty would be possible by a growth model that boosts agricultural production and income.

In the last report about poverty in 2000 World Bank added vulnerability, exposure to risk, powerlessness and voicelessness to the traditional poverty definition. The policies developed according this definition focus on those issues. The effective poverty alleviation strategy built on opportunity, empowerment and security. "Opportunity" focuses on policies that make markets work better and improve their assets, "empowerment" is centered on social capital formation and more responsive state institutions, "security" concentrate on risk management and policies reduces vulnerability.

Structural adjustment programmes that were highly used in last decades, aims to transfer the economies and make them able to participate in global markets. Even this will have positive effects in the long-run, short-run consequences of the policies harm the low-income groups, especially the poor. As the policies implemented poverty has increased, social indicators of poverty worsened especially in agricultural economies. Instead of one single growth model or path for every country, each country should develop its own growth models considering its economic and social characteristics.

This shows that policy measures of the international organization in fighting against poverty could not be ignored. However it should be stated strongly that national policy makers based on the original terms of their own should lead alternative practices the participation of large segments of society. Main point is keeping poverty alleviation with long term development strategy. Otherwise short term populist measures will strengthen the poverty trap.

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CHANGE OF PERSPECTIVE IN BRETTON WOODS INSTITUTIONS IN ASPECT OF POVERTY ISSUE SINCE 1980s*



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Abstract

In 1944, towards the end of Second World War, United Nations International Conference, assembled in Bretton Woods, witnessed the agreement of independent states on international money system which would continue until 1970s. The other aspect of the meeting was the foundation of International Money Fund (IMF), known as Bretton Woods Foundations or Twins which directs the world economy even though it is transformed in time.

World Bank has given project and programme credits to the developing countries which focus on long term development target through structural reforms. Whereas IMF with the aim of economical stability by strengthening the country money, has given short term financial credits to the countries provided that IMF adjustment programmes should be sustainable. After the destruction of Bretton Woods system in 1970's, IMF has repositioned its role from the beginning of 1980's and has given the priority to social expenses in the last place in the applied programmes with the comfortableness of delegating the aim of providing development to the twin. This situation resulted in criticism that IMF especially in crisis periods deepens the poverty.

This study will evaluate the alteration of IMF and World Bank's distinctive role in aspect of poverty problem with the effect of economic crisis.

Key Words: Bretton Woods, World Bank, International Money Fund, Poverty.

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During the Second World War, the need of rebuilding the world economic order emerged for re-operating capitalist system due to the destructive effect of world wars caused by economic differences, trade struggles and conjuncture. With this need, United Nations Money and Finance Conference was held with 44 countries' participation in 1944 in the town named Bretton Woods.

Bretton Woods system, accepted in the conference and named by the town, is shaped through the deal between UK and USA. In Bretton Woods system, the countries except USA, defined their national money in terms of dollars, whereas, USA, carrying the advantage of coming out of the war with strenght, put money on gold instead of tying the money up in another countries' money and become privileged. American Dollar acquired some sort of "key money" status in international economy. In the system, every countries' money are tied up in gold indirectly and USA take the responsibility of selling gold in fixed price in the event that other countries' central banks present the dollars to Federal Reserve Bank. (Seyidoğlu, 2003).

The system, in order to remove unbalance of international payments, gave the opportunity of changing the parity to the member states. However, basically, as here is a fixed exchange rate system, the rate shift like devaluation and revaluation were the last solutions. The countries encounter the external deficit, would firstly use foreign exchange reserve and reduce the total expenses through local precautions like monetary- fiscal policy. (Seyidoğlu, 2003).

In the conference, in order to carry out the system as fictionalized form, IMF and World Bank were founded and role sharing were made. Although, the system was invalidated in 1970's after a successfully applied period, the foundations, founded by the system, survive until today by increasing their effectiveness and by reshaping the role and role sharing.

The aim of IMF, of the twin foundations, is declared as to apply internationally pressure to the countries which cannot prevent the economy collapsing and which do not hold his end up to protect the globally total demand in order to prevent the arise of similar crisis of 1929. When required, IMF would provide liquidity to the countries which could not dynamise the total demand with its sources and which was confronted to economic collapsing. In other words, IMF was founded with the belief that, there is a need of globally collective activity in order to provide economic stability. (Stiglitz, 2004:32-33).

IMF's primary duty was to provide short term credit to the countries which had external deficit. If the deficits were not removed in spite of the inner precautions and financial resources, only when devaluation were being talked about. According to fund laws, it was required to obtain permission from IMF for a devaluation which would be done above 10%. (Seyidoğlu, 2003). Among the IMF laws, the precautions against the surplus countries were ranked. According to the logic of the rules, the demand would increase towards the Money of surplus countries and the Money in the fund quota could be used as credit as a result of the increased demand. In such cases, IMF would demand from the said countries to decrease the restriction of foreign trade and make revaluation in order to remove the external balance excess. If the necessary precautions were not taken, IMF would declare the countries' money as scarce currency. As a result of this, other IMF members, would restrict the trade relations with said country and would be free against taking protector precautions. IMF aimed to provide a development of foreign trade in responsively, to enlarge the employment volume, to contribute the increase of productive resources by providing real income increase. (Öztürk, 2002: 9).

World Bank, the company name "International Bank of Reconstruction and Development" was founded in order to contribute the rebuilding of Europe and to realize the economic development or progress of countries which were colonial state those days. (Stiglitz, 2004:33).

World Bank Group consists of five foundations which the member countries have possession of and are closely connected with each other. Each foundation has undertaken a role in developing life Standard and struggling towards poverty in developing countries.

- International Bank for Reconstruction and Development – IBRD, the main foundation of World Bank, was founded in 1945.

- IBRD aims to decrease poverty by counselling services and to support sustainable development in middle income and poor but credit rating countries through credit, guarantee and opportunities out of credit.
- International Development Association – IDA was founded in 1960 in order to provide credit to the countries which are extreme poor and do not have financial capability to receive credit from IBRD.
- IDA helps to benefit from the basic services like health, clean water, health protection and gives support to reform and investments towards employment through economic development.
- International Finance Corporation – IFC, founded in 1956, aims to provide economic development by encouraging the private sector investments in developing countries. This foundation makes investment in developing countries in sustainable private enterprise and provides long term credit, guarantee and risk management.
- International Centre for Settlement of Investment Disputes – ICSID was founded in 1966 in order to bring a solution to investment disagreement between governments and foreign investors.
- Multilateral Investment Guarantee Agency – MIGA, founded in 1988, gives guarantee to the foreign capital in developing countries in order to be encouraged by protected towards non-commercial risk like condemnation, nonconvertibility of currency, transfer restrictions, war and civil confusion. (Tosuner, 2007).

Although the twins', especially IMF's duties are not seen directly related with poverty problem, the change of policy priorities towards the macroeconomic system also reflects the change of perception of the poverty as a problem. In parallel with the collapsing of Bretton Woods system and the change in the rules of international economic order, the radical changes are seen in the devices that Bretton Woods twins use in order to realize the described duties and fictionalized functions.

The point of view of Bretton Woods foundations in every aspect included poverty from the beginning of established date, reflects initially USA which has more right of representation and developed countries' point of view and profits which provides huge financial resources in foundation's decisions.

The Outlook to Poverty and The Policies Applied Until 1980's

Even though Bretton Woods system actualized in 1944, it is applied indeed between 1950-1970 as it took time for the effects of war to be wiped away. In order to investigate the policies that the twins applied on the 30 years period, firstly, the change in the period's macro political perception should be investigated.

The countries, who were the members of IMF between 1945-71, by indexing their formal rate of exchange to American dollars, as they have given assurance of "except the radical economic instability, they would not change the rate of exchange without the confirmation of IMF", dollars become global currency, USA's mastery on IMF's decision of finance and credit facility is clenched. The formed system, while preventing protectionism on trade and repairing development dynamics in world economy, it provides autarchy of policy in directing economic and social policies towards employment and development target for decision makers.(Ünay, 2009).

In this period, the best way to decrease the poverty is to increase the speed of industrialisation and make more investment in substructure. 1960s, especially, were the years which Keynesian view dominated to macro economic policies and it was witnesses to success of Keynesian approach. Rapid development and increase of employment were observed in industrializing countries.

Bretton Woods system operated until the middle of 1960s without problem. The countries like Germany and Japan have realized their development within this system. However, in 1971 the process began with USA's unilateral declaration that they cancelled the under dollars convertibility temporarily, resulted in the destroy of Bretton Woods system with the other countries' permission to rate fluctuation in 1973. The basic factors for destroy of the system are as follows; (Seyidoğlu, 2003; Öztürk, 2002)

- Liquidity problem is arisen because the production increase of gold fall behind the development of world trade volume.
- Balance of payments deficit are arisen as liquidity deficit is compulsarily compensated with USA dollars. USA decreased the reserve Money ratio in order to meet the external deficit therefore it paved the way to shake the trust towards dollars. The dollar possessed countries began to convert the dollar to gold, thus, money crisis was arisen in worldwide.
- The countries except USA had to export goods and service, in other words, spend real source, in order to provide international liquidity. In fact, USA, finances the import by Federal Reserve Bank's issuing money. The difference between issuing dollars which the cost is nearly zero and the value of goods and services gained by these dollars, form the earnings of USA. Because of this feature, the system is described as unfair and unethical especially by France.
- USA, until the removal of gold convertibility, had to keep a certain amount of gold for the dollar issued. As the golds, gained by spending the limited sources, were sinked into the Central Bank's safe, the sources were wasted. If the limited sources, which were wasted for producing gold, were wasted for development of the countries' economy, it would be a beneficial work.
- IMF system do not meet the progress requirements of underdeveloped countries totally. Free trade and unlimited convertibility, which are the basic philosophy of the system, were contrary to the realities of countries' economy in those days. IMF system were unable to transfer real source to the undeveloped countries adequately.

With the removal of system which was formed by an international agreement after the war, a search of new mission is started for IMF which the main aim to protect the fixed exchange rate regime. From the beginning of 1970s, both new profit and capital saving opportunities appear and the removal of legal obstacles on full scale capital movements accelerate the financial globalization process. Financial globalization gain speed with the effect of increased liquidity amount and technological developments in financial market. The countries, which have balance of payments problem in fixed exchange rate system, they have started to heal their situation by taking short term credit from IMF. (Ünay, 2009: 5).

After the removal of Bretton Woods system, IMF declared that member countries are free to fix their rate system for their national money; however, the only condition for the member countries is not to tie the national money to gold and the chosen rate system should be declared to Fund clearly. With this legal amendment, member countries used various rate determination policies like fixed rate system and floating exchange rate system. With a change in the law of IMF in 1976, with the observation duty to countries' rate policies given to IMF, in order to provide the effective operation of international money system, the present regulations are legalized. (Töre, 2006: 19).

World Bank group were consisting of only International Bank of Reconstruction and Development (IBRD) in those days and the repair of Europe's post war economies were aimed. However, within a short period, the focused area is enlarged to developing countries and their substructure investments. World Bank which formerly was careful and conservative in providing credit facilities, within time, he has become to be more flexible towards underdeveloped and developing countries. Even, International Development Association (IDA) was founded in 1960 in order to assist to poor countries with less or zero interest and long term credits. International Finance Association (IFC), founded in 1956, which aimed to assist private sector investments in developing countries, indicates the importance given to development and power of private sector. (Şencan, 2008).

The given support to development would provide lower unemployment ratio by increasing the development and decrease the poverty opinion were questioned in 1970s. Although income per capita was doubled in developing countries between 1950–1970, the average increase in poor countries were the half of it. Beside, it is observed that the income of poor increased slowly than average in poor and middle income country. When it was realized that economic development did not increase the poverty as rapidly as desired in 1970s, the foundations which were related with development like ILO and World Bank focused on four different but supplementary strategies: increase the employment, meeting the basic needs, increasing the inequality of income and wealth and increasing the production of poor. (Tosuner, 2007).

World Bank in 1970s, gave more importance to urban and rural poverty, removing of distribution inequality and poverty than development. In this period, more credits were provided on the agricultural and educational projects towards the low income groups.

The Radical Changes in Bretton Woods Institutions from 1980s

1980s, a period of which generally radical transformations were present in the world. After the international petrol crisis, international debt crisis, caused by the countries which did not pay their debts on industrialized countries' interest rate hike and which removed their balance of payments by depleting in capital market, resulted in the redefinition of foundations in terms of their status. (Ünay, 2009: 6).

In this period, the import substitution and protectionism policies applied before 1980s, gave place to liberalization. The policies like liberalization of financial markets and free trade, flexible exchange rate policies, deregulation, privatization were put into practice widely. (Tosuner, 2007).

The government's quitting of direct service and goods producer role after 1980s, resulted in appearing as the role of regulating. The interference area to economy was tried to be narrowed due to the criticism on governments regulating role, it was planned to shorten the government and turn its basic functions by giving more importance to market and competition power. (Özaydın, 2008).

They began to use conditional structural adjustment programmes with the cooperation of IMF and World Bank in 1980s which forced the countries to apply neoliberal policies as being appropriate to the spirit of the era which the debt crisis were present.

Stiglitz criticizes IMF and World Bank, for the applications of this period, for being new missionary foundations, used for imposing the ideas to the poor and unwilling countries who do not want to apply the free market economy and need to receive debt.

The most important feature of the credits that IMF and World Bank provide with slices and aggravated circumstances is to give guarantee to international capital in terms of country security. Developing countries are able to be debted by IMF, if they are in a difficulty to find external loan because of the local or external negativity, but are confined to short term/ subprime credits provided that they will comply with the conditions. As long as the debted country is proved to comply with IMF conditions, it is possible for the country to be debted from international market auspiciously. (Töre, 2006).

Because of this situation, structural adjustment programmes are criticized as applying policies aim to practice economy and aim to be reduced towards giving guarantee of reimburse the probable credits coming to country.

It is known that, USA plays a role in financing and designing of structural adjustment programmes which the basic international finance organizations like IMF and World Bank apply. (Soyak, 2004:37). Stability and structural adjustment programmes involve the following elements. (Danaher, 2004.16):

- Governments' decreasing of health, education, welfare expenses

- Privatization of government assets
- The removal of limitations on foreign investments.
- The decreasing of salaries and quitting of labour protection policies.

It is seen that financial assistance, which aim to close the difference between underdeveloped countries described as third world and developed countries, increase the poverty in third world countries and deepen the cliff between countries. (Partant, 2002). Structural adjustment programmes applied in underdeveloped countries cause the increase of poverty as a result of privatization and downsizing of the state. (Gibbon, 1992:212; Stiglitz, 2004). The problems like informalization in labour market (Turan, 2007:628), low salary, decrease of job security are arisen with the neoliberal structural adjustment programmes which are imposed by IMF and World Bank. (Şenses, 2003:195; Özbudun, 2002:54) The policies that IMF tries to apply as “flexibility of labour market” cause the increase of poverty together with the low salary and less job security. (Stiglitz, 2004:105).

When making an evaluation about the late 20 years which the globalization process and structural adjustment programmes are applied intensively, it is seen that the gap between rich and poor countries are more clear, the injustice increase between income groups, rich become richer, poor become poorer. (Soyak, 2004: 40–41). In this context, poverty problem is seen as a result of globalization process and the neoliberal policies which form the Dynamics of this process. (Özbudun, 2002:54; Şenses, 2003:20; Karataş, 2003:92; Küçükkaraca, 2004:14; Soyak, 2004:39; Boratav, 2004:7–8; Şenses, 2009:241). Neoliberal politics, which cause the new problems and the present problems become more heavier, aggrieve most of the population and are unable to provide a vehicle to the government that compensates the damaged situation under this system. (Chang ve Grabel, 2005:35). This situation brings the international organizations, which condition the neoliberal policies and social expenses and the depressing salary applications to the credits, to the focus of criticism.

The structural adjustment programmes, IMF started as “last resort giver” in African countries which proceeded full scale public investment after decolonization and in Asia-Latin American countries which carry out the import substitution industrialization programmes, cause an indelible impression on the relations of political authorities and standardization of Fund’s credit facility criteria. While the huge volume of financial need and diversity of problems enlarged the administrative bureaucratic structure of Fund also clenched the “international crisis administrator” position. (Ünay, 2009: 6). IMF had to focus on the crisis but the developing countries always had need. Therefore, IMF has become the permanent part of the lives of the developing countries. (Stiglitz, 2004).

Beginning from 1980s, while the structural adjustment programmes, which has been applied by the cooperation of IMF and World Bank, are being criticized because of their effects of increasing the poverty by labour unions and a huge part of the society in the way that they increase the unemployment and poverty, The World Development Report, a main publication of World Bank, brings up the struggling with poverty topic to the agenda for every ten years. The first report prepared for this matter was published in 1980 and it got lost in the discussions of 1980s serenity and structural adjustment. (Tosuner, 2007).

Beginning from 1990s, it is seen that World Bank is more interested in poverty problem. World Bank had “The voice of the poor” research done in 2000. For the research, published in “2000 World Development Report”, thousands of poor people were interviewed. In this report, it is revealed that the poor live the impotency feeling intensively and they think that they do not have command on their own destiny. (Stiglitz, 2004:105). This report, tells of the thoughts of the poor, proves the negative effect of the applications like “the flexibility of labour market” on the poor and the decrease of the social and economic rights that IMF applies within neoliberal policies.

The other poverty themed reports, published in 1990 and 2000, highly influenced and it formed the Millennium Targets which was aimed to reach in 2015. Although it is clear that World Bank

makes an intensive effort about this matter, the lingering from IMF policies about the content and conditions of structural adjustment programmes resulted in not having any change of the studies in applications.

World Bank, which makes intensive studies about poverty and build new approaches with extensive researches, with its feature of providing credit facilities to IMF confirmed countries and with a view of not effecting IMF's applications, display a view as being a shadow of IMF.

In this period, there were a cooperation in principal between two foundations. While dealing with a country, IMF had to restrict itself with macroeconomic matters that is to the topics like budget deficit, money policy, inflation, World Bank had to deal with the structural topics like the government's money spending to where, the countries' financial foundations, labour market and trade policy. In fact, it began to be seen in itself as each structural matter could effect the country's general performance accordingly government budget or foreign trade deficit. (Stiglitz, 2004). It is clearly seen that, within the period of application of the the structural adjustment programmes, within governmental expenses, social expenses especially like education, health (Stiglitz, 2004: 41) and social security regressed in many countries including developed ones, this effects many social exclusion style particular poverty.

The inequalities and insecurities, which increased as a result of IMF and World Bank programmes, increase the need towards social security. In fact, governments come to a deadlock in terms of meeting the needs and increasing the expenses. In many countries, IMF programmes prevent the increase of social protection expenses. (Sapancalı, 2005: 80–85).

It is seriously criticized in recent years that IMF uses international financial crisis as a prize in order to put across the neoliberal policy package, which the structural adjustment programmes leans on, to the developing countries and ties the " seal of approval", which is needed in order to meet the financial needs, to the heavier and political conditions. (Ünay, 2009: 6). The basis of criticism of IMF is that all the decision mechanisms are under control of USA which he has the veto right and other main financier countries.

Not only the countries effective in decision mechanisms, but also commercial and financial profits in underdeveloped countries rule over these foundations. The directors of Central Bank and the ministers who talk on behalf of the country tightly coupled to finance world, when the incomes from finance world and public service is over, it is the place where they will turn back. These people see the world from finance world window. The decision of one foundation naturally reflects the point of view and profits of the decision makers. (Stiglitz, 2004)

The Effects of 2008 Global Crisis on Bretton Woods Institutions' Applications

The mission, which IMF determined as the crisis director in global finance crisis since 1970s dept crisis, receive wound especially beginning from Asia Finance Crisis. IMF advocates the passing to free market economy for a survival from structural problems insistently and despite of the criticism even in the absentee countries, while IMF gives the success of Eastern Asia countries to free market economies success accordingly the accuracy of his own classical standard policy packages as a proof, the success of Malaysia and the nondisclosure of Asia crisis by IMF, increased the level of criticism

Although the IMF programmes are questioned widely after Asia crisis, IMF's self questioning begins seriously with the latest global crisis.

Beginning from Bretton Woods, although the twins survive by changing themselves in the changing systems and updating their effect areas, in the present situation, it can be supported that the continuous change creates tiredness in the foundations.

Especially, because of the increase effects on developing countries, it is widely criticised and the credibility is damaged. Even in USA, which is criticised for supporting her own profits, there are foundations and organizations that support the structure and mission revise.

The “asymmetrical dependency” connections between Fund and USA government, paved the way to IMF’s inactive attitude especially to the crisis source in American economy and giving marginal reactions. IMF’s proposals about taking public finance into discipline, applying tight money and fiscal policy, evaluating financial derivatives realistically towards Washington government are neglected. As a result of this, Fund step in after the spread of crisis effect to the world. It is once more seen with the crisis that, Fund has no sanction power towards the countries notably USA which do not take credit from itself and this shakens the global role of the foundation. (Ünay, 2009: 12-13)

We have seen that, the criticism is taken into consideration caused by both developed and developing countries towards the Fund and the desire even it is limited of stepping forward to repair the corporate legality. It is seen that a general agreement is made by international society about starting an extensive reform programme about IMF’s organizational structure, job definition, politics priorities and sources in the 6-7 October Istanbul meetings. (Ünay, 2009: 17)

Changed point of view, in IMF’s latest publications, focuses in struggling with poverty and especially social expenses. IMF, in its publications, declared that, while whole world struggle with the most rigid economic crisis, by starting to move in various areas to support its members, IMF started to provide more credit opportunities to countries, to use the experience gained by making proposals to many countries about policies to be applied and to apply reforms in order to meet the member countries needs and modernize the facilities. IMF within this scope;

Declared that (IMF, 2010);

- Reviewed the credit mechanisms
- Flexible structure is being formed which meet the different countries’ need.
- Financial security web is being formed by increasing the sources to prevent crisis to spread.
- Continue to offer proposals towards analysis services and target.
- Contribute to studies of transmitting financial system from reforms by taking lessons from crisis.
- Give up providing credit facilities gradually, remove the conditions by forming new credit mechanisms for the well governed countries.
- The studies are carried out towards taking the most indigent part into consideration by enlarging or forming social security net, giving importance to social protection.
- Increase the expenses which targets to decrease the social expenses and poverty.
- Indicate the lower limit of other primary expenses and social expenses in one third of programmes in the low income countries.
- Fictionalize the structural reforms as protecting the most indefensible part of the society.
- Decrease the number of structural conditions in many applied programmes, are limited by public finance reforms especially urgent ones with the most important precautions, and it is given more importance to basic targets while determining credit conditions.
- Make cooperation with World Bank and volunteer countries in order to support the social security reform and determine the need of protection aim external financing.
- Elasticate the financial support programmes as it is thought that crisis will increase the budget deficit and expenses.
- Give up the targeting of inflation as the targets of inflation is seen meaningless with the effect of crisis.
- Focus on targets instead of specific action.

IMF, making reforms in order to arrange privileged credit vehicles appropriate to the needs of low income countries and make flexibility. According to new financial mechanisms, the sources

will be increased, the debt limits will be doubled, the interest rates will be kept in zero level until 2011 and more flexible conditions will be applied. Structural reforms will continue within the scope of IMF supported programmes in the way that it is seen as important in terms of healing the country economy. The monitoring of these politics will be carried out by decreasing the shame of being dept. Within this frame, the countries do not have to make declaration when the agreed precautions on the countries are not actualised until the certain date. (IMF, 2010)

One of the most important reform step is both about providing justice in usage of fund sources and doing quota transfer to the developing countries. However, it is clear that the 5% increase of quota seems symbolic for the developing world. Moreover, as this increase will step in after the application of quota increase in April 2008 for 54 members, it indicates an inadequate and late reform. (Ünay, 2009: 17).

Although the reforms that IMF pledge with the declarations, correspond to the criticisms towards the politics which was applied especially after 1970s, because of not making important step, it caused the approach to the explanations cautiously. As the fund decisions are taken by initially USA and fund financier countries, the country possesses only one right of veto, it shows that the stability which is needed to realize the system reform will reflect not the wide part's but the limited part's point of view as before.

In order to realize the reforms in the way that it meets the criticisms;

- Quota transfer should be made to developing countries.
- Justice should be provided in fund board.
- The quota ratio, the voting right for the members, the structure of executive board should be redetermined widely.
- Multilateral veto system should be applied.
- Beside the financial contributions to fund, different criterias like population, global income and the share in capital movements and the status in UNDP human development index should be taken into consideration.
- Meeting records of Executive Board meetings and director election process should be made pellucit.
- The director status should be enlarged outside Europe- USA axle.
- Standby and structural adjustment systems which pushes the fund authorized as the position of "authoritative technocrats" making pressure to developing countries and create the conflict area between local actors should be reevaluated.
- The affection limit to the politics without touching to national supremacy should be defined legally.
- Lastly, incpection and supervision missions should be focused only to the politics of countries which can be an international crisis and should be purged from the ideological priorities like national neoliberal rotation.(Ünay, 2009).

Although explanations indicate the change of cooperation rules and role sharing and foundations role by reforms, it is too early to tell that the structures changed. The global crisis effect shows itself not in the foundation structure or politics but in the intentions change.

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THE WORLD BANK'S APPROACH TO FIGHTING POVERTY BY WAY OF HEALTH POLICY

FIRST DRAFT, PLEASE DO NOT CITE
OR QUOTE WITHOUT PERMISSION



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Abstract

In a world of persisting high poverty, various global social policy actors attempt to support development in low- and middle-income countries through development aid and various initiatives. Such projects and connected policy models importantly include initiatives to strengthen health systems. This paper is focused on the World Bank's approach to supporting the reform of health systems. It discusses the World Bank's ideas and strategies for health systems within the broader aim to support countries' development and build up systems of social security. The paper is structured as to first explain the status given to health systems within debates of development policy, it will then move to the general role of the World Bank within this global social policy field. This is followed by an analysis of the World Bank's general ideas about health systems and their reform (provided in major reports and strategy papers) and those strategies formulated in more concrete, country-specific documents and loan agreements. This is demonstrated by the case of Turkey, with regard to the health system reforms that have happened over the past years. The paper concludes with a discussion about the promises and problems connected to the World Bank's approach to shaping national health systems as a way of development policy.

Introduction

It has been getting harder for today's societies to live with social and economic inequalities and to meet people's basic needs. Over the past years, we have witnessed various crises (food crises, economic crises) hitting countries all over the world and most dramatically affecting poor and less protected people in low- and middle-income countries. This has brought back debates and initiatives targeting poverty reduction and mitigation mechanisms, methods and results high up political agendas at global, regional and national policy levels.

Understandings and definitions of poverty have been shown to be highly contested, and poverty measures differ between transnational institutions and are shaped by various interests and values (St Clair, 2006:59). Most prominently, the World Bank and the UNDP (United Nations Development Programme) each present poverty and its measurements in a different way. According to the World Bank, poverty is the situation of not having the minimum living standard. The UNDP's Human Development Index (HDI) takes into consideration the average life expectancy as well as how the basic needs such as basic education, health and clean water are reachable (Sen, 2003: 225). To only name a few.

Given the fact that health is usually included as one determinant of well-being and good population health is often seen as precondition for development, particularly many studies and initiatives by global social policy actors focus on how to tackle health problems in the context of alleviating poverty. Approaching health problems transnationally is further considered to be important as health problems do not stop at national borders, thus, for example, communicable diseases threaten even populations far away from the location where they turned up initially.

Poverty is understood as reaching the resources of food and nutrition as well as health services by many international organizations which concentrate on solving the hunger problems in underdeveloped countries. The problem of poverty is evaluated within the scope of social and economic structure besides the hunger problem. In this way, health problems gain substantial importance to be solved immediately. While health problems are among the structural problems of a country, it is also necessary to analyse how the health services are distributed and how they are provided. Accordingly, health policy, particularly the importance of comprehensive health systems for the sustainable development of a country are increasingly important in global social and health policy fora. This includes both, issues about individual and population health, as it concerns issues of social security through health systems. Concepts, ideas, plans, strategies with regard to the building up and strengthening of health systems focus on various specific issues of health systems (functions like financing, provision and governance, health personnel, pharmaceuticals etc) as well as on broader concepts about what health systems should look like (for example national health services, or insurance models) and how they could be reformed (issues such as improving access, privatization, or (de)centralization).

This paper discusses the World Bank's ideas and strategies for health systems within the broader aim to support countries' development and build up systems of social security. The paper is structured as to first explain the status given to health systems within debates of development policy, it will then move to the general role of the World Bank within this global social policy field. This is followed by an analysis of the World Bank's general ideas about health systems and their reform (provided in major reports and strategy papers) and those strategies formulated in more concrete, country-specific documents and loan agreements. This is demonstrated by the case of Turkey, with regard to the health system reforms that have happened over the past years. The paper concludes with a discussion about the promises and problems connected to the World Bank's approach to shaping national health systems as a way of development policy.

The analysis is based on different World Bank documents and secondary literature.

1- Health Care Reform As A Means of Combating Global Poverty

Today, health problems have gained a huge importance at a global level which puts some

concrete challenges in front of many countries, but especially the underdeveloped ones. Health services at global level have become an important argument of global social policy just because of that reality. Irrespectively of how it is defined or measured, the fact that poverty, connected with global inequality, is a major challenge to be tackled by the world community is not really contested. Many approaches can be observed to deal with the issue at different levels and at different scales. A major part of development aid is going to health policies (for example national development aid, philanthropic aid such as provided through the Bill and Melinda Gates Foundation, development aid through international organisations). The United

Nations (UN) has also provided global targets that may be used to guide these activities, most prominently the Millennium Development Goals (MDGs), to be achieved by 2015.

Nevertheless, the effectiveness of the various projects, programmes and activities is subject to concern and contestation as are the initiatives themselves. Particularly the Organisation for Economic Cooperation and Development (OECD) and the World Bank (apart from many civil society observers) are also regularly reviewing the effectiveness of aid (e.g. Ketkar and Ratha, 2008, OECD, 2009).

The reasons why health appears as an important element of development policies are manifold (for a compilation see for example WHO, 1998). First, health issues go beyond borders. This is most evident considering the major communicable diseases such as HIV/AIDS. This is why, also apart from the genuine target of supporting development, health problems appear as a global social problem that needs to be addressed internationally and globally. Second, health inequalities are perceived inadequate on a broad scale. Concerns connected to this are about “the absence of systematic and potentially remediable differences in one or more aspects of health across populations or population groups defined socially, economically, demographically, or geographically.” (Starfield, 2002). Or more pronouncedly: “Health inequalities that are avoidable, unnecessary and unfair are unjust.” (Whitehead, 1992, see also Norheim and Asada, 2009). Third, the quality of health is connected to other determinants such as nutrition and hygiene, which are development topics in their own right. Particularly connected to recent food crises, health issues become even more pressing due to poor nutrition. And as a consequence of the current global economic crisis, people in low- and middle-income countries are affected by losing jobs and connected income and failing or lacking systems of social and health protection. The World Health Organisation (WHO)

explains these issues at its website¹ Fourth, demographic processes and migration challenge different countries all over the world in different ways and they do have an impact on health and care, too. Ageing societies and the loss of major parts of generations due to HIV/AIDS or migration have major implications for what social and health systems are required to accomplish for those in need. Fifth, health issues are connected to gender issues, particularly when it concerns maternal and child health; which is most prominently reflected in the health-related Millennium Development Goals (MDGs).

These urgent health issues are approached in various specific initiatives and described in numberless documents and articles by global social and health policy actors. Accordingly, the major global social policy actors include health or focus specifically on health issues when developing strategies for poverty alleviation. However, there are also quite a number of attempts to capture them by bringing forward broader reform agendas connected to health systems. This is connected with the hope and expectation that building up comprehensive, sustainable health systems would provide solutions for a greater part of the general health systems. This is particularly important as one of the problems of development aid is seen as the multiplicity of donors and overlapping or poorly connected projects within one country that do not lead to an independent national system and sometimes create more problems that are being solved.

In the following, we will discuss the World Bank’s ideas about health systems and its involvement in low- and middle-income countries with a particular focus on the case of Turkey and what can be learned from it.

2-The World Bank as a Global Social Policy Actor

Global social policy literature has described the global social policy level as a place where “a

number of competing and overlapping institutions and groupings of countries [...] struggle for the right to shape policy and for the content of that policy is what passes for an effective system of international social governance”. The global health policy scene as such is, of course, also

¹ http://www.who.int/food_crisis/en/, accessed 31 August 2010

characterized by a high number of different actors. International organizations such as the WHO, the World Bank and the OECD bring up ideas and are engaged in various initiatives. Manifold civil society organizations (CSOs) drive, support, and observe such health initiatives in different ways and with different resources (ranging from a rich and powerful organization like the Bill and Melinda Gates Foundation to OXFAM to smaller non-governmental organizations, both providing services and ideas). Other actors include powerful individuals (e.g. Jeffrey Sachs) to the governments of high-income countries driving their own initiatives in distinct political fora (e.g. G8/G20).

World Bank is the leading international organization dealing with alleviating poverty in developing countries. Since World Bank is in charge of the activities about structural balance and poverty and as for IMF is in charge of macroeconomic issues, there is a responsibility distribution between those two organization (Stiglitz, 2000: 15-16). Alleviating poverty in developing countries has been an important agenda topic for World Bank since the 1990s. Moreover, World Bank, as an actor of global social policy, started to determine the poverty alleviating efforts as the main goal of financial and other technical aids and supports.

Alleviating poverty has become a privileged target of development policies today (Stiglitz, 2002). Therefore, poverty and fighting against it are now among the main interest areas of development policies. World Bank is the leading organization of these efforts globally today. As a matter of fact, the World Bank and other leading global institutions have completed many investigations about poverty and developed new strategies and policies to fight against it.

Instead of analyzing the struggle between actors, this paper focuses on one specific global social policy actor and attempts to understand and discuss the World Bank's involvement in supporting the building-up and reform of health systems in low- and middle-income countries. The fact that the World Bank is an important actor and has quite a history in supporting projects in the field of health has been acknowledged in much of the literature. The social policy and health policy literature (e.g. Koivusalo and Ollila, 1997) is usually rather critical about this involvement while it is obvious that a lot of the work (publications) written by World Bank staff is frequently referred to (sometimes unconsciously) also in the academic literature.

One has to consider, however, that World Bank influence on national health policy can happen in quite different ways (though to some degree interlinked), and there is not necessarily one coherent message or plan behind its activities, but networks connected to specific ideas (Lee and Goodman, 2002) as well as different policies might characterize different levels of policy-making.

The most prominent mechanism of World Bank influence is certainly its activities in providing financial assistance to low- and middle-income countries through the International Development Association (IDA) and the International Bank for Reconstruction and

Development (IBRD) (those two World Bank Group organisations are often referred to as "the World Bank"). But also the International Finance Corporation (IFC) provides development aid by supporting the private sector these countries.

The World Bank, through IDA and IBRD, provides loans, credits and grants. This implies two basic types: investment operations and development policy operations. While investment operations are directed to support governments "to cover specific expenditures related to economic and social development goals"; development policy operations are "untied, direct budget support to governments for policy and institutional reforms aimed at achieving a set of specific development results".² Currently, these lending operations are under review and will be reformed.

One of the main criticisms that the World Bank has faced continuously over the past decades has been connected to the conditionality attached to its lending activities, and the particular content of ideas (models of policy reform) that come with it. In short: "According to the neoliberal economic thought which has been widely prevailed since the 1980s and which has been led and

² <http://go.worldbank.org/C4UAVZ7TK0>, accessed 31 August 2010

protected by the World Bank, economic liberalization and integration are extremely important to alleviate the poverty and global economic integration will cause global economic growth and this will contribute to raise of economic welfare level" (Thomas, 2000).

Further projects are conducted through the World Bank Group's International Finance Corporation (IFC). The IFC presents itself as "support[ing] the growth of the sectors in developing countries in a sustainable and socially responsible way that helps improve the lives of people, many of whom do not have access to health care or education". For this purpose, the IFC provides support specifically to the private sector. It is important to see that

the IFC has both, a profit goal and a development goal. Officially, the IFC "complements the work of the World Bank in public sector reform, by focusing on the development of the private sector" (Lethbridge, 2005:207). Accordingly, the IFC's investments concentrate on the hospital sector, but are also expanding to non-hospital investments, including private health insurance, pharmaceutical and medical devices and health workers' education and training.

3 – The World Bank's Strategies to Support Health Systems' Reforms

World Bank annually publishes World Development Report (WDR) based on the opinions of its research council in certain issues. Since the first report in 1978, many different topics have been analysing in those reports. The World Bank's ideas about health systems are, as stated before, closely linked to its mandate and understanding of poverty and how to tackle it.

Within this general mandate to support countries in their economic and social development, the World Bank is also attempting to support the development and reform of health systems. It provides expertise and financial support to health systems development and the reform of their functions, as one part of a country's sustainable development.

The World Bank's involvement in health issues and health systems looks back at quite a long history. The engagement increased ever since the 1980s, both in terms of the scope of contributions and involvement, as with regard to the complexity with which the topic is being described and dealt with.

The World Bank's contributions in terms of ideas about health systems came most obviously in the 1990s, particularly with the 1993 World Development Report *Investing in Health* (World Bank, 1993). As a consequence of the release of this report, a number of controversial debates such as on user fees and privatisation (see for example Brugha and Zwi, 2002). As a consequence, and also due to the raise of global health actors and ideas in the context of development policy, the World Bank has been forced to rethink its role in global health policy.

The current "model" of health systems⁴, as can be summarized from major World Bank publications on the matter, can be described as follows:

Distinguishing between different functions of health systems, on health *provision* a mix of public and private providers is proposed with more emphasis on the advantages of private providers and decentralisation (via District Hospitals) (World Bank, 1997, World Bank,

1993). The current 2007 strategy paper (World Bank, 2007) is particularly concerned with the importance of building up a *coherent* system, while the World Development Report 2004 (World Bank, 2003) had made explicit that neither type of provider (public or private) would be better as such and had expressed caution about decentralisation in service provision.

While the World Development Report 1993 had proposed reducing government expenditure for other than basic health care and public health interventions (*financing* dimension), expressing the concern that scarce public spending could be wasted on rich people (see also Gwatkin et al., 2005, Yazbeck, 2006), the 1997 and 2007 strategy papers mark a change in this regard; the issue

3 <http://www.ifc.org/che>

4 There is of course not one coherent and concrete framework shared by all staff that is working on health system issues; but this summary is taken from a number of key documents.

being risk-protection and pooling mechanisms (plus the mobilisation of additional resources). At the same time, the documents continue to state that essential health services should be financed publicly. The issue of user fees which was an important element in earlier work and discussions, has almost disappeared.

On *regulation*, the World Development Report 1993 had given governments an important role in regulating private and social health insurance, defining the benefit package according to cost-effectiveness criteria and other areas such as giving particular attention to women's rights and status, and to monitor health provision and financing. This, again, sounds different in the 1997 and 2007 strategy papers, where the state is made responsible for securing equitable, universal access (combined with some targeting) to preventive and curative care; and for controlling public and private expenditure and provision. The regulatory role of the state should be strengthened, while for the other functions, private involvement should be increased. The World Development Report 2004, in contrast, had been more explicit with regard to cross-subsidies through insurance or general taxation (risk-pooling) (World Bank, 2003).

The ideas just described are disseminated by the Bank through publications and its website, as well as through courses provided by the World Bank Institute. Amongst other things, is a flagship course on health systems is provided that – given the teaching material used (Roberts et al., 2008, WHO, 2000, Gottret and Schieber, 2006) – follows these ideas.

Taking part in World Bank Institute training modules is also usually part of the loan agreements between governments and the World Bank, including systems of social security as health systems.

It would go beyond the scope of this paper to approach this in a comprehensive way, and thus it will be exemplified with the concrete case of Turkey.

4- Case Study: Turkey's health system reform and World Bank support

Health Care System in Turkey; General Appearance

Health indicators of Turkey are not satisfactory when the socioeconomic development level is

taken into account. Turkey has made a substantial progress in last 20 years in health issues although there is still a long way to go. The most important reasons behind this are shifting the economy from import substitution to export oriented growth strategy, the integration process with the EU and the success in economic relations. In 2003, the big amount of the health budget of Turkey (almost 60-70%) was met by the public resources and the rest was met from the private resources. This hindered both the quality of health services and also the reach to them.

The reform program, Shift in Health Program, which was first implemented in 2003 is an important step to forward. Before 2003, there were various public institutions both financing and providing the health services. There were hierarchal as well as contractual relationships among them and they were serving toward the different segments of the society. Social security institutions used to cover the waged and salaried employees in formal sector, self-employed people and retired public servants. Another program financed by the government (The Green Card System) used to cover the people with no insurance and with low income level. The people working at informal sector comprise the 25% of the society. Only some of them used to be covered indirectly as the dependent population (OECD and World Bank, 2008).

Health care is provided by public, quasi-public, private and philanthropic organizations, but relations among them are not well structured or regulated. Health care is financed by the government (through the Ministry of Finance), social security institutions (the Social Insurance Organization (SSK), the Social Insurance Agency of Merchants, Artisans and the Self-employed (Bag-Kur) and the Government Employees' Retirement Fund (GERF)) and out-of-pocket payments. For more information on these different sources of funding, see the section on health care financing and expenditure (Savas et al., 2002).

Table 1. Health Insurance Coverage by Type Number of Insured Individuals, 2002-2003

	State Planing Organization 2002	Household Health Expenditure Survey
	Internal rate of total population	Internal rate of total population
Officers	15.4	-
Employee	-	7.4
Retired	-	5.1
SSK (Social Insurance Organization)	46.3	33.5
Bağkur (the Social Insurance Agency of Merchants, Artisans and the Self-employed)	22.3	11.7
Special Funds	0.5	0.4
Green Card	-	8.6
Others	-	0.5
Total Insured	84.5	67.2

Source: World Bank, 2006

According to the Table1.1, almost 85% of the total population was covered in health insurance system in some way in 2003. The rest of the population had no access to any health insurance and did not make any premium payment at all. The income gradient affecting health means that the poor generally suffer worse health and die younger than people with higher incomes. Turkey GDP per capita is 2638 €, only 9,5 % of the EU25; while in purchasing power parities (6650 €) represents 29 % of the EU25 average (24480 €). In 2002, 25 % of the population was living in relative poverty that is below the risk-of-poverty threshold (EU, 2006: 2).

Crisis in Health System and Search for Solution in Turkey

After 1980s, as a result of the neoliberalisation process and integrating with the world economy, privatisation calls in health services started to emerge. Election economies and political inconsistencies led to some policies based on artificial and short-term growth performances which caused speculative activities. As a result of this, an economic structure trapped in inconsistency-crisis-growth spiral emerged. Public finance, financial system and the general weakness of the economy's competition power increased the risk of crisis. Moreover, socioeconomic conditions led some negative outcomes in health issues, too. Another important effect of the economic crisis happened in Turkey was about the social security system. As a result of the continuous deficits in social security system due to the crises as well as the impositions of IMF, reform laws were enacted in 2000. This new social security model was actually the same with the model which has been imposed by IMF and the World Bank to all developing countries.

Turkey's health care system has a highly complex structure that is (was olmalı) at once centralized and fragmented. The current system is the result of historical developments rather than a rational planning process. Consequently, decision-making and implementation bodies vary in form, structure, objectives and achievements.

Although a certain degree of deterioration was seen in health as a result of the economic crises mental health problems, specially stress in city centres, is very obvious. The infant mortality

rate which was 43,1 per mille in 1995 plummet to 35,3 per mille in 2000 and the life expectancy rate increased from 68 to 69,1 year in the same period.

Preventive health services have been rather ignored and couldn't be managed to serve together with basic health services continuously. The first level health service needs of the fast growing urban population couldn't be met properly. An effective patient transfer system couldn't be established among the service stages.

The main strategy of the poor people in crisis times is to decrease their food consumption and also stop their children's education period and make them work to contribute to the family budget. Poor people generally count on large family and kinship relationships, their friends and neighbours. Besides *hemşericilik* (people of same place of origin) is an important struggle strategy. However all those fighting strategies against poverty adversely affected by both

1999 earthquake and 2000-2001 economic crises (World Bank).

A general development operative both for the whole world and Turkey is the fact that the financial crises did not only limited the funds for social expenditures, but also increased the influence and decisiveness of some global institutions like IMF and World Bank in social security reform processes. The direction of this influence has been towards limiting the social expenditures.

Reform in Turkish Health System

Reform demands have been called for a long time in Turkey as a result of the improper health care system in the face of harmonization with the EU and of the insufficiency in meeting the needs properly. The main deficiencies of health care services in Turkey are presented in some researches. According to those researches, the main features of Turkish health system;

- Health expenditures in Turkey are well behind the developed countries.
- the efficiency of the health services are quite low.
- the number of the people accessing the health care services is insufficient
- privatisation is seemed as the main way to create financial resource and to be effective in those activities.

Since the beginning of the 1990s, World Bank and World Health Organization have been producing policies to execute a reform program to restructure the social security and health sector in Turkey and supports governments in this matter. The research of World Bank in

2000 investigating the poverty in Turkey was based on the 1987 and 1994 Households Income and Consumption Surveys (World Bank, 2000). The progress in social indicators and the decrease in absolute poverty between 1980-2000 were documented by this research. Accordingly, health was found as the most closely related factor with poverty (World Bank, 2005).

The AKP government, hereupon, started the reform studies with the support of the World Bank. The key concepts of the Program of Shift in Health which has been in force since 2003 are those:

- i) Making the Ministry of Health a planning and a monitoring institution.
- ii) Applying the General Health Insurance system which gather all the people in Turkey under one institution.
- iii) Extending the cover of the health care services and making it more reachable
- iv) Increasing the motivation of the health staff and supporting them with developed knowledge and talent.
- v) Establishing educational and scientific institutions to support the system.

vi) Empowering the quality and accreditation systems to encourage the effective and good of quality health services.

vii) Rational drug and health machine use

viii) Providing effective information access system through Health Information System.

The Green Card scheme was established in 1992 and is directly funded by the government for people earning less than a minimum level of income (defined by law). In 1997, almost a million Green Cards were issued. Green Card holders have free access to outpatient and inpatient care at Ministry of Health hospitals and when referred to university hospitals. The scheme also covers their inpatient pharmaceutical expenses, but it does not cover the cost of outpatient drugs. Since 1994, expenditure has exceeded government allocation, leading to annual deficits (Savas et al., 2002).

The studies about the health reform in Turkey begun in 1990s. Those studies which were implemented by the support of the World Bank comprised of many legal and institutional arrangements. Turkey signed many agreements with the World Bank to make the reform more successful. Those agreements are below;

- 7 October 1990 and 20658 numbered
- 22 December 1994 and 22149 numbered
- 17 December 1997 and 23203 numbered.

Health reform was executed within the frame of those agreements. Health reform has several stages. The first, social security rights of the workers, self-employed, public servants, bank workers, chamber of commerce workers are provided by different institutions under different laws and some gaps, inequalities happens in practice; besides the people with no social security in any kind are deprived of all rights, they can not benefit from especially health services and only a little portion of them can benefit from the Green Card implementation.

Social security reform has the goals of eliminating all of those problems, gathering the social security institutions under a single roof, providing all the people benefit from the health care services from born to death through the general health insurance, eliminating the social security deficits.

3 legal regulation constitute the reform. Those regulations are;

- Law of Social Security Institution
- Social Insurance and General Health Insurance Law
- Social Welfare and No Premium Law.

Turkey executed 4 reforms firstly in parallel with the stabilization programs emerged in the intercourse with World Bank and IMF. The first one is to raise the retirement age for men and women respectively from 43 to 60 and from 38 to 58 and to increase the base and maximum salaries used in calculating the total income. Financing deficit of the social security system has been tried to fixed thanks to this. Second is to enact the fund of unemployment compensation law. The third is to set the legal and administrative arrangements to take the unrecorded employment under record. The fourth one is to shift from base price and supporting purchase implements to direct income transfer. Other than these we can talk about these draft initiatives: to let to establish private employment offices and separating the health services from social insurances, rather shifting them into general health insurance or restructuring them.

There are three main goals of the health reform in Turkey:

- i) Progressing the general health conditions of the public

ii) Decreasing the costs while doing this.

iii) Financial coverage for unexpected catastrophic health expenditures and looking out for the equality in accessing health services (OECD and World Bank, 2008: 99).

Although it is not extended all around the country yet, Turkey implemented conditional cash transfers to alleviate the poverty by the financial and technical support of the World Bank. The first results of this transfers are promising. In those transfers, one of the pre-conditions is to have periodical health controls for the beneficiaries. Even if the amount of the support quite modest, sometimes this support may be the only income of the receiving family. In short, this support is very important in fighting against poverty.

5- Discussion: Global Poverty Impact of Health Reform and the Role of the World Bank

Supporting the development of health systems that aim at universal health care of a country's population is an important element of development policy and a determinant for strategies of poverty alleviation more broadly. Facilitating at least the provision of basic health care is particularly pressing in times of major global crises, particularly affecting those people who are largely unprotected by systems of social security in low- and middle-income countries.

The World Bank has a long tradition in supporting the reform of health systems within broader development initiatives. Accordingly, this paper has dealt with the content of the policy ideas pronounced by the World Bank and how this is reflected in its lending activities, exemplified with the case of Turkey's health system reform.

Reviewing key World Bank documents and academic literature leads to the following conclusions:

In this context, Zecchini (Zecchini, 1995)(1995), analyze the factors the World Bank takes into consideration and the process used when the organization decides to give support to countries in their health reforms. The process starts with the country requesting the needed assistance from the World Bank. Typically, countries have been refraining from requesting assistance from the World Bank for the health sector reform.

"Thus, a country that had implemented its initial reforms rapidly and successfully was more likely to receive the World Bank support earlier and in a larger amount, which in turn made the health sector more effective, as witnessed by increased life expectancy, and other indicators. Finally, the impact of the World Bank's success in promoting reforms could be either promoted or inhibited by the institutions of the country" (Radin, 2003).

The Turkish health reform applied with the support of the World Bank led some important developments. This reform advanced the equality in accessing of the public to the health services and also extended the coverage of the health care service. Insufficient coverage of the health insurance system for especially the disadvantaged groups of the society played an important role in the worsening of the indicators.

Health is among the basic human rights. The existence of the millions of people who could not solve their health problems in the world is one of the biggest obstacles in front of establishing the world peace and social equity. If there is an intention establish global social policy, one of the main principles of this is to constitute a healthy society. Therefore, World Bank has the biggest share in this process. World Bank should be more active in this matter and increase the cooperation with developing countries more.

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MUCH PAIN, FEW GAIN

GENDERED EFFECT OF REMITTANCES ON POVERTY ALLEVIATION AND SOCIO- ECONOMIC SUSTAINABILITY OF UKRAINIAN TRANSNATIONAL FAMILIES^{1*}



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Abstract

The key objective of this paper is to make an analysis of the gendered effect of remittances on poverty alleviation, and in wider terms, on socio-economic sustainability in Ukrainian transnational household. Socio-economic sustainability is measured here by means of its impact indicators, which include together with poverty, issues of employment, health, education and gender equality in migrant families. The paper is grounded on the materials of a field research, implemented across a number of stages: a participant observation, in-depth interviews with experts in migration policy and women's/gender issues, structured interviews with members of Ukrainian transnational households and life-course interviews with Ukrainian labor migrants.

Key Words: gendered effect of remittances, socio-economic sustainability, poverty alleviation, Ukrainian transnational family

1. Introduction

The transition to free market economy in Ukraine, accompanied by a dramatic acceleration of the mobility of the work force, has put a large number of women on the move. This process may be accounted in a twofold way: first, the transition from state socialism to capitalism has had a

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huge impact on the lives and the position of women all over CEE; and second, the costs of transition were not evenly distributed among the population (UNIFEM, 2006). Impoverishment had a clear gender and age dimensions as women, young and the elderly turned to be more vulnerable and more affected by the consequences of transition to market economy, and therefore, faced a higher poverty risk than other groups of the population (Tikhonova, 2003).

Basic concepts and definitions. In this paper the concept of *gender* is understood in compliance with the OECD definition, referring to “economic, social, political and cultural attributes and opportunities, associated with being male and female” (OECD, 1998). *Transnational family* is conceptualized here following Bryceson and Vuorela (2002: 3) as the one whose members “live some or most of the time separated from each other but yet create a feeling of collective welfare and unity, namely ‘familyhood’, even across national borders”. The paper follows a classical definition of *remittances* as “monetary funds sent by individuals working abroad to recipients in the country that they came from”, combined with theoretical considerations informing what monetary flows are included in it, particularly in what concerns *who sends the resources* and *who decides how the resources are used* (Roberts, Banaian, 2004: 3). Furthermore, remittances are presented here in line with a UN-INSTRAW approach (2006a) as going beyond the monetary dimension of “migradollars” (Massey, Parrado, 1994) and covering social aspects of migrant transfers. It is assumed that social remittances have an impact on gender relations within the household and community, challenging traditional views on gender roles and images of women due to “gender equality remittances” (Tolstokorova, 2010a). Drawing upon this framework, the **main goal** of the paper is to make a gender-sensitive analysis of the role of remittances for *social sustainability impact indicators* (TSIA Handbook, 2008) which include: poverty, health, education, labour issues and gender equality in the Ukrainian family.

Methodology. The paper is grounded on the materials of a research project, which involved a complex approach implemented across *the following stages*:

- *25 in-depth interviews* with experts in migration policy and women’s/gender issues. They were made in summer 2008 in Kiev and Lviv in the course of the project “Care-work and welfare internationalization. Transnational scenarios for the welfare of the future”, carried out by Centro Studi di Politica Internazionale (CeSPI), Rome, Italy.

- *10 life-course interviews with Ukrainian migrant women* working in key recipient EU countries for Ukrainian female migration (Italy, Greece and South of France) were conducted throughout 2008-2009.

- *pilot interviews with migrant families* (work in progress) were made throughout a pilot project, covering 7 transnational households, including both circular migrants themselves and their family members. The interviews were taken in Kyiv, Lviv and in the town of Chortkiv in Ternopil oblast (Ukrainian West-border region).

- *participant observation*, which covered *informal interviews* taken in spring 2010 in Chortkiv with the following officials: representatives of the Service in the affairs of family and minors of the Chortkiv district state administration; a deputy principle of a Chortkiv secondary school, local businessmen and owners of local retail networks.

2. Role Of Remittances In The Economic Sustainability of Ukrainian Transnational Household

Remittances are crucial for many Ukrainian households and regions, although statistics on migrants’ remittances are fragmentary and data from different sources are difficult to reconcile (Atamanov et al, 2009: 28-29). As was discussed earlier (Tolstokorova, 2010b), the pull of remittances Ukraine receives from the citizens working abroad, by analysts’ assessments may amount between 0.7% to 25% of GDP (GFK, 2008, p. 5). Thus, according to the National Bank of Ukraine, in 2006 alone Ukraine received \$5.6 bn of remittances from its migrant workers (taken from Gajduky, 2007). The IFAD statistics for that year was \$8.47 bn (IFAD, 2007, p. 12). Meanwhile, by the estimates of Ukrainian experts, the real sum may reach up to 10-20 bn (Fedorak, 2007), consider-

ing that Ukrainians do not trust the national bank system and prefer unofficial means of credit transfer. By contrast, the foreign direct investments Ukraine attracted throughout 16 years of state independence, did not exceed \$24 bn (Kyiv Post, 2007). In the most economically disadvantaged oblasts, as for instance Ternopil and Chernivcy, this contrast is even sharper: the ratio between foreign investments and informal migrant remittances into the national economy amounts there 1 vs 40 (Parkhomenko, Starodub, 2005, p. 20). The dynamics of remittances throughout 2000-2006 is reflected in table 1.

Table 1. Remittances dynamics in Ukraine, 2000-2006.

(US\$ million)	2000	2001	2002	2003	2004	2005	2006
Inward remittance flows							
<i>of which:</i>							
Workers' remittances	33	141	209	330	411	595	595
Compensation of employees	-	84	133	185	193	236	-
Migrants' transfer	33	56	74	145	218	359	-
Outward remittance flows							
<i>of which:</i>							
Workers' remittances	10	5	15	29	20	34	34
Compensation of employees	-	-	-	-	-	34	-
Migrants' transfer	2	-	4	4	6	10	-
	8	5	11	25	14	22	-

Sources: World Bank (2008)

The analysis of available research literature shows that in many Ukrainian transnational households remittances serve as an efficient tool allowing to alleviate poverty and advance material well-being. As was shown elsewhere (Tolstokorova, 2009b), savings made through international employment are used mainly for family consumption and for investments into children's education and housing. By assessments of Ukrainian realtors, around 60–80 % of remittances are invested into real property estate. To a much lesser extent, they are invested into small family businesses, mainly because Ukraine has few economic incentives for such enterprise (Malynovska, 2006). According to sociological self-assessments of transnational households held in 2002, 41,1% of responders reported that migration enabled them to increase their family welfare tangibly; 43,1% found their material and financial status to be only "somewhat improved" and mere 8,8% acknowledged that their well-being did not change considerably. At the same time, 63,4% of families acknowledged that labour migration allowed them to reach high economic status, while only 13% estimated their material situation as poor (SIFY, 2004: 19). Statistics confirms that consumption patterns in translational families are more varied than in families with similar social and educational status working in Ukraine. For example, their households are better equipped with modern furniture and appliances, they own more motor vehicles and consumer durables, etc. (Malynovska, 2004: 14). Thus, if in 2003 average over Ukraine there were only 13 videotapes per every 100 families, in transnational households this index raised up to 55. Similarly, there were 2 microwaves vs 25 respectively, 2 vs 24 computers, 16 vs 36 automobiles per 100 families. Responders of sociological polls acknowledged that 55-60% of these goods were purchased for remittances (SIFY, 2004: 19). Results of an all-nation sociological survey were consistent with these findings. They evidences that migrant households owned more modern commodities as compared to non-migrant ones in such proportions: every-day ware – 2,3 times more, computer equipment - 2,5, stereo and video appliances - 1,8 (Pribytkova, 2003: 112).

At the same time, as was noted earlier (Tolstokorova, 2010b), remittances became a sort of "development mantra" (Kapur, 2004), seen as a panacea against economic hardships in transnational families and source societies at large, and a key "silver lining argument" against those who are mindful of negative repercussions of outsourcing. Yet, what is often silenced is that remittances accelerate inflation in the societies receiving them, and therefore, shrink the consumption potential of the population (SIFY, 2004, p. 21). Additionally, the benefits of remittances "may not offset

the losses of the local social protection systems and/or budget deficits resulting from the fact that the migrant workers do not pay taxes in their home countries, but their families use public goods (healthcare, education and other public services" (Góra, Rohozynsky, 2009, p. 11). Equally, while foregrounding the financial benefits of labour export for source societies, this approach often neglects the social and human costs of migration, especially in the medium and the long run.

3. Remittances, Gender And Sustainable Family Development

Although there is now some recognition that migration is a gendered process, the relationships between remittances and gender are under-researched. The gender perspective has barely been considered in studies on patterns of remittances, transfer channels, use of remittances, and their potential for development (Yinger, 2007). Furthermore, despite there is some consensus about the economic benefits of transnational labor migration for labor-sending societies at large, there is far less understanding of the long-term impact of remittances on labor-sending communities, especially at the level of the household, marital and intergenerational relations within the family. Empirical research (Pinnawala, 2009) showed that the spatial separation of migrants from their families entails that issues of resources use and management are taken outside the confines of the household. This may result in the separation of an earner from a manager, creating spatially separated parallel power centers within the transnational family space with the manager of income as the center of power in local family/household space and earner of income (woman migrant) as the center of power in the new livelihood space. Hence, gender is an important factor in determining the remitting strategies in transnational families and in shaping supportive social networks to bolster the basis of financial security and wellbeing of the transnational household. Furthermore, research findings evidence that women play a leading role in remitting, as both their recipients and managers and as their senders. Thus, the participants of a UN-INSTRAW virtual discussion on gender and remittances (UN-INSTRAW, 2008) evidenced that although women's patterns of remitting may vary depending on why they have migrated (Ramirez, Dominguez, Morais, 2005), overall, women are found to be more reliable as senders and managers of remittances than men. Research from Peru showed that women are more prone to invest remittances in productive enterprises, such as tailoring, producing handicrafts, commercial agriculture and raising cattle. A case study from the Dominican Republic found that when migratory flows first began, women remitted money to their husbands, but as a result of men's poor management of remittances, women chose to send money directly to mothers or sisters but not to men (UN-INSTRAW, 2006) which is also true for Philippina women-migrants (Parreñas, 2005). The research in Georgia showed the prevalent perception among returned female informants that female migrants sent more remittances and were better able to support their families, because they did not spare themselves while working for remittances: they did not go out during their days off, called home only twice a month, did not buy anything for themselves in order to save as much as they could to send savings back home (Zurabishvili, Zurabishvili, 2010: 81). Men, it was found, spent their remittances irresponsibly, whereas women invest them more effectively. This is why men are those not entrusted by migrant women with their remittances. The experience of Tajikistan showed that the longer migrant men stayed away from their families, the more likely they were to start a second family; when this happened remittances gradually decreased (Crisis Group Interviews, 2009). The research among Ghanaians in London evinced gender differences in remitting patterns, in particular, that while men send remittances in larger amounts and not so regularly, women send more regularly and respond more positively to calls from the country of origin in periods of crisis. Therefore, women are seen by the UN as critical actors in the remittance-to-development paradigm, and for that matter, understanding differential gender characteristics in remittance use, savings and investments becomes a major prerequisite for the success of local development programs (Ribas-Mateos, 2008). This is why, as argued by the UN-INSTRAW, in search for a framework through which the complexities of global migration may be understood at its best, the connection between *gender and remittances* emerges as a *key factor* in this global phenomenon that demands further examination (UN-INSTRAW, 2007).

4. Analysis of Field Research Findings

The financial aspect of labour migration is a relatively new area of research in Ukraine. It accounts but a few occasional papers (Gajducky, 2007; Atamanov et al, 2009). At the same time, the gender dimension of economic activity of migrants has never before been placed in the focus of attention in the Ukrainian scholarship. Therefore, the project was designed as an indicative study, aimed to better understand the various forces underlying the dynamics of foreign employment and its economic aspects in gender perspective and mapping the key transnational stakeholders of migration and remittances in the selected geographical areas.

4.1. Role of remittances in poverty alleviation and employment of Ukrainian transnational households: Efficient but insufficient

Our interviews showed that remittances play a crucial role in poverty alleviation in transnational households, enabling family members left behind at home to secure means for the basic subsistence consumption expenditures on food, rent, petty everyday expenses, etc. This was unanimously admitted by all the women-migrants and female members of migrant families left behind at home. As was commented by one migrant woman, when she complained about the hardships of her migrant life to her mother on the phone, the old woman replied (cited in Tolstokorova, 2010a):

“While you are there, your children here have food to eat and money to pay the University fees. So, clench your fists and tolerate it. (Interview with Tamara, 49 domestic workers, Rome, 02.04.2009).

It was admitted that remittances enabled transnational households to escape serious financial constraints, which otherwise might be unavoidable:

Responder (2): *If it was not for remittances, I would perish here, because practically, for my own salary I would not be able to survive, of course (Interview with Olena, an unmarried adult daughter of migrant parents and a sister to a migrant brother. Works as a sales-assistant at a supermarket. Chortkiv, 29.04. 2010).*

Responder (2): *My migrant daughter sends me transfers every month, because with my retirement allowance, which is a minimal of 700 hryvnias², it is impossible to survive here. Although my son works here, his wage is only 700 hryvnas too and this is insufficient for the family to survive, of course. Just consider that in the family but for me, there is also my son, who studies and works, my grand-son, who also studies while my migrant daughter pays for his tuition, and my grand-daughter, who will also become a student soon. And the daughter herself needs something to live on, because she is still young, she is but 40. You see, after her husband passed away, she has to make her own living (Interview with Marta, retired, works part-time, mother to a widowed migrant daughter. Lviv, 18.05.2010).*

However, all the women admitted that although remittances enabled the improvement of the financial situation in their families, taken alone, they were insufficient to cover the consumption requirements of family members left behind. Notwithstanding that nearly all of responders pulled remittances with retirement allowances and earnings from part-time jobs, the financial situation in the household was not seen as affluent.

Interviewer: *Are remittances you receive enough to support you family here?*

Responder (1): *To say they are sufficient for 100%, I wouldn't say so. Probably not. It is only €150 per month. So, of course not, it is not enough (Interview with Marta, retired, works part-time, mother to a widowed migrant daughter. Lviv, 18.05. 2010).*

Responder (2): *Not always. Sometimes they are not. ... And this is despite both me and my husband still work, being retired. (Interview with Ganna, retired, works part-time, mother to a divorced migrant son. Chortkiv, 29.04. 2010).*

2. By rates for May 2010, it was around \$90.

Responder (3). *Well, probably yes, but consider that in addition to them I have my pension, and the earnings from my part-time job. If to put all this together, then it is more or less enough. (Interview with Diana, retired, works part-time, mother to a migrant couple. Chortkiv, 29.04. 2010).*

Therefore, although remittances, in most cases received from more than one relative, enabled migrants' households to escape poverty and to raise their financial security, they could cover their financial requirements only partially, being sufficient to provide mainly for the most basic daily needs of the family. In order to maintain a more or less decent level of live in transnational households, all their adult members, including retired seniors and students, had to work. Hence, they had to pull remittances with other sources of income, like wages, earnings from part-time jobs, retirement allowances, etc. Nonetheless, even when migrant relatives took the responsibility for more costly expenditures, like electronic equipment, furniture, clothes, footwear and tuition of children left behind, etc., women assessed the financial situation in their households to be no more than satisfactory.

Therefore, the results of our interviews showed that the empowering effect of remittances on women in terms of their financial advancement is rather relative, enabling them to escape poverty, but not proving sufficient funding to ensure financial security, especially after retirement. In addition to an observation that "reducing the poverty of particular remittance-receiving households will not necessarily reduce poverty in the economy as a whole" (IBON EDM, 2009: 2) this signifies that the potential of remittances for resolving the economic constraints in the family and society is rather low and does not offset "the cost of the social stresses due to extended separation from family members" (Ibidem).

4.2. Role of remittances in securing education for the younger generation in migrants' families: Earning for learning

Our interviews with all the three groups of responders showed that children's education is one of key incentives for migration. According to expert assessments, the three priorities for earnings aboard for Ukrainians are as follows (Tolstokorova, 2009a):

1. to find a job to earn for everyday living and to support the family left behind at home.
2. to make accumulations necessary to cover tuition for children;
3. to make accumulations to buy housing or to make investments into real property estate.

These motivations were not recognized as gender-specific, but pertaining to both women and men. This is how it was explained in one of expert interviews:

Responder: *I don't agree with those who claim that this money is used mainly for everyday consumption, for example for food. My personal opinion is that remittances arriving from abroad, and it is around 10% of our GDP, despite not being invested in business development, are invested into higher education for children. For most people going for earning abroad, the key incentive is to provide quality higher education for children. (Interview with a Director of a think-tank on connections with the Ukrainian Diaspora. Lviv, 01.07.2008).*

This is consistent with the situations described by migrant women themselves, for example, in the interview with Tamara, cited above. Other interviewed women also noted that their primary goal for migration was to accumulate money to cover the University tuition of their children. This was the case in the family of Nadezhda (39, a former music teacher and a singer), who went to work first to Greece and then moved to Italy, where she was employed in elder care. Her remittances allowed her son to study at the University in Kyiv, where he lived with Nadezhda's brother. The intention to give higher education to her two sons was also the incentive for migration to Anastasia (cited in Tolstokorova, 2010a):

"...My elder son was about to graduate from school and we needed money to pay for his university education. The problem was that, when industry and the army collapsed after the demise of the Union <USSR>, in our small Crimean town there were no jobs left for men. Only some low-paid work for

women in the service sector was still available. So, my husband lost his job and could find only part-time work in the informal sector. Since I worked in the service sector, I managed to keep my job, but my wage was ridiculously low. Anyway, our joint incomes were insufficient to maintain a family with two children. So, I decided it was me who had to leave for earnings abroad (**Interview with Anastasia, 38, working in the services business in Monaco [more specific information on the character of her job was not provided to the interviewer “for confidentiality reasons”]. Nice, France, 08.12.2007).**

Among members of transnational families there were different models of investing remittances into the higher education of the younger generation. Thus, as was evidenced by the interview with Marta cited above, remittances were earned by her migrant daughter to invest into the tuition of all the three children in the family staying in Ukraine, both current students (the remitter's son and her brother) and the prospective ones (her daughter). In Olena's family it is her migrant brother who receives higher education in the USA for savings, which he makes by working there part-time. When necessary, his divorced parents (both working in Italy) help him to cover the tuition. The third model was found in Vera's family. Her daughter together with her husband left for earnings to Italy with the intention to secure money to be able in the future to provide higher education to their two small children who were left behind at home at Vera's care. When the parents were legalized in the country of work, they decided that it would be better for their children to receive European education. They fetched their school-age children to live with them in Italy, hoping that in the future they would be able to pay the fees for their studies at an Italian University. First it was the elder daughter who moved there, and then the younger boy joined the family:

Responder: *Despite both my grand-children began their studies at a regular secondary school in a small town, they learnt Italian very quickly and currently both study Italy very well. They both very successful at school. In some subjects they even rate the best in their grades. For example, the girl was allowed to skip one year at school and from the 5th grade, whereby she studied in Ukraine, she was transferred to the 7th, not the 6th! She won the competition for the best essay about Italian history in her class! So, we are sure our kids will be successful as University students in the future too ((Interview with Vera, retired, mother to migrant couple. Kyiv, 05.03.2009).*

These examples allow to conclude that remittances play a pivotal role in securing educational possibilities for migrants' children. Hence, they justify the role of a key incentive and a “rationale” for parents work abroad (Boehm, 2008), because they contribute to social sustainability of Ukrainian family by enabling better life perspectives for children in the future. At the same time, as was discussed elsewhere (Tolstokorova, 2008; Tolstokorova, 2010a) expert interviews showed that for children of migrants education often becomes primarily a matter of high social prestige, rather than skills and knowledge acquisition and therefore, they often neglect studies at Universities, thus wasting “European scholarships” (Tolstokorova, 2009b), received through remittances of their “paychecks moms” (Tolstokorova, 2010b), working abroad: (cited in Tolstokorova, 2008).

“One girl told me: “Oh, I study in a group where half of my group-mates have their moms in Italy, so they don't have to study because their moms send them money and they just pay for their credits”. So, it's a huge impact on children, especially teenagers. They have money that their moms send, they have easy money, they start gambling, or take alcohol and they don't need to study because they know: “Mom will send me money, why should I go to school?”” (Interview with experts of a women's NGO. Lviv, 02.07.2008).

Hence, the efficiency of remittances invested into University studies of children may be dubious, insofar as children and teenagers, who lack parental control due to parents' out-migration, are not always able to use them properly and often misuse the money transfers from abroad for unduly purposes, wasting them on their whims, if not vices (Kyrchiv, 2004).

4.3. Role of remittances in resolving health-care issues in families of migrants: the cost of the cure

As was discussed earlier (Tolstokorova, 2009b), health-care is a challenging area of life for labour migrants, taking into account that the majority of them work abroad illegally and have no

health-insurance. Moreover, very often they work in conditions of high physical pressure, health-hazards and even life-risk, entailing serious deteriorations to their physical, emotional and reproductive health (Lakiza-Sachuk, 2001: 48). Interview with migration experts showed that despite most of potential migrants are usually in good health, which they regarded as a prerequisite for successful job search abroad, there is evidence that many of them developed health problem through their work in another country. Thus, sociological polls (Women's Perspectives, 2003) showed that 37.86% of migrants gave positive answers to the question if they had health problems while working abroad and 6.80% answered that they experienced partial problems, while 8.2% of women reported that they experiences sexual harassment. Furthermore, experts noted that one of key health problems for women-migrants is gynecological diseases, which may be due to emotional pressure or different climate in a foreign country (cited in Tolstokorova, 2008).

Expert: *I am talking about health problems, because as a result of a different climate, stress, etc., a lot of women have gynecological problems. Anyway, I had a client, who said that she came back [from Italy] and had to re-start her life here because if she went back [to Italy], doctors could not guarantee that this disease would not develop into a cancer and stuff like that...". If they [women] work unofficially, illegally, they don't have medical insurance and the situation is getting worse for them [in terms of health condition]. Take, for example, my sister-in-law. She worked abroad illegally, and this is why after a while she came back home in poor health. After she had had a treatment here, the doctors said that she should better stay home if she wanted to live longer, because her health condition was worsening.*

Interviewer: *And are there many cases like that?*

Expert: *Yes.... I had another client who came back from Italy some years ago. The reason why, it was that she got into a car accident and she had no medical insurance. She spent all the money she earned for the operations ... and for that matter she couldn't work for some time. She could only afford to cover air-fair to come back to Ukraine...". (Interview with a lawyer, an expert of a women's NGO. Lviv, 02.07. 2008).*

Reproductive and sexual rights is a challenging issue especially to women who work in Catholic countries, where abortions are banned, like in Portugal and in Poland, which are among the top 5 receiving countries for Ukrainian labour migrants. Ukrainian women, being used to reproductive freedom at home, are not ready to tolerate such restrictions. Many of them have sexual partners and the problem for them is that they can not make an abortion legally in case of need. They have to make abortions illegally, which often entails complications in reproductive health (Tolstokorova, 2008).

Emotional wellbeing of women-migrants is also a matter of concern for specialists, taking into account that very often they work in conditions of high stress and emotional pressure, but being separated from their families they can hardly count on their emotional and spiritual support, protection in times of hardships and crises. In such conditions it is no wonder that they experience emotional and mental health problems. Thus, Parliamentary Committee of Ukraine in Foreign Affairs reported that starting 1999 cases of hospitalization of Ukrainian women working in Italy increased 10 times (NIC, 2006). Many women-migrants, who in Italy often work in psychologically unfavorable environment, upon returning home develop a so-called "Italian syndrome" (Tolstokorova, 2009b), which refers, but for physical ailments, to paranoia, agoraphobia, aggressiveness and other mental disorders, etc.

Hence, remittances not always have a multiplier effect, insofar as they may be used not so much for the benefit of the healthcare requirements of family members left behind at home, but to compensate for the detrimental effect to health of migrants themselves, caused by unfavorable conditions of work abroad. In other words, they do not always bring "healthcare dividends", but may serve as a fee to be paid for the experience of migrancy *per se*, in addition to the damage to migrants' health.

4.4. Role of remittances in gender equality promotion in transnational families

In our interviews, experts in women's issues noted that for women migration was an opportunity to get rid of excessive parental control or failed marriages. to move away from situations where they lived under traditional, patriarchal authority to situations where they are empowered to exercise greater authority over their own lives" (UN, 2006).

Expert (1): ...A rural woman who works in agriculture here, she works very hard, but she is not paid much. And of course, when the context changes, when she gets into other conditions of work, her attitude changes, it changes her mentality. So, when women get back home, they refuse to accept the same realities as they had before, because their mentality changes and their perceptions change. **(Interview with an expert in migration issues from a state research institute Kyiv, 24.07.2009).**

Expert (2): "In the village she [a woman] works hard, because you know the situation. And now she can leave abroad, where she sees quite a different attitude to herself. This is why she does not want to go back to the same situation at home. It is an empowering effect, you see. This is one of the reasons why families collapse. Because she does not want to go back to conditions where she was powerless [...]. Because after coming back home she will teach her child that it is possible to live by other standards. She will not want her daughter to be treated the same way as she herself had been treated by her husband." **(Interview with the director of a think-tank on connections with the Ukrainian Diaspora. Lviv, 01.07. 2008).**

However, although this is of course true for some women, other interviews confirmed our earlier findings (Tolstokorova, 2008; Tolstokorova, 2009b; Tolstokorova, 2010a) that the empowering effect of migration on women in many cases is but relative. The paradox is that although remittances enable migrant women to acquire more financial freedom and self-reliance, they entail neither more fiscal democracy, nor more gender equality in transnational families. Foreign employment only increases mother's double burden, but does not always lead to more financial independence insofar as by assuming the roles of breadwinners, women become more bound by financial obligations to their children and their minders, while their husbands use the managerial financial roles of their wives as an opportunity to decrease or even escape their own contribution into family budget. Furthermore, in some cases women may even be tapped into specific forms of financial dependency on their ex-husbands, who try to manipulate the motherly feelings of their ex-spouses. Thus, as was shown in our other work (Tolstokorova, Ryndyk, 2010), during the participant observation and informal interviews with officials of the Service in affairs of family and minors of the Chortkiv district state administration, we learnt that the town courts there abound in legal cases, initiated by migrant women in order to deprive their ex-husbands of their paternal rights in view of their alcoholism or other kinds of anti-social behavior. Despite these men failed to perform their paternal duties, they still enjoyed their parental authority, which they often used to blackmail their wives. For example, they denied their ex-wives a license to take their children abroad with them even for summer holidays, leave alone for a longer period of time. These husbands often demanded their ex-wives to pay them penalties for the official abandonment of their paternal rights (and respectively duties) to their own children. The rationality behind these collusions is not the emotional attachment of fathers to their children, who they do not want to forfeit for free, but a mercantile desire of men to obtain dividends for a "favour" of abandoning the rights for their own off-springs. These cases testify not only the transformation of gender role models in migrants' families, but also evince the mercantelization of interpersonal ties in transnational kinship relationships.

Therefore, our research shows once again that financial independence and "gender equality remittances" (Tolstokorova, 2010a) which women acquire through the exposure to more egalitarian cultures of Western democracies, do not obligatory entail empowerment, but may have even a reverse effect on them, leading to more dependency on family and ex-husbands.

Summary and Conclusions

Our interviews showed that remittances are, indeed, instrumental for the goal of achieving economic and social sustainability of Ukrainian migrant family. They allow to escape poverty and

to raise the financial security of transnational households, thus enabling them to escape serious financial constraints, which otherwise might be unavoidable. Remittances play a pivotal role in securing educational possibilities for migrants' children, thus providing the background for their fulfillment and professional self-realization in the future. For women, migration in some cases may be an opportunity to get rid of excessive parental control or failed marriages. Finances accumulated abroad make an important contribution to healthcare security of transnational families. At the same time, it was learned that remittances cover the financial requirements of transnational households but partially, being sufficient to provide only for the most basic daily needs of the family. The empowering effect of remittances on women-receivers in terms of their financial advancement is rather relative, insofar as they do not provide sufficient funding to ensure financial security, especially after retirement. In reference to women who are remittances senders, although they acquire more of financial independence and "gender equality remittances" due to their work abroad, yet it does not always entail either their empowerment or more family equality, while in many cases have it even has a reverse effect on them, leading to more dependency on family and ex-husbands. The investment of remittances into University tuitions of migrants' children may result in their misuse by the latter, who often develop consumerist attitude to financial contributions arriving from abroad and are not always prone to benefit by them for professional purposes. In terms of contribution of remittances into the resolution of healthcare issues in transnational families, our fieldwork showed that in many cases they serve not so much to maintain physical well-being of family members, but to compensate for the health damages to migrants, which they acquire due to unfavorable conditions of low-cost foreign employment.

Hence, our general conclusion is that although remittances obviously contribute to the socio-economic sustainability of Ukrainian transnational family, their effect is rather relative and can hardly offset the destructive impact of migration on the transnational family space, which includes undermining its of principle social functions (Tolstokorova, 2009b) and the decline of kinships ties (Tolstokorova, Ryndyk, 2010) and often leads to dissolution of family as it is.

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IMPORTANCE OF INNOVATIVE MODELS IN TERMS OF EU PERSPECTIVE AND WITHIN POLICIES OF TURKEY REGARDING SOCIAL EXCLUSION OF YOUNG POPULATION*

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Abstract

Poverty and unemployment of young population constituting focus of mobilization policies of Europe 2010 Struggling with Poverty and Social Exclusion is one of the main problems both Europe and Turkey, the candidate country.

This study based on comparison of poverty and social exclusion of young population in EU and Turkey highlights differences and therefore, contributes to the results indicating that same social model applied in Europe cannot be adopted in Turkey.

Common points analyzed put forward that innovative models facilitating acquisition of new skills and occupations by young people in EU and being effective in terms of struggling with poverty should be established. It is aimed to contribute to "National Young Employment Policy" complying with EU, but being specific to Turkey.

Key Words: EU, Turkey, Youth poverty, unemployment, social exclusion, social inclusion.

I. Introduction

Crisis is the most discussed issue as of 2008 in the world and problems such as unemployment and poverty caused due to crisis are kept as the first issue of the agenda of OECD countries, USA and Europe. Impacts of global crisis on poverty have reached enormous figures in USA as in other parts of the world. According to the announcement of USA census bureau, rate of poverty in USA is increased to 14,3% from 13,2% in 2009. It reached to a level of 43.7 million people representing

* The original version of this paper is in Turkish and English translation is appeared here. The original version of the paper is appeared on the Turkish version of the Edited Collection of the Symposium.

the highest poverty ratio of recent years. One of every 7 persons became poor¹. In Turkey, crisis is reminded less when compared to the agenda of EU and USA in order not to lose economic stabilization achieved after 2001. Therefore, while problems such as unemployment, poverty increase arisen due to crisis has been kept as the first item of the agenda, they are discussed less in Turkey as a result of which concerns regarding cancellation of solutions and immediate precautions are disseminated.

As Turkey faces much more significant poverty issue when compared to European Union countries, is ranked as the first OECD country in terms of child poverty and has the highest ratio among OECD countries regarding young inertia, it would be expected that the government, NGOs and other social parties would have given much more effort to create awareness regarding struggling with poverty. Unemployment constituting the main reason of poverty is higher than EU general, but unemployment and poverty struggling methods becoming structural and chronic problem are less discussed in Turkey which creates a conflicting and serious situation.

High young population is one of the important characteristics distinguishing Turkey from EU countries. Working generation of Turkey shall increase above a level of 800.000 people in every year during next ten years. In order to prevent socio-economical pressure and tension on this "productive population", the most appropriate educations and occupations should be provided and more and better occupations should be created by the business world for these young working generation to achieve better stability in Turkey.

Therefore, creation of awareness regarding exclusion of young population from business world and poverty while working has the primary importance.

Increase in unemployed young population and poor young people shall threat stability, equality and competitiveness objectives of Turkey, in other words larger communal problems shall arise in comparison with EU.

II. Social exclusion of young people in EU

16% of population in EU, in other words 79 million people or 1 of every 5 children live nearly 60% under middle income level, hence face risk of poverty. Additionally, 17% of European people face financial poverty due to lack of resources. 84% of European people think that poverty increases in their countries during the last 3 years (EU Commission "Eurobarometer survey on poverty and social exclusion" 2009).

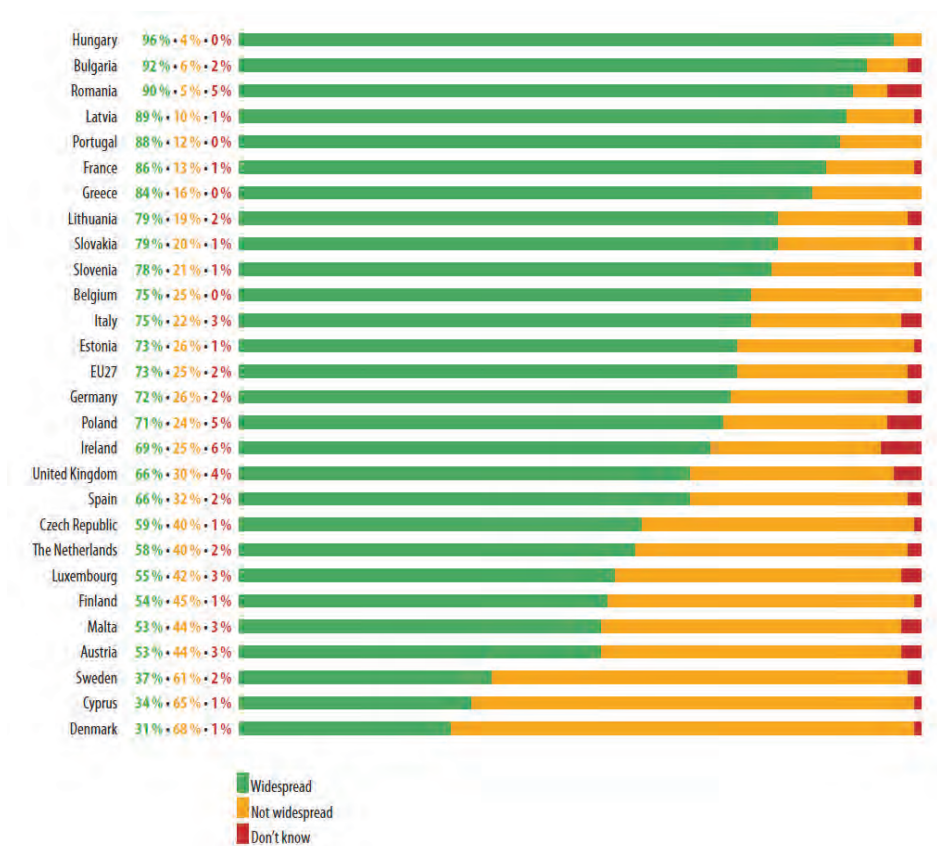
According to 24% of people, those that cannot participate in communal life due to lack of resources make people feel poor. Besides, 22% of people participating to "Eurobarometer survey on poverty and social exclusion" questionnaire in 2009 defined poverty as failure in access to basic requirements within relevant community and 21% defined poverty as neediness to donation and public assistances. Only 18% of people participating to the questionnaire define poverty as those being under poverty limit including monthly mandatory expenditures.

73% of those participating to the survey of EU think that poverty is highly disseminated in their countries and perception regarding size of dissemination differs on the basis of countries².

¹ www.dunyagazetesi.com

² EU Commission, Eurobarometer survey on poverty and social exclusion, 2009

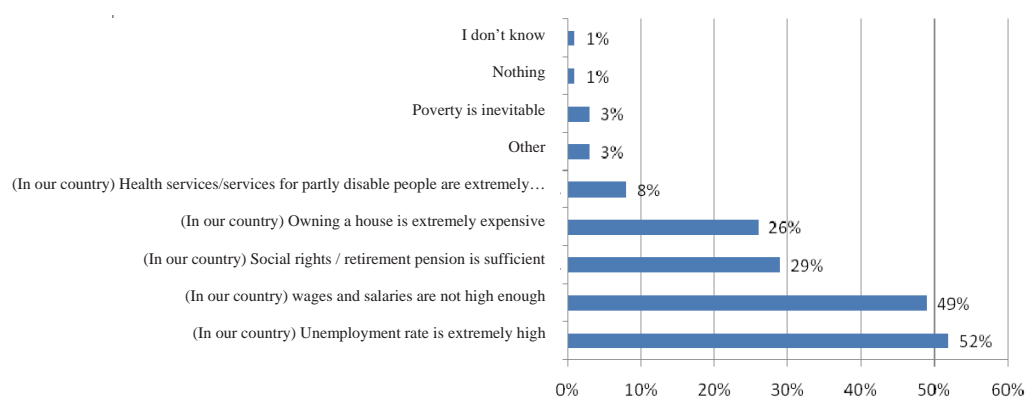
Figure 1. Poverty perception in EU: Poverty in your country...?



Source: EU Commission, Eurobarometer survey on poverty and social exclusion 2009

Poverty perception can be explained on the basis of personal and communal concepts. High unemployment and inadequate wage/salary are the primary issues utilized in explanation of poverty in “communal” sense. Inadequate social security and retirement pensions and lack of a house being proper to live are significant issues in making an individual poor or not.

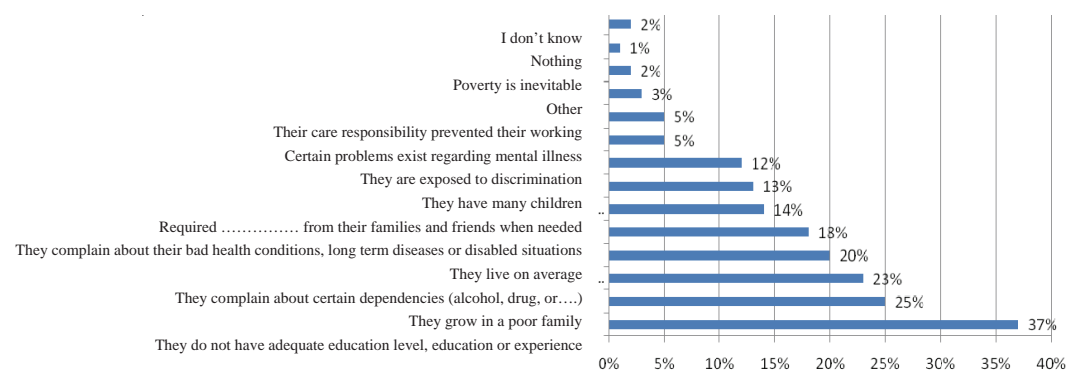
Figure 2. Poverty perception in EU: According to your point of view, which two of below social factors explain the reason of poverty best?



Source: EU Commission, Eurobarometer survey on poverty and social exclusion 2009

The most remarkable issue is consideration of lack of education and occupational skills as main reasons for poverty.

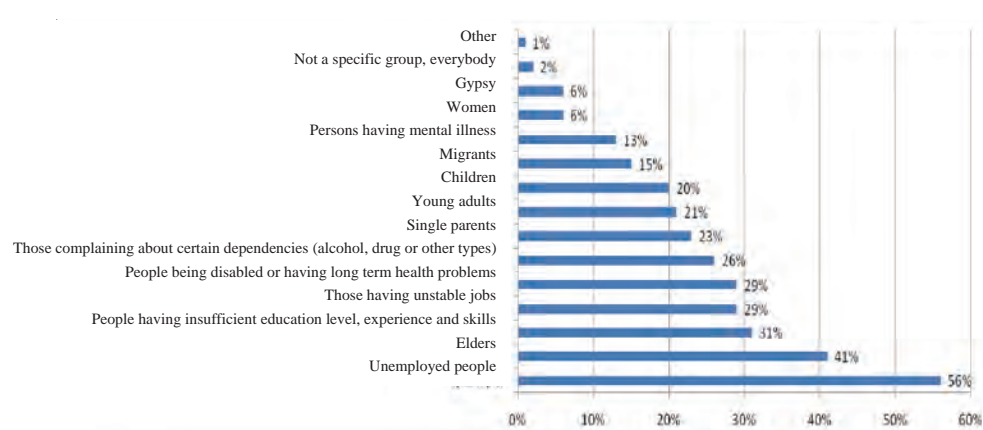
Figure 3. Poverty perception in EU: According to your point of view, when you think on side of poor people which of the following best describes their reasons for poverty? (Maximum 2 responds)



Source: EU Commission, Eurobarometer survey on poverty and social exclusion 2009

56% of participants of questionnaire indicate unemployed people as the segment representing highest risk of poverty, whereas 41% indicate older people and 31% show uneducated people.

Figure 4. Poverty perception in EU: According to your point of view, which of the following population groups faces risk of poverty?



Source: EU Commission, Eurobarometer survey on poverty and social exclusion 2009

Although significant differences exist between member countries of AB-27, 1 of every 5 young people between ages of 18 and 24 years faces risk of poverty (20%). Poverty among young population has a rate of 34% in Denmark and 27% in Sweden, whereas its rate is lower in "southern" countries, such as 9% in Slovenia.

Table 1. Socio economical data for EU poverty risk, 2007														
1. Unemployment and Poverty														
EUROSTAT	GSYH Growth Rate*	GSYH per capita**	EUROSTAT	Workforce Ratio (% -15-64 age)						EUROSTAT	Unemployment Ratio (% of workforce)			
				15-64			15-24	55-64	15 +					
				Total	Man	Woman			Total		Man	Woman		
2000	3.9	115.3	2000	62.1	69.2	55.2	28.6	30	2000	9.1	7.6	10.9	20.1	
2005	1.9	110.8	2005	63.1	68.8	57.6	20.7	38	2005	9.7	8.8	10.7	22.7	
2008f	0.7	105.7	2007	64.6	69.3	60	31.5	38.3	2007	8.3	7.8	8.9	19.4	
* Growth rate on the basis of GSYH fixed prices (2000)-y % change on annual basis; ** GSYH per capita (EU27=100); f:estimation														
2. Demography and health														
EUROSTAT	Life expectation in birth		Life expectation at 65 years old		Healthy Life Expectation at Birth		Infant Mortality (2007 instead of 2006)	WHO-OECD	Total Health Expenditure (%GSYH)	Public Health Expenditure (% TSH)*	Out of pocket Expenses (% TSH)	EU-SILC	Unexpected Health Expectations (%- Population)	
	Man	Woman	Man	Woman	Man	Woman								
1995	73.9	81.8	16.1	20.6	60	62.4		1995	9.9	79.7	7.6	-	-	
2000	75.3	83	16.8	21.4	60.1	63.2	4.5	2000	9.6	79.4	7.1	2005	1.7	
2006	77.3	84.4	18.2	22.6	62.7b	64.1b	3.8	2006	11.1	79.7	6.7	2006	1.5	
s: Eurostat estimation ; p: temporary; b: breaking in series *TSH: Total Health Expenditure														
3. Expenditures and sustainability														
Social Protection Expenditures (Esspros) – functional % total benefit										Expenditures in accordance with Age				
EUROSTAT	Total Expenditures* (% GSYH	Old people and those being alive	Disease and Health Services	Unemployment	Family and Children	Home and Social disintegration	Disability	EPC-AWG	(2008) Elder dependency rate	Expenditure Level 2004 and Changes as of 2004				
										Total social expenditure	Public Retirement Pension	Health services	Long-term protection	
1995	30.3	43.5	28.3	7.9	10	4.5	5.9	2004	25.3	26.7	12.8	7.7	0	
2000	29.5	44.4	28.8	7.2	9.1	4.7	5.9	2010	25.8	0	0.1	0.3	n.a	

2006	31.1	44.3	29.9	6.9	8.6	4.3	6.1	2030	39	1.9	1.5	1.2	n.a
* includes administrative expenses													
4. Social inclusion and retirement pension adequacy (Eurostat)													
Poverty Rate				Poverty Risk				Income inequality			Fixed in Poverty Risk		
SILC 2007	Total	Child 0-17	18-64	65+	Total	Child 0-17	18-64	65+	S80/S20			Total-constant 2005 threshold	
Total	13	16	12	13	17	15	17	19	3.8			2005	13
Man	12	-	11	12	17	-	18	19	-			2006	13
Woman	14	-	13	14	16	-	17	19	-			2007	13
Individuals living in unemployed households					Long-term unemployment rate					Man- Drop-out			
% 18-59* age					% 15-64 age					% 18-23 age			
Child	Total	Man	Woman	Woman	Total	Total	Man	Woman	Total	Total	Man	Woman	
2001	9.2	10.3	8.9	11.6	2000	2.9	2.4	3.6	2000	13.5	15	12	
2004	9.6	10.8	9.5	12.1	2004	3.9	3.5	4.3	2004	14.2	16.1	12.3	
2007	8.7	10	9	11.1	2007	3.3	3.1	3.6	2007	12.7	14.6	10.9	
* : excluding students; i: methodological change; b: breaking in series													
SILC 2007													
Relative income 65 +		Total	Man	Woman	SILC 2007				Total	Man	Woman		
		0.9	0.93	0.89	Total Replacement Rate				0.61	0.61	0.61	0.54	
Change in theoretical replacement rates (2006-2046) – source ISG													
Changes, in accordance with percentages, (2006-2046)					Assumptions								
Net	Net Substitution Rate				Coverage Rate (%)				Support Rate				
Total	Total	Legal Wages	Legal Projects in accordance with types*	Occupational & Voluntary Wages	Supportive Projects in accordance with Types**	Legal Wages	Occupational & Voluntary Wages	Legal Wages (or Social Security)	Occupational & Voluntary Wages		Current prediction (2002)	Assumption	
-18	-16	-16	DB	/	-	100	/	20	/				
* (DB: Defined benefits; NDC: National Defined Contributions ; DC: Defined Contributions) ; ** (DB/DC)													

Source: Eurostat

III. Dimension of Poverty And Social Exclusion In Turkey

Utilization of common documents like social inclusion documents at EU level shall facilitate comparison of poverty and social exclusion dimensions in Turkey. "Household Workforce Questionnaires" of TUIK provide easiness regarding identification of poverty limit and other socio-economical analysis. TUIK initiated generation of statistics about income distribution in 1987 together with questionnaires for Household Income and Consumption Expenditures and started a new study named "Survey about Income and Life Conditions" as of 2006 to obtain information about income distribution, living conditions; income based relative poverty and social exclusion issues.

According to the results of 2007, income earned by the first 20% group is 8.1 times more than income of the last 20% group³. Gini's coefficient representing a measure for unequal income distribution showed a decrease of 0.02 points in 2007 when compared to the figure in 2006. Average annual utilizable income per household is estimated as TRY 18 827 in 2007. **In accordance with 2007 results, 20,6% of population is under poverty limit on the basis of equal household income.**

According to 2008 poverty study of TUIK (December 1, 2009), national poverty rate in Turkey is 17,11%, but this rate is not enough to make comparison with members of European Union. Same method cannot be used in real comparison as same statistical database is not used. However, poverty rate defined as people living with 60% less income of middle income of the country is estimated above 25% and this rate represent the highest figure among EU member countries (2005)⁴.

Achieving the level of EU standards in unemployment, irregularities in income distribution and regional differences seems to be a precondition to catch the required level for social exclusion and struggling with poverty. When unemployment rates are compared, difference between EU and Turkey is great.

Unemployment Plays A Significant Role In Social Exclusion In Eu

Sense of social inclusion has increased together with impact of 2008 crisis and one of the main reasons for this increase is raising unemployment ratio. While participation to the working life rate was increased to 66,4% in 2008 in EU-27, this rate is decreased to 64,6% in first quarter of 2009. In addition, rate of unemployment decreased to 6,7% in March 2008, increased to 8,9% in June 2009⁵. Relative poverty risk rate showed an increasing trend between 1980s and middle of 1990s in EU countries and re-increased until middle of 2000s or kept same levels. In EU general, poverty risk of adult unemployed people being at working age is 3 times more than those having a job (a ratio of 8% against 27%).

However, the most important change during above stated period is increasing threat of poverty risk against **young population**.

In EU general, unemployment rate of young population being at the age of 15-24 years was 15,4% in 2008 and was two times of adult unemployed group being at the age of 25-54. Ratio of this unemployed young population included within 15-24 age group to the total population in same age group is 6,9% in 2008 in EU27. Another issue stated in the report published by EU Commission named "Employment in Europe 2009" is higher rate of unemployment among men when compared to the women.

A small decrease rating to 7,3% was achieved in employment of 15-24 age group; main factors causing much more impact on young population due to global crisis are as follows:

-Decreasing rate of recruitment

3 (www.tuik.gov.tr).

4 Role of Non-Governmental Organizations in Struggling with Poverty and Social Exclusion, Workshop Study with Participation of European Network of Struggling with Poverty Representative, April 17, 2006, Monday Bilgi University,

5 EU Commission, The Social Protection Committee, Manuscript completed in September 2009, GROWTH, JOBS AND SOCIAL PROGRESS IN THE EU A contribution to the evaluation of the social dimension of the Lisbon Strategy,

-Prioritization regarding dismissal of young population when compared to senior employees.

However, poverty risk of unemployed people increases to 43%, which shows that working is the most effective protection method while struggling with poverty.

In addition, social security of unemployed people represents significant differences when compared to those of member countries. Rate of poverty risk of unemployed people is above 50% in Bulgaria and higher in Germany, Estonia, Lithuania, Latvia and England. Differences between member countries arise due to social security scope, category of unemployed people and type of household where they belong.

High rate of unemployed young population and inactive young population in Turkey points out that impact of social exclusion problem may increase.

According to TUIK data, participation rate of young people to workforce increases. In 2007, this rate was 37,7% and increased to 38,7% in 2009, whereas participation to the workforce rate is increased to 50% during the 3-month period of 2010 covering June – July – August months.

Table 2. Unemployed young population status in Turkey (15-24 age)

Years	Participation to the workforce ratio %	Unemployment rate %
2009	38,7	25,3
2008	38,1	20,5
2007	37,7	20
2006	37,9	18,7
2005	38,7	19,3
2004	39,3	19,7
2003	38,4	20,5
2002	40,9	19,2
2001	42,1	16,2
2000	42,5	13,1

Source: TUIK, 2010

While unemployment rate among young population was 20% in 2007, this rate increased to 25,3% in 2009. Slight decrease to the level of 19,1% in unemployment rate of young population in June 2010 period is encouraging. However, rates are critically high and number of unemployed young population is increased by 218 thousand people during the last one year and became 1 million 148 thousand people.

Rate of young unemployment in cities was 27,3% in 2007. While unemployment rate among young population in cities was 28,1% during June period of 2009, this rate decreased to 23,1% in 2010. However, this slight improvement cannot mitigate size of the problem; nearly one of every three young people living in cities is unemployed.

Another issue pointing requirement regarding immediate elimination of the problem in Turkey in comparison with EU is rate of inactivity.⁶ This rate is 7% in EU general and 9% in OECD, whereas increases to 35% in Turkey representing the highest rate among OECD countries.

Having a job does not constitute a guaranty against risk of poverty in EU and Turkey and “working poor people” constitute majority of risky group.

8% of people working live under limit of poverty according to the data of 2007 in EU. Working poor people constitute one third of people at the age of working and under risk of poverty. In

⁶ A concept used to define status of young people not continuing their education or not working in OECD.

conclusion, poverty of working people is ranked as the first factor causing poverty of children in many countries. Poverty of working people arises due to some working types such as low salaries, lack of job, temporary and irregular works and involuntary part-time jobs. Structure of households also affects poverty of working people; households depending on income of a person or households consisting of people working fewer hours are some examples.

Not only unemployment, but also how unemployment is lived, as well as status of working people create different cases. Poverty of working people, in other words poverty rate among working people is a significant matter of fact.

-According to the data of TÜİK, while poverty rate was 5,93% among paid-salaried working people in 2008, this rate was 28,56% among jobbing people, 1,87% among employers, 24,10% among those working on his/her account and 32,03% among those being unpaid family worker.

-While poverty rate of those working in agricultural sector, which represents the highest risk of poverty, was 32,05% in 2007, this rate was estimated as 37,97% in 2008. Rate of poverty among those working in industrial sector is calculated as 9,71% in 2008, whereas this rate is obtained as 6,82% for the people included in service sector. Poverty rate of individuals not being active in economical sense is 13,73% in 2008 and poverty rate of individuals searching for a job is 17,78%. (TÜİK, 2008 RESULTS OF POVERTY STUDY, December 1, 2009)

As it is obvious from above stated figures, although significant part of people work in Turkey, poverty limit cannot be exceeded and "working poor" segment arose which is a significant issue required to be considered.

Impoverishment of working people has higher rates in provinces.

Despite decrease in wage levels, commercialization of communal services in metropolis decreases level of working segments under poverty limit and unemployed people, other non-working disabled persons, elders, children and women, as well as young people and other sections whose in-house effort is not paid are included under poverty limit.

Poverty in cities is related with temporary, insecure and informal job types.

Unlike EU, economical growth in Turkey is not capable of creating adequate employment.

The fact of failure in achievement of significant decrease in unemployment ratio of young population despite consistent growth period after 2001 crisis should be highlighted and considered. During the period when economical indicators represented positive growing trend, improvements observed in employment and workforce market presented negative patterns during 2000-2005 period.

- While GDP increased by 4,4% on average and on annual basis, total employment increased by 0,4%.
- While rate of unemployment was 6,5% in 2000, this rate increased to 10,3% in 2005.
- As of 2005, share of those employed within population of working age was about 43,4%.
- Population of working age increased by 1,9% on average annually, whereas rate of increase was 1,3% for workforce and 0,4% for employment.

Table 3. Growth and employment in Turkey

	2000	2005
GDP (Billion TRY)	124,6	487,2
Per Capita National Income (GDP, \$)	2,879	5,042
Total Consumption (% change)	6,3	8,1
Total Fixed Capital Investment (% change)	16,9	24
Export (Billion \$)	27,8	73,4
Import (Billion \$)	54,5	116,5
Income due to Tourism (Billion \$)	7,6	18,2
Population (Million People)	67,4	72,1
Labor Force Rate (%)	49,9	48,3
Employment Rate (%)	46,7	43,4
Unemployment rate (%)	6,5	10,3

Source: TÜİK

Lack of production, manufacturing and investment is the most significant reason for increasing employment generation problem despite growth rate of Turkey.

Although our export figures exceed 100 billion dollars, failure in generation of employment causes due to low added value.

As a current example, foreign trade figures of TÜİK for the 6 months can be observed. While our exportation figure increases by 14,9% during the first 6 months of the year, increase in importation was 34%.

Increase in intermediate goods from 44 billion dollars to 60 million dollars is an essential data required to be considered in terms of failure in employment generation; in other words, export figure of Turkey is 54,8 billion dollars during the first 6 months of the year, whereas value of imported intermediate goods is 60 billion dollars. This data emphasizes low added value of Turkey; the problem in terms of employment is utilization of imported products instead of products of our SMEs manufacturing intermediate goods to keep competitiveness level in exportation.

Constituting extremely large share of the economy, SMEs are affected mostly from crisis and increasing importation as their intermediate goods are focused on manufacturing industry. Accordingly, production having the capacity to create employment is restricted.

Decrease in employment rate of agricultural sector and failure in generation of regional alternative areas for the workforce arisen due to agriculture is significant factor in terms of young population.

However, 700 thousand young people participate in workforce in every year in Turkey. Minimum 400 thousands of them demand for employment. Others are at the age of education. Besides, migration is a significant different in comparison with EU countries. Migration from towns to the cities has adverse impacts on unemployment and poverty rates.

Migration increasing social exclusion in cities is another significant difference in terms of EU.

Weights of sectors within economy changes during structural transformation of economy, which impact sectoral distribution and population movements of employment. Migration movements arisen due to economy or mandatory reasons make workforce planning difficult in Turkey.

Migration increased due to economical reasons

Population migration intensified in cities in connection with industrialization and urbanization restricts improvement of employment opportunities and living conditions, thus increases poverty in cities.

Obvious increase in migration of middle age group to the cities was recorded towards 2000s. While 3,6 million people constituting 9,3% of total population migrated to cities during 1975-1980, 6,7 million people constituting 11% of total population migrated during 1995-2000 period.

92,86% of people migrated during 1995-2000 is literate and has primary school graduation.

However, 57,87% of migrated people included within the age group of 12 years or more is included within workforce (employment + unemployed), 42,13% of them are not included within workforce during 1995-2000.⁷

Mandatory migrations arisen due to terrorism increased problems.

Migration from rural areas to the provinces in Eastern and South Eastern Anatolia Regions and migration from eastern cities to west cities as of beginning of 1990s added to this migration arisen due to economical reasons. These migrations are originated because of safety and terror problems. These people migrating from East and South East Anatolia Regions to the cities generally lived in shanty towns and under unhealthy conditions and houses and were lack of adequate job and income opportunities. Their level of social exclusion increased due to their insufficient education level and inclusion within unqualified workforce.

In accordance with TGYONA (Turkey Migration and Displaced Population Survey, 2006) results:

. Approximately 86% of those migrated due to safety purposes consist of people at working age (15-64 age)

• 87% of people migrated due to safety purposes stated the reason of their migration as reasons out of their desire.

. 55% of migration realized due to safety reasons is family migration and 42% of them represent migration by partial or total abandonment of associated settlement.

. Approximately 40% of those migrated due to safety reasons left their settlement within one week as of their decision of migration. (Urbanization council, "Provincial poverty, migration and social policies", Ankara 2009, Republic of Turkey, Ministry of Public Works and Settlement)

Rate of poverty increased after migration and problems, such as unemployment, employment of child workforce, not having any house increased social exclusion.

Except for mandatory migration, regularity of economical connection between cities and towns strengthened their power to stay in cities and they also availed to those living in towns during migrations realized until 2000s. However, rupture of connections of population surrogated deepened poverty and social exclusion.

In addition, spatial exclusion of population moved to cities after 1990s decreased their resistance against poverty. As of beginning of 2000s, high unearned income opportunities provided by cities caused rapid change in shanties. This transformation started with shanty renting in 1990s continued with elimination of shanties in the framework of urban transformation project in 2000s as a result of which shanties left their places to residences.

Status of population not being corporate in accordance with their living condition is as follows;

In accordance with 2007 results;

⁷ Urbanization council, "Provincial poverty, migration and social policies", Ankara 2009, Republic of Turkey, Ministry of Public Works and Settlement

- 39,1% of them face problems such as “leaky roof, humid walls, decayed window frame, etc.”.
- 39,8% of them faces heating problem due to insulation.

• 55,5% of them has payments and liabilities (except for residence purchasing and residence expenses) and these payments brings overload to 23,3% of them.

• Household of more than 70% cannot meet “one-week holiday far from home”, “unexpected expenditures” and “renewal need of old and worn furniture” (TUIK, study named “Income and Living Conditions Survey”).

Functionality keeping poor people of shanties in cities is to end. The mostly affected parties of this transformation are children, youths, women and disabled people, etc.

Importance of sectors within economy changes during structural transformation process of economy, which impact sectoral distribution and population behaviors of employment. Migration movements arisen due to economical or mandatory reasons increased black economy in Turkey.

Black economy is a factor distinguishing Turkey from EU in terms of social exclusion of young population.

Lower employment rates cause generation of informal segment and payment of lower salaries to this segment.

According to 2007 (household Workforce Questionnaire) HIA⁸ results, 46,9% of those employed in Turkey works without registration to any social security organization. This rate is 40,9% among men and 63,9% among women. Reason for higher rate of women is their employment in agricultural sector. Except for agricultural sector, total rate of unrecorded employment is 32,2%; however, this rate is 87,6% in agricultural sector.

33,4% of those employed in cities work without registration to any social security organization. This rate is 32,5% for men and 36,6% for women.

Total unrecorded employment rate is 31,1% in other sectors out of agriculture; however, this rate is 83,6% in agricultural sector.

Table 4. Employment in accordance with registration at social security organization, 2007

(15+ age group, thousand person) (City)

	Total				Defined				Not Defined			
Gender	Total	Registered	Not Registered	Informal*	Total	Registered	Not Registered	Informal*	Total	Registered	Not Registered	Informal*
Total	12593	8399	4205	33.4	561	92	469	83.6	12032	9296	3736	31,10
Man	9933	6703	3230	32.5	327	95	242	74	9606	6617	2989	31,10
Woman	2660	1696	974	36.6	234	7	228	97.4	2426	1694	747	30,80

Source: TUIK, Household Workforce Questionnaire Results

(*) Informal: those working without registration at any social security organization

Workforce planning in Turkey became much more difficult due to problems generated by migration and increasing informality. This is the reason why education sector cannot educate workforces demanded by industry and service sectors and regional requirements.

⁸ According to the results of annual HIA of Turkish Statistical Institute (Household Workforce Questionnaire), incorporate population increased to 68 million 897 thousand people as of 2007. Population non-institutional, but at the working age (15 years old and above) is estimated as 49 million 215 thousand people and total workforce is calculated as 23 million 523 thousand people. When distribution of employment is analyzed in four sectors named agriculture, industry, construction and services, share of agriculture is calculated as 26,4%, industry is 19,7%, shares of construction and service sector are 5,8% and 48,0% respectively. As for cities, share of agriculture within total employment is 4,5%, industry is 26,3% and shares of construction and service sector are 7,1% and 62,2% respectively.

Education sector in Turkey cannot educate workforces demanded by industry and service sectors and regional requirements.

Despite high growth rate of turkey during recent years, it is observed that application of a strategy based on low costs and cheap imported intermediate goods to achieve competitiveness is not sustainable.

It is obvious that economical growth and employment strategies generated by Turkey in accordance with EU membership perspective should target competitiveness on the basis of information, skills and innovation.

In addition to universal basic education, leveled skills and open workforce market where people can utilize their human capital effectively are required.

"Occupational and technical education mobilization starts. Basic problem of our country is not unemployment, but lack of any profession. 60 percent of unemployed people have high school graduation and lower level. This study means job opportunity for 200 thousand people in a year."

AKP (Justice and Development Party) Assistant of President Bülent Gedikli, 13.06.2010, Hürriyet

Education decrease rate of long-term poverty and unemployment. While poverty rate of illiterates was 39,59% in 2008, this rate was 13,44% among primary school graduates, 5,64% among high school and equivalent vocational school graduates and 0,71% among academy, faculty and upper level graduates. Risk of poverty of children smaller than 6 years old and who has not started primary education yet is 22,53%. (TÜİK, 2008 POVERTY STUDY RESULTS, December 1, 2009)

However, it is observed that employment opportunities of young workforce just graduated or completed high school and upper level education are less in Turkey. In other words, qualities gained by formal education system do not comply with requirements of workforce market.

Table 5. Education Status of Workforce, 2006

	Illiterates	Those being literates, but not completing any school	Primary School	Secondary school or equivalent vocational high school	High school	Vocational high school being equivalent of high school	College or faculty	Primary Education	Total
2009	1.089	1.167	9.394	2.256	2.764	2.519	Mar.78	1.779	24.748
2008	1.025	01.Kas	9.215	2.278	2.742	2.504	3.503	1.428	23.805
2007	1.045	1.031	9.188	2.379	2.745	2.451	3.195	1.081	23.114
2006	1.243	1.088	10.471	2.755	2.857	2.495	3.067	800	24.776
2005	1.324	1.069	10.764	2.736	2.908	02.Mar	2.827	636	24.565
2004	1.537	890	11.467	2.619	2.925	1.917	2.558	377	24.289
2003	1.606	672	Kas.44	2.545	2.573	1.979	2.624	203	23.64
2002	1.728	722	11.885	2.488	Şub.56	1.889	2.406	140	23.818
2001	1.959	793	12.093	2.289	2.521	1.629	2.114	92	23.491
2000	1.985	750	12.012	2.254	2.606	1.384	2.037	50	23.078

Source: TÜİK, 2010

Structuring of vocational high school and vocational schools shaped in accordance with needs of workforce market is extremely insufficient in education system of Turkey.

Businesses see conflictions between skills brought by graduates to the workforce market and skills demanded by them.

Besides, requirement regarding different experiences and skills complying with increase in urbanization of education and its orientation towards service sector should also be considered.

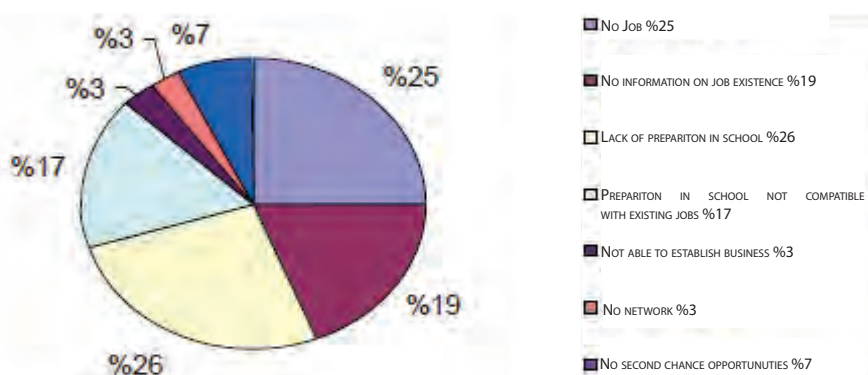
More than 40 percent of young people participating to Contributing Workforce Market Questionnaires states that insufficient preparation during education or senseless education is the most important difficulty encountered by young population while passing to business life.,” (Investing in Next Generation of Turkey: Transition from School to the Business Life and Development of Turkey”) World Bank, Human Improvement Sector Turkey Unit Europe and Middle Asia Region Report No. 44048 – TU, June 2008, page 26).

According to the same survey, conflictions are identified between skills demanded by employers and skills of many students after completion of their high school education.

In fact, vocational schools and vocational high schools are extremely insufficient despite their potential to increase employability and expectancy regarding their capacity to prepare students for a specific occupation. Transition of students having weaker experiences and skills to a more advanced education limits participation of this population to the employment.

One of the basic problems encountered by young population of Turkey emerges when they complete their educations and during first entry to workforce market. Lack of sufficient knowledge about job search, failure in introduction of vocations, inadequate guidance and carrier consultancy services and lack of experience create obstacles in front of young people.

Figure 5: The most important difficulties encountered by young population during passage to working life from schools, Evaluation of Participating Workforce Market



Source: (Investing in Next Generation of Turkey: Transition from School to the Business Life and Development of Turkey”) World Bank, Human Improvement Sector Turkey Unit Europe and Middle Asia Region Report No. 44048 – TU, June 2008

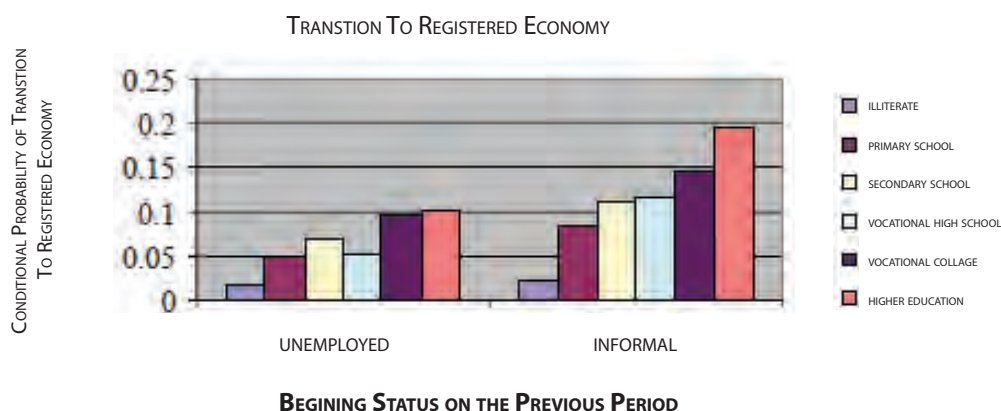
Obstacles encountered by young people during job search and accordingly, demotivation are observed as reasons for low participation to the workforce rate (in other words, exclusion from workforce due to pessimism regarding job finding). Experiencing unemployment at early ages and during long terms causes loss of self-confidence and removal of certain capabilities. Long-term unemployed young people works against lower salaries and devoid of social rights in informal sector or faces serious problems in following years due to giving up job search.

Employment rate is lower among young people whose education level is low

Less than 23 percent of those whose education level is lower than primary education and 33 percent of primary school graduates are employed as of 2005.

Increase in employability of young girls has close relation with increase in their education level. As of 2005, only at about 15 percent of women having primary school graduation or lower education level was included in workforce in cities. This rate was 40 percent among young girls completed high school and approximately 80 percent for those completed their higher educations.

Figure 6: Recorded Employment in accordance with Educational Status



Note: Model used to anticipate conditional probability is "multi-term logit" estimated for women and men and age, education, marital status and geographical region control groups separately.

Sources: Calculations of authors performed on the basis of 2004 and 2005 Household Workforce Questionnaire data.

Source: (Investing in Next Generation of Turkey: Transition from School to the Business Life and Development of Turkey) World Bank, Human Improvement Sector Turkey Unit Europe and Middle Asia Region Report No. 44048 – TU, June 2008

In addition, according to the same survey, when educated young population is compared with youths eliminated from recorded employment one year after, possibility of their inclusion within recorded employment is higher (more than 50 percent).

IV. Recommendations

It is obvious that the most important step to be taken to struggle with poverty and social exclusion of young people shall be transition to an education system meeting current and future employment expectations.

Turkey should evaluate possibilities making the country stronger:

1. Our country has educated, young and dynamic population,
2. Utilization rate of information and communication technologies among this young population is high,
3. Poverty is perceived as social and political process,
4. During integration of poor people with cities, extremely serious problems have not been accumulated,
5. Turkey has entered to economically stable environment,

6. Sensitivity is created within rural development by means of EU programs and certain precautions regarding employment in rural areas are brought to the agenda
7. Availability of high production potential in agricultural areas

All above stated qualities can be counted as opportunities facilitating policies to be applied to make young population gain employability skills and access to better jobs.

1. Global economical crisis and accordingly, unemployment,
2. Increase in spatial exclusion in the scope of unearned income based urban transformation,
3. Evaluation of metropolitans as attractive centers by the population giving up agriculture as they cannot find any other place to live,
4. Limited employment opportunities in manufacturing and service sectors due to weak production capabilities,
5. Unemployment among young population and poverty of working people became a matter of urban safety.

To overcome above stated threats, employability of our young population should be increased and they should be furnished with characteristics complying with requirements of workforce market.

Education, life time learning and provision of second chance to young people to provide their integration with workforce market are the most important means to improve competitiveness, protect employment and struggle with social exclusion.

"Life time employment guaranty" is not stated anymore in EU member countries together with global crisis, "life time education" and "employability" concepts and "including growth" and "including skills" gained validity. As it is observed in EU, claim of Turkey should be to provide an education responding qualifications demanded by workforce market and to secure new employment opportunities.

New proceeding new skills agenda of EU

Destructive impacts of global crisis on European economies and deepening structural problems start to threat large scaled social gaining such as France. Together with collective redundancies in EU countries as of end of 2007, communal harmonization took a major blow due to problems in financial statements and millions of unemployed people.

As Lisbon Strategy applied as of 2000 to make Europe the most competitive, dynamic and information based economy could not produce expected results during the last 10 years, EU adopted Europe 2020 Strategy on March 3, 2010 in order to comply with new competition environment changed with global crisis.

Planning to increase its competitiveness at global level and by considering social and environmental issues through Lisbon Strategy, Europe aims to achieve high employment rate, production capacity and social harmonization, as well as turn to a sustainable and encapsulating social market economy as of 2020.

Objectives of EU planned to be realized as of 2020 include intelligent, sustainable and encapsulating growth priorities. Following targets also draw attention in terms of Turkey due to provision of high employment level by which social and regional harmonization is to be achieved:

-EU members aim to increase employment rate of 24-60 age group to 75%, which is 69,1% now. Inclusion of women, elders and migrated people exposed to social discrimination within workforce market is a priority.

- Rate of those having secondary school education or less educational level is 14,4% in EU countries; by considering this fact, EU member countries aim to decrease this rate under 10% until

2020, as well as aim that minimum 40% of young population shall have higher education level.

-Number of people exposed to poverty and social exclusion risk in EU countries is 120 million 322 thousand. EU countries aim to decrease figure of those being exposed to risk of poverty and social exclusion by at least 20 million as of 2020⁹.

Approach adopted in the scope of Europe 2020 strategy prioritized improvement of education quality of young population by facilitating their employment through a sub-objective named "Mobile Youths" on the basis of Intelligent Growth target.

Sub goals adopted in the framework of inclusive growth target are as follows:

- European Platform against Poverty: share of benefits of growth and employment by everyone, provision of honorable life to the victims of poverty or social exclusion,

- New works and skills agenda: Modernization of workforce markets, increase in employment rate of people; providing harmony between demand and supply in workforce market, contributing to improvement of skills of individuals by means of life time learning, including workforce mobility. Illustrations such as EU Skill, Competencies and Occupations taxonomy and EURES "Match and Map" service can be presented as an example regarding attempts developed in the framework of New Jobs and Skills Agenda. Employment and skill demand and supply estimations of CEDEFOP shall be renewed once in every two years.

In addition, new steps shall be taken in terms of provision of harmony between employment and education-skills by means of communication and solidarity between international organizations, such as OECD, ILO and countries.

During realization of above explained strategy, efforts shall be presented to make efficient utilization of resources allocated to member countries by EU and it shall be aimed that resources are to be shifted to education policies complying with employment expectations in the framework of life time learning and youth mobilization.

Establishment of education-employment link and making vocational education incentive shall play a key role to facilitate recorded young employment and improvement of young entrepreneurs.

Establishment of "**National Young Employment Strategy and Action Plan**" on the basis of inclusive growth approach complying with EU 2020 objectives should be prioritized target to increase recorded employment of young population and **prevention of their social exclusion and poverty.**

- Term of compulsory education should be increased to 12 years when the issue is considered in terms of EU perspective and global competition; however, this shall not be sufficient step by itself; it should focus on needs of education system, workforce market and information economy and educate young population having high level of skills.
- In order to create a strong base for common skills and experiences, obstacles between general and vocational education should be removed. More flexible and effective education system is needed within secondary education institutions and after secondary education.
- Modernization and expansion of higher education, improvement of private sector-university collaboration shall make more young people prepare for the workforce market.
- Education should be planned in accordance with estimations regarding workforce market requirements in general country and on the basis of cities. In order to follow data in continuous and healthy manner and on the basis of regions and cities, realization of "Workforce Market Information System" and Common Database being similar to EU CEDEFOP is a requirement. Data monitoring on the basis of region and city is mandatory for elimination of inferiority in

⁹ "Europe 2020 strategy" Seven Erdoğan, Ministry of Labor and Social Security, Bulletin of Presidency of EU Coordination Department, June, July, August 2010

education, as well as inequalities in education, directing resources towards risky groups such as young people living in eastern cities and poor families, mitigation of inflexibility of the system and achievement of curriculum reform.

- Realization of Vocational Competency System is a significant means bringing education and workforce market closer.
- Programs regarding active workforce market focusing on secondary school graduates and higher level education receivers in Turkey should be directed towards young population having lower education, as well as young population from low-income families and young women. To support those encountering the most enormous problems during entry to the workforce market, targeting second chance programs for disadvantaged young population is extremely important. Most of second chance interventions cause high costs when more than one service is provided; therefore, specific targeting is essential.

Preparing young people for better jobs requires reform in education system making them gain required skills. Turkey should be directed towards education policies regarding establishment of harmony between workforce demand and supply to increase employment rate, as well as modernization of workforce markets. Targets should be established to contribute improvement of skills by means of life time learning, including “new jobs, new skills” approach of EU and workforce mobilization.

However, elimination of special conditions shall clear the way for young employment and contribute to the struggle with poverty.

Immediate elimination of special obstacles in front of young employment in Turkey is of vital importance.

Due to crisis and increasing intermediate good importation, manufacturing gets weaker as a result of which employment desire of companies is dispirited; therefore, incentives for employment of young population and measures promoting entrepreneurship of young people are needed.

Therefore, following recommendations of TİSK regarding employment of young population is highly important: *“according to our point of view, employers shall contribute to the increase of employment by means of certain precautions such as meeting 5-point part of employers’ share regarding long-term insurance by the Treasury on the basis of law no 5763; premium support provided to the employers regarding employment of young people, women and disabled people; removal of employment obligation of ex-convicts and terror-stricken; realization of obligations such as nursing room and child care dormitories, opening of business place health unit, employment of workplace doctor and work safety engineers by means of out sourcing.”*¹⁰

Decreasing tax and premium on employment, as well as decreasing ratio of this load to the workforce cost to the average levels of OECD shall constrict unrecorded working of young population.

According to the estimations of World Bank, 7-point decrease in employer’s share of social security premiums of under 30-age workers shall create additional 70.000 new recorded jobs. This figure represents 2% increase in recorded employment of relevant age group. (TİSK)

Decrease of unemployment among young population and increase in participation to workforce rates shall be provided by dissemination of flexible employment types and structuring of Labor Law accordingly.

Heavy severance payment and strict work safety arrangements are the main obstacles during entry of young population to a business place. This load makes competitiveness power weak and

¹⁰ Türkiye İşveren Sendikaları Konfederasyonu’nun Gençlerin İstihdamına İlişkin Görüş Ve Önerileri, 15 Aralık 2009

promotes unrecorded employment of young people; therefore, its re-evaluation is extremely important in terms of global competitiveness.

“Seasonal employment by means of special employment offices” system should be realized after required legal amendments; by this way, this difficulty preventing participation of young population to the working life due to “lack of experience” shall be mitigated.

Conclusion

Manifestation of differences regarding poverty and social exclusion reasons of young population on the basis of EU-Turkey comparison shall contribute to the results indicating that same social model applied in EU cannot be adopted in Turkey.

It is obvious that conditions specific to Turkey existing in front of young employment should be eliminated and **innovative models applied in EU to facilitate acquisition of new skills and occupations by young people and being effective in terms of long-term struggling with unemployment should be adopted in Turkey. Deep and comparative analysis of these models shall contribute to application of social contributive “National Young Employment Policy” complying with EU, but being specific to Turkey.**

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THE OPTION OF GRAMEEN BANKING AGAINST POVERTY*

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Abstract

The Grameen Banking's microfinance system was founded by Bengali economist Muhammad Yunus in 1976. Poor women were in the centre of Yunus's project and in time this foundation spread in many countries. Today, this system has quite different applications from classical banking for international strategies against poverty. However, we must realise that, Grameen Banking system's international applications and development ideals have many local origins. Because of this situation, social mobility and unemployment factors are especially emphasized in this study. Thus, the aim of study is limited by these factors.

Key Words: Poverty – Grameen Bank – Social Mobility – Unemployment

The Grameen Banking, founded by the Bangladeshi economist professor Muhammad Yunus in 1976 by considering that poverty is not an obligation, now stands out as a universal scale with its applications. The system, with its essence, expresses the support required with only very little amounts of financial sources to those that cannot afford to supply the least standards of life and is in need to be directed to produce and provide any good and service.

From such a point of view the Grameen Banking System and the micro lending supplied is faced with a issue in wide means as it is used as an economic policy against poverty. So, therefore, the current study will not refer to the basis of local features or will not deal with the practices applied in detail. What is essential here is that how the micro lending can be used as economic policy against poverty. The actual question here to be answered is whether such an application can really hold a generally accepted feature. It is widely known that poverty is related to a large mass that don't or cannot join production. However, just opening the ways to micro lending in order to gain such a mass into production does also carry some limitations along with it. Even with such limitations expressed, The Grameen Banking System is widely spread worldwide and may be a way to a solution against poverty for such an important issue that is felt in greater means

* The original version of this paper is in Turkish and English translation is appeared here. The original version of the paper is appeared on the Turkish version of the Edited Collection of the Symposium.

each day in our country. The most important step here to follow is to learn the system itself previously having it realized. The study is divided into three parts within the light of the reasons briefly stated above.

In the first section of the study, general information related to the Grameen Bank, its historical threshold points and main principles of the system are given. As for the second and third parts, the two main factors which base the study will be held. As for the basis mentioned, the first factor is about the poor, which forms the target group of lending and its immobility in the society, particularly in means of women. The immobility which actually guarantees the mass which is involved in the production to pay back the lending also brings along several issues for the process of the system. On the other hand, it is very clear that the products and services given by those taken in the capitalist system for the activities in means of those lent for production are in demand and need. The existence of the outcome of such production and demand has a fundamental importance for the lending system to be continued. Therefore, the persons who are involved in economic life via the low lending system is actually involved in a system that works in two means, namely as supply and demand. The profit gained from the produced goods and given service is a determiner process for the Grameen Banking to be continued. As a result, both the limitations of mobility in the society for women and the lending at micro levels with the high interest rates applied for the payback of the lent money in order to take precautions of the risks that may be faced constitutes the two main factors of the system. This study which handles both of the problematic issues points to the calm points of the lending and aims to at least aid some of the worries related to that of how the system could be more strengthened.

1. The Composition of the Grameen Bank and its Main Basis

This system, which aims to supply support to the poor to help them to keep their stand in still means, was founded by Muhammad Yunus in Bangladesh and started as a banking activity in the year 1976. Yunus, who was born on 28 June, 1940, as an academician could not remain unconcerned to the issue of poverty which showed itself up with deep and widespread means in Bangladesh. Yunus, who was born as the third child of a Muslim family with nine children, assisted his instructor Nurul Islam at Dhaka University, Department of Economics after a successful life in education. He was later assigned as an instructor at Chittagong High School. He completed his doctorate program in America which he got a full bright Scholarship and started giving lectures at Middle Tennessee University between the years 1969 and 1972. The first effect of the two he experienced from the results due to poverty in Bangladesh was realized at these terms. Both the regression between the east and west of Pakistan and the fact that India had let soldiers attack Pakistan at the time made everything go worse. Finally, in 1971, the development experienced in Bangladesh which separated it from Pakistan and made it become a free country, seems that Yunus' ideas found the chance to be realized. The second event that happened in Bangladesh once its political borders had become obvious and affected Yunus deeply was the calamity of exiguity. The country, which still was very new in political management and ruling along with the poverty densely felt, experienced a larger deconstruction by having to face the crisis seen in agricultural production. There was an extreme increase in the prices of rice with the deconstruction seen due to the floods experienced. The country, which India did not support politically or even economically, started experiencing a great exiguity concluding from all such reasons. The results of the exiguity all year round which longed for such a period caused poverty to reach fatal dimensions. The process of the rise seen in the prices of rice, as one of the most fundamental matters, for both producers and in means of food supply, was deeply felt by the poor was leading the country's economic situation to a dead end. The academic search for a solution to the issue existing in such a country whose political borders were determined was first seen in those years. The difficult question of how the issue of poverty could be shot obliged it to be solved both theoretically and practically. Therefore, Yunus, during his visits to the villages, where poverty was deeply seen, had witnessed that some production facilities can be supported with little amounts of money. Yunus, who saw women making footstools from bamboo and earning their lives with such activities, faced the problems the women experienced by owing some agents to provide bamboo. The stool producer women had come to such a point which the stools they produced could only afford to

pay back what they owe to those agents and have nothing left for them. So what was necessary here was to support these women producing stools with little amounts of money and provide them buy their own bamboo. When these women were able to reach the raw material of what they were producing with no agents, he saw that poverty could be prevented being continual. Yunus, having seeing this fact in 1976 in the village of Jobra which affected him in thoughtful means, afforded the first micro lending to these women with his own facilities and opened the doors to a new application.

For the furniture production in the village based on the bamboo, the lending to a total of 42 women only cost 27 dollars. As can be observed from this the very first example of the Grameen Banking system, there was a need to reach larger financial sources for the application to be one that activates more regular. For this reason, it was obligatory to reach larger masses of poor and have them benefit from the lending.

However, all the banks were in notice that such a system would be rather risky. The banks, which behave very carefully to ensure paybacks by requiring hypothecate, a high income or a guarantor, were actually right in considering themselves initially and having a cold look at the event of lending money to those who have no other income other than the one provided with the sales of their productions. Moreover, whereas more reliable and sufficient information is required for those who will benefit from the lending, it didn't seem smart for banks to provide such financial support to these people who had no experience in an economic situation previously. (Ersel, 2003, p. 74.) In spite of the fact, Yunus reached his first goal with a state bank, namely Janata Bank. The support provided in means of a try, was sufficient to take action for him and his students that believed in him. The second step for the system to remain continual was the rise seen in the amounts of lending. Thus, micro lending constituted a support for the poor to carry out their productions into economic means, and providing the spread of the increase in sources for the amounts to be lent in the country. Having both steps successfully realized, this meant a new banking system only founded with an amount of 27 dollars. However, no matter how nice it seems, problems did not end here. The third step had to be taken in order to encourage those poor living in rural areas who had never been cared for. In fact, the usurers were also much discomforted about the situation. However, the villagers were quite right to feel suspicious about the people just coming up to them and saying that they would lend some money. On the other hand, the lending system also aimed to decrease poverty within sectors besides agricultural activities that would provide development in strategic means too. (Şenses, 2001, p. 238-239.)

Yunus, who visited villages with his students trying to persuade people, successfully realized this hardy process and institutionalized this matter in hand. The last step was about really ensuring that the pay backs would turn up. As states previously, the banks believed in that the system would not carry on and the money lent would not be paid back properly. Yunus, who was a rather talented economist, was also aware of the fact that the suspicions were quite usual and that of those who believed in such way had logical rights. So the fourth step that had to be taken here was to express the main principles of the money lent. The women who had no mobility in society, who lived in rural areas and who always felt anxious about earning their own and families life were the target mass of the study which actually constituted as the most important stage of this step. Yunus believed that women were a better group to take as target rather than men, who he believed that the money lent to them, would be wasted in different means. On the other hand, the possibility of the pay backs to turn up was trying to be increased by lending money to a certain amount of people. In fact, the group that had received loans was effectively inspecting each other in means of the production processing regularly and of course in means of the pay backs be realized as supposed to be. The system which was based on these four steps reached a number of 28000 members in the year 1982 and took its name as the Grameen Bank in 1983. So as can be observed, the main course and principles of the Grameen Bank can only be assessed in the light of these four steps. So to gather up, the main principles that provided the system to exist can be explained as stated below:

1- The foundation of a bank whose stocks are given to the government and those who have benefitted from the credits to support the poor and provide production; and the realization of such a lending system carried out by this bank

2- To provide support from the existing banking system to supply credits

3- To surpass some obligatory factors and usury that exists in rural areas and in this way, to realize the revival of sectors besides agriculture as well.

4- The selection of women as a target group to ensure pay backs to be returned.

The Grameen Banking System, within the borders of all these facts, has developed itself with great speed. The process of the lending system support which has been based on the spiritual facts of the rural areas found new areas to be applied besides Bangladesh. The system, being not only an economic precautionary packet, also constituted to be an understanding of a whole development. According to this fact, the stabilization of women in business life, the prevention of the poor to dead ends in the capitalist system, avoiding villagers to be put upon by stronger authorities and many other social and political factors reveal the results of the system either directly or indirectly. With all such aspects, the persons who are subjected to economic relief via being a part of production found the chance to let go of the exclusive results of poverty. The Grameen Banking System which started to be applied universally from Asia to Africa, and there from to America, has lead its way with the slogan of to realize the dreams of those in need. (Counts, 2008, p. viii.) The system which is based on persuading people to benefit from the credits by visiting them via small offices has no profit orientated aim or administration. The Grameen Banking, as the address of a new banking system, expresses the principles of a rather different institutionalization with both its administration and management and the structure of propriety that belongs to the government and the poor. So what the main principle here is to directly reach and visit the people in need. This process brings along the share and partnership of the propriety by the bank. The system with the public authority and the strategic precautions that need to be applied against poverty is right after a social development in whole by taking action with women.

The Grameen Bank, in conclusion, can be considered in means of taking women into the center of effort with an innovational concept and within the borders of the minded principle of purity in all applications realized¹. The system in hand around this core has reached 45 million people around the world and has been regularly put into action in the year 2010 in America, Asia and Africa at 37 countries. The Grameen Banking System, which aims to have supported 100 million people in 2015, is receiving critics about whether the system would remain as a universal application in spite of the changing social circumstances. As a matter of fact, while one of the main reasons of the critics is the fact of the change of status of women in society, the other is the main features about the capitalist system the poor is involved in as a producer. So, two of the main questions actually points out the issue of whether Grameen Banking would be efficient in universal means and remain as one.

2. The Grameen Bank Related to the Social Mobility and Micro Lending

Initially, micro lending is based on the cultural features of poor women determined as the target group. By this means, the principles of the financial model being different from those of a classical banking brings along the issues related to the return of the loans. So, according to the fact, the problematic issue of the situation of women in particular and all groups involved in the lending system in general, why the system takes small units as central and why women form this central constitutes the most important part of this study.

The Grameen Banking System had a different administration in means of its central being organized around an institution and its supporting several small producers that take action in the borders of the system of capitalist production. For instance, when the chicken houses in a village are lead to a regular production by a factory set in a central point, this event is based on different principles from those of the lending system. Thus, the villagers who grow chickens is in contact with a large scaled factory producing regularly- when they come to an agreement to liven up such facility. So what is the matter in hand here is that the production applied to a limited market is centralizing a large scale capital and it being subjected to a coordinated production orien-

¹ See: <http://www.grameenfoundation.org/who-we-are> for detailed explanations of the principles

tated construction center. On the other hand, supporting the poor via the micro lending system is actually to help them find a living area in the society rather than an economic support. Thus, The Grameen Banking System aims people who have somehow been executed to be drawn into the center of production and in an economic competition. The system, here, is clearly obvious to have been set in compliance in consideration of both economic means and the social peace consonance. As can be seen from the study, the determiner factor of the reason why the poor was chosen as subjects is to understood in borders which ensures people to stand right by supporting them in economic means which is based on earning and that prolongs the social system. This is because the poor and the existence of poverty constitute an important reason along with violence and social battle. Having drawn the poor in to center where they can assess their efforts by doing the best thing they can provides them an economic acquirement and comes to the meaning of a social accordance and permanence. Moreover, the system in hand, can dispose the belief of that poverty and hopelessness being a political rant. The difference reveals as obvious here between a person who has learned to fish rather than one who lives in need of others, desperately. With a little economic support provided, it is possible to observe families earning their own lives, experiencing economic freedom, them using the rights to speak and choose about their own preferences such as political choices and religious beliefs and at the same time the situation constitutes strong buttress based on democracy in socializing. To summarize, it can be understood in these borders that why the poor is subjected to the system and why the system is tried to be liven up with a micro lending system. Another question to be answered from here on is about why the lending system is based on civil sources and why the loans are only provided to small groups while it is thought as to be a strategic movement.

The decrease of poverty by using the government sources is of course due to the economic and political preferences of the government. However, The Grameen Banking System is actually a civil movement having using public sources and directly being organized under the control of the government. The system, by these means, does not include any movement that is required for the private sector or that on behalf of the government. It is clear that the system is in the need of an effective management structure in order to fulfill the circumstances of micro lending with an economic substructure and financial sources. Thus, the micro lending system, which supports the poor to manage their lives alone, has to base on such aspects as not providing any profit in public means but as an important factor which regulates the economic activities of those in the private sector and based on a risk management. In such means the Grameen Bank has to be in accordance with the private sector to ensure the lending system's continuity and the poor to join the economic process activate regularly and in healthy means. The system, being in these borders, has an administration that works in accordance with a method suitable to capitalist production means as a civil public movement and parallel with that of the public wills. With the matter in hand, the pay back of the loans to return forms the main course of the system.

To share the risk and use the people given loans as mechanisms in control is similar to the surety system classic banks apply via the hypothecate system. The loans given out to a certain number of people provide them to control each other. The help provided to any of them in need to pay back and the support given to each other in the group decreases the amount of cases such as the ones as the money lent be wasted, or the self abuse of the system. For such reasons, the hypothecate system of the Grameen Banking system is realized based on psychological aspects and social support. The system, as can be understood from the point that is arrived, aims to draw the poor into the capitalist system based on an organization model that constitutes of civil public sources. The main aspect needed to realize this is the facility of the micro lending provided to a certain number of groups. Finally, the interoperability of the system is met with support within the group and an auto control mechanism coincided with another aspect on a secure base. It can be here understood why women were chosen as the target group.

Some public, cultural, economic and other natural features of women have provided safety in means of the system be operated in healthier means. The micro lending system, from this point of view aims to draw a certain number of women into the center and provide production of goods and service. According to this, many groups that have been executed due to the lack of assess-

ment of their efforts in the markets and the great lack of sources have found themselves in the borders of the efforts women have provided. Women, by these means, have a greater role to keep the family together and constitute an economic union. From this point on, women possess a title gained with the borders, responsibilities, meanings and the value in social means other than its biological features as having to be a woman. The general state that can be understood from the public and personal results of such a public that is structured under the dominance of men causes a pressure on women in means of physical, public and the duties they have to complete. Women, of the meaning in hand, are responsible for the generation to continue and are expected to move in these borders. The man oriented logic in society has tried to move along for thousands of years with the cultural aspect of women in means of giving birth. (Agacinski, 1998, p. 47.) As a conclusion, the status of women in economic means can only be assessed in limited features. Thus, why women were chosen as target group to be supplied with micro lending can be pointed out with this description. Though not directly related with our topic, the expression of men oriented society and the deviated descriptions made over the status of being a female takes place in the center of the Grameen Banking system. According to this, the duties given to women considering family ties and during the process of determining their general features can be pointed out in five main items that bring women together with social freedom borders by ensuring the safety of the lending system and operational features. So, the five main factors that help understand the dimensions of the loaning and its security are as below:

- General features and fertility
- Family ties
- The status of women in society
- The meaning of women in social transmissions
- The immobility of women compared to men in society which is assessed as the aspect which livens up the micro lending system and those that borders all features stated

The genetic features of women affect its social status. The extreme deepness in the biological ties with its child and fertility, a woman's status is far from the one of a man's. However, the reality of a male dominated society turns up as a tool used to cause pressure on women. Fertility, which separates women in general, is considered as the biggest obstacle which prevents women to be free in society. The concept of family and the relationship between men and women having changed by modern changes have widened the doors to various problems but at the same time have played a great role in the change oh status of women in means of being freer. According to this it is more beneficial for administrations of the women taking her place in workplaces and in means of providing more goods and services that come along with the demand. The variability of goods and services in the markets and the mobility that has grown through the process of demand is suitable to the characteristic features of the capital growth. So the economic status of women, by such means is also an obligatory result of the operational capitalism. As a conclusion, the changing facts of economic life, the increase of consumption and the improvement of rights of work hours taken into legal borders have isolated men and women relationships from hierarchical basis. As a result the thought of men towards the genetic features of women in means of her social status has started to set back. So every single modern movement made in such means starts by questioning the status of women against the exclusion of the poor. In fact, the existence of the pressure applied by men on women and her body points out to the features that has to be come over in order to be more modern and for the process of the affects of capitalism. By these means, the adaption of women into the economic life is her only way out of the situation.

Thus, the family ties of women based on her genetic and cultural features constitutes two major points she can benefit from in the change of her status. Especially poor women, has lived her life in accordance with the conditions life has brought her. The change, thus shall not be seen to happen in a short term. Provided the circumstances are as, the social status of women provides two main points for the Grameen Banking system. The first one of these is the change of the women's social status as tried to be explained above and the other is the loan that is to be given

to the women which will somehow hypothecate her social immobility. The poor people having a very limited mobility in the society can only live in areas where they can afford to due to their economic facilities and thus the women, in particular have even a more limited area to move. The facilities being very limited points out the fundamental needs of life rather than preferences of poor families and women. Thus, the aim of the micro lending system is to provide some loan to women together with all the variables as her genetic features, her family ties and her mobility in the society in order to provide her hypothecate. So, as can be understood from such fact, we are now facing a strange situation where life constitutes the hypothecate itself.

Therefore, to provide women stand in the center of the system is assessed as factors that improve modernizing and keep the system in secure means. The main dynamics pointed out with the woman centered approach is an important factor in changing the male-dominated society. So, here, the Grameen Banking System is more than just a model of development, it is one that carries the features of development against poverty. As a result, the possibility of the money lent to men be wasted somehow is much way more than the risk carried for the loan provided to women. The continuity of the micro lending system, therefore, also involves men in the system but is actually subjected to women with the social living circumstances considered. In fact, the Grameen Banking System reaching a universal feature will cause it to be taken seriously in many places in the world which will go through the observation of this sensitive balance. Women, who is placed as at the point of change is assessed as the economic development so as in the means of modernizing and the inseparable part of the politics of development as much as the major step taken against poverty. Taking the politics of development in these borders having pointed out the modern social life brings along the reality of the strategy of movement against the immobility of women in society.

Nevertheless, the logic being applied coherently as stated above and the effects it has created in universal means, does not mean the Grameen Bank has not faced any problems or that it will not. Primarily, the poor women given the support to take place actively in the process of modernizing and economic means will not be able to go on in rural areas and those under the dominance of traditional factors. Particularly, in our days, the meaning and the view of poverty needs to dispose several results seen in urban areas in particular. Thus, the women taken into the center from rural areas will not provide sufficient assessment of those who is not aware of the different features of poverty experienced in cities. For instance, the existence of women who is considered to be one of the most important actors in the family production observed is far way back from the foreseen security system the Grameen Bank is to provide. So, a group of relatives living in the city and taking place in an economic activity shows the structure benefitting from a woman's effort. The type of production by this mean is directly a part of capitalism and sexual discrimination. (White, 1999, p. 22-23.) The micro lending system to be applied against poverty with such reality can only be lived up with the principles of the classic banking system. In fact, another dimension of poverty seen in urban areas is totally about the variables and mobility revealing major differences from those compared to the ones in rural areas. In these cases, it would be unnecessary for the micro lending system of the Grameen Bank be applied in developed countries where public interference is more effective. The type of social and economic relations that the city has changed on one hand and the existence of the strong politics the government has applied against poverty has disaffected the Grameen Banking System strategies. On the other hand, the judgment made for the family ties the women do possess seems to be deconstructed by several results of the modern city life. Many women, in our days, seem to have isolated itself from the traditional status concerning getting families together and in means of spending their money in wise means. This is despite of the fact that, particularly in the textile and fashion sector that major of the expenses made universally are realized by women. This is not a situation that only concerns people in wealth but it is also a conflict experienced among the poor women who spend their money on luxury expenses. The attraction of the city life in these means, the changes seen in relationships, the description of financial gains with valuable meanings and finally the pressure of lust with more of an approach to the increasing need of money is another habitué of the Grameen Banking System that ascribes to the traditional behaviors of women.

The second critic that can be subjected to the system is about the new habitual facts women are to gain in the means of modernizing through the change they are going through. Thus, the activities women gain through the micro lending system via production and services also brings along the fact of her change in borders of the traditional relationships. As stated before, the process in hand enables the concept of men-dominated society to lose its strength against the social status and activities of the women that have been gained. Nevertheless, the reality that stands before with critics is pointed out right by this mean: according to the situation, the common responsibilities women take by grouping and moving together as by benefitting from the micro lending system, actually clenches their status of their traditional forms. Thus, every woman in relation with the loan is responsible to observe and in fact to inspect the other. This is a method that actually takes surety of their own lives. In fact, while with the pay back realized within the system ranges around 97%, the system has succeeded in undersigning major accomplishments actually completely vice versa to the previous foresees of the classic bank systems. Actually, it must not be surprised at the success of pay backs be realized in such a secure system. Though it may seem to be risky, the micro lending system with a high interest rate may be forcing such a process for the sake of continuity of the system. What the fact here is that the support provided with ties also shows us that it will not apply any limit to women in involving themselves in economy. On the other hand, with the realization of the complete pay back, the control mechanism will fairly distribute with limitations. Initially, it is clear that the activities of the loaning mechanism to be consolidated at a point within the traditional forms. Additionally, either women or the groups that have been provided the micro lending stay abide the capitalist production and consumption. The system here demands them not to grow bigger but to maintain an economic production with limitations sufficient to earn their lives.

Finally, the system actually faces interruption due to cultural differences and women's, in particular, traditional forms that have been bounded by pressure by large families and within the geographical system they are in operation of. For instance, the existence of large families in Turkey, so called as tribes, prevents women to act freely. In such means, the women that are intended to be provided with micro lending cannot be expected to have a word in many aspects from the money she is to earn to the production she is to realize. In such situations it is expected for the government to interfere and provide a long term return and a large scaled change. On the other hand, with no change of the mentality of relationships between men and women, the situation will only be witnessed as the continuity of a dominance-based relationship. (Hahnel, 2004, p. 151-152.) In summary, the Grameen Banking system faces three main points led to critics by means of social mobility and the political choices applied on women. Initially of those the relationships that range in rural and urban areas, the changes seen with the cultural change and finally the women facing with different habits in the affect of the changes seen in economic and social means. However, the existence of these situations do not change the fact that the system is the most affective civil society based solution in means of taking moves against poverty. The stands against the critics have gained power via it being discussed and applied with self-control as well as objectivity criticized. According to this:

- The city life and modernizing, the results that have shown up on poor groups are to decrease the functionality of the micro lending system and may from time to time destroy

- The system related to the micro lending system does not describe the process of complete freedom of women. The new habitual facts will reveal it intensively.

- The main features of different geographies and its special conditions remain meaningless as several other facts considered with the methodology preferred in the application. Thus, it is not right to consider the system in universally accepted means.

The sources of the three critics, to summarize, do not come to a meaning that rejects the change of women in society provided with the support of the micro lending system by general means. As a matter of fact, cultural, political and economical conditions are possible to come up with negative results due to the gaps found in the system. Especially the step required to be taken for development and the existence of common concept related with the belief that poverty can

only be overcome in these borders does not point out the existence of an only single correct method. By these means, it is possible to observe some conflicts and battles among the results that have occurred in the economic environment with the increase of employment as a producer. From this point of the situation, either constituting an organizational model in means of producing or being a producer, reveals the fact that the Grameen Banking System is to face two other critics with the meaning of consumption as taken in society.

3. The Grameen Bank in means of Development, Organizational Production and Consumption

Before going on with the details of the critics that constitute this particular part, it is necessary to itemize the three main points which body the secondary part of the study. According to this, the main economic obstacles that front the Grameen Banking system operate efficiently can be revealed through the questions below:

1- Shall the increase of demand of effort or the constitution of the poor group at least earn their lives as a producer is preferred in means of the development strategies?

2- Will the production realized subjected by the markets and at the same time obeying the rules of the markets affects the economic activities of the poor and so at the same time the system as a whole?

3- Having provided the loans are the poor also provided with several securities that guarantee their lives such as insurance or the right to be retired along with the system?

The most important of the questions stated above, which actually decreases the rests responsibility in existing as issues is the question to be answered about the dilemma concerning development. First of all, the removal of poverty in a country and at least reach minimum circumstances for every citizen of the country requires a rational growth and improvement of all social conditions as a whole. The increase in the total value of the produced goods and given service constitutes the primary conditions for the national income per capita to be over the borders of poverty and of course a fair distribution of the income applied. The rise seen in fields of fundamental needs be realized such as education, which only relies on financial facilities, health and shelter points out the main aspects of development.

Development, from this point of view, does not only come to mean the total growth and the increase in financial income but also means that the increase will continue to take its place regularly in society. According to this, if the national income per capita is over 20 thousand dollars in a country but lacks in fair distribution, poverty and hunger will long to be a serious issue in this country. The result of the reality that education is only provided to men and that health expenses are not sufficiently afforded by the government will cause a similar situation to be faced. The economic growth in these countries cannot be denied. However, it cannot be mentioned of a real development or a real removal of poverty in such states. The actual problematic issue held by the Grameen Banking here is that poverty cannot be overcome with funds and help provided and that the politics should be applied as development oriented. Thus, at right this point, the system that is trying to involve the poor into an economic system in order to provide development may face a main critic. According to this, the ability to supply fundamental needs in meaningful ways via economic activities is directly related with the balance between supply and demand. The micro lending system, in these borders, may enable the poor to produce goods for instance baby dolls that may be sold to tourists and provide them earn their livings. However, at this point the principles dominant over the free functionality will intervene. To afford the expenses of each doll, to pay back the loan with its interest rates, to supply fundamental needs of a family and the money required to continue to produce dolls and to secure the capital can be considered without the aspect of demand in the markets. So, either the micro lending system provided for the poor or any loan given to an administration via the classic banking credits go through the same process of considering supply and demand. The existence of poverty within the functionality of the markets can be rooted with the demand for the produced good or the service given. However, this situation may lead to a feature that applies limitations to the strategies needed to be applied against

poverty and in fact a feature that may simply cut it off. The poor taking its place in the markets will certainly not come to a meaning that he/she possesses any exceptions. So is it really to take the poor into the system as an entrepreneur or is to provide employment that would bring a solution to the situation? This question, in fact, can supply a strong take off to criticize what the Grameen Bank is trying to realize because the demand of effort due to the amount increased in production may be as strong as the effort put into take the poor and create entrepreneur with an effective and wise strategy. In fact there are countries where such a strategy must be changed obligatorily. Both the difficulties stated previously and the belief of that it would be a wiser choice to provide facilities that increase employment in countries and geographies will decrease the functionality of the micro lending system in great means. A country whose usage of the current capacity rates is low, whose production doesn't meet the needs of the demands that are received from abroad as well domestic demands will need the existence of new entrepreneurs as much as effort to provide increase in the economic production and liven up all the facilities currently in hand. It is clear, though, the amount of workers required is much way over the amount of entrepreneurs required to be involved in the system. The Grameen Banking System that intends to gain the poor group involve in economic life via the foreseen micro lending system will unfortunately take a big stroke. First of all, in such a dynamic environment, the role the classical banking loans and the public financial tools will take or have to take will be more sharp-cut. As a matter of fact, production that has to be increased with speed cannot be developed with the support given by the poor which are generally realized in small means and simply by their homes. On the other hand, this concept which constitutes the weakest ring of the system creates breaches for a solution to poverty not only in dynamic economic environments where production can be increased but also in countries with static economic levels. The problematic issue the Grameen Banking System has here, as can be understood, is the battle they experience in to some extent with the strategies related to the requirement of the poor be involved as employees. Of course, the possibility for both of the strategies to be applied at such circumstances is higher to reach a solution. However, the issue of choosing which of the strategies will be pioneering and which will remain as a sub strategy will determine whether the Grameen Banking will be able to liven up its main principle and methods. It can be easily understood that the economic politics that take into center the production and the demand of effort is not really what it is intended to involve the poor into the system as an entrepreneur. The micro lending system at this point may possess a limited functionality to show itself off and liven up the attempt to change women's social status, to have assessed the touristic facilities especially in local areas, to make live goods that are featured with traditional value or to protect those values from being destroyed. As a matter of fact, it cannot be said that all these aspects do meet with what the Grameen Banking aims to realize with real strategies against poverty.

The basis the politics of development has constituted faces another issue against the performance of growth based on the increase of the capital of the production oriented system and the strategies that vary in the demand of effort with increase and decreases. According to this, when considered that the application of the micro lending system has given a start and liven up against poverty, it faces issues such as which good and service is to reach its consumer and how or whether the goods and services that are to be provided has a sufficient and necessary demand. It is very clear that there must be a buyer for any good or service. In an economic environment where free market circumstances and administrations with big capitals lie, it is not possible to take action without considering the conditions of production and its actors. Of course, it is not suitable to consider the poor to take their places as big administrators due to the economic principals and concepts. However, the principles of subsistence economy may remain insufficient in a profit oriented environment. When the matter in hand coincides with the natural right of persons tending to earn more, the situation endangers the functionality of the system. In conclusion, the fact that production is operated in capitalist borders, in universal means where continuity is provided the solution to poverty which is once more an issue accepted universally obliges the game played in accordance with its rules. However, the Grameen Banking system takes action in local and rural areas. The attempt of people trying to organize their lives as production oriented, via benefitting from the loans provided, actually have a limited functionality. It is more worthy to say that the development strategy be based on the increase of demand of effort would be a more efficient way

to reach a solution. To summarize, The Grameen Banking System, in means of production and the organization of production, very similar to the new habitual relationships women were involved in, brought along very serious critics along with it towards the functionality of the system. However, it has no current sense here expressing that the system will no longer be able to continue or the politics applied to the increase of effort demand with the micro lending system applied be not realized any longer. There can of course be two strategies at the same time, one that is against poverty and the other for development. What matters here is the fact to consider to which extent they will be provided considering the local differences and those seen among countries and for it to shape as the politics of a country. It is an observable and universally accepted issue that the applications realized to solve poverty via the methods used in urban areas are rejected when applied to those at rural areas. Thus, it is clear that such a system like the lending system be applied in our country urgently to provide communication between the urban and rural and at the same time fight against poverty.

Finally, the system faces the issue about whether the poor group fulfills the requirements and conditions of providing themselves a subsistence economy once having completed paying the loans. Because the aim is to remove poverty in great means, the main actors of the system are to observe the latter situation after financing the loans. So, to ensure that the people who have benefitted from the loans be able to save money, enable them to be insured and provide them to be retired constitutes an important part of the system. The Grameen Banking System, which has been quite successful at this point, has achieved to liven up a system impressed by people excluded from the system and society due to their poverty in general means. Trying to change the lives of people living in rural areas, those with great debts but still ambitious to earn their livings, actually means to invite several issues together. The conditions of the markets suitable to production and the capitalist system cause breaches to open by forcing the system to operate in these borders. Especially, the economic crisis seen in the whole world unique to the capitalist production has disaffected on poverty. With such circumstances, the limited facilities of those who have managed to improve with the support of the lending system generally fail to keep still against such crisis. However, despite all the factors that the system has had to face, it has continued to improve itself since the 1970's and has achieved to help more people each day by providing them the minimum needs. Besides possessing good will, the Grameen Banking System comes to such a meaning that of a strategic model that is based upon a wise organization. By such means, the system takes its place by the capitalist production system and constitutes a supportive organization. Due to the reasons stated, The Grameen Banking System has been an institution that has urgently been effective upon issues rather than a miracle.

Conclusion

First of all, the subjects involved in the Grameen Banking System are aware of the fact that having a stand against the injustice seen in society cannot be realized with funds that are not regularly made. Both the experts providing the loans and the poor group having to be aware of the situation turns up to be a serious issue in our country. It is quite clear that the fact can in no ways provide a solution for a system that is limited and has no main method due to the fact that it is rather based on personal beliefs and will with irregular funds applied which actually lead to laziness which does no good to support the real poor people. As a matter of fact, the effort given that has spread to hundreds of years by workers, the positive influences of the capitalist system and the mass consumption which has demanded more goods and services has changed the situation from its roots. The support of insurance to work and its concluding with retirement constitute the points which provide safety related to the economic life they are involved in. Living freely, insurance, the rights about working with social security and the legislations applied by the government were aspects that could not have even been mentioned about a century and half before but now they are under the security of the associations applied by international organizations. When having considered the facts, poverty is a situation contrary to human rights so this is why such a reality must be removed. In fact, the extraordinary facilities provided by the capitalist consumption by means of the existence of poor groups actually cause threat due to the increase in consumption day by day and having considered the development observed in the quality of

life. According to this, the obligation to fight against poverty shall be called together with justice, economical, political and of course with human principles together with the threats poverty causes. As a matter of fact, the threats poverty causes, can be described as political with swaying public, economic as when production is not met with sufficient demand, martial and judicial due to the increase of risks observed and human issues in means of the contrary states experienced in society as hunger and wealth as much as it can take.

The Grameen Banking System, in the light of the statements given above, is not sufficient to solve the problematic issue of women concerning their equality. However, it cannot be denied that it has achieved success in rural areas as a start. Moreover, despite the fact that it lacks against the strategy of providing employment in means of economic and social politics for development, the Grameen Banking System has an important functionality which has been hope for desperate group that have been completely excluded from a subsistence based economic organization. The micro lending system within the borders of the immobility of women in society and the development politics, has reached its position in universal means. The system, as a result, realizes a crucial duty by directly fighting against the issues of life which require urgent solutions for the poor though it does have several negative aspects within itself. Thus, for women to take her place in society considering the sharp cut of conditions for revealing her economic habitual, The Grameen Bank possesses a reality that must be applied considering the universal scales, which actually makes it an obligatory choice in order to create a strong supportive point. Taking the critics stated above into consideration, the micro lending system has a similar functionality in our country as well. The activities applied in rural areas, in particular, and the traditional hand craft together with the agricultural production that can be assessed in the economic field with the good and services provided constitutes the most determining feature of such a strategy. The Grameen Banking System, from this point of view, as an economic politics and a civil society movement, is a special application that has achieved to be applied by nations. The fact that has realized it achieved such considerable success and an application realized upon large scales is due to the reality it is based on.

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POVERTY, SOCIAL ASSISTANCE CONCEPT, SOCIAL ASSISTANCE AND SOLIDARITY FOUNDATIONS*



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Abstract

Poverty is defined as being unable to reach resources and production factors due to material deprivation, thus lack of income required to sustain minimum level of living. (Bilsel, Polat and Çalışır, 2002).

Social Assistance; is all public activities aiming to increase self-sufficient level of people being incapable of subsistence opportunity even in minimum level within local measures and due to reasons out of their control in possible shortest time period on the basis of neediness surveys and all public activities having unreturned nature and made to provide monetary and social support.

Objective of Social Assistance and Solidarity Promotion Fund and social assistance and solidarity foundations is to meet basic needs of citizens not being liable to social security institution or having green card and encountering social economical poverty; to contribute to the educational and rehabilitation expenses of disabled people; to increase income level of citizens living in rural and provincial areas and to support projects aiming to make citizens have continuous jobs.

Poverty is considered as a fact eliminated within long-term. Studies performed to meet basic needs of people turn to a case requiring sensitivity of every segment.

Application of studies regarding mitigation or prevention of poverty impacts in cooperation with public and non-governmental organizations and formation of new social policies in this context are highly important.

Key Words: poverty, social assistance, risk groups, social assistance and solidarity foundations, assistance mechanisms

* The original version of this paper is in Turkish and English translation is appeared here. The original version of the paper is appeared on the Turkish version of the Edited Collection of the Symposium.

Introduction

Poverty is defined as being unable to reach resources and production factors due to material neediness, thus lack of income required to sustain minimum level of living. In addition, it is characterized as living in quarters having sub-social status, sheltering in unhealthy environmental conditions, not to benefit from legal, education and health services or to benefit from these services in less degree, not to have adequate level of safety and accordingly, to encounter difficulties while living in provinces (Bilsel, Polat, Çalışır, 2002).

Reasons of poverty can be counted as rapid population increase, unemployment, insufficient level of employment opportunities, migration and unplanned urbanization and natural disasters. Above mentioned poverty reasons cause increase in needy people and emergence of many social problems at the same time.

Poverty concept having close relations with development level of a country is faced not only in underdeveloped countries, but it is also encountered in developed countries.

Therefore, the issue is kept on the agenda of all nations, international organizations and efforts given to produce a solution regarding the issue increase. In this framework, poverty increases rapidly in Turkey. Economical crisis also increase risks of poverty.

Here, it shall be beneficial to explain social assistance principle; Social assistance is a concept that has human on its base and represents close relation with development of human history.

Social Assistance is defined as all public activities aiming to increase self-sufficient level of people being incapable of subsistence opportunity even in minimum level within local measures and due to reasons out of their control in possible shortest time period on the basis of neediness surveys and all public activities having unreturned nature and made to provide monetary and social support.

Social assistance principle being constitutional task of the state is the best executed by Directorate General of Social Assistance and Solidarity. This foundation performed its tasks as a General Secretary affiliated to the Prime Ministry in the scope of law no 3294 and since 1986, but it sustained its activities under title of Directorate General as of 2004. It has a wide organization network with Social Assistance and Solidarity Foundations located in 81 provinces and 973 sub-provinces. Objective of Social Assistance and Solidarity Promotion Law no 3294 and social assistance and solidarity foundations is to meet basic needs of citizens (fuel, good, clothing, education, sheltering, health, etc.) not being liable to social security institution or having green card and encountering social economical poverty; to contribute to the educational and rehabilitation expenses of disabled people; to increase income level of citizens living in rural and provincial areas and to support projects aiming to make citizens have continuous jobs. Another objective of foundations while mitigation or struggling with poverty is to make poor people become producers, not consumers, to eliminate unfair income distribution, to establish social peace, to increase social assistance and solidarity sense. In addition, Social Assistance and Solidarity Foundations perform studies and apply projects regarding elimination of problems arisen due to poverty.

Decision organ of the foundations is Foundation Board of Trustees. Assistance programs are applied in accordance with decisions of board of trustees. Foundation board of trustees acts under leadership of the Governor and members of foundation board of trustees in provinces consist of mayor, security director of the province, head of provincial treasury, provincial national education director, provincial health director, provincial social services director, mufti of the province, two NGO representatives selected by NGOs and two persons selected among philanthropists by the provincial council and reeves.

Foundation Board of Trustees of villages are managed under leadership of district governor and consists of mayor of the village, security director of the village, national education director of the village, village health director, social services director of the village, mufti of the village, two NGO representatives selected by NGOs and two persons selected among philanthropists by the provincial council and two reeves.

RISK GROUPS WHO APPLIED TO ANKARA GOVERNORATE SOCIAL ASSISTANCE AND SOLIDARITY FOUNDATION AND WHO ARE MOSTLY AFFECTED BY POVERTY

Basic objective of SASF (Social Assistance and Solidarity Foundation) of the Governorate is to support citizens encountering social economical poverty, having green card and deprived of social security, as well as groups accepted to our country under title of refugees in the scope of law no 3294. Risk Groups include following;

- Convicted people released from prisons,
- Patients and their hospital attendants coming from other cities to the Hospitals in our province for treatment purposes, having green card or being deprived of social security,
- Poor students living difficulty while maintaining their education and university students coming from Turk Republics,
- Unemployed people (those being unqualified even to perform daily tasks, having inadequate level of education or those being illiterate),
- Disabled people, elders and patients who cannot work, having green card and those included in the scope of law no 2022,
- Homeless people, who cannot meet sheltering, health and basic needs,
- People whose mental health disorders are certified by health report and who are drug users (alcohol, drug addicted),
- Homeless women and their children, who are divorced or exposed to physical violence and who are not supported by their relatives,
- Refugee and asylum-seeker groups.

Consultancy and guidance services are provided within the foundation in accordance with features and problems of above stated groups and these people are supported by means of in kind and cash aids.

ASSISTANCES PROVIDED, THEIR IMPORTANCE WHILE STRUGGLING WITH POVERTY AND THEIR REFLECTIONS ON POOR PEOPLE

Food and Heating Assistances

Food aids are performed through Social Assistance and Solidarity Foundations providing service in the scope of sub-provinces Governorates. Food cheque is given to the poor people in many of the foundations. Food cheque application is more modern than food package application. Poverty level of the family and its number of children are taken into consideration in food cheque application. However, as food packages distributed by most of the NGOs, local governments and foundations consist of long-term durable food materials (legumes, flour, sugar, macaroni, tomato paste, etc.), they support one-type nutrition and cause many health problems, such as malnutrition (inadequate nutrition) and obesity. Because, most of the poor families sustain their lives by food they receive. In addition, cases not complying with contemporary societies occur during distribution of food packages.

Heating aids are delivered to poor individuals and families under coordination of Ankara Governorate Social Assistance and Solidarity Foundation. Through coal aids, poor people are able to

get warm during winters, but some of poor families live in apartments located out of shanty centers. Most of the poor people sheltering in apartments provide heating by means of natural gas. Due to high price of natural gas, this segment encounters heating problems.

Educational Assistances

Students having economical poverty problems and YIBOs providing education within borders of 24 districts benefit from in kind and cash assistances. University students, foreign students and poor family children residing in Ankara benefit from these assistances. As for poor family children continuing their primary and secondary school education in other villages, scholarships are provided them in the scope of conditional cash transfer. Education aids provided per child having education should be increased on the basis of current economical conditions.

Importance of education while struggling with poverty is the gospel truth. Vocational education programs have significant contributions while improving knowledge and skills of poor individuals and providing vocational formation to the individuals not being able to receive adequate level of education and not having qualifications searched by the labor market. In this context, unemployed poor groups benefit from vocational courses and periodical cash support, including course fee is provided by foundation sources until start of working. However, problems are encountered during employment of poor people supported by vocational education programs. During this period, employment improvement programs of İŞKUR are required.

Direct relation exists between poverty and education level of households. IN accordance with 2006 data of TÜİK (Turkish Statistical Institution), level of poverty decreases as education level of household increases.

Business Establishment Assistances

One of the most considerable problems of poor groups is unemployment. Direct relation exists between unemployment and poverty. Unemployed individual has not income to meet his/her basic needs. Unemployment is one of the reasons for in-family problems. Unemployed mother and father in a family affect mental health adversely, as well as may cause divorce of the family. If the population of the family is high, other problems accompany unemployment matter. A society having high rate of unemployment encounters other social problems arisen in relation with unemployment. In-family relations get worse, drug and alcohol addiction increases. In addition, direction towards crimes and similar behaviors breaking peace of the community arise. Because, unemployment does not mean only lack of income providing subsistence of people. Every person obtains social identity and status when entered to working life. Unemployment has adverse impacts preventing gain of tangible conditions required to sustain a life, as well as cause exclusion of people from social life to be provided by working life.

Business creation programs and support of local entrepreneurship projects, as well as credits granted to poor families and individuals by Social Assistance and Solidarity Foundations aim to increase productivity of individuals. Ex-convicted people released from prisons, homeless people and other unemployed poor adults, women exposed to violence and left from women guest houses are prioritized while organizing business establishment assistances. However, in kind and cash aids provided are required for some poor groups, but they do not represent a permanent solution. Some social aids delivered by various institutions make people lazy and prevent these people access to production factors. Employment policies should be developed to make these people sustain their lives independently. Employment of an individual not only generates income, but also contributes to the socialization process.

In addition, as poor families employed shall meet their basic needs, new employment opportunities shall be generated by means of resources transferred to poor groups from budget of the state.

Health Assistances

Health assistances provided in the scope of foundations cover medicine, hospital expenses,

medical equipments, medical, funeral expenses, ambulance and expenses of patients required to be transferred by flight. First of all, patients and their hospital attendants, who are coming from other cities, refugee and asylum-seeker groups and persons having green card, but lack of social security benefit from health aids. Patients and hospital attendants of hospitals are supported by cash assistances on the basis of social inspection reports and in cooperation with their Social services and additionally, their transportations costs are covered by foundations resources. In order to perform social rehabilitation of persons not having social security, being drug addicted and accepting medical treatment, basic needs of patients and their hospital attendants are covered by Ankara Governorate Social Assistance and Solidarity Foundation during the period of treatment. In addition, 20% of medicine costs of poor individuals and families residing in Ankara and having Green Card are met by the foundation.

Sheltering Assistances

One of the problems arisen due to poverty is homeless poor people not meeting their sheltering needs. The number of homeless people increases together with other increasing social problems. This poor group called as homeless or people of the street sustains their lives at bus terminals, train terminals, emergency service area of hospitals, as well as parks during summers.

In addition to patient relatives and outpatients in our city for treatment purposes, resources of the foundation cover residence rent expenses of persons, who are not accepted to other sheltering centers serving to patients having epidemic and having outpatient treatment, as well as their relatives, poor families having the risk of living on streets due to incapability in meeting rent expenses, women having children or being alone and leaving from women guest houses until they start working.

Homeless people consist of women, men and children not having relation with their homes. In addition, poor women with children whose family union is broken / living alone encounter sheltering problem as they cannot meet rent expenses and are included within group of homeless people. Drug addicted people or men having mental health disorders and whose relation with life is to be ended in social sense, directed towards crime or facing risk of directing towards crime constitute significant part of homeless men. Women included within adult homeless people generally live sexual abuse, rape, solicitation problems. Children whose family bonds are broken completely and who are living on streets tend towards crime and drugs and they become targets of drug and human traffickers. Other risk group affected due to poverty is refugees and migrating-asylum seeking families. As people included in this group cannot overcome legal matters, such as working / residing, they cannot meet their basic needs, live under unhealthy conditions and carry the risk to turn into crime. (SASF Records, Interview reports).

Periodical Assistances

Families, who cannot meet their basic needs in accordance with social inspections regarding poverty, who are living in Ankara province and identified as families whose basic needs should be met immediately or individuals and families having social security, but cannot work due to disease or disability benefit from this kind of aids. In addition, periodical aids are provided to families not having any income or living problems while meeting their basic needs; women left from women guest houses, being alone or divorced and their children. Other poor groups submitting their application to receive aids are directed to Social Assistance and Solidarity Foundations serving in the scope of District Governorship.

Transportation Assistances

Ticket costs of people coming to the hospitals from other cities for treatment purposes, having Green Card and no social security is provided by foundation recourses. In addition, citizens coming to search a job, but cannot find a job as a result of which living on streets, women leaving from women guest room and required to be transferred to other cities and children protected by

SHÇEK or going to other cities for examinations regarding employment, poor students having education under difficult conditions and ex-convicted people released from prison benefit from this aid.

However, provision of transportation aids to unemployed people going other cities to find a job causes misuse of these aids and strengthens vicious cycle of poverty. Social policies should be developed to provide employment of these people in their own home towns; because, majority of people coming from Eastern Anatolia, South Eastern Anatolia, East Black Sea Region, Middle Anatolia region could not find a job and encounter problems, such as hunger, battery and others.

Recommendations

- When poverty-unemployment relation is evaluated and if it is considered that minimum wage remains under limit of poverty, inadequate scope and conditions of unemployment insurance make unemployed people poorer. Unemployment insurance should be reviewed and its functionality should be increased.
- Services provided to poor people during social assistance period should be supplied together with psycho-social support services and problems encountered by people should be considered; accordingly, type of assistances to be provided should contribute to the social problem solutions of poor people.
- SASFs (Social Assistance and Solidarity Foundations) constitute the widest organization network of social aids in our country. Establishment of automation system between foundations and at country level is important for beneficial utilization of resources and prevention of repeating assistances. However, most of the SASFs do not have corporate structure. First of all, assistances provided to poor people should be supplied with right based approach and personnel of SASF should be professional and educated about social assistance issue.
- Neediness criteria should be clear and poverty measures should be evaluated on the basis of a wide perspective; because, poverty is relative and heterogeneous. It includes many different problems within its scope. In this context, social inspection reports are highly essential during identification of poverty. Social inspection reports are one of the basic issues of social service profession. Social inspections should be carried by social service experts while determining poverty of households; because, social service expert performing social inspection identifies weak points of the family and provides psycho-social support services accordingly. In addition, social service expert provides consultancy and guidance services to strengthen the household.
- Cooperation and coordination should be established between SASFs and community centers, family consultancy centers, child and youth centers delivering services in the scope of SHÇEK; because, education programs are applied in associated centers for families living in shanties and their children, support services are delivered to the families during their adaptation to the city, protective and preventive studies are applied regarding social matters. Therefore, service network should be established between SASFs and above stated centers.
- Employment subsidies should be increased.
- Social assistances should be perceived as a right in terms of poor citizens and a public task in terms of the state. Precondition of being a social state is provision of social assistances in accordance with right based approach. Application of the system of Europe in our country, opening "monthly accounts for citizens" shall prevent adverse impacts on poor people while giving effort to receive aids from aid institutions. Neediness criteria to be defined, as well as identification of households are important factors. In addition, assistance period should be evaluated by professional vocational staff.
- Although social assistance is viewed as an obligation of the state, it is a concept against which awareness is shown by all sections of the community, such as NGOs. However, lack of co-

operation and coordination between public institutions, entities and NGOs is in question. Therefore, common database should be created between NGOs and public social assistance institutions.

- Social assistances and social services should be gathered under single roof. Equal distribution of resources is important in terms of prevention of irregularity and realization of integration of resources.

Conclusion

The state has tremendous responsibility while struggling with poverty. However, poverty is considered as a problem that should be eliminated in long term. Studies performed to meet basic needs of people should be perceived as a case for which awareness is shown by everybody.

Therefore, coordination should be established with public institutions and non-governmental organizations while executing studies to mitigate or prevent impacts of poverty and in this context, new social policies should be established.

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POVERTY MANAGEMENT STRATEGIES OF WOMEN*

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Abstract

In terms of poverty management strategies, there has to be delegation of duties to the incorporated bodies, which are, government mechanisms who can manage the direct sources, local governments and non-governmental organizations (NGOs). In the present study, we'd like to mention on the act that women make to fight against poverty, to prevent or manage it, instead of acting poverty strategies.

From demographic viewpoint, the people who are exposed to poverty are first children and the women. If we think about the internal household position, women are the manager and the carrier of poverty. This means that, the basic point of our study is to observe the women, who are raised by traditional values, and their methods, which are developed to reduce their poverty and to lighten the effect of poverty.

Key Words: Poverty, Women Poverty, Poverty Management, Reduce Poverty

Introduction

In the article published on CNBC called "Consumers Beating Manufacturers at Their Own Game", the results of the research applied by Deloitte Research Company on consumers have been issued. According to the research, it was seen that, especially after the Big Depression that occurred in the USA, consumers were observed to have significantly changed their consuming habits. Nowadays, consumers work harder to pay their debts, they stick to their work more than they ever did, however, despite the fact that such situation is supposed to constitute sick and

* The original version of this paper is in Turkish and English translation is appeared here. The original version of the paper is appeared on the Turkish version of the Edited Collection of the Symposium.

tiredness, it surprisingly constituted the feeling to people desiring to work harder and gain more power in means of their economy. The article, moreover, emphasizes the fact that people do what their grandmother's used to do in the past. They re-use the products at home carry their lunches with them to work and seem to lose their loyalties for brands.¹ As a matter of fact, the action mentioned above is widely seen among poor families in our country. Women, who especially have grown up with traditional values, apply the same things they observed from their mothers in order to protect their families from poverty, which they are in.

The migration and urbanization and the arrivals of families from rural areas to urban areas, which increased after the 1950's, caused the families to face the insignificance and complexity in cities along with the egoist relationships based on individuality. "While cities are trapped in relations which is complex, anomalistic and based on personal benefit, the feeling of a community, the principles of neighboring or townsman relationships have seemed to lose their values and simply just evaporated along with the moral measures and human features."² Additionally, the absence of relationships based on support in urban areas caused them to remain without anyone to share their issues with and change the values they were grown up with by adapting them to the urban life. This study aims to investigate how women benefit from the traditional values of poverty which they were grown up in to reduce poverty. It shouldn't be forgotten that it is women, after children, who are disaffected by poverty at most. The society which men are more active due to their status of occupation, women are expected to remain with the responsibilities of the households and take care of children, which actually caused women to experience poverty more than men. No matter what our current circumstances are and despite the fact of the rise of rates seen in women being included in occupations to be more than the previous years, the employment of women realized is still far too less than the employment provided to men. "While the patriarchal structure seen in society for hundreds of years has given an active role to men, it has always prevented women from participating in social activities."³ One of the effects of such obstacles has caused women to part from society. At such a point, the women who are left at home choose to apply to the traditional methods to reduce poverty by their own means. This is actually a strategy to reduce poverty realized by women.

What is Poverty?

The most general and widespread definition of poverty is the situation in which fundamental needs of individual such as nourishment, shelter, clean supplies of water cannot be met. However, it does not mean that the individual is not considered to be poor when such needs are met. Thus, the social issue considered as poverty expresses more than the absence of meeting fundamental needs. For instance, not being able to meet cultural needs in adapting to life is also considered as poverty. Therefore, instead of trying to define what poverty is exactly is, it will lead us to a better understanding if we consider the varieties of poverty.

The varieties of poverty can also be the measures used in detecting poverty. Thus, we can mention about three main concepts in measuring poverty:

- 1- Absolute Poverty
- 2- Subjective Poverty
- 3- Humane Poverty

From among the three varieties of poverty, absolute poverty is defined as a person that can only at minimum means continue its life as in means of supplying the minimum biological needs to produce new lives with sufficient calorie values and other nutrition complexities and realize its nourishment.⁴ As for the definition of subjective poverty, rather different from absolute poverty, covers the necessary material and other supportive facts to realize a full participation in life.⁵ With

1 "Yeni Tıp Tüketici Babaanne Yöntemini Benimsiyor", *Hürriyet*, 23.07.2010, <http://www.hurriyet.com.tr/ekonnet/15396895.asp?gid=303>

2 Ö. Aytaç, I. O. Akdemir, "Türkiye'de Yeni Kentli Yoksulluk Sorunu", *Yoksulluk*, Deniz Feneri Publishing, İstanbul, 2003, p. 38.

3 Necmiye Cömertler, "Kadının Penceresinden Yoksulluk", *IV. Aile Şurası Bildirileri*, Ankara, 18-20 May 2004, p. 66.

4 Özgün Bener, "Yoksulluğun Ailede Kadın Üzerine Etkileri", *IV. Aile Şurası Bildirileri*, Ankara, 18-20 May 2004, p. 144.

5 David C. Thorns, *Kentlerin Dönüşümü*, Translated by: Esra-Hasan Nal, CSA Global Yayın Ajansı, İstanbul, 2004, p. 162.

a more clear definition, subjective poverty expresses the fact of people remaining under the level of the general welfare in society.

When mentioned about humane poverty, it expresses “the investigation over the shortness of the duration of life, poverty seen in education and health services, poverty in facilities of employment and so on.”⁶ Actually, the three ranges of the definitions brought for poverty are related to each other and constitute issues both physically and biologically that requires removal in order to live life as supposed to in healthy means. “However, in most of the developing countries the focus is given on absolute poverty.”⁷ It should be kept in mind that poverty does have more detailed explanations and definitions developed as one of the major issues of the world. Rural poverty, unprotected, subjective poverty, income poverty, environmental poverty and many other measures are frequently subjected to studies related with poverty.

We have mentioned about the definition and measures of poverty but we must skip the most important facts about poverty which constitute the age and genders of the victims of poverty. This is so because women, men, children and the elder ones are affected by poverty in different means. The studies applied state that it is women and children that are mostly affected by poverty. Therefore, the institutions that challenge against poverty have prevention programs with demographic features of age, gender and area related factors. But it is not really possible to say that these programs have constituted constant solutions to the issue. Whilst it is only a very little section of the population that benefits from the current sources, the remaining section has to do with only very little amounts of sources. “The difference of income between the 20% of the richest and the poorest sections in the world has almost doubled itself in the last thirty years, instead of the fact it was supposed to decrease. Every day, almost ten thousands of people join the class of the poor; this means that they have to survive with less than \$1.00 a day.”⁸

The reason why the issue of poverty is continuously increasing is the fact the precaution taken against poverty requires other social issues to be solved as well. It is unfortunately not sufficient to solve the problem of employment and shelter. For instance, the issues related to the infrastructures, environmental issues and the lack seen in health services also are required to be removed.

No matter the fact the solutions brought by national and international nations, poverty is unfortunately experienced and causes many other social issues to occur. Poverty is the main actor in causes of the increasing amounts of street kids and the amount of crimes committed by them, suicides and so on.

Women and Poverty

The process of poverty and its results constitutes in different ways effecting men and women.⁹ As we have stated previously, poverty, which causes many other social issues, conclude to affect women at most. Women, who don't find the chance to participate in occupations as much as men do, especially in our country, and who are initially responsible of the household duties, face the physical and psychological risks of poverty. We all very frequently observe the physical act of violence applied to women by men due to poverty. Moreover, it would not be wrong to state the fact that women are generally left alone in raising their children despite poverty and that most men remain unconcerned with the situation. Additionally, it is still a current issue that most women experiencing poverty lose their lives while giving birth due to the unhealthy conditions they are exposed to once again due to poverty and lack of facilities.

All such reasons and many more that can be added are a proof that women poverty should be taken into account in challenge and management of poverty. However, our aim in this study is the methods and strategies women have developed in managing against poverty rather than women poverty. Women, who in spite of experiencing poverty search for solutions by using exist-

6 Gülsen Ünal, “Türkiye’de Yoksulluk Kavramı ve Yoksulluk Araştırmaları”, IV. Aile Şurası Bildirileri, Ankara 18-20 May 2004, p. 14.

7 Thorns, a.g.e., p. 160.

8 İsmail Akbal, “Demokrasi Açısından Yoksulluğun Değerlendirilmesi”, IV. Aile Şurası Bildirileri, Ankara, 18-20 May 2004, p. 39.

9 Gülsüm Çamur Duyan, “Türkiye’de Kadın Yoksulluğu: Halk Ekmek Büfelerinde Bir Araştırma”, Edt. Ahmet Emre Bilgili, Yoksulluk, Deniz Feneri Yardımlaşma ve Dayanışma Derneği, Volume: I, İstanbul, 2003, p. 359.

ing circumstances in order to eliminate the oppressive effects of it, play crucial roles in removing which their families live. When observed with a lack of concerned point of view, these entities which seem as if small and unimportant are precautions taken against poverty which require being taken into account and appreciation.

However, we must all pay attention to the fact that the women subjected to this study are not those who are occupied but rather those who remain at home with household duties and who try to adapt their methods to the modern life. Thus, the women who manage to capitalize their efforts at home and those who manage to create new facilities and benefit from them at a maximum level are the actors of our study.

Women and Management of Poverty

A society can continue its existence only if they can protect their culture despite the changes and transfers they experience in life and adapt such culture at most suitable level to the modern life they are living. However, "in the current industrial and technologic era, it is often difficult to maintain cultural values. The values and beliefs of foreign cultures simply seem to invade societies with an incredible speed without limits".¹⁰ One of the most suitable examples that can be given to this situation is the crazy attitude towards consumption and brands. The priorities of people have constituted as living in accordance with specific structures rather than only being able to live. This life style that can be mostly seen in the new generations cause them to grow up with an attitude depending on ready-made supplies, sick and tired very often and far from creating new and practical solutions to issues. People who live fast end up consuming everything they own very quickly.

On the other hand, previous generations valued products and those produced equally to the effort given on behalf. As we have stated above in the study, situations and events such as wars and crisis lead people to refer to the old habits of managing against poverty and lead them to question the fast and the unconcerned attitude of life they are presently experiencing. It is not possible to mention about a total parting of the traditional values in our country different from the situation stated above. Though not completely, but it is possible to express that people do benefit from the values our tradition has presented to us. It is especially important and worth noticing that women benefit from such values to reduce poverty and prevent it from heading further.

Women who convert the handcraft they had learned from the mothers provide support to their family economy by sewing clothes to meet their needs. Especially by preparing food supplies for winter and summer, baking bread at home instead of simply buying it from the baker, re-using old material and furniture by renewing them and growing fruit and vegetables under present conditions are among their acts realized against poverty. Women are also very capable of saving the leftovers and creating new meals with what they have got. Cihan Aktaş, emphasizes in his conversation subjecting '*Being a woman in Turkey*' that women, who make great effort in meeting the responsibilities of her family, convert their capabilities of traditional values in urban life by preparing traditional home-made pasta and pastries and selling them.¹¹

Additionally to the ones expressed above, some women support each other and do cleaning at for others and return back home at night and complete their own household duties. This is how it happens because this is what they learned from their mothers. Even if they have a work to go to, they will always have their own homes to fulfill the responsibilities and children to look after. In an environment where the concept and fact of migration is set in our country, with the existence of large families, it is under the responsibility of women to create management against poverty. Doing cleaning for others, converting hand-craft to an income, doing cheap shopping and waiting in a queue at bread kiosks to buy cheap bread are only some of these.¹² In the hierarchy of

¹⁰ Orhan Türkdoğan, *Aydınlıktakiler ve Karanlıktakiler*, Timaş Publishing, İstanbul, 1996, p. 11.

¹¹ Cihan Aktaş, "Soruşturma: Türkiye'de Kadın Olmak", *Sivil Toplum*, Year: 2, No.: 8, October-December, 2004, pg. 53-54.

¹² Gülsüm Çamur Duyan, "Türkiye'de Kadın Yoksulluğu: Halk Ekmek Büfelerinde Bir Araştırma", Edt. Ahmet Emre Bilgili, *Yoksulluk, Deniz Feneri Yardımlaşma ve Dayanışma Derneği*, Volume: I, İstanbul, 2003, p. 365.

needs at home, women are generally remained in the last order. Women apply the practical attitudes learned traditionally and socially instead of expressing individual needs in order to manage against poverty and the circumstances she is in.

Women, as a result, and as we have frequently mentioned in our study, constitute the section in society which is most effected by poverty after children. Women who are exposed to poverty, benefits from the traditional and socially acquired capabilities she learned from her mother and those around her in order to reduce the results of poverty in her family without regarding the circumstances she experiences. Though such condition point to women poverty, it is actually a practical way developed by women in managing against poverty. This attitude is learned in traditional and social means and will be transferred to the following generations.

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A COMPARATIVE ANALYSIS OF POVERTY REDUCTION STRATEGIES

LESSONS TO LEARN FOR TURKEY



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Abstract

This paper comparatively looks at poverty elimination strategies in different countries to the extent that they would form examples for Turkey. We look at different middle income countries that have recorded significant success in reducing poverty since 1980s and elaborate different policies from; Brazil and Argentina (Latin America); Tunisia and Egypt (Middle East and North Africa), and China (Asia). Based on our analysis, we conclude that despite differences based on country specific challenges and opportunities, to effectively combat poverty, poverty strategies must be national strategies supported with macroeconomic policies. Particularly, employment creation in labor intensive sectors is the most effective policy to combat poverty. In addition, existing inequalities matter for economic opportunities to reach the poor thereby in countries where there is high income and asset inequality targeted policies may be more effective as long as they are part of a broader development agenda.

I. Introduction

Most brilliant brains in economics have been drawn into studying economics because they wanted to find an answer to poverty. It seems like, unfortunately, the topic will continue to occupy many brains in the years to come. United Nations progress report on the Millennium Development Goals (MDGs) mention that about one billion people will still be mired in extreme poverty by 2015. Furthermore, according to the estimates of the Food and Agriculture Organization of the United Nations (FAO), the number of malnourished individuals rose above the one billion mark in 2009 for the first time (UNRISD, 2010).

Poverty is deemed to be the mother of all social ills, as poverty incapacitates people by not only significantly harming their physical well-being, but also by preventing people from reaching their individual and social potentials as human beings. Unless intervened by a third party to break it, poverty traps next generations. As mentioned by Grootaert and Braithwaite (1998) and Thorbecke (2005) the present well being for any person determines her future well-being because all

assets such as land, capital, skills and education to a large extent are a function of the household's welfare level and how it evolves over the life cycle. This is particularly true for the poorest as they lack mechanisms to enrich their choices, and most of the time let alone enriched choices, poor people do not have one.

What is crucial to keep in mind is that poverty is a socio-economic beast, and like all socio-economic outcomes poverty too is an outcome of macroeconomic policies. Poverty is human made, and thus the solution lies in the hands of people as well. Indeed, with the focus on MDG 1 by national governments to reduce poverty by half in the year 2015, it has become clear that it is possible to eliminate poverty when political will is combined with the right policies. There have been tremendous successes to learn from as well as some failures to avoid, but "No one country has all the answers"¹.

The purpose of this paper is to look at different answers from different countries to learn best practices to eliminate poverty. In doing so, the structure of the paper is as follows. In the next section we will elaborate some of the underlying reasons of our choice of countries. In section three, we look at most effective policies in these countries in their fight with poverty with the exception of Egypt where we only discuss youth poverty. In section four we take account of our analysis and conclude.

II.

To most effectively learn from different practices of other countries with the purpose of choosing the best practices for Turkey, it is important that the countries are comparable to Turkey in one or more dimensions of their socio-economic life; hence we have chosen middle income countries with relatively large populations who also have achieved significant success in their fight with poverty. We comparatively study poverty reduction strategies from three different regions of the world with five different case studies. The regions and countries are; Latin America (Brazil and Argentina); Middle East and North Africa (Egypt and Tunisia), and Asia (China).

Some characteristics these countries have in common with Turkey is the structure of their economy, such as large agricultural share in employment as in China, and some others face similar challenges such as low labor force participation by women such as Egypt and Tunisia, some have been faced with re-occurring financial crisis like Argentina, and some have significant inequality issues like Brazil, similar to the Turkish experience when we look at regional disparities between eastern and western Turkey.

Before proceeding further, it is important to note that we do not attempt to give a poverty profile for each country and conduct an exhausting analysis of every poverty strategy that is implemented by each country. Our purpose is straightforward; to learn from different practices hence we present a different strategy from each country which we think have been instrumental in combating poverty.

The countries in this study have many diverse experiences. However, regardless of how diverse their experiences been there are still a couple of main points that are common to all. First of all, in all these countries success in the fight with poverty has gone beyond a set of best practices only, and is part of a national strategy. As mentioned by Cornia (2006), it is difficult to look at poverty reduction just as a collection of best practices independent of the macroeconomic policies, particularly in a world that is becoming more and more interdependent with globalization. Even microeconomic variables have to face macroeconomic structures and hence every successful poverty elimination strategy, no matter how micro its scope, has to part of a broader development strategy. Second, inequality in assets, income, and opportunities matter for economic policies to reach a broader base that also benefit the poor. In economies where initial inequalities are large, unless targeted by specific policies, poor cannot benefit from the increased economic opportunities. In a globalized world, economic opportunities benefit mostly those with specialized skills and those who have access to credit for entrepreneurial activities. Poor generally lack

¹ Barack Obama in his address to the 65th General Assembly during MDG meetings September 23, 2010, New York, USA.

both education and capital and as a result they may even fall behind even when economies are growing.

It is widely accepted that economic growth is absolutely necessary for poverty reduction, however, the extent to which how effective a given pace of growth in reducing poverty is more complicated as evidence shows different poverty reduction performances are possible with the same rate of economic growth. To get a better picture, it would be useful to look at the following two tables, first one about economic growth, and the second, on poverty rates in 1990s and 2000s.

Table 1: Annual Growth Rates					Table 2: Poverty Rates		
	1990-99		2000-2008		\$1.25/ day		
	GDP	GDP per capita	GDP	GDP per capita	1990-91	2005-2007	
China	10	9	10	9	60	16	China
Tunisia	5	3	5	4	6	2	Tunisia
Egypt	4	2	5	3	4	2	Egypt
Argentina	5	3	4	3	2	3	Argentina
Brazil	2	0	4	2	15	5	Brazil
Turkey	4	2	5	3	2	3	Turkey

Source World Development Indicators

One thing which is clear from these two tables is that there is no linear relationship between economic performance and poverty reduction. For example, Turkey and Tunisia have shown relatively similar performances in terms of economic growth (Table 1), but Tunisia's performance in reducing poverty has been more successful than Turkey's (Table 2). Another good example is Brazil, who has managed to reduce its poverty from 15% to 5% in two decades with mediocre economic performance on the average.

As has been discussed in the literature growth elasticity of poverty, i.e., how much poverty changes when economies grow, depends on where economic growth takes place. In other words, what is effective in the fight with poverty is not only how fast and how much a nation's economy grows on the average but more so, which sectors contribute most to the growth, and if those sectors employ the poor or not. By definition, poor are those whose only asset are their labor, and thus increased employment opportunities that would utilize the endowments of the poor would lift people out of poverty more effectively. If a sector employs majority of the poor then in the case of higher growth within that sector, incomes of the poor would grow as well. In other words, if economic growth occurs in labor intensive sectors, this would be translated into increased use of endowments poor people have, i.e., their labor.² Hence, if one accepts that successful poverty reduction has to be part of a development strategy and economic growth, then a growth pattern which would provide employment opportunities in sectors that are labor intensive would be pro-poor.

III. Country Case Studies:

China provides excellent evidence to the hypothesis that one of the most important determinants of pro-poor economic growth is the pattern of growth, i.e., how each sector (agriculture, services, and industry) has been contributing to economic growth.

China's performance is considered to be a miracle in reducing poverty. Chinese headcount

² It is important to note that, in fact, as pointed out by Klasen (2004), any kind of growth could be made pro-poor if it involved transfers or taxation that benefits the poor more than the other segments of the population. But, success of economic policies also lies in the degree of cooperation and support they get from the public and such transfers are not very popular among voters for they are perceived as "encouraging welfare" by many. Such transfers or progressive tax systems may not also be very effective in reducing poverty especially when developing country governments do not have a very large base to collect taxes.

index based on their national poverty line reduced from 53% in 1981 to 8% in 2001, a tremendous success by all means (Ravallion and Chen, 2007). "The speed, scope and magnitude of the improvements in the lives of 1.3 billion people rank among the most stunning achievements in the history of human development." (HDR China 2007-08: pg. iii)

However, this stunning achievement of continuous and high growth was not accompanied by continuous and fast poverty reduction all the time. Even though economic growth was consistently high across time, poverty reduction was concentrated in two periods; from 1979–1984; and from 1995 to 97. It was concentrated geographically; three quarters of all poverty reduction took place in rural areas (Ravallion and Chen 2007). Furthermore, in the last decade or so, impact of growth on poverty, in other words growth elasticity of poverty has been weaker, as China has been experiencing an increasing gap in between rural and urban income inequality due to the concentration of economic development in coastal regions. Having said that, due to space constraints we will focus on the periods of China in which it has been most successful in reducing poverty.

The success in poverty reduction from 1979-84 was the result of policy focus on the country side during market reforms. First, land was distributed equally to households but without ownership rights not to result in inequality because credit markets were not developed enough. This provided a major pillar of pro-poor growth as the reforms had a wider base to reach to the poor segments of the society, and concentration of land ownership was prevented. The second policy Chinese government implemented was to encourage the farmers to diversify their crops away from a quota-based grain only system to a more market oriented system by liberalizing its prices in steps, using a dual-track pricing system. After fulfilling their grain quotas, farmers could produce anything that they would like to sell in the market, which created incentives to increase productivity without creating the loss of stability in the grains market.

Thirdly, another very important factor in reducing poverty in China was to raise the commodity price supports along with increasing fertilizer supply to farmers (Cornia 2006). The number of absolute poor decreased from 80 million to less than 30 million as a result of Poverty Reduction Plan (1994–2000) (Chandrashekar and Ghosh, 2006). The main factor was doubling farm purchase prices, particularly food grain, which then increased the income of farmers significantly.

In addition to these three pillars, Chinese government provided macro economic framework to support economic growth by the prevalence of public banks which fostered capital accumulation at the municipal and local level, and this was supported by a controlled capital account and managed exchange rate (Chandrashekar and Ghosh, 2006).

To sum up, Chinese success was not the result of shock therapy policies to enhance market transition from a command economy to a market oriented economy; the government had significant role in reducing poverty by implementing policies in areas where the poor are concentrated. The combination of state led market oriented growth in agriculture brought stabilization and motivation simultaneously. As rightly put forward by Ali and Son (2007) the poor are able to participate to growth and benefit from it to the degree that their circumstances and market failures allow them to. Hence, poor generally benefit much less from market centered economic growth when compared with other segments of the society.

How could Chinese experience relate to Turkey? Turkey would benefit from implementing rural economic policies China has implemented in its fight against poverty, which may also bring high economic performance. Considering poverty is rising fastest in agricultural sector in Turkey after the implementation of Agricultural Reform Implementation Program (ARIP) along with high unemployment rates with limited capacity of non-farm sector to absorb the labor force, agricultural sector provides a challenge and an opportunity for both economic development and elimination of poverty in Turkey.

To revisit the Chinese success, one of the most instrumental policies in reducing poverty was to distribute land to farmers without the ownership rights. By preventing exchange of land through markets Chinese government prevented land concentration that may have occurred as

a result of unequal access to formal credit which would have given advantage to the rich during stress sales. In addition the government also prevented output loss in agriculture as it is a well known stylized fact that smaller farmers are more productive and they use more labor intensive techniques (Unal 2009).

Despite low contribution to GDP, Turkey's agriculture is still a major source of employment in Turkey. In other words productivity is low in agriculture. This is a well known observation. What is not so well known in the Turkish case is the fact that small farmers are much more productive than large farmers. As surprising as it is, most of the international organizations such as FAO, or OECD, or World Bank (WB) have been advising Turkey to consolidate land to increase agricultural productivity by market friendly reforms. The surprising part is not in the advice, but its lack of scientific evidence to back it. The only empirical study that looks at productivity-size relation suggests that small farmers in Turkey are on the average nine times more productive than the large ones (Unal 2009).

Suggesting land consolidation and concentration as a solution to low productivity in agriculture seems to be an ill and unfounded advice for Turkish agriculture. Given the inverse productivity-size relationship in agriculture, what is needed for increased productivity in agriculture and overall growth doesn't seem to be so called "market-friendly reforms," but land redistribution supported by technical and financial assistance for farmers. Given current macroeconomic policies on agriculture Turkey has been experiencing rising inequality and poverty. Indeed, 2005 poverty study conducted by the State Institute of Statistics confirms that rise in poverty is fastest in Agriculture with 37% of all rural people employed in agricultural sector (SIS 2006).

Turkey has been trying to transition away from an agrarian society to an industrialized one. It is well known that the definition of economic development is the structural transformation away from agriculture to manufacturing and industry, and then to service sector. However there is a difference between transition and transformation, transformation of the economy requires labor that is shed by agriculture to be employed in more lucrative jobs in manufacturing, industry or service sector. However, developing countries in the era of globalization face different challenges, in their effort to transform their economies from agriculture to industry. Ignoring these challenges would result in human disasters of uncontrolled migration combined with unemployment, and high crime rates and political instability due to socio-economic problems. Almost no developed country industrialized without a very strong push that came from agriculture, and may be more important than that, in an era of globalization with the presence of two giant economies like China and India who benefit from the economies of scale in manufacturing, it is very difficult now for smaller developing countries to enter into the manufacturing market. In other words, as we economists call, the Chinese success in manufacturing may be a fallacy of composition for many countries including Turkey. It may be time to reconsider following the cliché definition of economic development, as what is true for the part may not be true for the whole. Not all economies have agricultural potentials like Turkey; Turkey is a major international producer. For Turkey given the high commodity prices in agriculture, supporting the agricultural sector may be the path for a viable future as opposed to a blind implementation of whatever the developed countries have done before. Particularly, such policies are hard to justify when they inflict economic crisis on the vast numbers of people who depend on this crucial sector and when there is no foreseeable possible success given the challenges of globalization. In our view, Turkey can learn a great deal from the Chinese rural poverty reduction experience.

Now we turn our attention to Brazil, another stellar performer in reducing poverty without stellar growth rates when compared with China. Different than China, Brazil is one of the most unequal countries in the world. Brazil's poverty reduction performance has not been as high partly due to existing inequalities in the country. As we mentioned earlier, growth helps the poor to the extent that poor are integrated with the channel the economy is feeding its growth, i.e., markets.

Hence inequality in access to markets, particularly in opportunities to develop skills that markets utilize has been a fetter not only to poverty reduction, but also as recently made it to the headlines in a prestigious news paper, it sets the upper limit to economic growth.³

Because economic growth has not been reaching the poor, combined with the acute level of inequality and poverty existing in Brazil, it is understandable that the most effective and politically viable poverty reduction strategy that is the Brazilian government has chosen are targeted programs, such as conditional and unconditional cash transfers.

According to a UN report (2010) conditional cash transfers (CCT hereafter) were first introduced in a few countries in Latin America and South Asia. In Brazil, the Bolsa Familia began in the mid-1990s as an experiment in two municipalities and currently covers 11 million families (UN 2009).

Despite their success in alleviating poverty, as opposed to universal coverage, targeted policies such as CCTs are now very widespread and popular with governments as poverty reduction strategies thanks to fiscal constraints. They are designed to deal with certain aspects of poverty including non-monetary aspects particularly to help the poor to break away from intergenerational poverty. To help break the intergenerational poverty, conditional cash transfers provide a mix of cash income and public service. Some of them especially emphasize strong linkages with the labor market and intra-household responsibilities such as the provision of higher transfers for school-age girls who may be more likely to drop out from school, particularly when they get to secondary education due to their household responsibilities (UN 2009).

According to Lustig (2000) successful CCTs depends on a number of factors, such as the characteristics of the poor – how easily they can be identified, how many are they and what the main factors behind their deprivation are, along with country and context specific circumstances. In Latin America, the majority of the CCT programs target households, not individuals (Soares and Silva 2010). However, in most CCTs, women are the primary recipient of the transfer, as women spend more of their resources on their children when compared to men. Furthermore, as pointed out by Soares and Silva (2010), some evidence show that giving even very little amounts of money directly to women brings the benefit of increasing women's bargaining power in the household and increasing her self-esteem as a result of increased social interaction through training programs with her community, thereby helping to reduce gender based inequalities.

In Brazil the most well-know program is Bolsa Familia but it is only the flagship program of a larger program called Fome Zero (Zero Hunger). Fome Zero is a perfect example to show that combating poverty is beyond a single program, it is a national strategy in which different dimensions of poverty are addressed simultaneously.

Initiated in early 2003, The Fome Zero strategy was Lula's manifestation of his presidential statement that all Brazilians should have three meals a day (Soares and Silva 2010). The strategy includes involvement of government in federal, state, and municipal levels, including almost all ministries. Even though the strategy was designed to end hunger it also has a broader goal of encouraging cross-sectoral coordination, initiating cooperation between civil society and government bodies to overcome socio-economic, racial, and gender disparities to promote income generation and increase well-being of individuals.

Fome Zero program has four main dimensions. The first dimension is access to food, which includes both access to food and access to information and education on food and nutrition. Within this dimension are Bolsa Família (cash transfer); school feeding; food distribution to specific vulnerable groups; cistern building; subsidized restaurants; food banks; community vegetable gardens; the Food and Nutritional Surveillance System (SISVAN); distribution of vitamin A and iron supplements; food and nutritional programming for indigenous populations; and food and nutritional education and the promotion of healthy food habits among workers in the Workers' Food Program (PAT) (Soares and Silva 2010).

3 Educational Gaps Limits Brazil's Reach New York Times, September 2010. (<http://www.nytimes.com/2010/09/05/world/americas/05brazil.html?ref=world>)

The second dimension is strengthening of family-based farming, which includes supporting smallholder farmers to generate income and increase food Production through crop insurance; agricultural family insurance; and food purchase from family agriculture in the Food Acquisition Program (PAA) (Soares and Silva 2010).

The third dimension is income generation, which includes solidarity economy, to improve the marketable skills of poor people through training, the Consortium for Food Security and Local Development (CONSAD); the productive organization of communities; support for cooperatives of rubbish/recycling collectors; microcredit; and technical assistance (Soares and Silva 2010).

The fourth dimension is coordination, commitment and social accountability, which includes programs for developing partnerships between civil society and government. These include Social Assistance Reference Centers (CRASs); social mobilization and citizenship education; training of social and public servants; communitarian work and donations; and social accountability through social councils (Soares and Silva 2010).

Among these Bolsa Familia is the most famous one, worth to take a closer look. Brazil's president Lula da Silva established Bolsa Familia, as a consolidated CCT model to deal with poverty on many fronts from food which was first implemented as a federal program (PETI) in 1996 to eradicate child labor, particularly for children that are working in hazardous jobs such as coal mining, sea fishery, and sisal cultivation and processing (Soares and Sátyro, 2009). When Bolsa Familia was created in October 2003, it basically consolidated already existing programs in education Bolsa Escola- Ministry of Education covering children between 6 and 15 years enrolled at school, in health Bolsa Alimentação- Ministry of Health, for children between 0 and 6 years and pregnant women, in gas, and energy Auxílio Gás- Ministry of Mines and Energy, to compensate poor households for the phasing-out of fuel subsidies, and in newly created food program Cartão Alimentação (Ministry of Food Security). Out of these programs, Bolsa Escola and Bolsa Alimentação were conditional programmes, Auxilio Gás was an unconditional transfer. Merging these programs helped to unify the dataset of all the beneficiaries, under Cadastro Único, and also the program started to operate under one ministry, Ministry of Social Development and Fight against Hunger (MDS), which was the result of a merge of the former Ministry of Food Security and the Ministry of Social Assistance.

According to Soares and Silva (2010) one of the benefits of this merge was the standardization of eligibility criteria, benefit values, information systems and executing agencies. It also brought in a gradual increase in coverage from 5.1 million beneficiary families in December 2002 to 11.1 million families in October 2006. As of October 2009, the program had 12.5 million beneficiary families, and the aim is to reach 12.9 million families by December 2010. This latest expansion was decided on as a response to the financial crisis, although it is more than just a temporary measure to cushion the crisis effects.

An important question to ask is how effective Bolsa Familia and Foma Zero been in eliminating poverty and improving the livelihoods of people in deprivation. According to MDS (2007) and Centre for Regional Development and Planning (CEDEPLAR, 2005) it has been found that the programs have shifted the way households spent money in favor of food, child clothing, and education. It also affected school attendance positively. Some studies have found that children whose households benefitted from Bolsa Familia were on the average less successful than their counterparts who did not. But it is because the CCT pulled marginal students into schools that are coming from deprived backgrounds.

However we would like to raise a red-flag here about the moral implications of conditional cash programs. Such programs may face resistance because it may suggest that poor people are poor because they do not know how to best spend their money hence the money has to be conditioned (Standing 2007)⁴. Therefore, CCTs are not ideal, but they have worked for many countries, including Brazil.

4 Citation from UNRSID (2009).

Now we turn to another experience in Latin America, Argentina which has implemented workfare programs to help reduce poverty rather than CCTs.

A country of 38 million people with half of all the households living in poverty in 2002 and more than 20% of unemployment rate Argentinean government was helping 2 million people with its workfare program named Plan Jefes in 2003, at the peak of the program's impact (Ronconi et al. 2006). Jefes has originally started as a cash transfer program for unemployed household heads, but it was observed that cash was not going to those in need. In most developing countries due to informality in the labor market it is really hard to know who is unemployed and hence determine the beneficiaries. To find a solution to the targeting problem, cash was tied to work. By definition, when one works for his/her money, it is not a transfer anymore. In other words Jefes became a government guaranteed limited employer of last resort program.

Jefes program targeted less skilled workers and ensured effective self-targeting by setting the wage rate below the market wage rate, so that only those who are in dire need would participate as the opportunity cost of participating is higher than its benefits if one has a regular job. However, due to low institutional capacity for enforcement, it is also argued that, 18% of all the participants have an additional income in the form of earned income from a formal or an informal job, or unemployment benefit (Ronconi et al. 2006). Regardless, it is hard to imagine a non-poor person to agree to work at a job particularly when the wage rate is below the market, thus, it won't be wrong to assume that those 18% who benefitted from the program were working poor who were in need of additional income.

Eligible households were generally limited to one participant in the Jefes program and the household had to contain children under age 18, persons with handicaps, or a pregnant woman and had to have at least one unmet basic need (Tcherneva and Wray, 2005). Participants were paid 150 pesos per month to a head of household for a minimum of 4 hours of work daily. According to the Ministry of Labor Employment and Social Security, by October 2007, 70.5% of all beneficiaries were women with 36% of them between the ages of 26 and 35.⁵ Participants mostly worked in community projects in poor neighborhoods. Some examples are as follows; cleaning and environmental support in the agricultural sector, improving the sewer systems and water drainages, renovation of existing centers or construction of new ones. In addition some community services which were performed in food kitchens, domestic violence shelters. Other projects included health promotion programs such as learning sanitary practices, some others deal with mending old clothes, and repairing old books from wealthier libraries to be used in poorer ones. Furthermore, larger scale infrastructure construction projects could also use Jefes workers (Tcherneva and Wray, 2005).

An essential component of successful community based projects was decentralized management of such projects. According to Tcherneva and Wray (2005), Jefes had a very transparent and decentralized structure with national guidelines. Funding and the guidelines in regards to execution were provided by the national government along with some auxiliary services such as national registry for the beneficiaries and provision of the dataset that tracks the projects. These datasets then were made available to public to minimize corruption through transparency. The projects were proposed by local nonprofits or NGOs, and those that were approved were executed through municipalities with significant roles given to local project leaders.

According to the Ministry of Labor, Employment and Social Security, the program helped 29.3 % of households below the indigence line to lift them out of indigence⁶, and 6.7 % of households below the poverty line to become non-poor. Furthermore, there had been another benefit of the Jefes program which made it more effective in dealing with non-monetary dimension of poverty in a way CCTs cannot address, and that is about human dignity.

It is established by surveys that participants of Jefes, when asked how they feel, answered

⁵ <http://www.trabajo.gov.ar/jefes/index.asp>

⁶ Indigence is defined as the ability to be able to buy the minimum food basket, poverty threshold is higher than the indigence line as it combines both food and non-food items.

“respected” and “valued” because of the community development projects they worked at (Tcherneva and Wray, 2005). Providing a human being with a job with which she contributes to the development of her community could be much rewarding when compared to receiving cash or asset transfers. People feel more dignified when they are socially recognized, when they feel they are part of what is considered the larger world.

“We find that female participants prefer work over welfare because they feel that working has enriched their social life, allowing them to become involved in, and contribute to their communities. Further, employment in some of the projects has also increased access to a range of social services that (anecdotally) help to reduce spousal abuse, school dropout rates, drug abuse and related crimes, and so on. Most of the women—especially those who had not previously participated in formal labor markets⁷—believe they are learning useful skills; many think they are improving their chances of obtaining other (non-Jefes) paid work, which some women desire” (Tcherneva and Wray 2005: 3)

What is also important, particularly when looked through a lens of inquiry to see if such programs may be valuable to implement them in Turkey is the gender dimension of the change such programs bring about. The benefits were mostly reaped by women from the Jefes program because women generally get lower wages than men in the market, so when Jefes offered lower wages than the market, those with lower opportunity cost, i.e. women, ended up being the main participants. Programs like Jefes with self targeting mechanisms could benefit Turkish women as well, given Turkey’s extremely low level of economic activity rate among women. However, Jefes experience should not be taken as advocating lower wages for women, but the case is important to present in showing how inequalities could be utilized to create equalities to improve the lives of the poorest, i.e., women.

Last but not least, the Jefes did not cost too much to the Argentinean government. At its peak total costs were below 1% of GDP. In a country where 50% of all households live under poverty when the program has started, this is not a big amount of spending to undertake when compared with the need (Tcherneva and Wray, 2005). On the contrary, given its positive outcome, particularly on the gender front, one may prefer to look at the spending as an investment and not as a cost.

Two other countries that we would like to draw successful lessons in combating poverty which also have commonalities with Turkey, particularly on gender issues with low level of female labor force participation are Egypt and Tunisia. This is where we turn our attention next.

However, before moving forward with the analysis, it is important to note that, both countries have implemented many different poverty reduction strategies, as part of their macroeconomic framework, sometimes simultaneously, ranging from government employment schemes to conditional cash transfers and subsidies to the needy. While recognizing each country experience is unique to the country specific circumstances and should be studied as such, due to space concerns, we will focus only on the type of poverty reduction strategies which we have not analyzed within the context of the previous countries we have discussed so far.

Through the lens of poverty and inequality Middle East and North Africa (MENA hereafter) region provides a unique example with low levels of poverty, low levels of income inequality, and also low levels of economic growth when compared to other regions in the world (Adams and Page 2003).

There are definitely some hard to refute macro factors that have been instrumental in today’s low poverty rates despite low economic growth which is specific to the MENA region due to its natural endowment of oil. The region has experienced most of its economic growth during 1975 and 1985, after the first oil shock. Because of the pre-existing equal distribution of income and assets, the “increasing tide lifted all the boats” resulting in even lower rates of inequality and poverty (Adams and Page, 2003). It is established in the literature that low levels of inequality is favorable to pro-poor economic growth (Ravallion 2007). Given low inequality levels in income and assets,

⁷ Emphasis added by the author

MENA countries managed to reduce poverty without high rates of economic growth. But what is more noteworthy is that, in the years between 1980s and 90s, while on the average per capita GDP growth was 4.3%, per capita GDP growth of the poorest quintile was more than 15% in the region (Adams and Page 2003). MENA clearly experienced an era of pro-poor growth while in many parts of the world inequalities in income and assets gotten worse and poverty increased due to hands off policies by governments following the neoliberal paradigm starting in 1980s.

During the years of low economic growth, one of the explanations provided in the literature for such pro-poor performance is the states' active roles as major employers in MENA countries, Tunisia and Egypt are no exceptions. For example in Egypt 30% of the labor force is employed by the government (Adams and Page 2003). Another plausible explanation is the increased amount of remittances due to labor migration from poorer countries such as Egypt to richer countries such as Saudi Arabia (Adams and Page 2003). Last but not least, role of public expenditure has been very instrumental to distribute the income generated by oil and to keep an egalitarian society in MENA.

Public expenditure almost always benefits the poor more than the rich because poor consumes more public goods than the rich. Hence, reduction in poverty is a reasonable outcome of increased public expenditure. But to be able to understand what kind of public expenditure serves best to the poor, one needs to take a closer look at the type of public expenditure. This is what we aim to do in this section by looking at the case of Tunisia.

According to Bibi and Chatti (2005) even though extreme poverty is not a problem for Tunisia, vulnerability is. In other words, if poverty line were to be set at 50% of the mean consumption, 40% of the rural, and 15% of the urban population would be poor (Bibi and Chatti 2005). The poor, similar to the rest of the world, has a dominantly rural face in Tunisia with 34.4 % of all households headed by an agricultural worker in at least moderate poverty (Bibi and Chatti 2005). Therefore, one of the areas to focus when it comes to poverty eliminating public spending is investment in agriculture and supporting agricultural growth.

Tunisian government had supported agricultural growth by significantly increasing public spending on agriculture and thereby increasing productivity. Particularly public spending was oriented towards irrigation and drainage and reuse of treated water in agriculture. Public spending in agriculture increased with an average growth rate of 7.2 per year in real terms from 1970s to mid 1980s (Bibi and Chatti 2005).

Another policy that helps combating poverty was public spending on education. Spending on education provides pathways out of poverty as it breaks the intergenerational asset dependency to reach better opportunities. In Tunisia, historically public spending on education has been high and ranged between 5 and 6.5 % of GDP over the last decades (Bibi and Chatti, 2005). According to the World Bank (1995), primary education accounts for 41% of recurrent expenditures as opposed to 33% accounts for secondary education. In the case of Tunisia, it is observed that public spending on primary school education benefits the poorer segments of the society where public spending on secondary and higher education benefits the richer segments of the society (World Bank 1995)⁸.

Besides spending on education, and agriculture, Tunisian government has been providing social safety nets to its poor population by direct transfers and food subsidies since 1980s. Even though the magnitude of such public expenditure has declined from almost 4% of GDP in 1980s to 1% in 2000s, food subsidies in particular still play a significant role in providing the daily calorie intake of the poor- and unfortunately the non-poor due to poor targeting (Bibi and Chatti 2005). Based on the Tunisian experience, we would like to mention a few strategies to better target the poor when such subsidies are in consideration.

Until 1990, the food subsidy scheme in Tunisia was universal, i.e., the items which were covered by the food subsidy, such as cereals, edible oils, milk, and sugar were available to all in unlim-

⁸ Reference in Bibi and Chatti (2005).

ited amounts. In the absence of fiscal constraints, universal approach is best because it is not only effective in raising the consumption levels of all the poor, but also it is cost effective to administer since no monitoring is needed. However, very few countries do have unlimited fiscal space. Starting in 1990s, the Tunisian government changed the scheme of the food subsidies through quality differentiation in food items to target the poor more effectively. In doing so, it introduced a self-targeting mechanism by not only excluding some items from the subsidy list that are more frequently consumed by the rich, but also by introducing “inferior” and “superior” alternatives to food items to distract the rich away from the subsidized food item for better targeting (Iqbal 2006). For example, in Tunisia milk subsidies were shifted to cheaper cartons that were less attractive to wealthier consumers; but at the same time, fresh, locally produced, sterilized milk stored in bottles was promoted and made available in the market (Iqbal 2006).

Next we turn to Egypt to look at how Egypt deals with a problem that is not only very common in MENA, but also in Turkey, the poverty as experienced by young people, for those in between the ages of 18 and 29. As rightfully mentioned in 2010 Human Development Report (HDR) young people's deprivation is different than adult poverty because missed opportunities during early years in one's adult life have much widespread repercussions than poverty which is experienced in older ages. To start with, a nation's human capital is hurt most if poverty is more prevalent among the youth, as young people have a higher capacity to learn and produce (EHDR 2010). In addition, inability to access opportunities at a younger age due to deprivation or some form of exclusion would be more difficult to reverse because the effect of poverty commands a longer life span when compared to incidences of poverty in later years in life. Younger years are years to build capacity to reach one's potential in life, and hence youth poverty more negatively impact on one's life when the building stones are missing. Furthermore youth poverty is potentially more destabilizing for countries and prone to create social unrest as the level of frustration and the likelihood of its manifestation in violent acts is much higher among the youth. Hence as argued by EHDR (2010) youth poverty provides a fertile ground for “fanaticism and extreme opposition to the state itself” (EHDR 2010:75).

According to EHDR 2010 poverty rate in Egypt is 21.6% (based on national poverty line), and there exists large regional differences with Rural Upper Egypt being the most deprived (43.7% of its residents are income poor) and Metropolitan region the least. Furthermore, on the average, and without exception, youth poverty rates are higher by 1.5% points in all regions (EHDR 2010).

Furthermore according to the report poverty perpetuates poverty; most poor young people were also poor when they were younger. One of the ways youth poverty manifest itself in Egypt is through education access and education outcomes as measured by successful completion of the degree. Not surprisingly, poor youth have lower educational attainments which perpetuate their poverty and transmit it to their children (EHDR 2010). Poor youth, particularly girls have a much lower likelihood to join schools in Egypt. Such differences in accessing education create even bigger differences especially in countries where economic returns to education is very high, similar to Turkey.

When a young person cannot get adequate education to acquire the skills that are in demand for a living, s/he ends up in insecure or no work, low or no assets for security, minimal access to social protection and basic services, and very little chance to break poverty (EHDR 2010). In Egypt the situation is worse for the rural youth as they are poorer and much more deprived when compared to urban poor, again not too different than Turkey.

In the face of the youth poverty, what has the government of Egypt been doing to remedy the problem? The first step of every solution is to be able to clearly see the situation, so one can say that Egyptian government has at least turned its attention to identifying the profile of the young poor, and their most pressing needs. Currently, to our knowledge, there have not been many programs that tackle the situation directly except one that exists with the collaboration of Italian government. This specific collaboration between the two governments has started in December 2009 to start a three year development program worthy of 2 million Euros to help minors in villages that are most prone to send migrants to Italy. The purpose of the program is to prepare

young people to enhance their employment opportunities in both countries through training and education, such as teaching young people Italian.

Youth unemployment has been a major issue in Turkey as well. The first thing that comes to mind is the need to conduct a similar study that details the profile and the needs of the young to see what could be the channels government can help them to break poverty.

Conclusion

From this very brief overview of strategies to combat poverty one could see that every country has their own challenges and opportunities. However, there are some underlying structures that determine the effectiveness of policies. First of all, as we have tried to discuss in this paper, poverty is a multidimensional beast which has to be attacked from all fronts or else the strategies are doomed to fail. Furthermore poverty elimination strategies have to be part of national development strategies which must be part of macroeconomic frameworks.

Second, inequalities matter. However, even under the conditions of very high inequality political will can overcome the obstacles to effectively address poverty by targeted policies.

Third, the most effective way to combat poverty is to provide employment to the poor. Providing employment depends on economic growth, which depends on macroeconomic policies. The poverty reducing performance of economic growth depends on the employment generating performance of economic growth. To generate as much employment as possible, economic policies has to target growth in labor intensive sectors, which are mostly rural, agrarian sectors in developing countries.

Last but not least, poverty is human made, and can be eliminated by correct macroeconomic policies.

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THE CASE OF WOMEN'S COOPERATIVES IN STRUGGLE AGAINST POVERTY*

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Abstract

In Turkey and all over the world today, the abyss between the rich and the poor has been increasingly expanding and the system of values has been collapsing. Despite expansion of democratization, larger numbers of people, particularly women and children, have been exposed to oppression and poverty. However, programs of struggle against poverty do not include women since they are usually detached from the realities of women's life.

This study particularly deals with Women's Cooperatives established in the struggle against poverty in our country and develops a number of solution proposals.

Key Words: Poverty, women, women's cooperatives, unemployment, cooperation

Introduction

The gap between rich and poor people increases rapidly both in all over the world and our country and the system of values has been collapsing. **Against the fact regarding the expansion of democratization, many people, particularly women and children are exposed to oppression and poverty problem.**

Poverty in general sense means lack of opportunity to meet basic requirements of people, as well as lack of minimum life standards (Şenkal, 2005).

Poverty is a matter related with underdevelopment problem basically and is kept in the agenda of even developed countries.

UNDP (United Nations Development Program) defines poverty as being deprived of opportunities required for human development (life time health, productive life, average life standard, freedom, self-confidence and reputation) (Uzun, 2003).

* The original version of this paper is in Turkish and English translation is appeared here. The original version of the paper is appeared on the Turkish version of the Edited Collection of the Symposium.

Poverty is a basic problem for all humans and mostly faced by women. The phrase “Feminize of Poverty” was included in 4th World Women Conference Action Plan in 1995 for the first time.

70% of all poor people in the world are women (Öztürk ve Çetin, 2009). Position of women poverty within workforce market and its utilization from educational opportunities are main determinants. Indicators such as low participation level of women in workforce market and employment in low-salary works when contribution is provided, working in informal sector, fason working, being family labor without payment, not to have voice on income obtained (particularly in rural areas), lack of income, etc. determine positions within workforce market (Buvinic, 1998).

Mitigation of poverty has been one of the most important issues of Turkey Agenda of United National Development Program since 1990 (Anonymous, 2008). Today, women constitute 36 million of 72-million population in Turkey. 74,8% of women live in provinces, whereas 25,2% of them live in rural areas. General features of woman employment in Turkey are as follows;

- Participation of women in workforce realizes in low levels,
- Women coming to provinces by migration are excluded from employment,
- They are employed in sectors having low level of payment as they cannot benefit from education opportunities,
- Women employed in rural areas work as family labor without payment, whereas they are employed in informal sector in provinces and work at irregular-uninsured fason jobs.

Rate of unemployment is approximately 14,3% among women. 77,0% of women is unpaid family worker and 85,5% of women living in cities does not have any income, whereas this figure is 77,5% in rural areas. 32,97% of women working in agricultural sector and 10,44% of women working out of agricultural sector are poor (www.tuik.gov.tr, www.ksgm.gov.tr, www.iskur.gov.tr).

All these figures show that women are in back levels in terms of education, income level and workforce. These data also indicate that potential regarding employment of women is not utilized in adequate level, unutilized capacity is in question, those included within workforce have low level of efficiency and they are far from satisfying themselves in social and economical sense.

Unrecorded employment represent significant problem for women. While unrecorded employment in rural areas in 2000 was 73,8 percent (rate of woman is 91,4 percent and man is 64 percent) and 28,8 percent in cities (rate of woman is 30 percent and man is 28,5 percent), these figures became 66,6 percent in rural areas (rate of woman is 89,1 percent and man is 55,3 percent) and 33,4 percent in cities (rate of woman is 36,6 percent and man is 32,5 percent) in 2007 (Anonymous, 2009). At the end of 2008, 58 percent of total woman employment was unrecorded. This rate was 38 percent for men (www.keig.org/yayinlar). Again, women constitute most part of house-fason working people.

Low contribution level of women to employment in Turkey and high level of employment as unpaid family worker causes dependency of women on family-men, as well as income obtained by men. When literacy, schooling, utilization of health service, etc. and other data are analyzed on the basis of Human Poverty Index, despite improvement in living conditions of women by time, same improvement cannot be observed in their income levels. Improvement occurs on the basis of income of men and accordingly, income level of the family (Şener, 2009).

In addition, level of wages paid to the women is extremely low. The Global Gender Gap Report indicate that ratio of wages received by women to the men working in similar jobs is 0,62 and Turkey is the 84th country among 125 countries in ordering of communal gender based wage inequality (Barbaros, 2004).

Under heading of Improving Income Distribution and Fight Against Poverty of Ninth Development Plan; in our country it is stated that active participation of segments, particularly disabled, old people, women, children and those migrating and exposed to poverty and social exclusion

shall be provided to the economic, social and political life and violence, as well as abuse against these people shall be prevented. In this framework, access of disadvantaged segments to education, health, sheltering, social services and employment shall be prioritized and services to be provided shall prevent poverty culture and make poor section producers.

Lack of coordination between institutions being responsible to decrease poverty and lack of common norms and standards within programs applied by these institutions make formation of a social protection system for poor people difficult.

In this context, two main approaches come into forefront within new programs regarding struggling with poverty (struggling with social exclusion): Improvement of current social protection system and creation of new employment areas. "Social Risk Mitigation Project" (SRMP) having a value of 635 million dollars and initiated by World Bank and Turkish Government (GDSAS) is one of these studies (Anonymous, 2008).

In the scope of Poverty Mitigation Project, Maya Micro Economy Support Facility has been established by Evaluation of Women's Effort Foundation (KEDV) in June, 2002 to provide micro-credit to women in Istanbul and Kocaeli. Another application is the project initiated in Diyarbakir selected as pilot region on June 11, 2003 by Turkey Prevention of Wastes Foundation and Diyarbakir Governorate and by the support of Bangladesh originated Grameen Bank. In the scope of this project, credit amounting to TRY 8.248.656,50 was provided to 6126 persons until September 28, 2007 (Anonymous, 2008).

Cooperatives are deemed as appropriate improvement of employment means on this point to provide a solution regarding poverty problem. Independent cooperatives assist their partners to increase their general education levels and professional capabilities and assist in decrease of negative impacts of weak groups of the population. Cooperative working spirit develops within cooperatives and this common working style strengthens marketing power of weaker sections of the society in terms of economy and increases communal solidarity. Common working spirit is effective in communal services not provided by the State. In addition, higher level of solidarity is required to work in poorer communities and **strong local leadership** is essential.

In parallel to increasing unemployment and poverty problem, women cooperatives are established in Turkey as a grass-root organizational movement and as a style of solidarity.

Women in the world see cooperatives as an attractive choice to meet their economical and social needs, create income generating opportunities and obtain products, as well as services they need.

Cooperatives are attempts owned and managed democratically and directed by self-assistance, responsibility against oneself, equality, fairness and solidarity values. It places the persons on the center of its activities and provides identification of the way by which economic, social and cultural objectives can be reached by partners and by means of democratic decision-making (www.turkiyemillikoop.org.tr).

Therefore, this study analyzes what women cooperatives can provide women in terms of elimination of poverty and accordingly, what should be done in terms of development of the country.

WOMEN COOPERATIVES

Development in the World

Increasing rate of poverty and inclusion of women within those mostly affected due to poverty problem highlighted organization issue. In particular, organizing against international powers is essential during evaluation of women effort. Women cooperatives have also significant place in struggling against poverty.

Cooperatives are important economic development means as they provide solution against poverty and increase employment. Particularly, disadvantaged women affected from poverty

and unemployment issue mostly try to overcome this problem by means of women cooperatives. In the world, Women Cooperatives completed common studies with various projects of FAO and ILO in different countries, such as India, Yugoslavia, Iran, Nigeria, Thailand (FAO, 2003).

Women cooperatives are not new formations and established, as well as operated for single or multi purpose in all developing countries and in different sectors. They are significant means for improvement of women facing difficulties in economical sense. Cooperative established by milk producing women in Nepal and a cooperative founded by medical vegetable producing women in India are available. As for Iran, cooperative partnership of women is promoted and studies are performed in traditional areas, such as carpet weaving.

Women cooperatives developed as of 1992 in India become 100 cooperatives and 8 unions where 32000 women living in rural areas have membership. These cooperatives are much more effective than men's cooperative in terms of bringing social change.

After collapse of communist system in Yugoslavia, position of women within cooperatives and women studies in the scope of ICA became more effective. Cooperatives gained much more importance as they provide new working areas for women.

Cooperatives between rural women are highly disseminated in Thailand through the project performed by FAO. However, these cooperatives established to increase income level of women by the support of the government execute their studies regarding credits, marketing, etc. issues. They should increase their visibility and sustainability.

Women from Burkina Faso, India, Japan, Honduras and USA share their cooperative experiences. Mrs. Kumari being successful woman entrepreneur and cooperative partner in India states "I hereby would like to express my gratitude to women cooperatives as they made me a strong woman and helped me make my dreams real" (www.turkiyemillikoop.org.tr).

Development in Turkey

Women cooperatives newly developing in our country draw attention particularly as of 1990s. Women cooperatives created by weaker sections in economical sense to eliminate disadvantaged position of women and include women within economic development are important.

Table 1. Women Cooperatives in Turkey

Type of Women Cooperatives	Number of Cooperatives	Regions
Operation Cooperatives	74	Adana, Adiyaman, Ağrı, Ankara, Aydın, Balıkesir, Bursa, Çanakkale, Diyarbakır, Düzce, Erzincan, Gaziantep, İstanbul, İzmir, Kayseri, Kocaeli, Mardin, Nevşehir, Osmaniye, Sakarya, Sivas, Tekirdağ, Van
Small Art Cooperatives	6	Ankara, Balıkesir, İstanbul, İzmir
Agricultural Development Cooperatives*	7	Erzurum, Eskişehir, İzmir, Kırşehir, Kilis, Çorum, Konya/Karaman
Production and Marketing Cooperatives	3	Çanakkale, Samsun, Sinop
Aid Cooperatives	1	Sakarya/Adapazarı
Residential Building Cooperatives	1	Kocaeli
Publication Cooperative	1	İstanbul
TOTAL	93	

Source: Arranged on the basis of data of Republic of Turkey Ministry of Industry and Trade.

*Certain data regarding rate of agricultural development cooperatives established by women is not available, therefore, this data is based on various sources.

Women Cooperatives in our country first organized in Kocaeli, Izmit being earthquake regions and İstanbul. After, they organized in East and South East regions and all country (Özdemir, 2008). This situation shows that women encounter poverty in all regions of our country and is the group

affected mostly due to this problem. These cooperatives emerged particularly as of 2000s during which large scaled economical crisis was lived. As it can be seen from Table 1, 93 women cooperatives are available in different parts of Turkey. Their figure increases everyday. While number of women cooperatives was 36 in 2005, today this figure is tripled (Özdemir, 2005).

Women cooperatives are mainly established as operation cooperatives. Those working at homes mainly prefer to organize as small art cooperatives. In addition, residence, publication, production and marketing, aid cooperatives are also established. Women perform many activities in these cooperatives like evaluation of various hand made products, production of home foods and regional foods, hair dressing services, establishment of women and child centers, as well as supports in social and art sense. This improvement is highly essential in terms of prevention of poverty and development of employment.

As for agricultural area, Agricultural Development Cooperatives are founded in stock breeding area in order to benefit from Social Assistance and Solidarity Fund. Women cooperatives are affected by many factors. In other words, success of women cooperatives depends on many factors such as equation with multiple variables.

These cooperatives are affected from behaviors of women being partners of them, attitudes of the state and even, interest of women not being partners of these cooperatives. Particularly, attitude of the state against cooperatives and point of view of bureaucracy having the authorization to represent the State are of vital importance.

As women cooperatives include production and operation, they provide continuity and women have the opportunity to work, produce and earn money in these cooperatives. Hence, it increases entrepreneurship of women. Additionally, it creates an ideal environment for women not having the opportunity to work anywhere else and is important for women as it provides the opportunity to work and sustain social activities.

Today, many national and international institutions have negative or positive impacts on women cooperatives. As managers and partners of these cooperatives are open to interaction, cooperatives are subject to negative or positive impacts. The training provided by Women Effort Evaluation Foundation during establishment of cooperatives, women and child centers and provision of leadership training for women can be explained. In particular, many of cooperatives founded in earthquake region benefitted from supports of KEDV. Besides, many women cooperatives founded in East and South East Regions utilized EU funds. Governorate Social Assistance and Solidarity Fund and İŞKUR in many cities supported various projects of cooperatives. These supports are important in terms of creation of source and provision of employment.

Similarly, in the scope of support and improvement of women entrepreneurship, formations and projects such as Prime Ministry Directorate General of Women's Status (KSGM), State Planning Organization (SPO), Banks (Vakıfbank, Ziraat Bank, Halk Bank), Turkish Employment Institution (İŞKUR), KOSGEB Business Development Centers, Social Risk Mitigation Project (SRMP), Multi Purpose Community Centers (ÇATOM), Entrepreneur Support Centers (GİDEM), Evaluation of Women Effort Foundation (KEDV), Women Entrepreneurs' Foundation (KAGİDER), Women Solidarity Foundation (KADAV), Women's Center (KA-MER), Turkish Development Foundation (TKV), Turkish Grameen Microcredit Project, Prevention of Wastes Organization (TİSVA) can be counted (Toksöz, 2007). Most of these institutions support development of women cooperatives.

Women cooperatives encounter various bottlenecks in terms of finance, organization and psychology. These are various problems arisen as most of them are the first attempts realized, formation of cooperatives by economically weak persons, people being lack of experience and knowledge to market their products. In addition, inadequate equity and finance possibilities, women being unconscious about cooperatives, inadequate support of government, reflection of general problems of cooperatives, negative point of view of public administrators, failure in provision of organizational motivation, populist policies, selfish and individual behaviors are other negative points.

Additionally, affinity of women in organizing, women's dynamism, cooperatives being an important means in terms of application of democracy in economical area, pressure of economical conditions on women to organize, grassroot demand, affinity in social studies should also be stated here as positive sides of the issue.

These cooperatives are essential means to provide women their real place in economical and social life and they are new areas for women. In particular, these foundations created by women by cooperating against poverty grant them a new position.

Conclusion and Recommendations

Women cooperatives provide women the opportunity to contribute to economical and social development of the country and realize sustainable development.

Cooperatives are effective organizational arenas where appropriate job opportunities, credit facilities, possibilities to increase life standards are provided to women partners and their employees. In addition, women gain self-confidence in cooperatives and improve their economic, cultural and social status.

Women encounter lack of information and experience, limited access to the capital and educational opportunities and other difficulties in their economic life. While solutions are generated for economy-related problems, "existence" of women should also be considered like "absence" and poverty of women and projects should be developed accordingly. Education, credit, consultancy and marketing supports should be provided on the basis of management/organization skills and saving/home economy experience of women in order to increase effectiveness of their knowledge and experiences.

Strength of women can be increased by the value they attach themselves, providing them choices, as well as providing access to opportunities and sources, controlling their lives both in and out of homes, contributing to creation of fairer social and economic environment in national and international arena. Cooperatives address all of above stated issues and create opportunities for women to increase their strength.

In addition to all above explained issues, in order for cooperatives established in all over the country be successful, they should cooperate with each other and eliminate irregular, inconsistent and independent efforts. This is called as top organization in practical sense. Cooperation between cooperatives is one of the principles of cooperative system. Unit cooperatives not realizing top organization (establishment of cooperation) shall be small-scaled, weak and local foundations not having efficiency. In particular, if they protect traditional products of their regions, as well as their regional characteristics and achieve national and international cooperation, they shall gain many economical, commercial, cultural and psychological benefits.

In fact, cooperatives achieve their objectives as partners of cooperatives continue to share information, studies and responsibility and in relation with management and business capabilities of their administrators.

In conclusion, cooperatives are important for women, because;

- It is an economical model for women required to adopt new conditions dynamically.
- In addition to earning money, significant roles, experiences and information are gained and shared in cooperatives.
- Improvement of women cooperatives is a further step for progression of the community in democratic manner.

Under light of all of above conclusions, Women Cooperatives are important opportunities in terms of cooperative system and economy of our country. Cooperatives develop as a grass root demand; receive support of many national and international institutions, progress on the basis of

real democratic structure all of which should be evaluated as a solution for poverty and increase of employment. By this way, dynamics of the country are introduced and a group that has not been given the chance before is mobilized. Therefore, provision of training of and technical support to administrators and partners shall be appropriate step. In addition, strong sides of these cooperatives should be utilized to eliminate their weak sides. By this way, local strengths of cooperatives shall be revealed and success shall be achieved both in national and international arena.

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THE IMPORTANCE OF THE GOVERNANCE OF LOCAL SOCIAL POLICIES IN THE STRUGGLE AGAINST POVERTY*

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Abstract

Although in recent times, there is a tendency, in central and local administrations, towards an increase in fighting with poverty via social oriented public expenditures, in central and local level institutions in charge of this duty, the perception of social centered budgeting, collaborative planning, social policy administration which includes joint monitoring and evaluation is not fully achieved. This fact weakens the dimension of development and implementation of effective public administration policies which is a crucial factor in fighting with poverty, so desired results cannot be secured.

In this article, after dwelling on the causes of poverty in global and national scale; developing, coordinating and monitoring of social-oriented policy in province level that has important role in the fight against poverty has been focused on. In relation to these topics, original implementations and studies carried out between 2003 and 2006 in the province of Sivas have been given in the context.

Key Words: Poverty, Local Authorities, Governorship, Social-oriented budgeting, Local level governance

Global Inequality and Global Poverty

In today's world, one of the biggest problems of the mankind is the global poverty that appears in poor, middle income and wealthy countries. This concept, which is seen as the urban poverty in some of the wealthy, is being experienced in both cities and rural areas very severely. Especially, the life styles based on poverty, that appears in the metropolis areas of countries such as Egypt and India are among the most painful scenes of the history of humanity.

The main reasons of poverty that appears globally or in different countries are income inequalities and public policies that are not effective in the struggle against poverty. There is a linear relationship between these two parameters and the level of poverty.

* The original version of this paper is in Turkish and English translation is appeared here. The original version of the paper is appeared on the Turkish version of the Edited Collection of the Symposium.

The reason that poverty appears globally between regions is that the resources of the world are gathered unequally and unfairly. Today, the main reason of the poverty of the poor countries, which are referred as underdeveloped countries in the literature, is that since the second half of the last millennium, all resources of these countries, especially the labor force, have been exploited and have been transferred to Western countries.

As a result of poverty, unemployment, inner conflicts, violence and terror problems appear in these countries and people, who try to migrate from their counties because of these problems, come across with the boundaries of these countries, which get wealthier with the resources that they transfer.

This in equal picture is actually closely related to the transformation in favor of wealthier countries that has continued for the last two centuries of the last millennium. This transformation is related to the discovery and invasion of new lands, increase of international trade and movement of capital and development of new technologies (Maddison; 2001).

Thus, while the population of the world increased six times in the first millennium, the income per capita decreased and the global poverty increased. In the second millennium, the income per capita of 1000-1820 people increased only 50 % and this is below population growth that increased four times in the same period. However, the shocking development that upsets the balances today is related with the developments in the second half of the second millennium. According to this, between 1820-1998, the income increased 8.5 times and the population increased 5.6 times and the Western and European countries benefited from this increase. In 1820, income per capita of the group A countries (Japan and Western region countries) was twice of income per capita of the group B countries (Latin America, Eastern Europe, Asia and Africa) and in 1998, this rate was seven times more. When this comparison was made between the wealthiest group A and the poorest Africa continent, this rate was 19 times more. From another perspective, it is possible to say that while in the year 1000, Asia continent owned the two third of the world economy and Western Europe only owned 9 %, in 1998 the situation has changed; the share of Asia has decreased to 30 % and the share of Western Europe has increased to 46 % (Maddison; 2001).

However, until 1990, the year in which interregional difference is the highest, with the effect of new factors that triggered the developments in the second millennium (decrease of the obstacles before goods, service and capital flow, spread of new technologies, increase of velocity of circulation), in the third millennium a very important change has started and the focus of production has begun to shift to Asia as it was in the first millennium. According to this, China, which holds half of the world production along with India, will have the biggest economy in the year 2014 and will regain its position that it had in 1890s.

The economic change in the world is not limited to China; the growth that has been seen since last twenty years in the poor and middle income economies of the world, especially in China, and which doubles the OECD countries, has shown its positive effects on poverty, which has affected the countries that are involved in this group. According to this, the absolute poverty level, that was near to 60 % in 1990s, decreased to 16 % in 2005. It is being estimated that this positive development will continue and as bigger economies, such as China and India, will increase their aids and investments to poor countries, this downward trend will grow stronger. In spite of this positive development about the general level of global poverty, it is determined that in some countries, as a result of the misgovernment, the economic growth is not reflected to public and therefore, there is no decrease in the level of poverty. However, in other countries, it is seen that although economic development is poor, as a result of effective government models, effective results about struggle against poverty are obtained (OECD; 2010).

These developments present two main policies that should be taken into consideration in poverty policies. The first one is to spread the economic development through improving the income distribution and the second one is to struggle against poverty through effective public policies.

The General View of Poverty in Turkey

According to the data of Turkish Statistical Institute, in 2008, nearly 0.54 % of the individuals in Turkey, or in other words 374 thousand people, were living below the poverty line that only included only food expenditures and 17.11 %, or 11 million 933 thousand people, were living below the poverty line that included food and non-food expenses. In Turkey, there is not individual whose daily expenditure below 1 Dollar according to purchasing power parity. However, according to purchasing power parity, the rate of individuals, who are living below the poverty line that is determined as 2.15 Dollar, is 0.47 %. If the poverty line is determined as 4.3 Dollar, the rate of poor individuals increases to 6.83 %. (TSI; 2010).

Poverty Rate for Individuals (%)							
Methods	2002	2003	2004	2005	2006	2007(*)	2008
TURKEY							
Poverty of Food (Hunger)	1.35	1.29	1.29	0.87	0.74	0.48	0.54
Poverty (Food and non-food)	26.96	28.12	25.60	20.50	17.81	17.79	17.11
People Earn Below 1\$ Per Day ⁽¹⁾	0.20	0.01	0.02	0.01	0.00	0.00	0.00
People Earn Below 2.15\$ Per Day ⁽¹⁾	3.04	2.39	2.49	1.55	1.41	0.52	0.47
People Earn Below 4.3\$ Per Day ⁽¹⁾	30.30	23.75	20.89	16.36	13.33	8.41	6.83
Relative Poverty Based on Spending ⁽²⁾	14.74	15.51	14.18	16.16	14.50	14.70	15.06
URBAN AREAS							
Poverty of Food (Hunger)	0.92	0.74	0.62	0.64	0.04	0.07	0.25
Poverty (Food and non-food)	21.95	22.30	16.57	12.83	9.31	10.36	9.38
People Earn Below 1\$ Per Day ⁽¹⁾	0.03	0.01	0.01	0.00	0.00	0.00	0.00
People Earn Below 2.15\$ Per Day ⁽¹⁾	2.37	1.54	1.23	0.97	0.24	0.09	0.19
People Earn Below 4.3\$ Per Day ⁽¹⁾	24.62	18.31	13.51	10.05	6.13	4.40	3.07
Relative Poverty Based on Spending ⁽²⁾	11.33	11.26	8.34	9.89	6.97	8.38	8.01
RURAL AREAS							
Poverty of Food (Hunger)	2.01	2.15	2.36	1.24	1.91	1.41	1.18
Poverty (Food and non-food)	34.48	37.13	39.97	32.95	31.98	34.80	34.62
People Earn Below 1\$ Per Day ⁽¹⁾	0.46	0.01	0.02	0.04	0.00	0.00	0.00
People Earn Below 2.15\$ Per Day ⁽¹⁾	4.06	3.71	4.51	2.49	3.36	1.49	1.11
People Earn Below 4.3\$ Per Day ⁽¹⁾	38.82	32.18	32.62	26.59	25.35	17.59	15.33
Relative Poverty Based on Spending ⁽²⁾	19.86	22.08	23.48	26.35	27.06	29.16	31.00

Resource: www.tuik.gov.tr

(1) According to Purchasing Power Parity, 1\$ is determined as 618 281 T for 2002L; 732 480 TL for 2003;

780 121 TL for 2004, 0.830 YTL for 2005, 0.921 YTL for 2006, 0.926 YTL for 2007 and 0.983for 2008.

(2)It is based on 50% of value of the consumption expenditures per capita.

(*) Revised according to the new population projection (2002-2008)

As the table above is analyzed, it is possible to achieve important results. The first one is that, the level of the absolute poverty has decreased a lot as a result of the economic growth that has been observed recently and social policies that have been applied; the poverty that includes food and non food expenditures diminishes 9 points and decreases to level of 17 % from 26 %.

When this reduction is analyzed from the perspective of urban-rural difference, it can be seen that the applied policies are showing differences in the cities and rural areas. According to this, it is seen that the poverty level that includes food and non food expenditures decreases from %21 to % 9; however, in the rural areas, it is remained about 34 %. This indicator, both shows that the effects of economic growth is reflected to rural areas and the applied social policies do not affect rural poverty since the rural poverty is different from urban poverty.

This situation not only indicates that Turkey has to develop different policies as a result of the difference between urban and rural poverty and underlines an organization problem about the application social policies in rural and urban areas. The social policies that have been developed are being applied more effectively in urban areas with the help of the municipals; yet, in rural areas, the ineffectiveness of this management model that is organized in rural areas appears once again.

When poverty indicators are analyzed from expenditure based relative poverty, which is important for the division of the national income, it can be seen that this indicator has not decreased from 2002 to 2008; instead, it increased to 15 % from 14 %.

When expenditure based relative poverty is analyzed from the point of view of urban and rural differences, it is seen that urban poverty has decreased; however, rural poverty has increased seriously to the rate 31 % from 19 %. This situation once again shows that Turkey, which grows up economically, is not successful in the division of the national income and when it is considered long with the first indicator, it is seen that the rural poverty in Turkey is much more serious than the urban poverty and the rural poverty has to be considered a separate public policy.

Rural poverty, which forms the most problematic part of the poverty issue, is actually directly connected to the lowness of the rate that agriculture sector, which forms the base of the rural economy, gets from national income, the fewness of the social security income of the rural population, the profile of the rural population and the education of rural population.

When this issue is analyzed from the perspective of population profile, it is seen that while the poverty rate of the individuals in households, consisted 3 or 4 people, was 8.48 % in 2008, it was 38.20 % in households, consisted 7 or more people. The poverty risk was 25.9 % in the cities and 54.03 % in the rural areas for the same group.

When the issue is analyzed from the perspective of employment, one of the basic factors that forms the poverty, it can be seen that while the poverty rate of the individuals, who were not active economically was 13.73 % in 2008, the poverty rate of the individuals, who are seeking for jobs, was 17.78 %. The poverty risk of the salaried employees was 5.93 % in 2008. This rate is 1.87 % for employers, 24.10 % for the business owners and 32.03 % for the unpaid family workers, the most common employment type in rural areas.

When this issue is analyzed from the perspective of education, the most important factor that affects the employment, in 2008, the poverty rate of illiterate people was 39.59 %. It was 13.44 % in primary school graduates, 5.64 % in high school or vocational school graduates, 0.71 % for college, university or above graduates.

When this issue is analyzed from the perspective of rural economy, it can be seen that while the poverty rate of the people in the agriculture sector was 32.05 % in 2007, this rate increased in 2008 and was estimated as 37.97 %. On the other hand, poverty rate of the employees of the industrial sector was 9.71 % and this rate was 6.82 % for the people who worked in the service sector.

Groups of 20 Percent That Are Arranged According To Disposable Incomes Of Equivalent Households, 2007-2008

Individual groups of 20 percent	Turkey		Urban		Rural	
	2007	2008	2007	2008	2007	2008
Total	100.0	100.0	100.0	100.0	100.0	100.0
First 20 percent(*)	5.8	5.8	6.2	6.1	6.4	6.5
Second 20 percent	10.6	10.4	11.0	10.7	11.1	10.8
Third 20 percent	15.2	15.2	15.3	15.3	16.0	15.6
Fourth 20 percent	21.5	21.9	21.2	21.9	22.3	22.5
Final 20 percent (*)	46.9	46.7	46.2	46.0	44.2	44.5
Gini coefficient	0.41	0.41	0.39	0.40	0.38	0.38
Final 20 percent/first 20 percent (P80/P20)	8.1	8.1	7.5	7.5	6.9	6.8

Note: Income reference periods belong to previous calendar year.

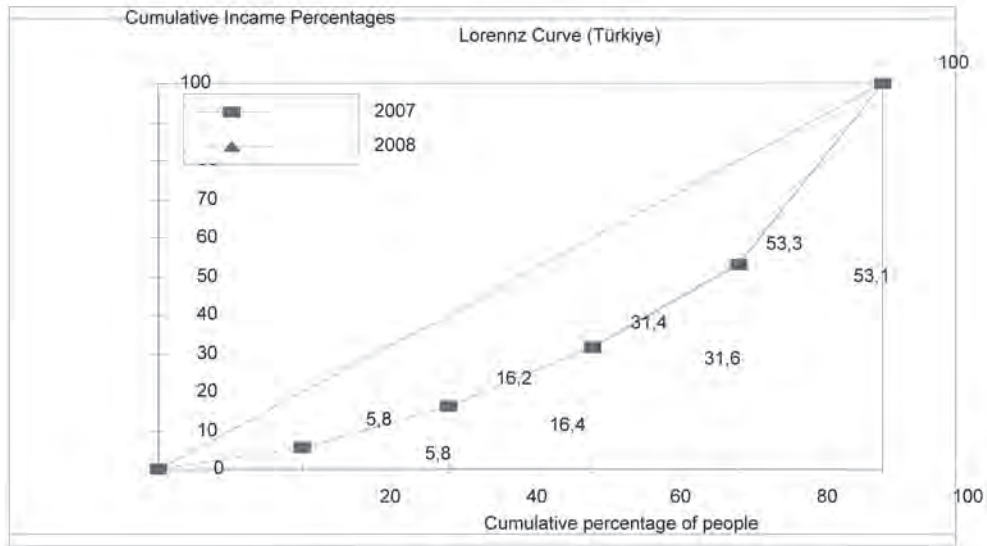
(*) When five groups are formed according to the disposable incomes of equivalent households through ascending sort, "the first 20 percent" represents the group with the lowest income and "the final 20 percent" represents the groups with the highest income.

When the table above is analyzed and the problem of poverty is discussed from the perspective of the distribution of the national income, the dimension of poverty, which is a result of the division problem, can be seen much more clearly. According to this, in the groups of 20 %, which is formed according to the income of equivalent household disposable income, while the rate of the portion that the ones, who have the highest income, take from the total income is 46.7 %, the rate of the portion that the ones, who have the lowest income, take from the total income is 5.8 %. While salaries of the retired, widowed and orphaned form the lowest part with 2.2 %, salary incomes with 27.7 % and other social transfers with 26.2 % form the greatest part. It is possible to understand from these figures that, the 20 % of the population, who take the lowest part from the national income with 5.8 %, does not have social security income, earn their living through working in temporary jobs and live with social supports to a great extent.

On the other hand, when the distribution of the national income is analyzed from the perspective of regions, it is seen that along with the rural poverty, the regional poverty is also very serious in turkey. For the year 2008, the average per capita income was 8,372 TL. While in Marmara, Aegean and South Black Sea regions, the per capita income is above this average, in Mediterranean, Middle Anatolian and West Black Sea regions, the per capita income is slightly below the average. Yet, in East Anatolia (5,301 TL) and Southeastern Anatolia (4,193 TL), the per capita income is much lower than the average. Since these two regions are among the 20%, who receive the lowest amount from national income, the problem is much more serious. According to this, in Southeastern Anatolia, the average income of the group that receives the lowest share from the national income is 7 times lower than the average of Turkey with 1,272 TL.

Gini coefficient, which is one of the criteria of income inequalities in Turkey, was determined as 0.41 for 2008 and it showed no difference from the research results of 2007. The coefficient is determined as 0.40 for urban settlements and 0.38 for rural settlements. The fact that there is no difference in income distribution according to 2007 and 2008 research results can also be seen in the overlap of annual curves that can be found in Lorenz curve, which is the graphical display of unequal distribution of income to the population.

Lorenz Curve of Disposable Income of Equivalent Household



Not only through income distribution but also through indicators of living conditions of the population, these data can be obtained about the non-institutional population:

- 61.0 % of them are living in houses that belong to them.
- In the houses of 39.0 %, there are problems such as “leaking roof, moist walls, etched windows” etc.

- 38.5 % of them are experiencing “the problem of warming due to isolation.”
- 57.7 % of them have installments and debts to pay (*apart from house buying and expenses of the household*) and these payments are too much got 25.0 % of them.
- 88.8% of them cannot afford “a one week holiday away from their house”, 71.1 % of them cannot afford “unexpected expenses” and 82.6 % of them cannot afford “renewing their old and worn-out furniture” because of economic problems.

When the statistics about poverty in Turkey are analyzed along with the data above, it can be seen that

- Certain improvements that can be seen in certain indicators about poverty are mostly related to social public policies that have been improved recently and to social expenses that increase accordingly. However, in Turkey, income distribution inequalities, which are the main reason of poverty in Turkey, are still present. This situation shows that the recent growth in economy is not distributed equally.
- Income distribution inequalities are experienced in rural areas much more clearly. This situation is a result of many problems that are special to rural areas, including the low amount that agriculture economy receives from national income, being uneducated and unemployed, the fact that the families in rural areas are crowded, low salaried and the shoddiness of the house stocks and the inadequacy of public services, related to rural areas.
- Apart from the rural poverty, there is a serious regional poverty, which is a result of regional development. In certain regions, as a result of the dominance of rural economy, rural poverty combines with the regional poverty and makes the situation even worse.

When all these results are taken into consideration, the criteria below can be obtained to struggle against the poverty:

- Public policies, which will improve the distribution of the national income, have to be developed to eradicate poverty.
- Detailed rural area development plans have to be prepared, which includes effective rural area management, improving the rural living standards and the rural economy in order to affect the rural areas, in which poverty is affective.
- Regional development plans have to be questioned when the regional side of the poverty is considered. The facts that whether regional policies are being applied on a regional level and are being applied effectively and how the management and governance gaps will be filled should be analyzed.
- The efficiency of application of the social policies has to be analyzed on the scale of province, which is the most effective application scale and the understanding of budgeting and governance that give priority to social policies in public services, which is one of the most important factors for the efficiency of these policies has to be improved.

Poverty Alleviation and the Development of Social Policy Applications in Turkey

In Turkey, since 1950s, a close, statist economy model has started to improve and in this period, during which a fast and intensive internal migration has begun, some serious social and economic problems in both rural and urban areas have appeared. Today, it is possible to see that traditional social structures, such as family, neighborhood, district, citizenship both have different levels, yet they have been greatly distressed.

In 1980s, in Turkey, which was under effect of new rightist policies just like many countries in the world, the power of public service in economy was reduced and many services, which had been regarded as public services, were taken out of the public sector. In this period, parallel to the development to OECD countries, although the share of public expenses in GDP in Turkey de-

creased, social expenses that are for reducing the effects of transformation on society, increased significantly.

When this period is analyzed in terms of social expenditure, it can be seen that in 1930s, the share that social expenditure received from consolidated budget was below 8 percent, in 1960s, it was above 21 percent and in 1992, it was at the top with 27.7 percent. When the 2000s are considered, it is possible to see that the share that social expenditure received from consolidated budget was 13.2 percent, which was less than half of the level of 1992 (Erdoğan, Yenigün:77-80).

Until 2000s, this transformation of public governance in economy gathered speed and during this transformation period, certain important changes have been experienced in the organization of social public services and social public expenditures. Between 2004 and 2007, while the share of Central Executive Budget in GDP regressed 5.8 percent, the share of social expenses in GDP increased 17.0 percent. Thus, social security and social aid expenses increased significantly between 2004 and 2007. During this period, while the average increase in Central Executive Budget (CEB) was 44.3 %, the increase in social security and social aid expenses was 76.7 %. In other words, the increase of this item is above 70 percent of the increase in CEB expenses (Erdoğan, Yenigün:77-80).

During the abovementioned period (1994-2007) the share of education expenses in GDP increased from 2.7 % to 4 %, and the health expenses increased from 0.6 % to 1.5 %. It is an important positive improvement that the shares of public expenditures of both these expense items, which are determined as investments in human capitals in GDP showed a 2.2 point increase in the last twelve years and has been above the expenses of defense and security expenses (Güresel; 28).

Through this increase in expense items, access to health services and medicine has been much easier. Moreover, there have been serious improvements about free textbooks in elementary schools, increasing the amount of scholarships in higher education and improvements of dormitory services, all of which are quite important for people, who have been struggling with poverty.

Moreover, through resources that have been provided to KOYDES and BELDES projects, which have been developed for the rural areas, important achievement have been gained about the improvement of rural life standards and therefore, reducing the effects of rural poverty.

In this period, certain detailed arrangements have been done about social security and Social Security Insurance, Insured Self-Employed Institution, and State Retirement Fund have been assembled under the same roof with the name Directorate of Social Security Institution. Through general health insurance (GHI) model that has been provided with this law, it is aimed that health services of public and services about finance, which had been carried out through different standards and by organizational structure, would be combined and a structure, which will provide health insurance with equal scope and quality to all citizens would be formed (Erdoğan, Yenigün: 53-54).

The most important regulation about social aid that has been performed recently is the establishment of General Directorate of Social Assistance and Solidarity (GDSAS) with the law, issued 5263 and transfer of administration of Social Assistance and Solidarity Promotion Fund (SASPF) to there on December 9, 2004. Through this change, important improvements about the service quality of social aids, their accessibility, efficiency and coordination have been created.

Apart from these reforms, there have been serious renovations about social services, especially about the handicapped people, and certain supports, such as providing home care and financial support for special education services and providing help in cash or in kind, have been started. After all these regulations, while the amount of social aid provided by Social Assistance and Solidarity Foundation, General Directorate for Foundations, General Directorate of Social Service and Children Protection Institution along with different institutions was 1.4 billion YTL in 2002, it was 5.7 billion YTL in 2006, which is three times more than 2002.

As a result of reforms about education, health, social services, social security, social aids and

rural areas and the resources that have been used for those reforms since 2002, there have been important developments about the living standards of poor people. On the other hand, one of the most important criteria for the success of the policies that have been developed on central level is the efficiency of the applications on local level. However, in our country, certain important problems are being experienced about the development and application of social public policies. The issue of empowering the social budgeting understanding and social policy governance on the level of province, which is the most efficient application scale of the social policies, will be discussed below.

The Role of Central and Local Administrations in Social Services and the Problem of Governance

Subsidiarity, which appears to resolve the problems about providing and presenting services of central management with local qualities, is the principle of acceptance the problem by the executive unit, which is the closest to the problem and concentration of the power. Along with this approach, a participative management understanding, or in other words, governance principle, including the public sector, private sector, NGOs or volunteer intuitions, has also gained importance.

This approach enables the appearance of a new “welfare governance” model in the field of social politics. One of the characteristics of this model is the transfer of the responsibilities about the welfare representation from central management to local administrations. The other one is the increase of the importance that has been given to the cooperation between public institutions and private sector, which have to also include the volunteer intuitions. Actually, today, non-governmental organizations (NGOs) have become important actors in providing both public services and social care in the field of social policies (Buğra, Adar; 11).

In 1980s, the local administrations in Turkey began to head towards the social services and aid actively. Especially parallel to the re-organization and increase in the incomes after 1984, metropolitan municipalities and some other municipalities who are economically strong have begun to provide social services and aids, which are under the area of interest of central management.

When 2000s are analyzed, it is seen that local administrations are even more active in the field of social expenditure. While one of the results of this tendency is related with the reforms about local governments, resources and authorization that are given to municipals and provisional special administrations, the other one is that the choice of increasing the social expenditures in central management affects local governments.

In spite of important increase in public services that have social qualities on the local and central level that have been experienced recently, there have also been important problems and these problems constitute and impediment about receiving the desired results from the social policies. These problems can be summarized as below:

- In our country, public administration is organized as vertical organization model and public services are tried to be taken from centre to local. In this model, basic public services are carried out directly through rural representatives of the institutions that are established in the centre and the communication, which has to be established between these institutions, local administrations and non-governmental organizations, is tried to be carried out through certain rules and commissions. However, there is no effective and sustainable monitoring, evaluation and inducement model.
- In Turkey, there are serious mentality, capacity and organization problems that hinder intuitions, which are organized to offer basic public services with social qualities on the local level, to provide their services to people in villages, districts and households.
- In our country, when talked about social policy, the first things that come to mind are social services and social assistances. It is not possible to say that many concepts, such as improvement of the life standard, human based development, governance of the social policies, so-

cial budget, improvement of the local social policies, coordination and integration of local actors to the system, surveillance of local social budget are not being interiorized completely.

- Planning of the public services by reflecting social policy approach to public services and using this understanding in the finance are critically important. However, the fact participatory strategic planning is being made about public services of local level and that the understanding of keeping the track of the application is not fully developed that local public services are causing serious waste of sources and repetition of the same work.

In order to overcome these problems, the approach that is determined below has to be applied within the scale of province:

- The understanding and point of view about social policies have to be changed and a social based approach has to be used in both local budgets and the execution of local public services of public institutions that are separate from each other.
- A planning of participatory and social based public service within the scale of province should be made by including the social focused approach to the planning of public services.
- In the application process, it is very important for the social policy governance that the applications are being applied with a participatory approach. To enable this, a constant and efficient monitoring, analysis and direction model has to be developed.
- In public services, especially in services that have social qualities and execution of struggling with poverty, the understanding of centralism within the scale of province has to be broken, new public service models and organizations, which can reach people in the most faraway places, have to be created.

Within the scope of these basic approaches, below are the practices and unique studies that were developed in Sivas between 2003 and 2006 in order to develop the understanding of public services focused on social policies and to actualize the social policy governance.

Improvement of Public Administration Understanding Focused on Social Policies within Province Level and Social Policy Governance

The most important phase of reflecting the social policy understanding in public services and of enabling that these services, which can be included to this scope, will be actualized with a grater quality is changing the point of view towards public services. The most effective method of accelerating the mental transformation is that senior management will plan and execute the public services through a social oriented approach and participatory understanding with the leadership role that it undertakes.

In this respect, it has been started to plan public services with a social oriented approach during a participatory process in Sivas. The main aim of Sivas province development plan is to provide development in life standards across the province. Certain budgeting, organization and capacity building practices have been performed for the improvement of basic public services such as education, health, social services, development of rural infrastructure and creating effective methods for struggling with poverty.

At this stage, detailed action plans for each determined sector are prepared with the contribution of all parties that are present in the sector. The application of these plans have been monitored by the governorate with newly established or current mechanisms and their results have been announced to the public through healthy life indicators and inspection and sectoral action reports that have been published periodically.

Below are some examples from certain applications from the fields of rural infrastructure, education and health that have been performed to reduce the effects of poverty, especially the rural poverty, all of which are in compliance with the aims of province development plan.

- Drought and the shoddiness of the roads, which are the two most important factors that affect life standard in rural areas, are aimed to be improved for the field of rural infrastructure. With the resources of local authority and KOYDES, there have been important improvements about this field and there has been an increase over ten times between 2002 and 2006 in the expenditures of Special Provincial Administration. As a result, there is no village which cannot reach to city water and the road infrastructure has been improved to a great extent.
- The most important reasons of the lack of education and the inferiority of education services in rural areas are the physical incapability of the school and dormitory buildings, mobile education system and the schools without teachers. Therefore, improvement of the infrastructure of the education services, attainability to the education and the quality of education are among the basic politics priorities of Sivas Education Services Action Plan. For this aim, a budget has been allocated and through using this budget, serious reformations has been done as new schools and dormitories have been built. On the other hand, in order to improve the attainability to education and the quality of education, a mobile teacher model has been developed and has begun to be used.
- Improvement of the physical infrastructure and simplifying of the access to health services are determined as the main aims within the scope of Health Services Action Plan. Improvement of the current health facilities and construction of the health facilities that would be necessary have been completed according to these aims. Moreover, first time in Turkey, the health services have been brought to citizens who are living in villages with mobile health teams by developing the mobile health services.

Activating the Provincial Services with Social Qualities and Improvement of the Social Service Governance Mechanisms

One of the most important aspects of social policy is the planning, coordination and enabling that the services reach people, made by related institutions for the provincial services that have social qualities and social aids. Therefore, a successful and constantly active coordination mechanism has been created in Sivas by following the below-mentioned aspects and new organization models have been developed to fill the gaps to enable the transmission of public services.

Development of Social Services Action Plan – With the participation of all institutions in the province, Development of Social Services Action Plan has been prepared and performed.

Provincial Social Services Coordination Center: In order to monitor, conduct and report the application of services that have been determined in the plan, “**Provincial Social Services Coordination Center**” has been founded within the Governorate with the participation of the representatives of related public and volunteer institutions and its secretariat has been undertaken by the Department of Provincial Social Services. Within this scope, it has been provided that the presidency of coordination centers of districts has been undertaken by district governorships and the secretariat services have been undertaken by District Social Assistance Foundations. A detailed instruction about the duties of coordination center was published and in order to enable that this department can perform its duties fully, surveillance studies around the province were completed under the coordination of the centre and the service inventory of the province was taken.

Regions of Social Services: Related to the coordination center, in the province center and districts, “**Social Service Regions**” have been created and a social service specialist has been charged to be responsible from each district and to coordinate the social services that take place. Social service specialists are responsible from the practices of neighborhood assemblies in their regions, volunteer of social services, departments of social services and the coordination of social service practices at schools.

Social Service Departments: In all community health centers within the scope of social service regions, “**Social Service Departments**” have been formed and at least one allied health personnel has been appointed to these departments. The duty of the social service department at

the endpoint has been determined as the monitoring of social services, registration and providing the coordination between related social service departments. Sufficient number of personnel has been appointed in these department and equipments and rooms have been assigned.

Neighborhood Assemblies: In order to improve the participation of people to the recognition and solution of the problem, "neighborhood assemblies" are formed in each neighborhood and necessary arrangements have been made in order to enable the cooperation between neighborhood assemblies, social service departments and social service volunteers.

Social Service Volunteerism: In order to encourage the participation of people to social services, "social service volunteerism" system has been formed and the volunteers are charged with working in neighborhoods, hospitals, social service regions, social aid activities in conjunction with the social service departments.

Providing the Efficiency of Service Institutions: In order to provide the needs in the field of social services, related departments such as **Center for Family Consulting, Multipurpose Community Centers, Education, Culture and Rehabilitation Center for Handicapped People, Youth Centers, Rehabilitation Center for Drug Addiction** that work in connection with the social services departments, with the aim of verifying the social service institutions according to the needs and of improving the quality. All these departments have been carrying on their works with social service departments and volunteers and related with the coordination center at the provincial level.

The main studies that have been performed by these departments according to the action plan can be summarized thusly:

- There have been some important developments about one of the most important issues in the field of social services, providing the needs of handicapped citizens, such as providing the attainability of handicapped people to the environment, improvement of social facilities and construction of the new ones, providing the social and occupational needs of handicapped people and home care services.
- The importance of social services for young people, especially for the ones, who live in areas with low income, has been underlined and within this scope, as a first phase, there have been detailed studies to construct youth centers in suitable areas, especially in the sports centers of districts, in order to provide social, educational and sports services for our young people, to enable them reach the social activities they desire, providing vocational courses , empowering the infrastructure, which will enable sports and cultural activities.
- There have been serious practices for the reintegration of children who are prone to crime or who are committing offences, live in streets and use drugs to the society through treatment and rehabilitation under the leadership of Center for Family Consulting.

Enabling the Struggle against Poverty on the Local Level

In order to underline the one of the most important issues of social policy and with the aim of struggling against poverty and especially, to increase the level of living of people, who are living below the poverty line, a struggle against poverty action plan has been prepared and a detailed study has been started under the coordination of Social Service Coordination Center. The aim of the action plan is to enable that the social aids that have been performed by different institutions in the provinces are done in an integrated way and in accordance with the aims, increasing the practices to overcome the problem of the lack of housing, and the activation of the vocational training activities and the network for poor people.

Enabling the Social Assistances: Within this scope, a "Personal Development Sensitive Social Aid Program", which underlines the special condition and development of the individual, has been developed. The aim of this program is to reprogram the structure of the social aids in accordance with the aim that the living standard of each individual, who benefits from the program, is going to change permanently and perceivably.

The key points of this approach are to provide the attendance of students to school and their success, the attendance of unemployed people to employment courses, people's, who are prone to crime, leaving behind their criminal intents, drug addicts' making endeavor to take the cure and to enable that social aids are performed accordingly. Through this project, it is enabled that the records of people in the districts, who need social aid, are updated and the condition of each individual in families, such as newborns, students, seniors and disabled, handicapped, are determined.

Foundation of Social Markets: A public relief control system, which is called social market, which is in cooperation with local governments and non-governmental authorizations, has been found within the body of Social Solidarity Foundations for the coordinated and exclusive distribution of volunteer public reliefs. Through this system, important amount of public relief has been distributed and all citizens who need these helps have been benefited from them freely through social markets, in which social service volunteers are working.

Practices for the Reformation of the Houses: One of the most important issues for the social aid program is to reduce the deficiency of houses. Apart from aids, which would be done by considering the personal condition and personal development, reformation of a house in which a family or an individual is living in is one of the most important factors for the improvement of public welfare. Therefore, a system, which includes the housing benefit system for renting better houses in urban areas, construction of new houses in rural areas and reformation of the conditions of the current ones, has been put into practice and serious benefits have been obtained.

Vacational Training and Education: The most important aim of social aids is to provide permanent improvement in the lives of individuals. Therefore, Vocational Technical Education Institution and Province Employment Institution have been working together and a basis for creating new projects of public institutions, municipals, social cooperation foundations, non-governmental organizations, trade bodies for mutual employment has been formed, new vocational courses according to needs have been opened and as a result of these courses, necessary supports for people who are working in related work of fields or for the ones, who want to establish their own businesses, have been provided.

Conclusion

In order to actualize the social state principle, which is one of the most basic qualities of the Republic of Turkey, and to struggle against poverty much more effectively, the policies for the distribution of the income has to be improved and in public spending and public policies, a social policy oriented approach has to be adopted.

Apart from these, the policies, which are developed on a central level, has to be performed effectively and according to the understanding of governance on the local level. In order to carry out this approach, the base of the studies that were performed in Sivas between 2003 and 2006 was that the institutions related to social policies would plan and execute their services with a social policy oriented understanding and a governance approach.

With this aim, participatory and social oriented planning process has been started, serious and working monitoring and evaluation mechanisms have been established in order to actualize the planning and organizations to develop cooperation, which aim to reach more people in public services, have been formed.

Within this scope, the effects of especially the rural poverty have been reduced, social services and social aid services have been activated, detailed studies for the groups, such as disabled people, teenagers, children, that concern different institutions according to common aims of different institutions have been done and positive results have been achieved. According to the understanding of openness, all developments have been announced to the public through action and monitoring reports.

The most important consequences of this process are that in public sector and in the public, a

people oriented public service understanding has been established, social policy oriented public service and governance understanding has become widespread on the local level and the principles of openness, participation and accountability have been put into practice.

Suggestions

- 1. In order to struggle with poverty more effectively, income inequalities have to be resolved:** In Turkey, there is an important poverty problem, which can be observed more vividly on the local and rural level. Although this problem has been relived in recent years through reforms that have been done and resources that have been transferred, income inequalities have to be competed through developing public policies, which will lead the permanent solution for poverty.
- 2. New Rural and Regional Policies Have to be Developed:** New public policies have to be developed on regional and rural levels by considering the rural and regional dimensions of poverty and the capacity problem and management gap have to be resolved.
- 3. Task and Responsibility Sharing between Central and Local Actors Have to be Redone:** A new organization and cooperation environment have to be created between local and central actors, who are active in the field of social policies, and for this, social services, which can be performed by local governments, have to be transferred to local governments, either partially for totally.
- 4. The Corporate Capacity Problem Across the Province Has to be Resolved:** Across provinces, which are the most effective factors in struggling against poverty, there is serious corporate capacity problem. In order to resolve this problem, the capacity, resource and organization problems of the institution, which are organized to offer basic public services on the local level, have to be resolved.
- 5. Social Policy Governance Across the Province Has to be Strengthened:** In our country, transfer of the public spending that have social qualities on the provincial and local level and creation of a working cooperation environment between actors are very important factors. Therefore, the strategic planning process across the province has to be taken seriously and the participatory mechanisms have to be managed in both planning and execution processes.
- 6. New Methods Have to be Developed in Social Services and Struggle Against Poverty:** Social services and struggle against poverty are flexible and dynamic fields. In these fields, local solutions are always more effective. These methods have to improve the conditions of people or have to resolve all problems. Therefore, local managers have to identify the problem and develop and execute solutions that will reach more people.

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SOCIAL NETWORK-TIES AND POVERTY

AN EVALUATION ON WORLD BANK'S STRATEGY OF STRUGGLE AGAINST POVERTY

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Abstract

The relations like family and kinship ties, ethnic or religious connections and informal economies, in another word "social capital", which has considered as a problem outside the Western modernity by the theory of modernization; appears as a new strategy of World Bank's of struggle against poverty today. According to this new strategy, the social relations that are based on community relations between family members, neighbors and close friends needs to be improved. Moreover, it was assumed that by improving social capital that consist the above mentioned relations, poverty might be decreased. However, World Bank's strategy of struggle against poverty which can be put forth as "seeing poor people as a capital for each other" is controversial in many ways. For instance if the concept of social capital argues that the relationships have a capital value and the quantity and quality of the relations can also have a power to determine the quantity of the social capital possessed, do not social powers reconstruct the inequalities? In other words how a thing which the poor people deprived of, can be expected to prevent the poverty. Therefore this strategy does not let any social measures needs to be taken by the state for the survival of poor people. Is not this an "administrative strategy" of World Bank shaped around the social networks-ties utilized to transfer the mission of decreasing poverty from the state to civil society? Or why the informal area called "buffer mechanisms" in the past is evaluated as a capital today? The study aims to examine the validity of World Bank's strategy in the context of the above mentioned questions.

Key Words: World Bank, Poverty, Post-Washington Consensus, Social Network-Ties, Social Capital.

Introduction

The subject of this study is comprised of the social networks-bonds, having come to the fore of the agenda of WB (World Bank) upon Post-Washington Consensus, and become the dominant theme of the poverty researches since then. Pointing out to the strong networks-bonds among family members, relatives, neighbors, and close friends, WB expects the poor to put their close

networks-bonds (a 'form of social security' from their point of view) into action in the name of 'survival', in cases where they find themselves 'deprived-weak-helpless-desperate'. However, this strategy of WB, which in the simplest way may be described as '*seeing the poor as capitals for themselves*', is in many terms controversial. For instance, if the thing called social capital stands from the assertion that, relations have a capital value, and if the quantity and quality of the relations have a power of determining the quantity of the social capital, would not the social forces reproduce the inequalities? In other words, how could a thing that is deprived of the poor is expected to avoid poverty? This point of view, leaving the minimizing of poverty again to the hands of poor communities' own solidarity and support networks, shifts the social state functions to the private domain, as a strategy in which lacking any social action required to be taken by the state for the survival of the poor. In other words, the strategy of fighting the poverty heads towards the restructuring of the social domain in terms of expansion of the private domain, and strengthening of traditional communitarian relations. Is not WB's such formula, shaping around the social networks-bonds, an "administrative strategy", being used for shifting the state's burden of avoiding/fighting poverty to the private domain? Or how has the informal domain, being called as "buffer mechanisms" in the past, been brought to WB's agenda as a strategy of fighting poverty? This study, having been arranged by taking these and such other questions as its standpoint, intends to analyze whether the social networks-bonds are proper means of use in fighting poverty, as being asserted by WB.

1. World Bank and Poverty: A Brief History of Social Network-Ties is Becoming Tool of Struggle Against Poverty

As an institution, providing resources, technical support, and political guidelines to countries, majority of the populations of which are below the poverty line, WB's handling the problem of 'poverty' in time differs within the framework of its approach towards 'development', and in this sense constitutes 'periodicities'. As being put forth by Bebbington et al. (2004: 39-40), in 60's when *development was perceived as a matter of engineering and infrastructure* by WB, major investments in such fields as dams, roads, electricity, and telephone in the developing countries were thereby introduced as the best method for reducing poverty, alongside the acceleration of industrialization process therein. In the 70's, *development was perceived as a question of poverty* according to WB. In this period, when 'poverty' was introduced in the agenda of WB as such, 'rural underdevelopment' was directly interrelated with 'poverty', solution for overcoming poverty was formulated by 'major investments in rural development'. Throughout 80's, being called as the period of structural adaptation, and in which developing countries faced with major macro-economic difficulties, alongside their increasing debts, and decreasing foreign exchange earnings, the situation got totally different, and *development was inclined to be perceived by WB as a matter of political reform*. In this structural adaptation period, throughout which WB's interests shifted mostly from fighting poverty towards maintaining the macro-economical balance, economical reform programs, based on neo-liberal policies, such as promoting the role of market, and lessening of the economical weight of the public began to be actively supported by WB (Uzun, 2003: 159; Bebbington et al., 2004: 39-40).

90's, following the 80's structural adaptation period, meant to be a new period, in which 'development' was again interrelated with 'poverty' within WB's agenda, however this time both causes and effects of poverty were treated multi-dimensionally. In this period, throughout which international economical conditions forced poverty to be brought by WB to its main agenda item, a *World Development Report*¹ (World Development Report-1990), main emphases of which were determined as 'labor-intensive growth', 'human capital investments', 'constitution of security networks for both individuals, and households'. Despite WB inclined to concern more with the 'non-economical dimensions' of poverty by means of this report of 1990, key policy statement of which was reducing poverty in the developing countries, from our standpoint, it was the period, initiated by WB's report, titled as *World Development Report 2000/01: Attacking Poverty*, that may be considered as a major shift having come to the fore in WB's handling the problem of poverty. In this report, based on the '*Study of the Voices of the Poor*', including the experiences of over

¹ As from the year 1978 of its first publication, quite different issues have been discussed in this report. WB decided to have poverty comprise the subject matter of every decade's report. Therefore, in 1990 and 2000, WDR's subject matter was reserved for poverty..

60,000 poor people from 60 countries, WB deemed 'the poor themselves' as 'poverty experts', and revealed the human experiences behind the poverty statistics from the perspectives of the poor. According to the said study, upon considering 'the poor' deprived of 'channels, throughout which they may mention of their needs', or 'of the methods for remedying their problems', or 'of the essential resources for realizing their interests', it is required not to degrade poverty to *hunger*, but to correlate it with *weakness* and *being silenced to voice their words*, in other words with *exclusion from society* (Özügürü, 2006b, 60; Soyak, 2004: 42-43). The poor are faced with a limitation in describing their relations with the employers, markets, governmental and non-governmental organizations. Living conditions of these poor, that is to say weak and silenced people may worsen in cases where civil-servants corrupt, become indifferent towards local needs, and immune to accountability. Therefore, in WB's new strategy of fighting poverty, pivotal role is addressed to the factors of *governance* and *institutionalism*, and the following three basic radius of action are promoted (Soyak, 2004: 42-43; Uzun, 2003: 164-165; Dedeoğlu, 2004; Callisto, 2000):

- (i) *Opportunity*: In WB's study, majority of the poor point to the significance of material opportunities (jobs, credits, roads, electricity, local markets for their products, schools, fresh water, health, etc.). In this context, WB puts maintaining the poor access to available resources, and raising the current opportunities forth as a significant strategy for fighting poverty.
- (ii) *Empowerment*: According to WB, steps to be taken towards improving the functions of the governmental and social organizations would contribute both to growth, and equality, by reducing the limitations on growth, and social mobility. Therefore, taking institutional actions in order to meet the needs of the poor in fighting poverty, raise their forces, minimize the discriminations on the gender and ethnical identities, in brief to empower the poor, come to the fore as inescapable necessities.
- (iii) *Security*: Developing various security mechanisms for securing the poor against the current risks is another important policy in fighting poverty. In this context, WB suggests reducing the illness risks by health campaigns, flood risks by dam constructions, and economic crisis risks by solid macro-economical and financial policies.

As being mentioned also by Özügürü (2006b, 60) and Bebbington et al. (2004: 52), by means of these three strategies, alongside such concepts as 'sustainable living/development', 'empowerment', 'participation', 'governance', the concept of 'social capital' has become generalized both in terms of a methodological principle of the policies for reducing poverty on an international level, and in terms of an efficient socio-political means. According to Hart (2001: cited from 654 by Yavuz, 2010: 34), there is an intention of placing the concept of poverty in a wider context, and thereby creating a solution for the problem within a more inter-disciplinary framework behind WB's bringing the concept of social capital to the fore alongside other respective concepts. However, despite a degree of rightfulness in Hart's respective assertion, from our standpoint, it is to be considered in terms of more critical causes underlying both neo-liberal agenda, and the fame of Post-Washington Consensus.

Yet the poverty reducing strategies, being foreseen in WB's Development Report of 2000/01, together with its included emphasis on 'state intervention', points to a critical differentiation, despite not calling for a disengagement from neo-liberal policies. As from 80's, neo-liberalism was inclined to be identified by 'Washington Consensus', representing the coalition between WB, IMF, and American Administration, main centers of which are cohabitated in Washington. However, WB's 2000/01 report, on the contrary to Washington Consensus, assuming proper and rational operation of markets when being left to their own devices, and foreseeing 'liberalization' and 'privatization' as the right policies due to state's malfunctions, standing from the malfunctions of the market, deemed states' interventions (without interfering to the freedom of foreign trade and capital movements) to their national economies legitimate thereafter. State and market are thereby deemed as their supplements by converting the relationship, having been built in Washington Consensus as 'market-state contradiction', to a 'balanced' relationship in Post-Washington Consensus. Having the scope of the factors, leading to market malfunctions, widened furthermore, market malfunctions are put forth in Post-Washington Consensus as the problems to be

corrected by non-market institutions. Consequently, while including the 'social elements', having previously been excluded, into its analyses and political remedies under the headline of 'social capital' in the context of Post-Washington Consensus, WB meanwhile degrades 'political factors' to the basic issues of 'governance'. Intensity of Washington Consensus' structural adaptation programs has thereby been replaced by Post-Washington Consensus with a social restoration for market transactions (Yavuz, 2010: 39; Özuğurlu, 2006b, 56; Bebbington et al., 2004: 36; Fine, 1999: 4; Fine 2001: 10; Öniş & Şenses: 2007; Şen, 2005: 335).

2. Are Social Network-Ties an Appropriate Tool to Struggle Against Poverty?

Concept of social capital, with a quite wide scope, and an ambiguous content, is being used as a reference to the solidarity and support networks-bonds of the individuals in their very private living environments, as being introduced by WB. In this context, subjects of social capital, as being put forth by Özuğurlu (2006a: 195); winter provisions sent from the villages, bicycle of the neighbor, fellow countrymen to help for finding job, friends or relatives to borrow money from; unpaid domestic labor products of women, such as hand-knitted pullovers, having inspired the micro-finance process; memberships to parent-teacher associations, trade-unions, or to association of animal-lovers; inter-district soccer competitions in Turkey, or bowling tournaments in America. Consequently, social capital points to the organizational forms of interpersonal relations, based on trust, solidarity, and sometimes on power. As it stands, social capital belongs to the social relations domain, surpassing the individuals, and staying out of capital as a 'material asset'. Its mention as a capital depends to the logic of individuals making use of the social relationship networks of their memberships as resources for realizing their self-interests. Interest thereafter derives not from the individual him/herself, but from the social relations being experienced with others.

Upon the concept of social capital being equalized by WB with the solidarity and support networks-bonds of the individuals in their private lives, ethnical ties between the family members, neighbors, close friends, as well as the traditional communitarian relations are required to be developed in order to reduce poverty, and poverty is assumed to be reduced by the development of the 'social capital', forming a total of these series of social relations. In other words, correlating poverty with 'weakness' and 'exclusion', WB thereby puts *bonding social capital*, depending upon the strong ties between family members, neighbors, and close friends, as a significant social adhesive, and as a mechanism, reducing vulnerability-defenselessness. In this respect, in a way for the sake of 'survival', the poor are expected to resort to their close networks-bonds – their families, relatives, close friends, neighbors – being seen by them as a 'social security fund', in cases of facing 'deprivation, weakness, vulnerability, helplessness' (Cleaver, 2005: 893).

Despite WB's opinion that, 'increasing the number of the assets of the poor, applicable in their emancipation from poverty, in other words, adding the advantages of being a community of solidarity to the sole asset of the poor, namely labor' (Tekeli, 2010) may emancipate the poor from poverty, it may not be asserted that, close social networks-bonds are to generate totally positive externalities. Despite relations being derived from close social networks-bonds, are significant in the poor households in terms of both material and moral support, these networks-bonds may in the meantime be vulnerable and restraining (Cleaver, 2005: 898). In other words, the said networks-bonds may not only generate association and harmony, but also turn into a mechanism, restraining the actors therein from accessing the resources out of these networks (Granovetter, 1973). Besides, avoiding the actors dependant to themselves with strong relations within the common structure from renouncing joint decisions, and subjecting them to abide by the norms of the group, these solidarist bonds are not only to limit individual freedoms, but also to bring about the danger of assimilation of the individuals in the group therewith. While it is to become difficult to bring new knowledge forth within such a network operating on similarities, strong bonds may become the cause of being enclosed to innovations in the course of time, in other words, bonding ties may also become blinding ties (Cohen & Prusak, 2001: 34; Portes, 1998: 17; Narayan, 1999: 8; Woolcock, 2001, s. 12; Adler & Kwon, 2002: 30; Öztaş, 2007: 89).

In the meantime, it may also be asserted that, on the contrary to the social capital, deriving from close networks-bonds, such weaker and less intense, but also more diverse and cross-

sectional *bridging social capital*, being gained from cooperation, acquaintance, friendships from different ethnical groups, friends of friends, may have more importance at the point of 'gaining success-becoming successful'. While bonding people to farer acquaintances, acting in a quite different circuit than theirs, but also deriving from weaker and less intense, but also more diverse and cross-sectional social bonds, not a specific social identity is being shared within bridging social capital, eliminating coming from a similar social root, or bearing a similar social status as a criterion in being a part of a network. In this network structure, actors from different environments enters into networks they have never interrelated with before, in order to realize the things they are in the opinion of not being able to realize individually, and perform common actions in these networks (Akdoğan, 2006: 170; Szreter, 2002: 576; Field, 2006: 92; Healy, 2002: 3; Eyal, 2008: 101). In the absence of any enforcement, or that of any pressure for adaptation from the other members of the social structure, bonds within this network structure – on the contrary to the strong ones enhancing solidarity, and homogeneity – is to enable individuals to access to more resources and knowledge, and to bring about creativity therewith as well. In other words, increase in the differentiation level of networks is not only to enable access to more resources, but also to increase the welfare being attained therefrom (Ferlander, 2007: 118).

Objections against WB's view of social networks-bonds as means for fighting poverty arise at this point. Access to social networks-bonds is dependent to the individuals', or groups' positions, and respectively distribution of the social capital also presents a situation in favor of the rich, just as in the distribution of capital in other forms (Edwards & Foley, 1997: 677; Grootaert, 1999: 7). In other words, the ones with relatively high economical and cultural capital also tend to have higher social capitals. This means that, the rich tend to have more connections in general, and by means of these connections, tend to group with people again with better connections. The ones having connections with higher differentiation levels tend to utilize them for developing their interests, and this leads to cause more inequalities. In addition to the related inequalities in the access towards the networks, people legate their skills in forming communication networks to their children, thereby carrying the inequality trend on generations. Another issue that increases this inequality is the possibility of the groups with power to limit, or to undermine the social capital of the ones with less power. Consequently, it is possible to perceive social capital both as an unequally distributed commodity according to its very nature, and a mechanism encouraging more inequalities (Field, 2006: 106). In other words, the social capital itself, serving as the new strategy of WB in its fight with poverty, reproduces the inequalities, so a thing deprived of the poor – weaker, and less intense, but more diverse and cross-sectional social networks-bonds – is expected to eliminate poverty (Das, 2004: Cited from 27 by Uğuz, 2009). Therefore, as being stated by Özügür (2006b: 204), the thought that "such objectivities as poverty derives from the characteristics of the individual lives" becomes dominant thought. This is exactly what social capital expect the poor to think of their poverty: blaming it on the family ties, and on the conditions of their social networks. What is seen among the poor is thereafter not the objective conditions, but *personalized poor lives*.

When poor lives become personalized, there is no social measure left for the state to be taken for the survival of the poor. From a point of view leaving the reduce of poverty to the solidarity and support networks of the poor communities themselves, social state thereby shifts its functions to private domain, in the meantime the strategy of fighting the poverty itself leans towards the restructuring of social domain. Main direction of this restructuring is the enlargement of the private domain, and strengthening of traditional communitarian relations. Strategy seeks for reviving traditional communitarian relations, enlivening communitarian life-styles by such external supports as NGO's, religious organizations, etc., and supporting the hierarchical relations within the communities themselves. While traditional communitarian relations have not been constituted for intentions such as social security, and solidarity, the fundamental intention in the constitution of these networks is to conserve the traditional power structures. According to the new policy, in order to survive, poor individuals do not have any way other than developing their dependence to these hierarchical structures (Özdek, 2006).

Conclusion

The power of social networks-bonds, having come to the fore of WB's agenda as a means of fighting poverty upon Post-Washington Consensus, is quite disputable in this respect. While social capital of the poor, mostly being derived from familial and neighborhood relations, serves as a day-'security network', social capital of the rich enables them to develop their own interests further. In other words, social networks-bonds of the poor serve only as a strategy of 'survival', and are no use at the milestones of being 'successful', breaking the vicious circle they are trapped in. However, in order to gain access to additional resources, the poor are to go beyond their closed relationship networks. In its current condition, though being put forth as the new strategy of WB in fighting poverty, the social capital itself reproduces the inequalities. From our point of view, WB, by means of the concept of social capital, intends to draw the poor, as being weak, silenced, lacking representation in the public domain, into the system, so as to avoid the poor transform into radical groups, and thereby maintain the continuity of structural adjustment policies. *In this context*, social networks-bonds, being considered as an anti-political means, stand clear of a means for fighting poverty, as being introduced by WB.

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CLIMATE CHANGE AND POVERTY*



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Abstract

This article is discussed environmental pollution that one of the most important problems of today and future and increasing social problems as a result of climatic change. For this purpose, by giving examples of past and present-day communities, destruction of nature is concerned with the causes and effects. Thus, today's world, drawing attention to the problem of climate change is one of the most important problems, causes and consequences of the problem are discussed.

Key Words: Climate Change, Nature Destruction, Poverty.

1.Introduction

Although it is mostly accepted that the problems that are present in 21th century will continue their presence as an important problem in the future, the nature destruction problem and climate change which threaten the human life directly are highly neglected. However, it is observed that the crisis, caused by these problems which are named generally as environment problems, is effecting human life negatively and will effect more and more in the future.

The discussions that are carried out both in media and academic environment about environmental problems today are shaped by two basic ideas. According to first idea, environmental problems and in parallel with global warming are the biggest threat towards world. The supporters of this idea, (Kutting, 2004, Habib, 2010) assert that all living population will be under a huge threat if urgent solution is not found towards environmental problems and point out the

* The original version of this paper is in Turkish and English translation is appeared here. The original version of the paper is appeared on the Turkish version of the Edited Collection of the Symposium.

capitalist system and the system's creation consumer society as the most important responsables, however, the supporters of dominant idea of the second related with environmental problems (Taner, 2009), indicate that the thesis of environmental problems and global warming to be the biggest threats towards world are exaggerated.

According to this idea supporters, the climate changes have happened in the course of the world history as a result of natural processes and despite of climate changes, living thing continued until today; beside, it is a very simple approach to make the capitalist system by the environmentalists responsible for the environmental problems. In fact, world history shelters many social collapse sample caused by the human oriented climate change. The sample that can be taken initially is Easter Island.

2.Social Collapse caused by Nature Destruction

Easter Island which is a small island far away from Chile costs nearly 3200 km had population of 2000 people when it was first invaded by Europeans in 1722 by Jacop Roggeven. Any outer intervention was not realized to the island until the mid of 1850s, it was transformed to slave source by the Peruvian slave dealer between 1859-1861 and most of the island inhabiter were suspended from the island.

Island population decreased to 111 people in 1877 because of the variola caused by both the slave trade and the visitors to the island. (Brander ve Taylor, 1998: 121).

Although the inhabiters in the island, which had pretty less and very poor population when first invaded in 1722, provided (Diamond, 2006: 113) their needs by growing potatoes, taro, banana and sugarcane and chicken, the only domestic animal in the island, magnificent Stone human statues were found in the island. These human stones, the biggest one is 80 ton¹ which was done by carving the volcanic rock, were mounted on wide platforms. Beside the deficiency of the inhabiter from the required culture and technology in order to build these kind of statues, the lacking of even one tree required to build the platforms which would be used to move the statues, brought the many explanation effort with itself. (Brander ve Taylor, 1998: 121) Heyerdahl tried to explain the presence of statues by the thesis that Indians of South Americans which immigrated and lived in the island after the Polynesian culture was formed, Macmillan Brown supported that the statues were made by the inhabiters from a high culture possessed inhabiters of the island which sank after a earthquake and which had a border to Easter Island, Erich von Daniken by going further discussed the idea that the statues were made by the alien. (Perkins, 1994:2;Foot, 2004:14).

In the researches, it was understood that the island was covered by rain forest consists of mostly palm trees in the period of first inhabiters. Free time concept was developed by the increase of island population rapidly and forming of civilization and cultural, economic and technological developments enabled the building of statues and the statues were built between 1100-1500. However, the population increase which was a source for the development of civilization, at the same time played an important role in collapsing of civilization. (Hunt, 2006: 412) Naturally, the rapid increase in the population increased the consume demand and more trees were destroyed for more canoe and equipment production. Together with the over increase in population and consume, the competition played an important role between tribes and chiefs in terms of building bigger and more statues, as a result, total palm trees were destroyed in nearly 1400 AD. (Foot, 2004: 15-18). The destruction of trees brought the rapid soil erosion and low agricultural production with itself; a tremendous hunger were encountered as the destruction of trees removed the probability of building new canoes. (Rainbird, 2002: 437) The isolation, which removed the immigration option of inhabiters towards the problems and caused by island's being far away nearly 2000km from the closest land, triggered the collapsing. (Diamond, 2006: 144). Thus, the island population, which were nearly 10.000 in 1400 AD, decreased incredibly in the period of destruction of the trees and when coming to 1500s, island become to host less population who lived in the caves.

¹ The approximate weight of the finished statue is 270 tons.

Although isolation played an important role in island's collapsing, it is known that, in the history, the collapsing were experienced in the nonisolated societies caused by human oriented problems. Maya society can be shown as an example, who developed in Gulf of Yucatan in Mexico, of those societies. (Peterson ve Haug, 2005: 322-324) The rapid population increase in Maya society which lived the richest period between 250-750 AD named as Classical Period, caused the transformation of more forestry area to agricultural area due to the increased consume demand. However, the drought and the dependency of Maya civilization economy of 70% to corn oriented limited agricultural production paved the way to not to provide the consume demands. Similar to usage of trees with the purpose of carrying of statues by cutting them in Palm Island., the usage of trees in plaster and lime production by being cut for building the sanctuary and road in Maya society brought deforestation. The diseases increased as a result of nonproductiveness and inadequate nutrition in agricultural lands in consequence of drought which combined with soil erosion, the result of the destruction of forests rapidly by human hand. The nonproductiveness and lack of food in cultivated land caused the increase of battle and struggle in the same regions between farmers, thus Maya society entered a period of collapsing between 750-900 AD. (Webster, 2000; Diamond, 2006: 192-199; Peterson ve Haug, 2005: 322).²

However, it is beyond dispute that Maya society was isolated and less brittle in terms of climate like Easter Island, both societies' common sharing of the limitation of history in terms of technology and economy, it brings the question to the mind that if the collapsing caused by the human oriented nature destruction will be present in today's society which is equipped with technology and communication. In order to reply to this question, initially Ruanda society can be dealt.

As a result of the struggles between two big ethnic groups in the country which caused the big slaughter in Ruanda in 1960s, Hutus got the edge over and nearly 20 thousand Tutsi were killed in 1963; the slaughters continued until the General Habyarimana revolutionization towards previous government and his decision to become Tutsis free. Although Ruanda prospered and became to a peaceful country status in the course of 15 years, the decrease of coffee prices which was the main export product of Ruanda in 1989 and as a result of this, austerity policies came alive again. The struggles between two ethnic groups reached to peak with the shooting of Habyarimana's plane by rocket in 1994 and thus a systematic slaughter had begun towards Tutsis.

This process which at one glance was seen as a historical hatred and government struggle between two ethnical groups, when examining closer, it is understood that the ethnical struggles are not the reasons but the results. The process, triggered the ethnical groups were realized by the transformation of the lands in the country to agricultural land by destroying the forests in the aim of meeting the needs arisen with the result of population increase and by the agricultural production's going downhill with the soil erosion as a result of deforestation.

Although the process, like destruction of forests intensively for meeting the needs of increased population, the agricultural production became fertile due to the soil erosion and drought (Eastern Island and Maya civilization) was experienced similarly in Ruanda, the basic feature that differs Ruanda from the past societies was that the power powers had an important role in collapsing. The encountering of developed Western agriculture with the underdeveloped Ruanda agriculture dependent upon human power in free market conditions accelerated the collapsing of Ruanda society. The reason is that, though the agricultural sector of the developed countries, which making use of technological substructure and government subventions, provides more of the needed production with the less agriculture population, the inadequate technology of under developed countries, the unreachable production numbers although the most of the population deal with agriculture and the underdeveloped country's farmers cannot compete with the biggest Western companies' low prices. Besides, the underdeveloped countries' production depends upon one product because of the international market's demand causes the waving of underdeveloped countries' economy depending upon the international market's demand to this one

² Although it is not possible to discuss the classical collapsing period in terms of Maya society as there was Maya struggling with them when Spanish came to the region and the slow and small collapsing which consisted of power circle between Maya towns in different period and regions, according to Diamond, (2006: 200-201) Maya sample should be taken as a collapsing sample because of 90-99% ratio decrease in the intensive population regions in 800s AD and the destroy of the culture. Similarly, Dunning (and others, 2002) are talking about a classical collapsing in Maya civilization.

product. From this aspect, the economic crisis encountered as a result of the decrease of coffee prices rapidly in 1989 in Ruanda and ethnical struggles are one of the striking samples indicating the single type production's effect in society's collapsing. (Plumptre ve diğerleri, 2001:9-11; Diamond, 2006);Aydoğan, 2004: 169). Today, human oriented environmental problems are not the problems special to underdeveloped countries and the same problems can be seen in the societies having developed economy. People Republic of China is the best example for that.

People Republic of China which is the crowded country in the world with 1 billion 300 million population unioned with capitalist economy has also the feature of fastest developing economy since the economic reforms in 1979. According to United Nations and IMF reports, China which is the symbol of today's capitalist economy and has the third powerful economy after USA and Japan, will come to the second country position having the biggest trade volume in the world until 2020. (Şimşek, 2005: 78-86, Morrison, 2006: 2).

Despite the positive chart and success, the 700 dead in the flood disaster which 110 million people effected from 27 principality , 300 lost and the evacuation of more than 8 million people from living spaces, pollution, desertation, soil erosion, water pollution navigate in a very serious dimensions and worsen day by day. In China, which is in the third country position in terms of consuming too much stuff and the poorest in terms of forestry areas in the world, flood is increasing as a result of soil erosion and deforestation which are caused by the tree export and destruction of forests to build factory, open agricultural area and resolve the need of heating by using cordwood of 40% of the people in rural area. For instance, in 2004, in Western China, 2.94 million square meter area were effected from soil erosion and Chinese government supported peripheral immigration as a solution towards that kind of problems. With bringing the peripheral immigration to governmental policy in 2002, it is planned to direct 7 million people to immigration in becoming 10 years and 1.02 million people immigrated or to be immigrated because of the environmental problems in West China beyween 2000-2005. Undoubtely, beside this immigration and the decrease of production in agricultural areas, problems like pollution, water pollution, earth pollution are the elements that threaten the future of Chinese society. (Sabah Gazetesi, 21 Temmuz 2010; Diamond, 2006: 435-452; Hugo, 2008: 20-21)

3. The spread of collapsing caused by Nature Destruction

The difference between today's world from the previous world is that the effects of nature destruction do not stay as an individual sample and the nature destruction's taking hold of whole world simultaneously, many researches indicating the presence of the problems dependent upon human oriented global climate change. It is known that the important decrease in snowing and the important increase in sea level and heat until 1961-1990 were observed, 50% decrease can be seen in agricultural areas to be nourished by rain until 2020 and low level settlement can be directly effected by the increase of seal level to the end of 21st century, the season changes decrease the productivity of agriculture and the productivity decrease ratio will be more than 15% until 2080. The period not only cause this kind of results. For instance, 75- 250 million people will face a clean water problem in Africa until 2020, the same problem will be encountered in Asia, Avustralia and New Zeland until 2050. (IPCC, 2007a; yılında Dünya Bankası, 2008).

Beside ,the climate change which is developed depending upon nature destruction, has this kind of results, the other effect will be encountered on immigration movements. Currently, it is known that the most of the immigration towards developed countries is economy oriented, the economic recession is caused by the recession of agriculture in the emigrant and agriculture dependent regions.In 2009, 1 billion people of 80% in rural areas are living in hunger limit and this ratio will increase to 9.3 billion people until 2050. (FAO, 2009) The drought and the decrease in productivity of agricultural areas, the 80 % people living in rural areas who are in hunger limit are not coincidental. It can be submitted that the increase of poverty and as a result of this the immigration of huge human mass to other areas are not coincidental when thinking the increase of drought with the global warming within 100 years based on the researches. According to European Immigration Policy, in EU countries,beside the presence of 8 million illegal emigrants coming from underdeveloped countries and the increase in this

number every year from 500.000 to 1.000.000, the immigration of 1 million people from China between 2000-2005 as a result of nature destruction and the plan of directing 7 million people to immigration within 10 years, the estimation of 250 million to be seen as climate refugee in worldwide as a result of climate change until 21st century, light the way for the probable dimension and reason of global immigration in future. (Brady, 2008: 27).

Conclusion

It is a abstraction and generalization effort towards the hiding of the real reasons of the problems by restraining the problems caused by nature destruction to the "environmental problems" concept, in other words giving reply as "we all" to the question of "who are the responsables in destroying nature" and emphasizing "all".(Cantzen, 2000: 232). The capitalist economic system in fact is in the basis of the climate change not we all. in revealing this kind of probable problems that can be seen in the future. Because, the exploitative attitude towards the nature different from the previous societies continued without change from the beginning of 17th century and the attack towards nature reached to the unbelievable points, the effort in dominating nature via technology by changing the essence never changed, at the same time by dominating nature to dominate human was transformed to the policy of capitalist system to exploit underdeveloped societies. Therefore, in fact, the pollution of air and water, raping the natural environment via industry and trade are the physical appearances of slavery and condemnation and the contravention of nature cannot be separated from economy. (Habermas, 2002:49; Marcus, 1998:58). Beside, as being different from the previous societies, as a result of the dominance of capitalist system on world, the enlarging of agricultural product movement from rural areas to tropical and astropical regions and the spreading of labour via industry and agricultural work sharing to the earth, the people from far regions are triggered to the change purl which they do not know the source of it and mutual dependance arised in world level with the free trade.(Polanyi, 2005: 253) Consequently, the understanding of measuring everything with money, which is the basis of capitalist economy, is transformed by conquering all the aspects of life, threatens the world consist of soil, flora and animals and by transforming all the natural things to the shape of nonorganic or synthetic, creates danger in today's living conditions for complex natural structure. (Bookchin, 1999: 260).

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A MONETARY POLICY STRATEGY ON POVERTY ALLEVIATION: MICRO CREDIT*



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Abstract

With globalization, poverty has been increased in some countries while decreasing in the some others. But almost all of the world is trying to implement strategies for struggle with poverty. One of the strategies in the context of monetary policy is “micro credit”. For the first time, in the context of World Bank project, micro credit strategy which was becoming popular in Bangladesh as one of the poorest nations and Southeastern part of our country is open to examination as specific for this study:. 1-What is micro credit, what are its specifications, is it different from the other traditional credit policies? 2-In theory, what kind of monetary policies overlap with micro credit? 3-Is there any chance of success if micro credit is implemented with an integrated economic policies (such as fiscal policy + control policy) and does it increase? 4-Is micro credit being implemented globally? 5-What is being known about Grameen Bank which introduced and financed of micro credit strategy to the World. 6-What is the meaning of being awarded of 2006 Nobel Peace Prize to Prof. Yunus who is the creator of this strategy? 7-What are the impacts of micro credit which was implemented in Southeastern part of Turkey? Can it be extended to all Turkey? 8-In what degree macroeconomic problems can be solved with micro credit strategy (such as unemployment and imbalance in the income distribution). 9-Is micro credit strategy a specific application to the capitalist system, or is it pointing out a third way of exit above all systems? 10-What kind of developments may occur in micro credit strategy in the future? In short, micro credit strategy, as contrary to its name, is a credit application which has –and also anticipated- macro economic impacts on poverty and injustice of income distribution.

Key Words: Micro credit, Grameen Bank, struggle of poverty.

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I. Introduction

With growing 'unplanned' globalization, poverty has been increased in some countries while decreasing in the others. Main problem emerges in terms of countries where poverty is decreasing. This situation directs many states in the world to apply effective strategies to struggle with poverty. One of these strategies is "*micro credit*".

If an ordinary person is asked about the most important problems encountered by the world today, probably, the first respond shall be "poverty" and "inequality". An OECD report detecting this issue includes public opinion poll of BBC performed in February 2008 by acting on the basis of unequal economical growth; accordingly, two third of population in 34 countries and 80% of population in some countries, including Turkey, thinks that economical resources are not share on equality basis. In this scope, as stated by Buğra and Keyder, *poverty* is in close relation with growth and income distribution and creates more serious problems in countries where income distribution is extremely problematic and income level is extremely low. However, relation between poverty, inequality and growth differ with respect to the countries. Globalizing world entered to a "*new poverty*" era and new solutions are needed in this era. On this point, micro credit is designed as to meet part of this need and as a strategy regarding money policy.

In the world in the context of World Bank project, micro credit became popular in the poorest countries of the world including Bangladesh and South East Anatolia region of Turkey for the first time and had the opportunity to be applied in 175 countries as a result of which turned to a rapid money policy strategy.

II. Global Poverty Profile and Micro Credit Relation

In 2007, more than 100 millions of people received micro credit. However, 3 billion people sustaining their lives with an amount less than \$ 2 and 1 billion people having an income level of less than \$1 exist in the world. According to the report of Micro Finance Institutions, 110 millions of people received first credits among the poorest people as of 2008 (approximately 84% of total). Number of women applicants is about 89 million. When it is considered that each family has 5 members, number of family members affected due to micro credit is approximately 550 million. Rate of MFI increased to 3552 between 1997 and 2007 and 861 MFIs were established in 2008 (Harris, 2009).

Micro credit can be viewed as a mixture of money-finance policy applied against poverty. Target mass of the credit is people having a daily expenditure rate of \$ 1-5. Micro credit acts on the basis of two basic targets; provision of jobs for unemployed people and improving standards of poor people. If reasonable return payment and negligible interest cost are considered, micro credit programs can be viewed as a popular "remedy" for the target mass, particularly women (a remedy whose side effects is almost zero).

Reasons and results of poverty causing emergence of micro credit can be analyzed within interaction relation. One of the reasons can be counted as result of poverty (vice versa). Odabaşı (2008) counts reasons of poverty on macro level as following: economical inadequacy, educational inadequacy, lack of communal opportunities, physical and mental disability, old-age, being ex-convicted, being alone due to death of spouse and abandonment, etc. While some these reasons causes poverty, poverty may cause arise of some of these problems. Many of these reasons may be eliminated by means of accurate, adequate and effective economical policies.

III. Micro Credit: Meaning, History, Structure and Characteristics

First of all, micro credit does not mean "*micro finance*"; however, it is included within content of micro finance. Micro finance covers micro credits presented to poor and low income people constituting the target mass, savings, insurances, money transfers and other financial means. Contrary to traditional and commercial banking sector, micro finance sector has a sustainable structure by means of certain income resources and financial supports of the government. Micro credit as a component of micro finance defines small amount of debts received from legal

financial institutions by people not having any source of income (microfinancegateway.org and Microloan Foundation).

Micro finance programs introduce attractive opportunities to the expanding markets by decreasing poverty and initiating communal change. These programs provides following opportunities on the basis of micro credit (as stated by M. Yunus, the economy professor and inventor of contemporary): financial services, entrepreneurship opportunities, ending negative behaviors of creditors and a system in which poor people can create, manage and protect their own money...

Micro credit is a financial innovation based on Grameen Bank (Bangladesh) founded by Prof. Yunus in 1970s. Yunus was granted with Nobel Peace Prize in 2006 due to his efforts given to struggle with poverty by means of micro credit. Micro credit is explained as "*one of ten ideas changing the world*" on facing page of Time magazine dated March 24, 2008. In addition, United Nations announced 2005 as "*International Micro Credit Year*" by considering dissemination and admiration level of micro credit.

Micro credit is a socio-economical development means and designed on the basis of small scaled employment capacity, creation of employment, establishment of reliability and to assist entrepreneurs in difficult cases requiring initiatives. As stated by Srinivas (1997), micro credits are programs distributing small sized credits to poor people to create income for the individual and his/her family and for individual employment projects, as well as programs based on reliability (pre-bankable). Definitions differ between countries, but following measures are widely used in all definitions:

- *Size* - credits are in micro or smaller level.
- *Target mass* - small sized entrepreneurs and low-income families.
- *Utilization*– utilization of funds to create income and develop a business, as well as provide utilization of health, education and other common sectors by the community.
- *Term and conditions* – Terms of micro credit liabilities are extremely long and return payment conditions are flexible with respect to the local living structure of community.

Base of micro credit is created by J. Swift providing the inspiration for Ireland Borrow Fund in 18th – 19th centuries. In the middle of 19th century texts of L. Spooner, the individual anarchist, regarding benefits of small scaled borrowings needed by poor people for their entrepreneur activities are remarkable historical developments. In addition, ideas regarding micro credit are included within Marshall Plan, representing assistance package of America and arranged for improvement of Europe after 2nd Share War (see Wikipedia).

Micro credit is not a social assistance – protection – transfer mechanism. This mechanism has three branches. One of them is "*general assistances*" provided independent of any income and employment status to certain social groups, such as aids provided to the families having children; second one is "*social insurance applications*" changing in accordance with employment status and contribution of individual during employment, such as unemployment insurance and retirement pensions and last one is "*assistances provided to special groups*" such as those under poverty limit or disabled people and in accordance with average test or income-assets (Transferred from Lindert by Şener, 2010.)

IV. Micro Credit System in the World: Principal Application Models

Micro credit draws attention not only in poor countries, but also richest countries are interested in micro credits. To illustrate, certain rate of poor population exists in USA and this mass consists of 35 million people exceeding more than 10% of total population. In this scope, some financial institutions, for example an advisory institution named ACCION USA has provided an amount of \$ 117 millions to poor population whose 90% is to be repaid in the framework of micro credit. Grameen Bank initiated its transactions in New York (NY) in April 2008. According to J. Morduch, the economist in NY University, micro credit does not draw attention in USA due to the

idea of people thinking that poverty cannot be eliminated by means of special initiatives. In addition, *Calmeadow Foundation* in Canada tested micro credit models in rural areas (Nova Scotia) and certain cities (Toronto and Vancouver) in the scope of target mass and risk factors during 1990s. Rich countries are not so successful while copying Grameen credits. Situation is different in developing countries: in countries such as Russia, Ukraine, Israel, micro credit is provided to small enterprises overcoming cultural obstacles within large scaled business environment. To illustrate, *Israel Free Loan Association* (IFLA) has granted \$ 100 million amount to its citizens during the last 20 years (Wikipedia).

Business world magazine of America called *FORBES* (December 2007) considers "scale", "effectiveness", "portfolio risk" and "consistency" for the list in which first 50 MFIs of the world are ordered. Accordingly, India and Bangladesh housed the best MFI. These countries are followed by Bosnia-Herzegovina, Peru, Columbia, Russia, Pakistan, Mexico, Brazil, etc. Same magazine detected "*micro finance turned to an increasing technical area as a provocative concept describing that philanthropy trying to eliminate poverty can be profitable for corporate and individual investors during the last ten years*".

On the other side, micro credit developed in many Middle and Eastern Europe countries as of 1992. Sector represents an average growth rate of 67% on annual basis. Micro credit shows relative growth in Western Europe (England and France). Although increase is observed in credit amount organized by private commercial banks, credit cooperatives (78%) and non-profit organizations (5%) whose 16% of total credit is micro credit, same increase cannot be seen in ratio of total clients (EUROFI).

The situation should also be observed in terms of international financial institutions. Although it is not accepted officially, Third World countries manager their economies with respect to the instructions of IMF and World Bank (WB). These financial institutions provide credits on various levels starting with the poorest and claims many demands against these credits. "Credit provision" of WB to Grameen Bank created effects on the world public opinion with its success in micro credit system should be revaluated in this framework. To illustrate, it provided one third of \$100 million announced as to be given for expansion of Grameen Bank in 1995. Invitations made to grantor governments to eliminate poverty may create optimistic results for Grameen Bank (Hasan, cdrb.org).

A. Grameen Bank Type Micro Credit Application: Bangladesh Model

The most popular micro credit application is included in the scope of "Grameen Bank" model. (For details see info; Yunus, 2003; wikipedia; grameen-info.org).

Grameen Bank (in Bangladesh written as গ্রামীণ ব্যাংক) is a micro finance institution and development bank lending in small amounts and without guaranty to the poor people and first started its operations in Bangladesh. ("*Grameen*" is derived from word Gram meaning "village and means "belonging to the village" or "rural"). Credit program of the bank generally is directed towards poor and unemployed women. In a country where a few women can utilize credits of large commercial banks, if it is considered that 97% of members of Grameen is women and if its rules improved for communal life are taken into consideration (Table 1), this bank can be viewed as a "revolutionist" within Bengal society and in its neighboring areas due to focusing on women and its plans aiming to increase welfare of women.

In 1976, pilot village credit project was initiated in Bangladesh through support of Grameen Bank and central bank became part of the activity to disseminate the project three years after its initiation. The project has been accepted by overall world as of 1980. Bank aimed to create a world where poverty is eliminated together with Grameen Foundation and supported micro finance institutions of following and other countries in 2008. Bangladesh in Asia-Pacific, China, Indonesia, Philippines, India, Lebanon, Pakistan, S. Arabia, Yemen; USA, Bolivia, Dominic Republic, El Salvador, Haiti, Honduras, Mexico, Peru in America and Ethiopia, Morocco, Ghana, Egypt, Nigeria, Uganda, etc. in Africa.

Table 1: Manifest of Grameen Bank: “16 Golden Rule”

1. We shall apply and improve four principles of Grameen Bank named as discipline, collaboration, courage and hard working in our lives.
2. We shall bring welfare to our families.
3. We shall not live in a decrepit house. We shall repair our houses and give effort to construct new houses.
4. We shall grow vegetables during the year. We shall eat them and sell excessive amounts.
5. We shall plant as much as possible during planting seasons.
6. We shall plan to keep families small scaled. We shall minimize our expenditures. We shall take care of our health.
7. We shall educate our children and earn money required for their education.
8. We shall keep our children and environment clean.
9. We shall make and use cesspool.
10. We shall drink well water. If we cannot find, then we shall boil the water and add alum.
11. We shall not take bride price in weddings of our sons; we shall also not give bride price for our daughters. We shall not approve marriage of children.
12. We shall not behave in unequal manner and we shall reject those wrongdoing.
13. We shall enter larger investments in collaborative manner for more income.
14. We shall help each other. We shall help anyone encountering difficulties.
15. If we learn any violation of discipline in any center, we shall visit relevant place and provide re-establishment of discipline.
16. We shall work for overall social activities in collaborative manner.

According to a World Bank research, access to micro credit makes women feel stronger as micro credit provides the opportunity to access to financial resources and to supervise decision-making mechanism; however, some economists state that less direct relation exists between micro credit and refreshment of women. On the other side Grameen claims that more than half of debtors in Bangladesh eliminated excessive poverty due to their liabilities (approximately 50 million people). Obtained as an “output”, three meals of meat consumption per day, clean water and healthy toilet usage, residing at a rain-proof house, saving amounting to 300 Taka, in other words \$4 per week to repay liabilities represent consequences.

Credits of Grameen Bank are different from traditional commercial banks and consist of four types including general, joint venture, residence and technology (Table 2). Representing the most popular credit type, “general credit” provides realization of income generating economical activities, whereas large investments of group members are realized by means of joint venture credits; life is sustained in healthy and comfortable houses by residence credit and large investments within group or center are realized by technology credits.

Table 2: Differences between Grameen Bank and traditional banks in terms of credit policy

<i>Grameen Bank</i>	<i>Traditional Commercial Banks</i>
Receiver of credit does not visit bank; bank identifies its credit client and encourages the client to give credit.	Receiver of the credit visits bank and persuades the bank to take the credit.
Guaranty and formality is not required for credit; unconditional reliability is considered as a base.	Guaranty is requested for the credit and a series of formalities should be completed.
Credit is provided within group system (Consisting of five persons) and its return is realized within group discipline.	Individual crediting is applied and return of credit is always risky.
Consideration of credit client as “poor” is essential.	Current savings of credit client are important.
Prioritized target mass is divorced and widowed women family heads; family members not having any lands, those having house, but not any land	In general sense, any separation is not applied.
Utilization of credit is flexible; group member has the right to use credit in accordance with his/her individual objective and creativity.	Utilization purpose of the credit is determined before.
Women should not continue to be “housewives” but their participation to economy and valuation as communal assets is aimed. Communal gender equality is considered.	Structuring in accordance with masculine dominant or patriarchal society organization is in question.

Grameen type micro credit is financed by certain sources of income. Bank functions on the basis of group fund consisting of five different items (transferred from Hashemi and Morshed by Korkmaz, 2004); i- “No I group tax fund where 5% of credit received from banks by the members is invested; ii- “No II group tax” being similar to the first one, iii- “personal savings” consisting of money required to be invested by each member every week at an amount of “1 Taka” and returned at the end of membership, iv- Penalties, v- Income due to interest.

B. Micro Credit Application in accordance with Social Assistance Groups: India Model

Social assistance groups in India were created as credit cooperatives aiming to gather poor people by promoting small sized savings and improving mutual cooperation concept. However, they lost their participating management characteristic by politicizing under control of minority and losing their effective communication (Korkmaz, a.k.: 75). Public banks then included within the process. While financial assistance is provided to small entrepreneurs and farmers in the framework of flexible guaranty principles, additional monetary guaranty is searched together with land mortgage and/or 3rd party guaranty for credit demands being above certain limit and guaranty conditions become more flexible as degree of poverty increases.

Superstructural improvements have been achieved in India to provide low cost credits to poor families in the framework of micro financing. To illustrate, National Bank for Agriculture and Rural Development called as NABARD in short provides financing to more than 500 banks financing self-help groups (SGHs). Each of SGHs consists of 20 or less members coming from poorest class or whose majority is compromised of women. Members make small amount of savings amounting to a few Rupee per month within group fund and can withdraw money from group fund for their various needs, such as house needs or school fees. SHGs may manage their own funds or borrow from local banks for their small enterprise investments or agricultural activities. Banks generally provide four rupee per each Rupee within group fund. Groups pay reasonable interest in accordance with special calculation method. 209 MFIs were available in India during 2007-8 period and they activate in the poorest 331 regions (vinodkothari.com/).

C. Micro Credit Application in Agricultural Sector: Thailand Model

History of cheap credit policy in Thailand, an agricultural country in Asia, is extremely old. Bank for Agriculture and Agricultural Cooperatives (BAAC) established in 1966 to provide financial support to farmers in Thailand improved its agricultural credit portfolio by means of multi-branching.

In 1975, ratio changing between 5 % and 20 % of total credit advances of Thailand Bank and other commercial banks is provided to agricultural sector under name of "group credit".

Figures of micro credit market in Thailand is as follows as of 2009: 20% of 67 million people is at limit of poverty; 6.2 million families need to access to credit (A); 4.5 million families are active debtor (B); rate of access to credit in potential credit market is (B/A) is 72.6% and market deficit (C) is approximately 1.7 million families, whereas ratio of this deficit (C/A) is 27.4% (The Foundation for Development Cooperation and the Banking With the Poor Network, 2010).

Providing financial service to poor people is extremely expensive in Thailand like other countries. This explains why banks do not desire to provide small sized credits. To illustrate, any liability amounting to 5 thousand Baht or 200 thousand Baht requires usage of same personnel and resource in this country; therefore, average cost increases as amount decreases. As poorer people live in rural areas, micro credit programs should spend additional amount for travelling of citizens. Micro finance institutions (MFI) should support liabilities in the context of more payable credits; in fact, most of them perform this support. Institutions should be supported continuously. MFIs in Thailand apply less credit interest rates when compared to neighboring countries. To illustrate, annual interest rate is 30%-50% in Vietnam and Cambodia, whereas this rate is 10%-20% in Thailand (due to contribution of the government).

However, many experts acting in micro credit sector state that financing of micro credit by the government may cause adverse impacts on the market, growth may be limited and these credit programs may be used for political aims as a result of which negative consequences may be observed.

V. Micro Credit in Turkey

First of all, it shall be proper to explain poverty profile in Turkey... According to "*Poverty Study Results*" of TÜİK, 17.7 million households were available in Turkey in 2006 (72.6 million people) and 2.5 million of them (12.9 million people) were counted as "poor" households (person). Number of relatively poor (those having income and expenditure under certain limit in comparison with general level of the society, in other words those sustaining their lives with \$1-4 per day) households was 10.5 million. Poverty rate of kitchen is estimated on the basis of ratio of those not having minimum welfare level to the total population. Poverty rates increased as population increased. However, while general poverty rate of working population (=food + out of food) was 25.2 percent in 2002, this figure decreased to 15.8 percent in 2006 and poverty rates of unemployed people decreased to 20.1 percent from 32.4 percent; poverty rate of those not being active in economical sense decreased to 13.6 percent from 22.2 percent. In accordance with changes in sectoral poverty, poverty rate decreased to 10 percent from 21 percent in industry and to 7 percent from 26 percent in services achieved to decrease by 2 points only (to 34 percent from 36 percent) in agricultural sector (transferred by Yükseler and Türkan, 2008). With respect to 2007 data, food poverty rate is 0.54 percent (1.35 percent in 2002), poverty is (food + out of food) 18.6 percent (27), relative poverty based on "0" under 1 dollar per capita on daily basis and expenditure has not represented significant change (at about 14%) (TÜİK, 2008).

It is possible to identify reasons regarding application of micro credit in Turkey and road map to be followed immediately on the basis of above explanations. Micro credit application initiated by Prof. Yunus in the world is represented by Prevention of Wastes Foundation being a non-governmental organization. Prof. Akgül (2009), the head of the foundation, provides following explanations:

- i- Micro credit application executed in the framework of "*Grameen micro credit program*" and under consultancy of Prof. Yunus in Turkey is started in Diyarbakır on July 18, 2003 by means of cheques provided by the Prime Minister Erdoğan for the first time and still applied in successful manner in Adıyaman, Afyonkarahisar, Amasya, Ankara, Aydın, Balıkesir, Batman, Bilecik, Bingöl, Burdur, Bursa, Çankırı, Çorum, Denizli, Diyarbakır, Elazığ, Erzincan, Eskişehir, Gaziantep, Hatay, Isparta, Kayseri, Kahramanmaraş, Kırşehir, Malatya, Manisa, Mardin, Muğla,

Niğde, Rize, Samsun, Siirt, Sivas, Şanlıurfa, Tokat, Yozgat and Zonguldak provinces and its dissemination in all provinces is aimed until the end of 2010.

- ii- *In the scope of Grameen Micro Credit Program of Turkey* and as of November 20, 2009, about 29 thousands poor women in 37 cities and 55 branches have been provided with the credit amounting to more than TL 38 million without any guaranty and security and on the basis of reliability and 100% return is achieved in credits whose term is expired. (However, it is important to state that micro credit studies started in 2003 in Turkey are extremely insufficient in accordance with current data).
- iii- *Micro credit branches* are opened by means of different financing methods in Turkey. In some cases, name of grantors are given to the branches, if grantors finance all of operating and credit needs of micro credit branch as to be repaid in maximum 5 years and at a minimum amount of TL 300 thousands in which case TL 100 thousands shall be paid in first year and minimum TL 50 thousands shall be paid in accordance with decision of the grantor. (To illustrate Eyüp Cenap Gülpınar Siverek Micro Credit Branch, Feyyaz Berker Mersin Micro Credit Branch, Nihat Gökyiğit Artvin Micro Credit Branch, etc.)
- iv- In the framework of *Social Assistance Program of DPT (State Planning Organization)* Adıyaman, Kızıltepe / Mardin and Viranşehir / Şanlıurfa Micro credit branches are financed. In addition, Special Provincial Administrations (on the basis of articles 6 and 64 of Special Provincial Administration Law) contribute to the micro credit in financial sense as an application of Governorate and all other large sized financial resources are generated from grants.
- v- In addition, "*Kahramanmaraş Application of Turkey Grameen Micro Credit Program*" executed in collaboration with Prof. Yunus on December 2, 2008 was granted with European Union prize among 600 projects presented to the European Council.

VI. Future of Micro Credit System

Two questions should be responded: First question is whether micro credit strategy is an application specific to capitalist system or whether it represents a third way of exit above all systems. Second one is regarding possible improvements in the area of micro credit strategy; can this strategy take a root within economies where it is applied or shall it stay as a marginal money policy?

Micro credit strategy is a concept produced within capitalist economy or if it is generated outside, it represents a concept that is imported and externalized. Because this strategy has not the characteristics to collapse any principle of capitalism such as free market and private ownership, on contrary it complies with associated principles; any confliction or threat between them is not in question. Additionally, all institutions and means of general financing system or money and capital markets (insurance, exchange, social security, intermediary firms out of banks) have the opportunity to become richer by means of micro financing and therefore, micro credit.

Conclusion: Findings and Recommendations

In short, contrary to its name, micro credit strategy is a credit application having macro economical consequences in terms of poverty and unfair income distribution. In this framework, following findings and recommendations can be proposed.

A. Findings

Finding 1: First applications of micro credit types are observed in Asia societies. "Civilization rises in East" becomes real.

Finding 2: Micro finance system is an optional system aiming to mitigate poverty, not eliminating poverty completely. It represents kind side of capitalism as it is a product of it.

Finding 3: Political solutions being mixture of money-finance, such as micro credit, etc., confirm that poverty is reproduced within capitalist system and therefore, solution should be searched

within this system. Every micro credit program is neoliberal money policy strategy, because World Bank representing one of the largest financial powers of neoliberalism is on the background of this strategy.

Finding 4: Micro credit strategy is considered as created by internal dynamism of capitalism and internalized within capitalism. However, capitalist system highlights capital being a production factor constituting the base of production, whereas micro credit strategy internalized by capitalism emphasizes importance of effort of trying to eliminate reasons for poverty and problems of poor people and considers the issue in terms of both micro and macro level.

B. Recommendations

Recommendation 1: Although its name is “micro”, micro credit programs should be given much more importance due to flexibility provided during struggling with basic “macro” economical problems such as poverty, unemployment and income distribution; however, it should be acknowledged that its functionality shall increase, if applied together with other economy policies.

Recommendation 2: A “poverty map” aiming to increase life quality of poor people of each settlement and having operational characteristic is created, Micro credit should be varied and applied in accordance with these maps.

Recommendation 3: “E-poor” internet sites should be established in compliance with globalization and on the basis of the fact that struggling with poverty is based on “communication. By this way, poor people and families shall communicate with each other and shall be informed about activities of the government, private and social sector.

Recommendation 4: Poverty has impacts both on poor and rich people of a community. In this framework, not only support of government and communal institutions is adequate, but also contribution of private industrial sectors and large sized banks to this strategy should be achieved and they should operate on the basis of collective interaction.

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Note (?) mark states indefinite production year

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FROM CITY TO CITY

REFUGEES' DAILY STRATEGIES TO DEAL WITH POVERTY IN TURKEY

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Abstract

The plight of refugees goes well beyond the issue of poverty yet poverty is another layer of hardship for refugees who often have structural reasons for being particularly vulnerable to poverty. In trying to make a living and prepare for an uncertain future, what are the main means, strategies and challenges faced by refugee populations? How can public policies at different levels of governance best address these challenges? To answer these questions in the Turkish context, the paper focus on the role played by informal labor markets, by local or individual initiatives, and by freedom of movement within the country.

“Yarım bir hayat’ yaşadığımı hissediyorum”¹

[I feel I am living a ‘half-life’]

Turkey is a country that receives substantial flows of refugees. Yet, there is a problem of recognition of these refugees by the Turkish state and Turkish society: the Turkish population as a whole is insufficiently aware of the presence of these refugees, and the Turkish state does not recognize the majority of these individuals and families as refugees. Therefore, the large majority of activities in the field and scholarship in academia that has been produced regarding refugees in Turkey have focused on the issue of recognition: the recognition of their presence and the recognition of their rights.² By doing so, most of the evidence presented has relied on the political/psychological situation (the reasons for leaving home) and legal status (rights and limitations attributed by the receiving state and international regulations) of refugees. Accordingly, the social aspect of refugee life has been largely absent from most discussions on asylum in Turkey.³ This

¹ “Mültecilerin Sesi” Winter 2007, 2

² Check the literature...

³ With one exception however with the publications of civil society organizations aiming at raising the awareness of the Turkish public on the plight of refugees in Turkey: these have been inclined to emphasize the difficult social conditions in which refugees live in Turkey, with the explicit goal of sensitizing the reader and trigger an emotional response. See for instance Bilgen 2005a and 2005b, “Mültecilik” 2008, “Mültecilerin Sesi”

tendency is conform to a broader phenomenon whereby the literature on asylum world-wide tends to emphasize the difference between refugees and economic migrants, which is having the effect of overlooking the pre- and post-migration economic aspect of asylum. Yet, if economic factors are not the main reason behind the initial decision to migrate for refugees, the economic and social hardships that refugees face once arrived in their new country play a distinctively important role in their daily lives.

This paper intends to fill in this gap by taking seriously the social conditions in which refugees live, and more specifically by providing an analysis of the issue of poverty in refugee life in Turkey. For the sake of this paper, and given its focus on social aspects, "refugee" here is meant to cover all individuals that have a claim to asylum, whether they have applied for asylum or not, and whether they have been recognized by the Turkish state or by the UNHCR (United Nation High Commissariat for Refugees) as refugees or not.⁴ Following the works of Amartya Sen, poverty is here defined as a lack of capabilities in a set of areas as varied as food, accommodation, clothing, health, education and access to the job market.⁵ This means that the accent will be put both on a multitude of factors that can lead to poverty, and look at challenges and opportunities both in their formal and concrete applications.

The conceptual and empirical analysis of this paper is based on a review of the literature on refugees and asylum in Turkey, be it academic publications, or public and internal reports from civil society organizations in Turkey. It is also based on qualitative field research and interviews conducted in the cities of Istanbul, Izmir, Ankara, Van, Gaziantep and Şirnak in Turkey. After presenting a short overview of the refugee situation in Turkey, the paper reflects on two fundamental and recurring questions regarding refugees in Turkey warranting some level of consideration for actors working in the field of refugees and/or poverty reduction: (1) To what extent is poverty a major problem for refugees given the seriousness of other issues? (2) To what extent should refugees be considered separately or together with other groups in Turkey vulnerable to poverty? The paper then dives more deeply into the empirics of refugees' poverty in Turkey assessing the context, limitations and opportunities framework in which refugees have to operate: in particular, it emphasizes the need to think of these issues at a local level (as opposed to a national level) and the need to understand the role played by the pervasive informality of the environments of refugees in Turkey. Finally, the last section presents some policy recommendations for state and non-state actors alike, and develops a framework to think the short-term together with the long-term.

Overview: Refugees in Turkey

Turkey, historically, is a country that has received important inflows of refugees. Even before the Republic of Turkey was established, the Ottoman Empire became a welcoming land for people fleeing unwelcoming places: the large majority of refugees came in the 19th and early 20th century, with millions of Muslims escaping from increasingly nationalist countries in the Balkan and the Caucasus,⁶ as well as inflows of non-Muslims, such as Jews in 1492, or other minorities fleeing intolerant regimes in Eastern Europe. By 1923 and the establishment of Turkey as a Republic, refugees kept coming, especially from Greece and Bulgaria, with important sudden inflows such as in 1923 (with the famous *mübadele* or "exchange of population") and in 1989. Even after that, following the disintegration of Yugoslavia, important inflows came from Bosnia and Kosovo well into the 1990s. However, these particular populations, due to their fit with the concept of "Turkishness,"⁷ were able to fit easily within the social and legal environment in Turkey, with most of them being accepted as "migrant" and subsequently qualifying to Turkish citizenship.⁸

The situation became more complicated in the late 1970s and in the following decade with the arrivals of important numbers of Iranians after the revolution in 1979, Iraqis following instabil-

4 This approach is quite unusual given the common practice of distinguishing between refugees and asylum seekers, convention and non-convention refugees, accepted refugees and rejected asylum seekers, genuine refugees and "fake" refugees. Such an approach however focuses mainly on the different levels of legal recognition of a particular population. This paper argues that these distinct legal statuses are irrelevant to understand the socio-economic situation of refugees in Turkey and therefore chooses the term of "refugees" as a generic term to refer to all persons of concerns according to UNHCR. See UNHCR 2009, p.3 and 10

5 Sen 1982

6 MacCarthy 1995. In the same but reverse process, many non-Muslims had to flee the Ottoman Empire to take refuge in neighboring countries.

7 According to the Law on Resettlement (Iskan Kanunu), only migrants of "Turkish origin or culture" ("Türk soy ve kültürüne bağlı") can come and settle to Turkey.

8 Kirişçi 1996

ity in Iraq in the late 1980s and early 1990s, Afghans in the 1990s, Somalis, and many more from different places in Asia and Africa throughout the 1990s and 2000s.⁹ By then, the existing legislation (Law on Settlement) governing the admission on Turkish territory of people of Turkish culture or descent could not be applied to these new inflows. The other piece of legislation (the 1951 Geneva Refugee Convention) would not apply given that Turkey has retained the geographical limitation of the Convention, indicating that only refugees coming from countries of the Council of Europe can be recognized as refugees in Turkey. In practice, this means that the large majority of refugees coming to Turkey, being non-European, would not qualify to the status of refugees in Turkey. This disposition is still applied today, even though there are a lot of discussions considering the possibility of lifting this limitation.¹⁰

However, with the regulation of 1994, a compromise solution was established. Accordingly, non-European refugees can come to Turkey, apply for asylum, be recognized as refugees by the Turkish state in collaboration with the UNHCR, but then would have to be resettled into a third country, usually in Northern Europe, Northern America or Australia. To do so, however, refugees have to present themselves to Turkish authorities upon entry into Turkish territory, apply for asylum, move to the so-called satellite city (*uydu kentleri*),¹¹ and wait for the status determination to be done. Once their status is determined, refugees should either wait more until a country of resettlement accepts them and prepares them for their new life if they are officially recognized as refugees, or, if they are not recognized, they should in principle return home. Even though the idea behind resettlement was that no refugee would remain in Turkey in the long term, the process of application, status determination and resettlement is often very long and not linear, so that it is not uncommon for refugees in Turkey to remain several years in Turkey before their status is decided. This paper aims at delving into the social situation in which these refugees find themselves during this long transition period.

But before going further, two notes should be made here. One is that the situation of refugees in Turkey, due the conditions recalled above, is quite distinct from the situation of refugees researched elsewhere. Most of the research regarding refugees and poverty has indeed focused either on the situation of refugees in camp¹² or on the situation of refugees in their resettlement countries, where most of the focus rests on long-term integration issues.¹³ Refugees in Turkey do not live in camps, but rather are dispersed over Turkish territory, and the majority of them reside in Turkey only temporarily, until resettlement or return. Consequently, the findings that can be drawn from the Turkish case present a third alternative to the two ones usually presented in the literature.

The second note is about the fact that the Turkish authorities are currently in the process of reforming the asylum system.¹⁴ Currently, Turkey does not really have an asylum system, but rather a set of vaguely related laws and second level regulations that decide on the fate of refugees. This is changing. At this stage it is too early to know how the reformed system will look like, but it seems clear that important improvements in the daily lives of refugees in Turkey will be tangible. The evidence presented in this paper focus on the pre-reform situation, even though the change of mindset on which this reform is based has already led to some changes in some administrative procedures towards refugees.¹⁵ Among some particular circles within Turkish administration and civil society, a new awareness on the issue of refugees is perceptible, even though it remains embryonic.

Whether to focus on poverty? Whether to focus on refugees?

9 UNHCR 2009

10 Kirişçi 2001

11 There are about 31 (number varies over time) designated satellite cities dispersed over Turkish territory, usually in inner Anatolia. Refugees are required to live in the satellite city they have been attributed for the duration of their application process. The main rational behind this system lie in the willingness to avoid a concentration of refugees in big cities, especially Istanbul and retain these refugees away from European borders. For more, see Biehl 2008, 7.

12 Especially research done on Palestinian refugee camps, but also on refugee camps in different places in Africa and Asia.

13 See for example Taylor 2006.

14 Meeting with officials in charge of the reform in October, December 2009 and June, July 2010.

15 See for instance in 2010 alone, the Circular from Social Services and Child Protection Agency to improve and harmonise actions for unaccompanied children, women at risk, disabled, elderly, the Circular from Ministry of Interior on asylum seekers and refugees, encouraging exemption of residence fees, and improving RSD processes (introducing data protection and confidentiality guidelines), the Circular from MOI on illegal migration enhancing the condition of those caught in mixed migration movements, ensuring UNHCR's access to asylum seekers, introducing standards for removal centers, the Circular from the Ministry of National Education on foreign students, giving them more access to Turkish educational system.

Before entering into the details of refugees' poverty challenges and opportunities in Turkey, two questions need to be addressed:

- To what extent is poverty a major problem for refugees given the seriousness of other issues?
- To what extent should refugees be considered separately or together with other groups vulnerable to poverty in Turkey?

For reasons that will be laid out below, these two problematic represent a recurrent concern for people working in the field and therefore warrant some thoughtful considerations.

The first question relates to the many important challenges that refugees face, including the psychological trauma of persecution and flight, the possible continuation of the threat, concerns over acquiring a legal status, uncertainty regarding the future, status of foreigner etc. In other words, for refugees, hardship goes well beyond a situation of poverty, as can testify the situation of distress of many wealthy refugees. Among these very serious problems, the question of poverty might seem of secondary importance for institutions (be they state or non-state institutions) whose goals is to provide some relief to refugees. Given the limited means of these institutions, why focus on poverty where they can provide some psychological and legal counseling to these populations? In the Turkish case, it is not uncommon for such institutions to invest in activities focusing on psychological and legal relief, while the assistance regarding refugees' social situation is done only on an ad-hoc and exceptional basis. This is the case for example of two prominent NGOs working in the field of asylum in Turkey, ASAM and Helsinki Citizens Assembly, whose works are mainly organized around social and legal counseling opportunities to refugees.¹⁶ At the root of this trend is the indetermination regarding which issues are really the most pressing for refugees.

The second question is reverted and instead of questioning the issue of poverty, questions the category of refugees. For an institution aiming at poverty reduction in any given country, why focus on refugees while the local population is suffering as much, if not more, from poverty? In Turkey, this question is asked recurrently, especially to public authorities dealing with refugees: "Instead of providing relief to refugees, should not you give priority to Turkish citizens in need?"¹⁷ Such questioning is declined along different levels. First are a set of questions regarding which group should receive relatively more assistance: the local population, refugees or both should receive an indiscriminate treatment? On the field, there is indeed an interesting paradox whereby many institutions in Turkey were established especially to provide relief to refugees given that non-Turkish citizens are usually excluded from the existing poverty-reduction programs.¹⁸ But once activities aimed at a target group of refugees are implemented, these raise suspicions among observers regarding a perceived privileged situation in which refugees find themselves.¹⁹ Another set of considerations also highlight the number of refugees in need in proportion with the local population in need. As mentioned by a Turkish high level official in one of Izmir's municipalities: "Foreigners [refugees] do not even represent 1% of our target group, our real concern here is with internal migration. The large majority of people in need are from inside Turkey."²⁰ The reasoning there is that to the extent that it is not always possible to provide indiscriminate assistance to Turkish nationals and refugees, then a dilemma arises.

The two questions presented above can be addressed together. The necessity to talk about and focus on the issue of poverty for refugees in Turkey is not an absolute one, but a relative one.

16 ASAM stands for Association for Solidarity with Asylum-Seekers and Migrants (www.sgdd.org.tr) and Helsinki Citizens Assembly has a special Refugee Advocacy and Support Program (<http://www.hyd.org.tr/?sid=23>)

17 This question for instance is being regularly asked to social workers or institutions providing education (meeting with local official, Izmir, August 2010 and meeting with local civil society activist, Van, December 2009)

18 Turkey's Poverty Reduction Strategy for instance does not cover refugees residing in Turkey. See also the following articles: "(Lack of) Social Security of Asylum Seekers and Refugees in Turkey" by Onder Beter and "Words Came to Nothing: 18 thousand refugees are deprived of medical aid" by ASR. Both articles can be found on www.multeci.org.tr

19 This feeling that foreigners are privileged in Turkey compared to Turkish citizens, especially when Western institutions are involved, is a recurring concern in Turkey, often referred to as the "Sevres Syndrome", and is rooted in the action of Western imperial powers in the 19th century as they were taking advantage of the weakness of the Ottoman Empire. As an illustration consider the following quote: "Polis geliyor, beni dövüyor (...). Ama zenciyi adam gibi alıyor. Şu an polis, bir zenci, bir de beni yakalasın. Bize aynı davranmaz. Onu 5 yıldızlı otele götürür." [If police come to me, they would bit me. But with a black person, they act with consideration. If the police now catches a black and me together, they would not behave the same. They would take him to a five-star hotel.], quoted in "Mültecilerin Sesi," Summer 2007, 7

20 Meeting, Izmir, July 2010

The fact that overall, when talking about poverty in a one country, refugees tend to be forgotten from the discussions, and the fact that overall, when dealing with refugees, the issue of poverty is seen as a secondary issue, together warrant a need to counterbalance these tendency and focus more on refugees and poverty. This does not mean that poverty is a greater concern for refugees than other problems, or that refugees' poverty is a more important problem than the poverty of the local population. The purpose of this paper is therefore to complement a small existing literature on these two issues combined, both at the international level, and in the particular case of Turkey.

Yet refugees are not simply another category of people potentially suffering from poverty, but rather entertain a particular relation with poverty. As Taylor said: "[refugees] face many of the same day to day issues as other people living in poverty, but with an underlay of their pre-migration experience and overlay of additional expenses and of policies which exclude a subset of their income support and employment assistance."²¹ In other words, refugees' poverty is not only determined by their individual characteristics, but also by characteristics attached to their status as a foreigner (lack of citizenship and rights associated,²² lack of language and experience or racism and discrimination) and their status as a refugee (situation of semi-legality or illegality, trauma and continuous fear of deportation or abuse and persecution, indeterminacy and temporariness of the situation, etc.). For refugees, there are additional social, psychological and legal barriers, as well as some additional opportunities,²³ that render more difficult their ability to deal and overcome their situation of poverty. At the same time, it is important to understand that poverty understood as lack of capabilities is as important and central to the life of refugees as it is for non-refugees. The fact that beyond poverty, refugees are facing very serious issues should highlight the urgency to provide some relief on the socio-economic side, and not undermine it.

Refugees' poverty in Turkey

"Peki Türkiye'de mülteciler nasıl yaşıyorlar, ihtiyaçlarını nasıl karşılıyorlar?

Hayatları hiç de kolay değil. Çok ciddi sorunlarla karşı karşıyalar.

*Yiyecek, kıyafet, sağlık ve iş imkanları yok denecek kadar az."*²⁴

[So how do refugees in Turkey live, how to do they meet their needs?

Their life is not easy at all. They face very serious problems.

They have almost no access to food, clothing, health and job opportunities.]

So how poor are refugees in Turkey? Unfortunately, given the available data, it is not possible to provide a quantitative answer to this question.²⁵ Qualitatively, the majority of the existing literature converges on the same set of issues of particular concern:

- The costs of being a refugee in Turkey: pay a one-time fee for the residence permit booklet, pay a high residency fee every 6 month (about 177 Euros), pay to the travel to the UNHCR office in Ankara for the asylum interview.
- The difficult access to job: the need for a working permit to work legally but the practical impossibility to receive a working permit,
- The demeaning conditions and low level wages on the informal job market,
- The difficult access to the health system: this include the cost of case and some technical difficulties (in principle refugees have access to the health system, but in practice the software works only with the ID numbers of Turkish citizens, hence excluding refugees)

²¹ Taylor 2004, 6

²² Limited access to employment, health services, housing, education and income support and often complete exclusion from public programs designed to alleviate poverty.

²³ Some assistance is sometimes provided exclusively by association, social network, international sympathy.

²⁴ "Mültecilerin Sesi" Fall 2007, 6

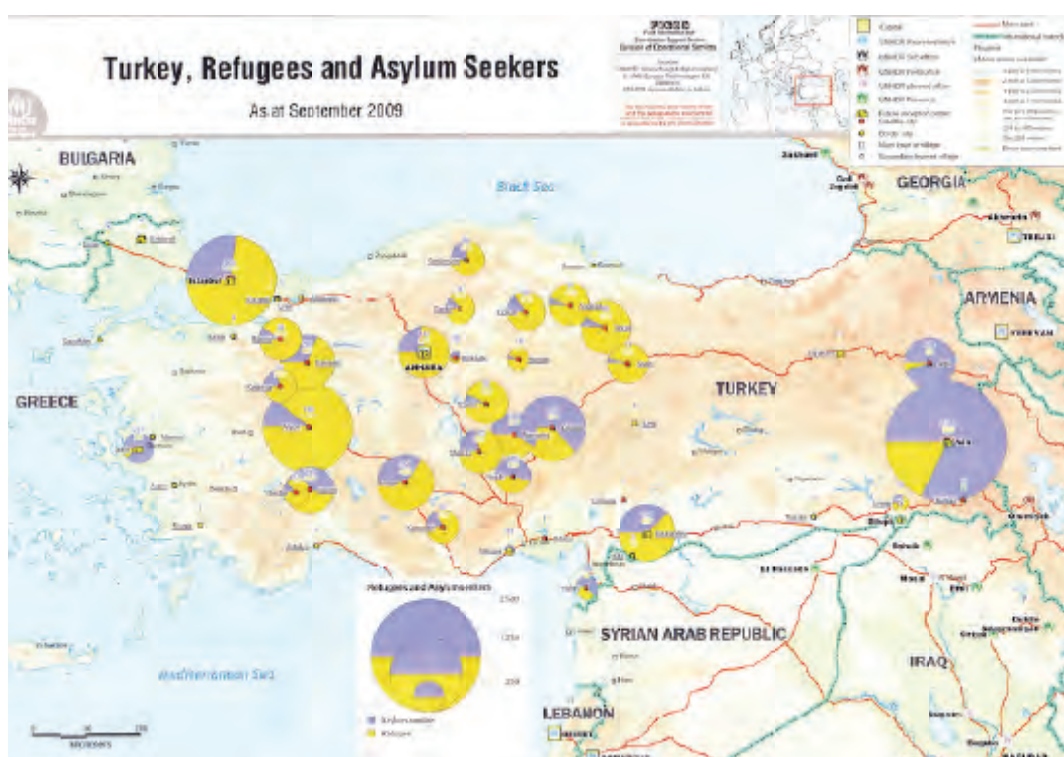
²⁵ Some quantitative, survey type of research is currently undertaken by some civil-society organization, but it seems that the focus is more on the psycho-social situation of refugees.

- Difficult access to education: appropriate educational institutions (teaching Turkish providing education in foreign language) are not always available
- Sub-standard accommodations: overcrowded, problem to cover the bills (heating, electricity, water)
- Lack of source of income beyond wages (no indemnities from the Turkish government or the UNHCR, discontinuity with incomes from home, lack of savings, etc.)²⁶

Beyond these recurrent issues faced by the large majority of refugees, there is the particularly difficult case of vulnerable people, such as single women, children, elderly, etc. with which the aforementioned issues are amplified.

The remainder of this paper is not so much an assessment of how refugees are doing, but rather an assessment of their environment, and how policies can be better implemented to render refugees more self-sufficient and independent.

Map 1: Registered refugees by cities
Source UNHCR 2009



Understanding the local

In the case of Turkey, it is difficult to define what the environments of refugees are at the national level: the situation indeed varies importantly from city to city (see Map 1). For one thing, depending if the city is a city of first arrival, a city of departure, a large city, a small city, a satellite city, a city where refugees are detained in foreigners guesthouses or not,²⁷ changes a lot the daily environment of refugees. But beyond that, there are stark differences that are based on local actors and their ability to create different conditions for refugees. There is a national-level set of laws and regulations that define the rights and duties of refugees (in the different stages of their legal recognition), but the application of this legal framework differs starkly from city to city. Hence the

²⁶ The listed information is mainly based on UNHCR Mission reports 2010

²⁷ See for instance Helsinki Citizens Assembly 2008

situation of poverty in which a refugee find himself in Turkey depends on his personal situation (strength of social network, number, age, gender and health of family members, personal savings, etc) but also immensely on the city in which s/he resides. Different set of factors can make a difference: the personality of key member of the administration (head of the foreigners' department, mayor, governor, head of the municipalities' social services, etc.), the consensus found among key administrators regarding how to interpret a piece of regulation, the strength and focus of civil society, the cultural affinities of a city toward a particular population.

The personalities of people in a particular city can make an important difference in the lives of refugees. The position of the head of the foreigner's department within the Security Directorate is a particularly important one. That person indeed has the authority to apply the existing regulations in a manner that can be more or less favorable to refugees, especially in decisions regarding expulsions. In the Eastern part of the country, a geographical area where many different refugees enter the country, member of the civil society and human rights association working with refugees of two different cities consistently complained or praised the head of the foreigner's department²⁸ and demonstrated how a single individual could make a difference. Other key personalities, such as the mayor or his deputy, the governor or his deputy, the head of the municipality's social services, etc. can have a substantial impact on the type and level of services provided to refugees. The head of the social services of a municipality complained how the head of the social services of the other municipalities in the metropolis had no interests in extending services provided to nationals to refugees, hence undermining his own active work with refugees in his area.²⁹ One of the determining factors that seem to explain why some officials are more or less sensitive to the situation of refugees seems to be the level of training received on the issue of asylum, usually by the UNHCR.³⁰

Another way in which the local conditions of refugees' life change from city to city is in the way, through discussion and consultation, a consensus is built in a local police foreigners' department regarding how to interpret and apply the directives sent from the Ministry of Interior. In the recent years, there have been a number of directives and circulars sent from the Ministry aiming at addressing some of the concerns raised on the field and adjusting authorities' practices towards refugees. However, the language of these directives often gave some margins of interpretation to local offices, which did not always interpret the text likewise. For instance, one of the most recent circulars was about the possibility for police officers to exempt refugees from paying the bi-annual residency fee if the financial situation of refugees warranted such an exemption. As was documented by some internal UNHCR reports, some departments decided that in practice all refugees were in a difficult financial situation and exempted all refugees, whereas other departments decided that the exemption would only happened under exceptional circumstances and barely apply it to refugees.³¹ Similar examples can be presented regarding the conditions of detentions, the frequency of the signature requirement, access to educational facilities, the enforcement of the working permit requirements, etc.

Beyond the role played by public authorities, the development of a strong civil society also provides different levels of opportunities and constraints for refugees. Here again, even though in the last ten years, Turkey has witnessed a remarkable development of civil society in all types of domains,³² including in the domain of asylum,³³ the distribution of civil society over the Turkish territory is extremely uneven. Turkey's two main cities, Istanbul and Ankara, concentrate the majority of civil society organizations dealing with asylum and refugees. For these reasons, there are more opportunities for assistance to refugees in these cities (See table 1). Beyond these two

28 Meeting with local branches of ASAM, Human Rights Association, Amnesty International, and UNHCR October and December 2009

29 Meeting August 2010

30 For the last 20 years, the UNHCR in Turkey has indeed been particularly active in training officials on the different legal and social aspects of asylum. On this issue, it is not uncommon for UNHCR employee to complain about the turnover within the Ministry of Interior of officials working with refugees. There is indeed a lot to lose for refugees and civil society actor when an official trained and knowledgeable about asylum is replaced by someone who does not know much about refugees, and usually has a more security-oriented approach. Meeting with UNHCR employees, in Van in December 2009 and Istanbul in August 2010.

31 UNCHR missions reports

32 Third Sector Foundation of Turkey (2009)

33 Now several NGOs work exclusively on rights and assistance to refugees, asylum seekers and irregular migrants. These include ASAM (Association for Solidarity with Asylum Seekers and Migrants), Multeci-Der (Association for Solidarity with Refugees) and Multeci-Net. Many other established NGOs have also created special migrant and refugee programs, such as the Turkish branch of HCA (Helsinki Citizens' Assembly), MazlumDer (The Association for Human Rights and Solidarity for Oppressed People), Amnesty International, the Human Rights Association, IHH (The Foundation for Human Rights and Freedoms and Humanitarian relief), Deniz Feneri, etc.

cities, and even though many of the organizations who have their headquarters in Istanbul or Ankara have local branches in different Turkish cities, the presence of civil society organizations is unequal from city to city. For instance, comparatively speaking, the city of Van has active and developed civil society organizations dealing with refugees and asylum: active associations include Amnesty International, Human Rights Association, Van Women Association, TEGV, Mazlumder, etc. in addition to a field office from UNHCR. In contrast a city like Gaziantep does not have much of a civil society network working with refugees beyond ASAM, the main implementing partner of UNHCR. A city like Izmir has witnessed in recent years important development in an almost inexistent civil society environment, with the creation of Multeci-Der in January 2008. The last example of the creation of Multeci-Der highlights the important role played by individuals, in this case Taner Kilic, a lawyer who formerly worked with Mazlumder and Amnesty International, and who has been influential in the field of refugee protection. He created the NGO Multeci-Der, which is making a difference in the situation of refugees in Izmir.

The role of individuals can also be seen beyond state and non-state organization, in the initiatives taken by random individuals, the local imam, a neighbor, etc. who can provide some relief to refugees or not. It is also not uncommon for state or local officials to start acting and provide help to refugees beyond their job's responsibilities, simply acting as a caring individual, and investing personally in improving the lives of refugees. The combination of all these types of local actors can create more or less favorable environments for the refugee population living in that particular city.

All of these factors lead to a situation where the framework within which refugees face poverty varies a lot in the different Turkish cities. Where the situation can be particularly difficult for refugees in a particular city, it might be relatively way more comfortable in another. There is therefore an incentive for refugees to move from one city to another in an attempt to improve conditions of living. Refugees indeed tend to concentrate in the big cities, especially Istanbul, but also Ankara and Izmir to a lesser extent.³⁴ Such a concentration created a concern for Turkish authorities, who therefore decided to establish the system of satellite cities (*uydu kent*), whereby refugees have to settle in a designated city (usually a medium size city in Anatolia) if they want to remain in a legal situation. To ensure that they indeed reside in the designated city, they have to sign by the police, once or more per week. This in turn is curbing the freedom of movement of refugees within Turkey, who cannot choose the place to live according to where conditions of living are more appealing.

³⁴ The concentration in these cities can be explained by their size and the fact that they concentrate many networks that can be useful to refugees, but also, for Istanbul and Izmir, because they can be exit cities to Europe, or for Ankara, because it is where interviews with UNHCR happen.

jority of jobs undertaken by refugees is done without a working permit, in what is called the informal economy. Police officers throughout Turkey are well-aware of these cases but usually intentionally choose not to strictly enforce this rule.³⁵ This particular practice allows refugees to gain access to the main means of reducing or preventing poverty: earning an income.

Beyond the lack of resource or good-will of police officers, the main factor letting refugees earn an income is the size of Turkey's informal economy. Turkey's informal economy, sometimes referred to as underground economy, is a well-known fact that has been documented and commented in many places. Such an informal economy, and especially an informal labor market, provides access to job for refugees. "Thus the deficiency of state provisions, i.e. the nonexistence of rights to housing, education or work for migrants is in some way compensated by the flexibility of labor and housing markets where they can participate owing due to the widespread informality in these sectors."³⁶ To a lesser extent, a similar phenomenon is indeed also occurring with regards to an informal housing market, through which refugees can find accommodation.

Finally, a third key informal factor working in the favor of refugees is the role played by social networks. By definition, when an individual becomes a refugee, by leaving the country s/he used to live in, a refugee loses his social connections. However, during the travel, during the application for asylum, at home, at work, new social connections are established and sometimes old ones can be re-established. Friendship, a parent, a neighbor, can all become sources of help and assistance in a difficult life. But again, such networks are unequal over Turkish territory, and the possibility, or impossibility to move from one city to city is crucial.

This extent to which the Turkish state intentionally let refugees rely on informal channels or is simply not aware of this phenomenon is an interesting point in case. Bugra and Keyder have highlighted how it is part of Turkey's tradition to live poverty-reduction outside of the state's formal channels: they talk about a "particular outlook where family solidarity as well as mechanisms or charity mobilized by municipalities and the NGO's are seen as the proper means of dealing with destitution, a problem regarded to be beyond the reach of state's responsibilities."³⁷ In the case of refugees, it may have seen as an efficient and convenient way of dealing with an issue that is not very easy and does not have a direct political pay-off (refugees do not vote).

Policy-recommendations: encouraging fairness, self-reliance and long-term solutions

"Türk hükümetin bizimle ilgilenmesinin zamanı gelmiştir,

*çünkü iltica hakkımız ve serbest dolaşım hakkımız var"*³⁸

[It is time for the Turkish government to get involve with our situation,

because we have a right asylum and a right to free movement]

*"Bize oturma ve çalışma izni verilsin ki, biz de üzerimize düşeni yerine getirebilelim"*³⁹

[Residency and working permits should be given to us so that we can also play our role in the society]

The policy recommendation conclusions that can be drawn from the analysis above are three-fold: as state or non-state institutions, policies that aim at addressing the challenge of poverty among refugees should emphasize the importance of fairness (i.e. helping all refugees throughout Turkish territory in a fair and similar manner), self-reliance (i.e. adopting structure of help that reinforce refugees' own ability to deal with poverty) and long-term solutions (i.e. going beyond the emergency relief and systematize socio-economic integration).

The analysis of refugees' local conditions of life has highlighted how the situation would differ from one city to another. An important underlying factor for this difference is the fact that existing

³⁵ Unless the individual refugee in question is also engaged in other activities that run against the interest of Turkish society. Meetings with police officers in Ankara, Van, Gaziantep, October 2009.

³⁶ Daniş *et al.* 2009, 470

³⁷ Bugra and Keyder 2005, 31

³⁸ "Mültecilerin Sesi" Winter 2007, 5

³⁹ "Mültecilik" 48

regulation governing asylum in Turkey are not implemented in a uniform way throughout Turkish territory. This creates a situation of inequality for refugees, whereby some refugees are more "lucky" than others to have been transferred to a particular city. As was illustrated with the case of residency fee (and as was highlighted by several UNHCR reports), there is an important need for the Turkish government to ensure more uniformity in the ways regulations are implemented, especially if this creates a more favorable environment for refugees. To a lesser extent, it is important to encourage an even development of civil society organizations working with asylum in all the different cities receiving refugees, so as to be sure that the minimum level of assistance is provided everywhere.

The usual level of assistance provided to refugees consists in giving food, clothing, a certain amount of money. It is necessary, but it can also create a situation of dependency over assistance that covers without curing the problem. Encouraging refugees to be self-reliant and self-sufficient, especially by earning an income, is the soundest solution to reduce refugees' poverty. In that sense, the existing lack of control regarding working permit, or a future simplified procedure to obtain the working permit, are welcomed practices. But this issue also raises the question of freedom of movement. The practice of satellite cities presents a mitigated result on that issue. Obviously, the establishment of the system of satellite city did not aim at poverty-reduction among refugees, but was rather done for security reasons. Yet, it also had the impact of relieving Turkey's metropolises from an extra migratory population, and had refugees live in smaller urban spaces where the local conditions would be more welcoming. Yet, it also means smaller labor and housing market, less developed civil society and reduced or absence of the social networks on which refugees rely for survival. One could therefore consider a situation where the dispatch of refugees in different cities could be more sensitive to the needs and wishes of refugees, and offer the possibility to change one's satellite city if optimal conditions are not met in city.

Finally, there is a need to start a serious conversation in Turkey, among relevant actors and in the larger public, regarding the presence of refugees on Turkey's territory. Refugees, even if each individual refugee is technically on Turkish soil only on a temporary basis,⁴⁰ are now a systematic and constant segment of Turkey's population. Increasing the knowledge regarding this issue, as well as developing infrastructure that help the socio-economic integration of refugees will represent a key development in Turkey, one that will ease the relationships in the society. Also, one needs to recognize that even if refugees are in principle here for only a short period of time, in practice their stay on Turkish soil is usually extended. Therefore some longer-term poverty reduction schemes adopted with the local population, such as micro-finance, could also be adapted to the situation of refugees and help them deal with poverty.

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⁴⁰ At least until the geographical limitation is lifted.

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INTEGRATION OF HEALTH CARE AND SOCIAL WELFARE SERVICES – A WAY TO PREVENTION OF POVERTY AND SOCIAL EXCLUSION



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Background

The reason, why some people become excluded, is due to a number of inter related human, structural and institutional factors. One of these is inadequate access to essential health services. The burden of payment for health services is a growing cause of poverty, particularly for socially vulnerable groups. Even systematic differences in lifestyles between socioeconomic groups are to a large extent shaped by structural factors. Social inequalities in health are generated by social, economic and environmental factors and structurally influenced lifestyles. These determinants of social inequality and social exclusion are all amenable to change. By “Joint inclusion memorandum, Estonia 2003” the high level of alcohol consumption and increasing drug abuse cause health damage, fatal accidents and social problems (unemployment, homelessness, domestic violence, children without parental care, etc.), leading individuals and families into poverty and exclusion.

In this study the cooperation between health care and social welfare system in Estonia will be described and analysed through the best practice in the city of Tartu. The aim of the cooperation is prevention of social exclusion, through the insuring the access to the health care services for those who are not covered with health insurance, raising people’s awareness of the health risks related to their living, working and learning environments, shaping social norms and values which promote health and also to reduce poverty, homelessness and unemployment.

A. The development of Estonian social protection in the 20th century

During the 20th century three quite different social protection regimes have been in use in Estonia

1. Until 1940 the Bismarck’s insurance system

2. From 1940(44)-1991 socialist social protection system. Started as corporate, the system became universal in 1964-1984

3. 1991 – Transition system, a mixture of Beveridge and Bismarck systems with some socialist elements (sometimes named as a welfare mix)

Table 1. Social protection system of Estonia

Social insurance ¹	Social assistance (State and municipal budget financing system)		
	Benefits and support	State financed welfare services	Local government financed welfare services
Social security system of Estonia comprises of 7 schemes: 1. Health insurance_ 2. Unemployment insurance_ 3. State unemployment allowances_ 4. State family benefits 5. Parental benefit 6. Social benefits for disabled people 7. Pension insurance	1. Subsistence benefit 2. Victim support 3. Benefits for victims of repression	1. Technical aids 2. Applying for asylum 3. Services for people with mental disabilities 4. Services for children (foster families, orphanages etc)	1. Counselling 2. Home care service 3. Personal assistant 4. Social housing 5. Adapting of dwelling 6. Social transport 7. General care home 8. Shelter etc

¹ Pension insurance, health insurance and unemployment insurance are contributory schemes, while the other schemes are non-contributory.

Changes in Estonian society and in social policy (especially in social welfare) started before formal restoration of independence in 1991. Below we describe briefly the stages of the reform.

1. Period of transitional reforms 1989-1994.

1.1. A new social security system was created (social tax was introduced for financing pension and health systems, new welfare services were created (for people with physical or mental disabilities, pensioners, large families etc)

1.2. New, formerly almost unknown social problems appeared (unemployment, homelessness, the abuse of narcotic drugs, HIV/AIDS infection etc)

1.3. Active policy during the transition period, important role in this policy was played by international institutions (IMF/World Bank)

2. Stabilization period 1995-1999.

2.1. Social security system retained the features typical of the liberal (British) welfare state

2.2. Accession negotiations with the EU started in 1998

3. Period of growth of welfare 2000-2007

3.1. Correction of the social security systems (changes in pension and health insurance systems)

3.2. Creation of new systems (unemployment insurance, disability benefits, parental benefit)

1. Estonia became a member of the EU and NATO

The GDP of Estonia grew 2,5 times in the period of 2000-2007. The success factors included

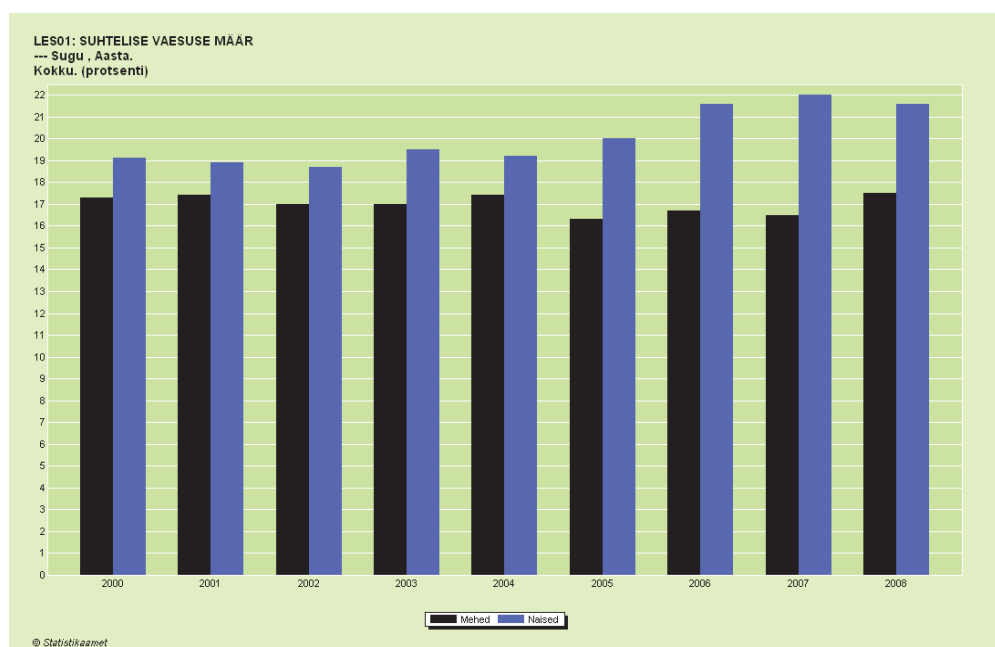
radical reforms, favourable economic environment, and support from the EU. Estonia was one of the most trade-intensive economies of the world (export and import amounted to 133% of GDP in 2002). World economic crisis changed the situation; in 2009 the index fell to 100%. The GDP per capita increased from 45% to 68.9% of the average of the EU countries (EU27) during the same period, but fell to 67.4% in 2008. Employment rate grew from 70,4% to 72,5%, the unemployment dropped from 13.8% to 4.8% (15-64)

While absolute poverty declined in this period, the level of relative poverty did not change.

4. Crisis in 2008 and the current state

GDP fell in 2008 by 3.6% and in 2009 by 14.1% , the GDP per capita dropped from to 68.8% of the average of the EU countries (EU27) on 2007 to 67.4% in 2008. The official unemployment rate increased rapidly, from 5.6% in 2008 to 14.1% in 2009 (15-64). Absolute and relative poverty both increased in this period.

Figure 1. Relative poverty rate by sex (males, females, %)



Source: ESA

B. Health care reforms in Estonia

Since 1991, three major reforms of health care have been completed in Estonia, the fourth is under way (Kõre, Kree, 2005)

1. The first health care reform concerned financing. The objective was to build a health insurance system to secure sustainable financing for this sector. From the centralized, integrated Semashko state model, the system was transformed into a Bismarck model. Insurance tax was introduced with a contribution, set at 13% of employees' salary, paid entirely by employers. In the first years insurance system was decentralized (17 independent foundations). Practical experience showed in next years, that a fully decentralized financing system is not sustainable. Revenue collection was fragmented, lacked the vital central pooling and risk-adjustment arrangements and contributed to widening inequalities between regions. (Kiivet, Harro, 2002)

2. Second phase of reforms - the reorganization of the provider network. After the introduction of the purchaser-provider split, health care organizations gained more autonomy than they had been used to under the Semashko system. The freedom opened space for incentives to restructure the provider network and to improve systemic responsiveness and efficiency. New

Health Services Organization Act (1994) delegated the health service planning function to the municipalities and reduced the role of central Government. At the same time the municipalities as administrative units lacked the necessary revenue base and competence for health care management. (Koppel, Kahur, Habicht, 2008)

3. The third wave of health sector reforms has been the readjustment of the overall regulatory framework for health financing, health care providers and pharmaceuticals. Recentralization in sick insurance already started in 1994 with the establishment of the Central Sickness Fund. In the years 2000–2002 a number of additional regulations were implemented (Estonian Health Insurance Fund Act from 2000, Health Care Service Management Act from 2001 and Health Insurance Act from 2002). Health Insurance Fund became the main regulator of health care service „market“.

4. The fourth reform since 1997 has been developing family medicine, family doctors and public health services, and by the year 2004 family doctors served as the primary health care centres all over Estonia (2004). In the 2000s the reform is aimed to improve the quality of hospital services by centralizing acute in-patient care as well as creating a system of supportive and nursing care, absent in Estonia until the end of the 20th century. The Hospital Master Plan (2000) and the development plan of Estonian Hospital Network (2002) outlines the separation of care from acute treatment, decreasing of the number of acute treatment beds (from 6,500 beds in 2001 to 3,200 beds in 2015), reducing the average number of hospital days (on average 6.7 days in 2001 to 4.6 days in 2015) and the growth of bed occupation (67% in 2001, 83% in 2015). The development of Estonian Care Network up to 2015 stipulates the growth of the proportion of care treatment

C. Population coverage with health insurance

An insured person in Estonia is one who pays the social tax for himself/herself or for whom the payer of social tax is required to pay social tax. 95.2% of all persons are covered by public health insurance and almost all health care services needed are free for those people (at the end of 2009). Up to 5% of people are not covered by public health insurance (63761 from 1340127, Health Insurance Found webpage). Free access is available for them only in case of emergency care and for all other health care services they have to pay from their own pocket. These people usually represent the socially vulnerable group as they are unemployed or belong to the lowest social groups.

Table 2. The percentage of insured people in different population groups, end of 2009

Group of people	Contribution/basis of entitlement people	% from total population of the insured
Insured by the employer or themselves	Employer or individual contribution	43.7
Insurance by the state	State contribution	5.4
Non-contributing insured people	No contribution	44.8
Insured on the bases of international agreements		0.3
Without insurance		4.8

Children, adolescents and pension-aged people are insured on the basis of solidarity principle. Thus, the main share of uninsured persons is of labour force age. Among some age groups the share of uninsured persons is significant. According to the findings of the study “Health Behaviour among Estonian Adult population, 2008”, 7.5 of working age people (10.8 of men and 5% of women do not have health insurance. The percentage of such persons is highest among 25-34 year-olds (the description of people without health insurance is as following: being male, unemployed, with elementary or basic education, divorced or separated, living alone, being of 25-34 years old, belonging to the lowest income groups with a monthly income of 250 EUR or less .

Table 3. The portrait of persons without medical insurance

	Do you have health insurance	16-24	25-34	35-44	45-54	55-64	Total
Health insurance, males	Yes	90,3	85,2	87,9	89,8	93,5	89,2
	No	9,7	14,8	12,1	10,2	6,5	10,8
Health insurance, females	Yes	94,9	92,1	95,2	95,9	96,9	95,0
	No	5,1	7,9	4,8	4,1	3,1	5,0

Table 4. The portrait of persons without medical insurance 2

	Do you have health insurance?	16-24	25-34	35-44	45-54	55-64	Total
Health insurance, males with a long-term health problem	Yes	28,6	33,2	41,8	56,2	67,8	55,4
	No	20,8	26,5	28,1	46,4	85,7	36,4
Health insurance, females with a long-term health problem	Yes	27,2	28,8	40,4	58,3	73,7	46,1
	No	29,4	33,3	31,3	50,0	40,0	35,7

Source:

The portrait of a person without a health insurance resembles that of a person with long health problems or discouraged people. Thus we have to do with intertwined problems. As was mentioned above in a 2008 study indicated that 10.8% of men and 5% of women did not have health insurance. More than a third of people with a long-term health problem did not have health insurance. Current findings do not enable to conclude that a long-term illness is a result of the absence of medical insurance. But it is sure that the lack of insurance has made it impossible to find proper treatment.

D. Private health care expenses as a poverty risk

Out-of-pocket (OOP) expenditure on health care has significant implications for poverty in many developing countries. Twenty percent of health expenditure in Estonia is private and out-of-pocket payments have been increasing rapidly in real terms since the mid-1990s.

The Household Budget Surveys data analyse shows that the percentage of households that face relatively high out-of-pocket health payments (more than 20% of their non-subsistence spending) increased from 3.4% in 1995 to 6.3% in 2001 and 7.4% in 2002. The proportion of households falling below the poverty line as a result of health spending increased from 1995 (1%) to 2001 (1.3%) and remained at a similar level in 2002. (Habicht J, Xu K, Couffinhal A, Kutzin J, 2005).

Table 5. Share of main sources of health care financing in Estonia,
1995–2006 (selected years, %)

Source of financing	1995	2000	2005	2008
Public	89.8	76.4	76.7	78.4
Social health insurance	77.4	66.0	66.2	67.6
State budget	...	8,7	9,6	9,4
Municipal budgets	1,7	0,9	1,4
Private	7,5	23,3	23,0	21,5
Out-of-pocket payments	7,5	19,7	20,4	20,5
Private health insurance	0,0	1,0	0,3	0,3
Other private	0,0	2,6	2,3	0,7
External sources	2,7	0,3	0,3	0,0

Source:TAI (1995 state+municipal budget 12,4%)

The structure of OOP expenditure varies significantly across income quintiles. The poorest quintile's OOP payments were almost exclusively spent on medicines (86%), while the richer population quintile(s) spent more on outpatient services, which also includes dental care (see Table 3.11). A combination of factors could explain these findings, namely that (1) the higher income groups used more private services and outpatient (mostly dental) care, and (2) the low-income groups abstained from necessary outpatient health services (such as dental care) or could not obtain the whole course of treatment.

Table 6. Medical expenses by income group (%)

Expenditure quintiles	Supplies	Medicines	Inpatient care	Outpatient care
I (poor)	7	86	2	5
II	11	71	1	16
III	15	59	1	25
IV	22	44	1	33
V (rich)	21	37	6	37
Average	17	52	3	28

Source: Võrk, 2008

The study shows that drugs are the highest source of out-of-pocket payments for the poor who are the most at risk of falling in financial hardship because of out-of-pocket payments. The study gives good reasons to believe that elderly chronic patients who belong to poor households are the most vulnerable ones (Habicht J, Xu K, Couffinhal A, Kutzin J, 2005).

According to the study conducted in 2009 about 2% of adult population didn't receive family doctor's services, 4% of specialist's care and 5% dental care. There are differences in the access to the resources and opportunities for health care between social groups. The access to the health care is worse for the low-income groups. The presented figures do not describe only economic barriers in receiving medical services (the lack of insurance or inability to pay for such services) Difficulties may arise due to the lack of information, transport problems (poor arrangement of public transport), etc. This is confirmed by a rather large number of pensioners who did not receive medical aid. Pensioners are insured on the principle of solidarity (automatically).

Table 7. The access of adult population (16+) to the health care (%)

	Did not get help or consultation		
	Family physician	Specialised doctor	Dentist
2004	6.6	8.2	15.5
2005	5.2	6.9	15.2
2006	5.3	7.7	13.3
2007	5.7	9.5	13.6
2008	3.5	8.2	8.9
2009	2.0	4.2	5.2

Source: ESA

Table 8. The access of adult population (16+) to the health care by social groups (%)

	Did not get help or consultation		
	Family physician	Specialised doctor	Dentist
Employed	1.4	3.5	3.7
Unemployed	6.8	8.3	11.2
Retired	2.5	5.9	6.3
Other not employed	1.3	2.7	5.9

Source: ESA

E. Local government's role in health care. Best practices of cooperation between the systems of health care and social welfare

There are 226 local government units (LGU); among which are 33 towns and 193 rural municipalities. According to the Constitution all local issues shall be resolved and regulated by local governments, which shall operate independently in accordance with law. Duties may be imposed on local governments only pursuant to law or by the agreement with the Local Government. Expenditures related to the duties of the state imposed by law on a LGU shall be funded from the state budget.

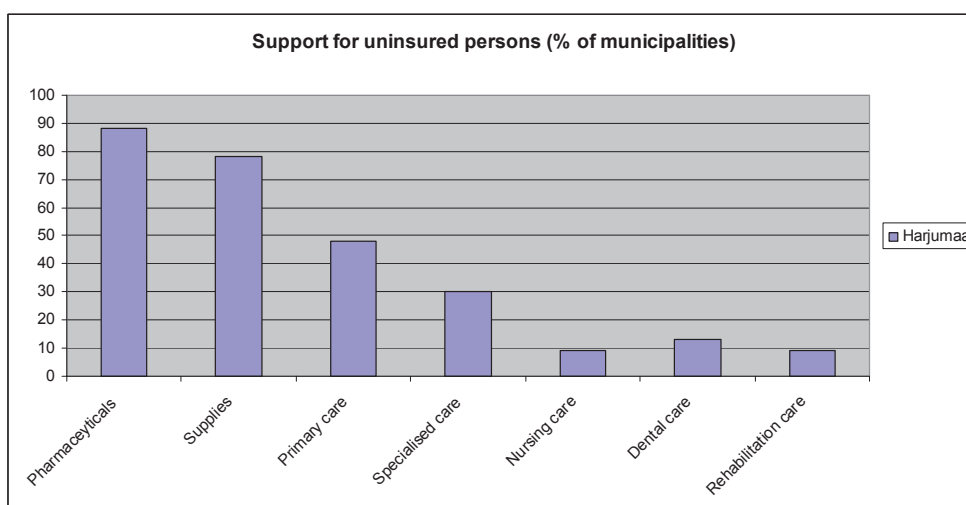
Table 9. The structure of social expenditures of local governments

	2004 (%)	2005 (%)	2006 (%)
Social protection of handicapped persons	6.2	11.6	18.3
Social protection of the elderly	33.5	28.9	31.9
Social welfare of children, adolescents and families	19,0	18,2	19,2
Housing service	0,3	0,4	0,9
Establishments of social welfare of risk groups	2,7	2,5	2,5
State social welfare benefits	22,8	20,4	14,7
Social welfare of the unemployed	0,6	0,6	0,6
Social protection of sick persons	0,1	0,2	0,2
Other social protection, including the administration of social welfare	14,8	17,3	11,5
Total	100,0	100,0	100,0

Up to 5% of people are not covered by public health insurance. Free access is available for them only in case of emergency care and for all other health care services they have to pay from own pocket.

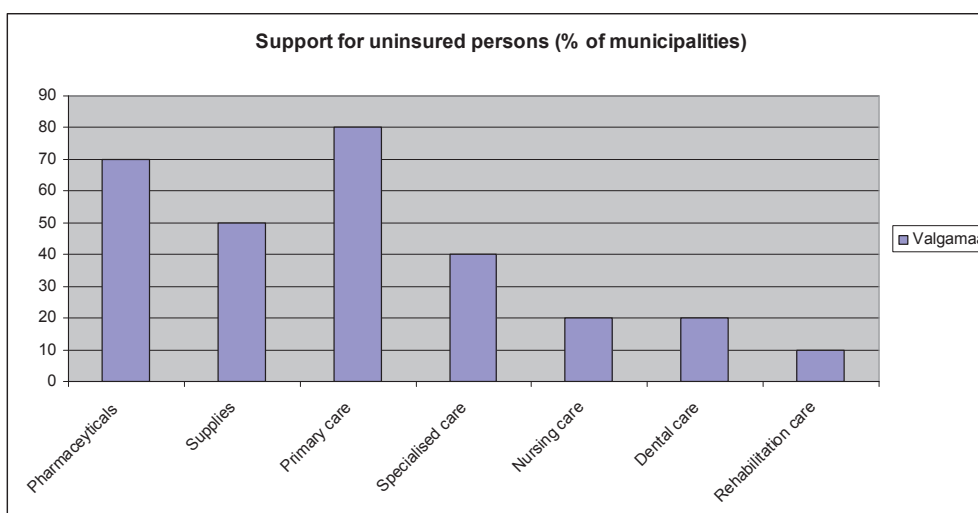
The aim of the cooperation between Local Government and Health Care is prevention of social exclusion, through theinsuring the access to the health care services for those who are not covered with health insurance, raising people's awareness of the health risks related to their living, working and learning environments, shaping social norms and values which promote health and also to put end to poverty, homelessness and unemployment.

Figure 2. Support for uninsured persons, capital area (Harju County)



About 93% of local government units ensure uninsured persons access to the family doctor and about 41% ensure access to the specialist care. In these cases local governments pay for the care given to the person who is not covered with health insurance. There are different ways of co-operation between Local Government and Health Care, especially Family Medicine. For example: on certain days free access to the Family Doctor's Centre, activity financed by the Local Government; In the shelters there is a certain Family Doctor taking care of the clients, activity financed by the Local Government; financial support from the municipality to the person for the drugs and dental care etc.

Figure 3. Support for uninsured persons, peripheral area (Valga County)



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LOCAL COMMUNITY BASED MANAGEMENT AS A GOOD GOVERNANCE APPROACH TO RURAL POVERTY REDUCTION AND SUSTAINABLE DEVELOPMENT IN IRAN



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Abstract

Community based management is a response to achieve sustainable and useful results. Aimed at empowerment of local communities for leadership roles in sustainable development and poverty reduction. The aim of this study analysis and determine the role of community based management of sustainable rural development process. It was survey type research and descriptive correlative method was used. The sample population consisted of 270 people from rural councils, public sector experts in department of agriculture and natural resources, environmental protection agency and provincial authority. Kruskal Wallis test were used to extract agreement perspectives. The results of confirmative factor analyze with LISREL software shows that "organizing" ($R^2=0.63$) and "controlling" ($R^2=0.62$) were most important roles of community based management as a good governance approach in the rural poverty reduction and sustainable development.

Key Words: Community Based Management, Good Governance, Poverty Reduction, Sustainable Rural Development, Rural Management.

Introduction

Co-management is often implemented by a government in response to a crisis of the resource. Many times, co-management is initiated as a solution for managing resources that had been open-access and are thus suffering degradation. (Welch-Devine, 2008:150). In other cases, co-management has been suggested and implemented as an alternative when state regulation

has failed to protect the resource in question (Persoon and Van Est 2003, Srinivasan 2005) or when financial and technical difficulties render state control impractical. Though co-management should not be thought of as a panacea, it does present the opportunity to address the shortcomings of management that is entirely community-based or state-driven (Lawry 1989).

Closely related to "co-management as network" is the concept of community-based management (Welch-Devine, 2008:150). Community-based approaches can form part of the co-management process, and when community-based management is a large component of a co-management process, the result can be thought of as "community-centered co-management" (Pomeroy 2006). Such an approach would be toward the maximum end of Tyler's (2006) community power continuum that called community control.

Community based management (CBM) is basically the involvement of the beneficiary communities in the management of sustainable rural development facilities. It is an approach that has been in use since the early 1980s. The focus in CBM is to pay attention to consumer demand for services, build community capacity to manage resources and facilities, and consider long term institutional arrangements for technical assistance to communities.

There is no consensus among scholars or practitioners on which mix of community and governmental control produces the best results. The optimal point may well depend on the objectives set for the co-management process (Carlsson and Berkes 2005). Because the players are diverse and the relations among them are multiplex, Carlsson and Berkes suggest that conceptualizing co-management systems as networks best reflects the complex realities of these systems of governance (2005).

Danida (2007:17) and Sarrafi (2003), called This approach as "Good governance" system as a development strategy at local level. Therefore, the establishment and maintenance of good governance or "appropriate decision-making arrangements" is the only feasible way to prevent the failure (or ensure the success) of rural sustainable development. Especially with decentralization, local communities are expected to assume greater responsibility for community development.

This research relies on a broad definition of Community-based management as incorporates both a top-down and bottom-up approach. This collaborative process is based on the participation of all individuals and groups that have a stake in the management framework. Social, cultural, and economic objectives are an integral part of the management framework. Government retains responsibility for overall policy and coordination, while the local community plays a large role in management. Also Community-based management creates the opportunity to take advantage of scientific, technical knowledge and related NGOs and local or traditional knowledge (Rashidpour and Hosseini, 2007). This definition leaves sufficient flexibility for the definition of the system but highlights interest in the interactions between state and non-state actors. emphasizes on multipectoral collaboration in order to minimize fragmentation of efforts, waste of resources and competition for participatory actions (Rashidpour, et. al 2010). This is specifically an attempt to find new solutions for the failure of top-down approaches to resource conservation and sustainability. CBM has been seen as a conservation, empowering, poverty reducing and/or general rural development strategy (RLEP, 2004). Such community-based approaches create opportunities to strengthen social capital and community relations, and to develop effective institutions for the management of sustainable rural development (RLEP, 2004). Sometimes, it has also been applied to designate approaches where local communities play a central but not exclusive role in natural resource management (Chilima et al. 2002). Community based management is the key to build capacity, motivate and encourage community members, both men and women, for equal participation in the development process. Local people are capable to implement and manage rural sustainable development with guidance and capacity building.

The first step in community-based or co-management approaches is to identify key stakeholders and potential participants. Stakeholders are more accessible and have framework for a common vision for community based management.

Community based management will become the pivotal instruments responsible for man-

aging community development, which include the assessment of community needs/demands as well as the potential – such as the resources available internally and externally – planning and implementing development programs(Wijayaratna, 2004); prioritizing problems with local people, determining rural development goals, organizing suitable committees, maintaining information systems(Borrini et.al., 2000. Olyel, 2006. Faryadi, 2005); providing goods and services, training specialized committee members(Pomeroy,et.al.,2006); developing and maintaining rural infrastructure; increase communities organizing and level of participation, Community capacity building and empowerment (Mahendra, and Sharma, 2006); managing conflicts; and monitoring and evaluating community development. (Wijayaratna, 2004), Identify incompatible activities, identifying an appropriately trained community organizer; developing partnerships and sharing responsibilities; facility technical information and promotion, providing goods and financial services; interacting effectively with local governments; developing partnerships , determine appropriate indicators and criteria. (Plummer & Armitage, 2007. Borrini et.al., 2000. Faryadi,2005). This research present an innovative framework to produce and implement to sustainable rural development and poverty management. The main structure of this framework is based on local community(rural council)in order to bring about sustainability.

Material and Methods

The methodology used in this study involved a combination of descriptive and quantitative research and included the use of correlation, regression and descriptive analysis as data processing methods. The statistical population consisted of local community (Rural Council members), senior experts in related fields from departments of Agriculture and Natural Resources, Environmental Organization , State Officials and members of Agricultural and Natural Resources Engineering Organizations as NGO,S, who were involved in activities related to community- based management. Sample size included 120 rural council members, 60 senior experts from Ministry of Agriculture and 90 agriculture and natural resources engineering organization(NGO) members. In this study attitudes towards community- based management approach were measured by set of questions about: role of community-based management in planning, staffing, organizing, controlling and directing, for rural sustainable development overall and poverty alleviation process especially. The content validity of questionnaire were measured by a group of extension, rural and agricultural development specialists. A pilot test was conducted to determine the questionnaire's reliability and the Cronbach's alpha was 0.79.

Analysis of Data: All data were analyzed by using SPSS (the Statistical Package for the Social Sciences) and LESREL(LInear Structural RELationships). Appropriate statistical procedures were used for description and inference.

Result and Discussion

The results of this study showed that 44.5% of respondents were member of local communities, 22.2% were employed in public sector, and 33.3% were NGOs members. The average age of local community members were 41 years with average of 6 years of membership in rural council. The average age of public sector employees was 36 years old, with average of more than 10 years of experiences. The average age of non governmental organization members was 33 years old with average experience of 6.5 years.

Agreement Test:

Nonparametric test (Kruskal-Wallis) in analyzing data and mean,s comparison between three groups, indicated: Rural Council Members, Senior Experts and members of Agricultural and Natural Resources Engineering Organization were in agreement with 20 characteristics out of 28 characteristics that were extracted from Delphi survey methodology and studied in other countries. The remaining 8 characteristics are of significant differences according to respondents attitudes. Table 1 shoes ranking of agreement characteristics based on coefficient variation(CV) (Table1).

Table 1: Ranking of agreement characteristics based on coefficient variation

CBM Roles in PLANNING	CV	Priority
Identifying rural problems	0.204	1
Collecting the views and comments of people	0.211	2
Analyzing and approval of information	0.216	3
Determine of implement procedures	0.217	4
Determining appropriate indicators and criteria	0.224	5
Prioritizing problems with local people	0.232	6
CBM Roles in ORGANIZING	CV	Priority
Organizing local people	0.234	1
Orchestrating between stakeholders	0.243	2
Organizing groups and specialized committees	0.247	3
CBM Roles in STAFFING	CV	Priority
Training and capacity building of local people	0.206	1
Local community empowerment through learning by doing	0.218	2
Training specialized committee members	0.219	3
Endeavoring to subsume local people	0.229	4
Determining representatives from various organizations	0.240	5
CBM Roles in CONTROLLING	CV	Priority
Identifying incompatible activities	0.225	1
Defecting and deviation modified in all stages of project	0.241	2
Projects evaluating and controlling	0.257	3
CBM Roles in DIRECTING	CV	Priority
Motivating the local community through incentives	0.203	1
Informing and reporting about activities	0.227	2
Correlating with the inside and outside the community	0.235	3

Confirmatory Factor Analysis:

Based on the confirmatory factor analysis, we can conclude that: "Organizing" ($R^2=0.63$, $Sc=0.80$) and "Controlling" ($R^2=0.62$, $Sc=0.79$) are superior to the three other role's of community based management considered (Planning, Staffing, and Directing) in predicting the "Community Based Management" role's in rural poverty reduction and sustainable development management. That's indicated "Organizing" had the highest impact factor loadings of 0.80. It appears to be the best indicators of "Community Based Management" role's for community empowerment and capacity building. In effect, this scale is best adjusted to the data, and has the strongest predictive power. Table 2 shoes estimation of regression weight(or completely standardized solution), t- value and R^2 of CBM role's in rural poverty reduction and sustainable development management. Based on the R^2 coefficients "Organizing" explains about 63 percent of variance in CBM role's.

Table 2: Estimation of regression weight, t- value and R^2

Variables	SC¹	t	R²
Planning	0.78	R.V. ²	0.61
Organizing	0.80	14	0.63
Staffing	0.76	13.51	0.58
Controlling	0.79	14.17	0.63
Directing	0.67	11.46	0.44

1. Completely Standardized Solution
2. Reference Variable

Confirmatory factor analysis also were used to determine and endorsement the importance of all agreement community based management role's(Planning, Organizing, Staffing, Controlling and Directing) in rural poverty reduction and sustainable development management. Result indicated:

CBM roles in Planning: The result indicated that “Determining appropriate indicators and criteria” and “Determining implement procedures” have largest factor loadings(Completely Standardized Solution) of 0.62 and 61; It appear to be the best indicators of CBM role’s in Planning for rural sustainable development. The inter correlations which have already been described in Table 3, showing that the other indicators had a large factor loading and were important.

Table 3. Estimation of regression weight, t- value of CBM role’s in planning

CBM Roles in PLANNING	SC	t
Identifying rural problems	0.37	5.30
Collecting the views and comments of people	0.60	8.77
Analyzing and approval of information	0.35	5.15
Prioritizing problems with local people	0.48	6.91
Determining appropriate indicators and criteria	0.62	9.08
Determining implement procedures	0.61	9.01

CBM roles in Organizing: The result indicated that “Organizing groups and specialized committees” has a largest factor loading of 0.73; It appear to be the best indicators of CBM role’s in “Organizing” for rural poverty reduction and sustainable development. The inter correlations which have already been described in Table4.

Table 4. Estimation of regression weight, t- value of CBM in Organizing

CBM Roles in ORGANIZING	SC	t
Organizing local people	0.51	6.36
Orchestrating between stakeholders	0.50	6.22
Organizing groups and specialized committees	0.73	7.53

CBM roles in Staffing: The result indicated that “Training and capacity building of local people” has a largest factor loading of 0.62; It appear to be the best indicators of CBM role’s in Staffing rural poverty reduction and sustainable development. The inter correlations which have already been described in Table 5.

Table 5. Estimation of regression weight, t-value of CBM in Staffing

CBM Roles in STAFFING	SC	t
Training and capacity building of local people	0.62	7.58
Local community empowerment through learning by doing	0.57	7.14
Training specialized committee members	0.33	4.34
Endeavoring to subsume local people	0.42	5.51
Determining representatives from various organizations	0.37	4.77

CBM roles in Controlling: The result indicated that “Identifying incompatible activities” and “ Defecting and deviation modified in all stages of project” have largest factor loading of 0.67; It appear to be the best indicators of CBM role’s in controlling rural sustainable development and poverty alleviation. The inter correlations which have already been described in Table 6.

Table 6. Estimation of regression weight, t-value of CBM in Controlling

CBM Roles in CONTROLLING	SC	t
Identifying incompatible activities	0.67	9.38
Defecting and deviation modified in all stages of project	0.67	9.47
Projects evaluating and controlling	0.63	9.02

CBM roles in Directing: The result indicated that “Motivating the local community through incentives” has a largest factor loading of 0.76; It appear to be the best indicators of CBM role’s in Directing for rural poverty reduction and sustainable development. The inter correlations which have already been described in Table 7.

Table 7. Estimation of regression weight, t-value of CBM in Directing

CBM Roles in DIRECTING	SC	t
Motivating the local community through incentives	0.76	8.66
Informing and reporting about activities	0.52	6.95
Correlating with the inside and outside the community	0.56	7.26

Conclusion and Recommendations

Based on the confirmatory factor analysis of CBM role's in rural poverty reduction and sustainable development; we can conclude that: 1- "Organizing" is superior to the four other role's of community based management considered (Planning, Staffing, and Directing) in predicting the "Community Based Management" role's in rural poverty reduction and sustainable development. In effect, this scale is best adjusted to the data, and has the strongest predictive power. "Determining appropriate indicators and criteria" and "Determining implement procedures" to be the best indicators of CBM role's in Planning, "Organizing groups and specialized committees" to be the best indicators of CBM role's in Organizing, "Training and capacity building of local people to be the best indicators of CBM role's in Staffing, "Identifying incompatible activities" and "Defecting and deviation modified in all stages of project" to be the best indicators of CBM role's in controlling, "Motivating the local community through incentives" to be the best indicators of CBM role's in Directing for rural poverty reduction and sustainable development.

Upshot, this research provides an initial exploration of new management practices such a community-based management approach that involves many stakeholders and should be adopted for success and sustainability in rural strategy development. The most representative indicator for CBM role's in is Organizing. So, it is important to considered rural people organize in rural development managing and poverty alleviation process.

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DECREASING THE BLACK ECONOMY IN POVERTY ALLEVIATION EVIDENCE FROM TURKEY*



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Abstract

The searches in order to find a solution to the poverty have accelerated after 2000s. Here, besides the increase in the social aspect of the state, also search for justice in inter-regional income distribution, and studies for decreasing the black economy draw attentions. Black economy could be defined as the realization of economical activity of an individual totally or partially taking part outside the public authority. . Government is fighting with the black economy particularly in the relatively underdeveloped regions of our country. In this regard, the searches for a solution to the black economy in the underdeveloped regions have being used for both maintaining inter regional income distribution equity and also reducing the poverty. Whether that the solution proposals that are undeniably valid in the short run, are also valid in the long run or not, will base upon the proposals for policies to be realized in the coming periods.

In this study, the monetary ratio will be used in order to estimate the black economy and Republic of Turkey Central Bank database will be used in this regard. And in the appraisals with regards to the poverty the parameters of interregional income distribution and some kind of social development parameters obtained from TurkStat (Turkish Statistical Institute) and SPO (State Planning Organization). As a summary this study is aiming to put forth that whether the solution searches to the black economy may bring a solution to the poverty in the long run as well.

Key Words: Poverty, Black Economy, Inter-Regional Income Distribution, Turkey.

1. Introduction

Impoverished in the lexical meaning is the person who does not have enough money or who is deprived of the required means to sustain a living. The word *poverty* defines the situation in

* The original version of this paper is in Turkish and English translation is appeared here. The original version of the paper is appeared on the Turkish version of the Edited Collection of the Symposium.

which it is deprived of the opportunities that life has brought. The deprivation in question is being related with the required phenomenons for life or for sustaining a life. Because of the fact that the phenomenons required to be able to sustain a living would change according to the persons, to the society lived in, environment and situations, thus the poverty concept brings into question the comparison of the standard situation with the observed situation.

Essentially the poverty concept bases upon the humanitarian needs concept. Humanitarian needs can be divided into two main groups as needs that are satiable basically according to the economical conditions (*needs are of material quality and related with the conditions*) and the needs not related with the economical conditions (*spiritual sort of needs and needs that are specific to the individual*). In this regard, the poverty concept should include not only meeting the humanitarian needs adequately according to the social conditions lived in but also the satiation of these needs during an entire life (Aktan and Vural, 2002: 1-3).

The poverty phenomenon and the measures in order to mitigate poverty are within the top priority agenda items of underdeveloped and developing nations as much as in the studies of the international institutions. Such that, in order for the global and regional development objectives to be fully met, the development in question to be balanced and sustainable and besides to be realistically planned, in order the policy suggestions to be projected for the future, the fight with the black economy is of very high concern which with regards to poverty may mislead the decision mechanisms and may time to time invalidate the policy proposals..

International development objectives have been oriented to the strongest feeling of the human desires to be away from the poverty and the misery that is fed from it. It is utmost important to develop a global more intense and corporate collaboration for the sake of the success in the fight with poverty. Because it is seen that, no real success could be attained with giving aid and debts. From now it is now essential that the corporate infrastructure is maintained by developing collaboration options in international investments, trade, and immigration, together with financial trends cultural and political matters. Certainly for the success in all of these areas the ultimate responsibility falls on the developed nations and the multinational institutions under the control of these nations (Uzun, 2003:169).

When we look at the efforts of the international institutions with regards to the poverty and development we see the report named "*A Better World for Everybody*" prepared by the United Nations, International Monetary Fund, Organization for Economic Cooperation and Development and the World Bank. In this report, 7 qualitative basic objectives have been determined in order to reduce poverty and accelerate the development and to maintain the income distribution equity that is the supportive element of these. We could list down these objectives as follows:

1. To reduce the percentage of people living in absolute poverty between the years of 1990 and 2015 by half,
2. To provide primary schooling of all of the children by 2015.
3. Abolishing the gender inequality in the primary and the secondary education and providing the gender equality and empowerment of women (*It is observed that this remained very much off the target*) by the 2015
4. Reducing infant and child mortality by two thirds between 1990 and 2015
5. Reducing maternal mortality by three fourths between 1990 and 2015,
6. Providing access of everybody needing the reproduction health care services to these services by the year 2015.
7. By reversing the loss of the environmental resources by the year 2015 for the development of sustainable development until 2015 national strategies should be employed (www.paris21.org/betterworld).

2. POVERTY AND INCOME DISTRIBUTION IN TURKEY

Interregional socio-economical development differences are observed in our country as well as in the other countries. The regional structure show differences as every region show properties peculiar to itself in Turkey and interregional development differences show up because of various factors. Natural, economical, demographical, social, structural and historical factors can be discussed for the arisen reasons of the interregional development differences in Turkey. We could include the globalization phenomenon into these as a factor to accelerate the interregional development differences (Erkan, 2000:60).

When various indicators are examined with regards to the income distribution that has been corrupt for long years, we can not say that it has improved in a significant level recently. In this domain there are still a lot of measures to take and a lot of policies to be applied. Economical development and efforts to increase the national income per capita have been kept on successfully. As the high development rates and the concerning stability are important, the improvements in these areas are encouraging for the future. That is for sure that, in order for the lower income groups to obtain relatively more share from the income increases obtained from the high and economical development, special policy measures should be taken (SPO, 1994:119).

According to the data of the Republic of Turkey Statistical Institution, in connection with the equivalent household usable income, 16.7% of the population lives under the poverty line. Using the equivalent household usable income various relative poverty lines are (*according to the 40%, 50%, 60% or 70% of the equivalent household usable median income*) calculated. According to the poverty line calculated 50% of the equivalent household usable median income the 16.7% of the population is under the risk of poverty. According to the poverty lines calculated separately for the urban and rural areas whereas this ratio is 15.2% in urban areas it is 14.2% in the rural areas.

When we consider the living conditions indicators of the non-institutional population;

Of the non institutional population;

- 61.0% live in residences belonging to themselves.
- 39% of the residences such problems of *"leaking roof, damp walls, rotten window frame"* are of concern.
- 38.5% of the residences they dwell is faced with the *"heating problem due to insulation"*
- 57.7% have installment payments and debts (except domicile purchase or domicile expenses) and this dept repays bring extra burden to the house hold of 25.0% of them.
- Due to economical reasons 88,8 % of them cannot afford *"one week's holyday away from home"*, 71,1% of them can not afford *"unexpected expenditures"* and 82,6% can not afford *"renewing their outworn furniture"*.

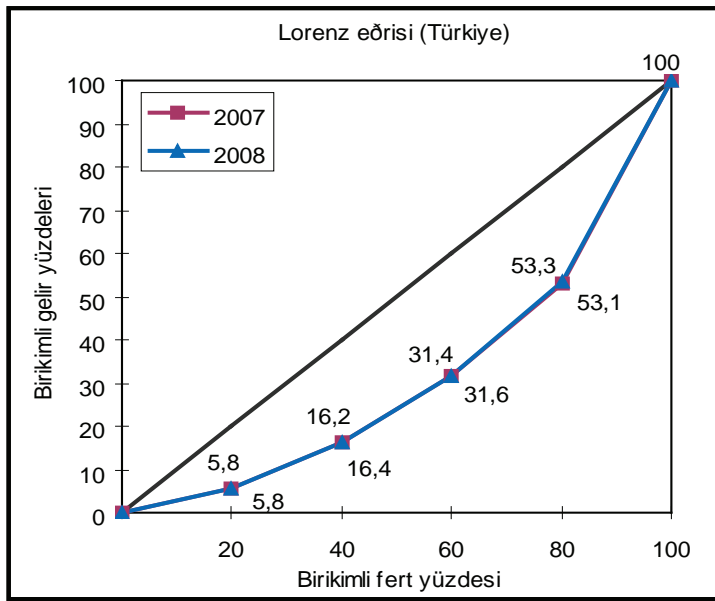
The Gini Coefficient obtained from the presentation of the Lorenz Curve, provide the comparisons of various income distributions, defining the income distribution inequity level with just one number. The Gini Coefficient is defined as the ratio of area left between the line of equality and the Lorenz Curve to the area of the triangle left under the line of equality. The area of the triangle is 0.5 as per its definition. Gini Coefficient becomes 0 (0/0.5) in perfect equality, and becomes 1 (0.5/0.5) in perfect inequality. The coefficient approaching to 1 indicates an increase in the inequality whereas it approaches to 0 indicates a decrease of it. The statistical presentation of the Gini Coefficient is dependent on the average of the differences of the income pairs ($Y_i - Y_j$) regardless of their signs (*the number of differences is as much as the square of observation number*). When the average known as the average difference is divided with the arithmetical average of the 3 distributions (μ) it gives out the *"relative average difference"*. Gini Coefficient is as much as half of the relative average difference (Bozdağ and Bozdağ, 2009:3).

According to the data of the Republic of Turkey Statistical Institution, one of the criteria of

income inequity, the Gini Coefficient has been calculated as 0.41 in year 2008 just as it has been in 2007 thus indicated no change with regards to the 2007 research results. The coefficient has been calculated as 0.40 for the urban areas and as 0.38 for the rural areas. Lorenz Curve as the graphical illustration of the income inequity distribution in the population displayed that there has been o change in the income distribution according to the 2007 and 2008 research results since the curves overlap (Figure 1).

In the 20 % groups formed according to the equivalent usable income by the households while the ones having the highest income in the last group takes 53.1% share out of the total income, the first group having the lowest income takes 5.8% share out of the total income. According to this the share of last 20% group out of the total income is 9.15 times more compared to the first 20 % group (www.tuik.gov.tr).

Figure 1. Lorenz Curve of the Equivalent Household Usable Incomes



Source: (www.tuik.gov.tr).

$$G = \frac{1}{2n^2\mu} \sum_{i=1}^n \sum_{j=1}^n |Y_i - Y_j| \quad (1)$$

Y_i : i^{th} household income
 Y_j : j^{th} household income

Table1. Sequential Groups of 20% According to the Equivalent Household Useable Income

% 20'lik Fert GruplarıIndividual Groups of 20%	Turkey		Urban		Rural	
	2007	2008	2007	2008	2007	2008
Total	100,00	100,00	100,00	100,00	100,00	100,00
First 20% **	5,80	5,80	6,20	6,10	6,40	6,50
Second 20%	10,60	10,60	11,00	10,70	11,10	10,80
Third 20%	15,20	15,20	15,30	15,30	16,00	15,60
Fourth 20%	21,50	21,50	21,20	21,90	22,30	22,50
Last 20%**	46,90	46,90	46,20	46,00	44,20	44,50
Gini Coefficient	0,41	0,41	0,39	0,40	0,38	0,38
Last 20% /First 20% (P80/P20)	8,10	8,10	7,50	7,50	6,90	6,80

Source: (www.tuik.gov.tr).¹

3. BLACK ECONOMY

Black economy is generally described as the undercover legal economical activity realized outside the knowledge of government. In other words the term unregistered contains all of the activities that is normally subject to taxation and other regulations and therefore except for the other activities that are apparently outlaw (World Bank, 2010:5).

According to Altuğ (1999), the black economy is a realized economic activity moved out of the registered (*formal*) economy either with no record or with a record having a content not reflecting the actual situation thus concealing from the government or from the other persons related within the business (*Partners, creditors, workers that have a share in the revenue*) (Altuğ, 1999:257). In other words, it can be defined as whole of the income generating activities that are unpredictable by using the calculations for obtaining the Gross Domestic Product and by the known statistical methods (Aydemir, 1995:8).

3.1. Incidence Reasons of Black economy

The main reasons of the black economy can be categorized in three different groups as financial, economical and political.

3.1.1. Financial reasons

It is understood that one of the most important reasons that cause the incidence of black economy is problems lived concerning the taxation. These are listed down in four headings within each other (Tosuner, 2000:65).

3.1.1.1. The Elevated Tax Rates and Resistance Against Taxation

Existence of a direct relation can be discussed between the tax rates and the black economy. It is seen that the dimensions of the black economy are even larger than it is in the study conducted by Schneider in the developing countries where the tax rates are higher compared to the developed countries (Schneider, 1997: 42-48). Effects of tax rates in the economical activities have been proved with a lot of theoretical studies however the most popular among these is the one explaining the relation between taxation rates and the tax incomes the one constituting the most important anchor point of the supply side of the economy put forth by Arthur Laffer and brought in the economy literature as Laffer Curve. In this analysis it is stated that the tax revenues are positively affected when the tax rates are increased up to an optimum level and after this optimum level the tax revenues would start to drop. However when the tax rates start to increase

** When the individuals are listed down ascending according to the useable house hold incomes and have been divided in 5 groups with the "first 20% group" is the group with the least income whereas the "Last 20% group is the group with the highest income.

there might not be a reduction in the economical activities as expressed in numbers and only because of the high tax rates a shift from the registered economy towards black economy may be of concern (Laffer; 2004:1-8).

3.1.1.2. Indefiniteness of the Taxation Environment

Adam Smith who is known as the founder of the economy science has explained certain principles concerning taxation in his book *"The Wealth of Nations"*. One of the principles was the definiteness in taxation. According to this principle there is the basis that the tax payer needs to know about the amount, the time and means of payment of tax, (<http://www2.hn.psu.edu/faculty/jmanis/adam-smith/Wealth-Nations.pdf>).

Briefly in order for the taxation laws to be definite they should not be retroacted. The remission of tax should be avoided as much as possible. Because of the fact that this situation causes the taxpayers behave resilient in paying tax debts. As a result the tax department should work so well that the tax payers should realize their operations in conformance with the current laws in a best way in the fear of control not in the expectation of remission of tax.

Apart from the negative effects of the remission of taxes stated above, such that the resilient behavior of the tax payers, another negative effect is observed in the justice principle of taxation. When the taxpayers who pay their taxes on time, see the other taxpayers who become subjected to fines and then subjected to remission, are looking ways to reduce the tax they should be paying in the coming taxation periods (Kırbaş, 2000:12). Briefly the situation is knotting down at the specificity of taxes.

3.1.1.3. Insufficiency of the Accounting and Consultancy Services

Accountants and the financial consultants, who serve as a bridge between the tax office and the tax payers, have a very important role in the prevention of tax loss. Therefore they serve in the prevention of tax evasion and provision of spurious bills in order to show the good expense higher and inflate the costs and expenses. With this regard the ones who serve as accountants or financial advisors should be made to act very sensitive, and heavy sanctions should be introduced for the ones who fail to act accordingly (Aydemir, 1995:67).

3.1.1.4. Reasons Arising From Control of The Tax Office

Perhaps the most effective in preventing the black economy is the control issue. The taxpayers will be as much as bold to evade taxes as much as they know that they would be less controlled. But the tax control rates remain ultimately low in our country. At the heart of this lays the reasons of insufficient number of tax control personnel and private sector making very tempting offers to the individuals having expertise in taxing and the public sector failing to present them possibilities in order to keep them in reserve. Besides the taxation auditing intensity is reduced as one of the groups of control personnel take part in the administrative auditing as well. These persons may be subjected to obligation of working at least for a particular period of time in the public sector, administrative aspect of the problem may easily be solved (Batirel, 2000:63).

3.1.2. Political Reasons

One of the determinants that affect the behaviors of the taxpayers concerning the leakages and losses is the attitude of the political power. In countries where there is no stability political powers generally taking decisions inline with the desires of the pressure groups may back down from taxation for the sake of votes and may lay the burden of taxation on specific segments.

3.1.3. Economical Reasons

One of the most important economical problems is the inflation in the countries where the black economy is intensively lived. Because the inflation causes the profit of the taxpayers be sub-

jected to taxation. Especially in the countries where there is progressive income tax structure, because of a shift in the income bracket, although the real income of taxpayers remains unchanged they shift to an upper income bracket resulting in a rapid increase in their tax burden.

One of the economical reasons of the black economy is that the unequal distribution of the national income among the individuals and the companies. In the developing countries particularly the rareness of the middle class and the intensity of the inferior and superior classes constitute one of the reasons of the black economy. This situation is seen especially in the small family businesses. Small firms in order to cope with the big companies are taking the advantage of the tax evasion when ever they find an opportunity. In these firms due to the fact that the control and documentation level remains relatively low compared to the big companies, the tendency for evasion indicates an increase (Özsoylu, 1998:68).

Sometimes the exemptions enabled for some companies constitute a valid reason of tax evasion for the ones who fail to benefit of these. For instance from the investment tax credit only the ones exceeding a particular investment amount can benefit. This situation may create a competitive advantage against the companies and the individuals who fail to reach these amounts. Because taking advantage of the investment tax credit, due to the fact that the natural and legal person reducing his/her costs will be able to sell his/her goods in the market at lower prices and in this situation creates a competitive advantage against the company which fails to take advantage of the investment tax credit. The legal regulations should be done elaborately in order to prevent the occurrence of such unintended results. Therefore, the legal regulations to create equal taxational liabilities amongst the taxpayers may in return narrow down the dimensions of the black economy (Oyan, 1998:115).

3.2. Effects of the Black Economy

Although there are positive and negative opinions in the effects of the black economy, among these the weight of negative effects increases day after day. Although some marginal sections support the idea that the black economy may positively contribute to the national economy in the short run, the negative effects on the country's economy are more on the foreground in the long run (Öğünç ve Yılmaz; 2000:5-6).

The black economy has a number of negative effects. First of all the volume of the black economy plays an important role. Because all the tendencies experienced for the existence of black economy would melt down the registered economy resulting in a narrow down in the tax incomes of the government. Reduced incomes being talked about would lead to living distresses in financing the public expenditures of the government.

As a conclusion the reduced taxation incomes would cause imbalance in the public budget and resulting the economy to easily yield deficit. It is for sure that such a problem would lead the political decision taking mechanism to borrow money and lead the incomes obtained by the registered resources to be used in paying off the interest of borrowing that is occurred because of the black economy. Not just only that in order to maintain the budget balance of the public authority this will cause the tax collection from registered economy in much higher rates and this would stone wall the new investments thus preventing the possible employment opportunities.

One of the problems caused by the black economy in economical sense is related with competition. The units operating within the black economy because of the fact that they pay less or no tax at all compared to others they naturally have a competitive advantage and have a chance to broaden their businesses. This situation causes competitive inequality. More importantly the taxpayers who pay their taxes are forced to follow others in order to be able to compete (Öğünç ve Yılmaz, 2000:5-6). This increases the black economy day by day. Due to the fact that as the black economy enhances the number of people working uninsured rapidly increases thus the improvement of the social insurance system halts (Aydemir, 1995:112).

In this regard, unregistered economic activities mislead the political leaders and cause the measures of the future to be taken missing or faulty.

It is obviously seen that; black economy is the greatest obstruction to growth, high welfare level, high standard public services, new investment possibilities, high employment and effectively operating perfect competition market. The economic units causing the black economy are jeopardizing not only the registered economy but also their own future as well. If we put it this way, an economy growing in imbalance and having lost the stability without perfect competition, in fact, is not growing on the other hand it is becoming disabled.

Apart from the negative effects of the black economy it is argued that it may also have certain positive effects. In this frame work as a result of keeping the economic activities out of taxation, the released tax burden may have been shifted to the new investments thus together with the new investments it is considered that the production, employment and income may have increased. In other words, it is argued with the consideration that the black economy may be preferable because of the fact that the obtained tax from the activity would have been spent ineffectively in case that it had been registered and the evaded tax would turn into investments if the same activity was unregistered. However as mentioned above, the imbalanced and instable growth outside the control of the public authority would in short term only prosper the units who cause the black economy and this would go on until the macro economical dimensions of the problem shows up.

When tax evasion is of concern the elevated level of GDP is based on two major reasons. First of them is with the supposition that the labor demand would have increased due to the fact that the flexibility of labor demand to the labor price is high since there will be no tax deductions in the wage payments, which means that the black economy would increase employment because of the fact that the employers would meet with lower labor costs and on the other hand the real earnings of the employees would increase. Whereas, as if just for the sake of saving the day, the futures of the unregistered working individuals are terminated, ruling out the problems that would arise in future in the unregistered employment experienced lacking the social insurance.

The Second and more importantly that the GDP would get affected from the consumption level alone and due to the multiplier effect of the consumption the GDP level would elevate (Yilmaz, 1998:486). However this situation is only a numerical illusion. There will never be a long term and lasting GDP increase as the income provided by the registered economy would be used in compensating for the destructions caused by the black economy. This is the greatest obstacle in front of the growth.

3.3. The Dimensions of the Black Economy in Turkey

The black economy in Turkey is very widespread although different identifications are used and there has been a reduction lately in certain sectors of the economy. However when the income level is concerned the black economy is not extremely high. Although the unregistered business situation is not extensive (*for example, on the contrary to many Latin-American country*) it is more common to come across the under declaration of incomes and wages and the employees that are unregistered to the social security system.

The black economy has both economical and the social results as of development and under these conditions it is an issue of concern for the politicians. On the contrary the black economy may put a limit to the economical development directly by the use of low efficiency levels or indirectly by exterminating the scale economies because of the fact that the unregistered businesses keep their sizes small. The possible costs arise as the lost incomes of government and the economic social fragilities of the employees left outside the social insurance coverage (World Bank, 2010:1).

When we look at the study carried out 12 years ago from present time by Ismail Çiloglu, we will have a better opportunity in analyzing the improvements in the black economy in our country. When we consider that the agricultural activities, some of the activities in manufacturing industry and some service sector (*district bazaars, pedlar's trade, car park business etc.*), the volumes (*the shares of these sectors within the GDP*) of these sectors within the economy of Turkey show a variance of 60% to 80%. When it is taken into consideration that the number of small and medium

size enterprises (*SME*) that are indicated as the addressee of the unregistered activities make up 99,5% of the businesses, and as of the added-value they constitute 57% of the country production, it is estimated that the unregistered economic activity has a value between 40% to 60%. (Çiloglu, 1998:70).

In Table 2 the structure of the taxational incomes are investigated that are given as the percentage of the GDP between years of 1990 to 2006. When a general evaluation is made in the triad of EU, OECD and Turkey; Turkey has the least percentage ratios when the overall tax income, social insurance contribution shares, total taxes (*except the social insurance contribution shares*), income taxes, corporate taxes, property taxes, and the taxes on goods are taken into consideration.

Particularly when we examine year 2006 which has the latest data, we see that overall tax incomes occupy the portion of 24.5% within the GDP. This ratio is 39.8% in European Union and 35.9% in OECD. Moreover Turkey is falling behind European Union and OECD with the portions of 5.5% in social insurance share, 19% in total taxes where the social insurance contribution share is excluded, 3.8% in income taxes, 3.8% in corporate taxes 0.9% in property taxes; 11.9% in the taxes on the goods and services. These figures clearly display the existence of the black economy in Turkey.

Table 2. The Structure of Taxes as the Percentage of GDP

	1990	1995	2000	2005	2006
Overall Tax Income					
Turkey	14,9	16,8	24,2	24,3	24,5
EU	38,2	39,0	40,6	39,7	39,8
OECD	33,8	34,8	36,1	35,8	35,9
Social Insurance Contribution Shares_(%)					
Turkey	2,9	2,0	4,5	5,4	5,5
EU	10,7	11,4	11,2	11,1	11,1
OEC	7,8	8,9	9,0	9,1	9,1
Total Taxes (Except The Social Insurance Contribution Shares)					
Turkey	12,0	14,8	19,6	18,8	19,0
EU	27,4	27,6	29,5	28,6	28,8
OECD	26,0	25,8	27,1	26,7	26,8
Income Taxes					
Turkey	4,0	3,6	5,4	3,6	3,8
EU	10,7	10,5	10,6	10,2	10,3
OECD	10,4	9,7	9,7	9,2	9,2
Corporate Taxes					
Turkey	1,0	1,1	1,8	1,7	1,5
EU	2,5	2,7	3,5	3,2	3,4
OECD	2,6	2,7	3,6	3,7	3,9
Property Taxes					
Turkey	0,3	0,5	0,8	0,8	0,9
EU	1,7	1,7	2,0	2,1	2,2
OECD	1,9	1,8	1,9	1,9	2,0
Taxes on Goods and Services					
Turkey	4,2	6,3	10,1	12,0	11,9
EU	11,8	11,9	12,0	11,9	11,8
OECD	10,5	11,0	11,2	11,3	11,1

Source: (www.oecd.org.tr) Income Statistics.

The black economy in Turkey is because of partially deep structural and institutional factors. First of all, the agricultural sector having a relatively high share in Turkey mostly has an unregistered mechanism (*87% of the workers working in agricultural sector are not contained within the social insurance system*) and this situation lifts the general ratio of the black economy upwards (*43.5% as of 2008 year end*). Secondly, early retirement opportunity encourages the unregistered

employment of the old employees after the retirement (keeping on benefiting from the retirement rights). On the contrary to extensive perception, the tax rates and “the tax burden on the employment” are no more inconsistent with the international benchmarks thank to the lately realized reforms of tax and workforce market.

However, the ratio of assigned personnel for control and law enforcement is low compared to the international standards and audits have not been structured in order to aim to reveal the unregistered employment alone. Moreover the legislation of protecting employment in Turkey remains to be one of the strictest of all OECD countries. Ruling out that the problem would grow much larger making it unrepairable than what is today, quite a lot of businesses, in order to protect the employment flexibility, employing people without recording.

Last of all it creates inequity among the registered and unregistered businesses and the employees spoiling balances in competition. As a result it may lead way to social trust erosion and even more cause the laws and regulations be neglected (World Bank, 2010:1).

4. WAYS OF ESTIMATING THE BLACK ECONOMY

One of the first studies carried out with regards to the black economy is the one that Cagan has tried to estimate the undeclared incomes of the United States during the Second World War using “*Basic Monetary Ratio*” method (1958). Feige (1989) has developed a method to contain the unregistered economic activity performed by the payment instruments such as bank accounts and cheques. Tanzi (1983) has explained the available cash demand presumed to be intensive within the black economy with various explanatory variables such as the income per capita, current interest rate, the share of salary and wages within the national income. Norman (1982), Klovland (1984) and Bhattacharyya (1990) have estimated the black economy using econometric methods.

Gutman (1979) and Petersen (1974) using “*National Income Differences*” method; Langfeldt (1980) and Tucker (1979) using “*Monetary Ratio*” method has estimated the black economy (SPO, 2001). Various studies have been carried out in order to estimate the black economy in Turkey. First of all Hakioglu (1984) and Derdiyok (1984) have used the Monetary Approach. Apart from these Kasnakoglu (1990) and Özsoylu (1993) have tried to estimate the black economy in Turkey using this method. Derdiyok (1991) and Temel, Şimşek, Yazıcı (1991) have used the “Tax Approach” in their studies. Apart from these studies Altuğ (1990) using the “*Unregistered Salary Approach*”, Özsoylu (1990) and (1993) using the “*GDP and Transaction Approach*”, Ilgin (2002) using the “*Fixed Ratio Approach*”, Ögünç and Yilmaz (2000) using the “*Econometrical Approach*” and last of all Akalin and Kesikoglu (2005) using the “*Extended Ratio Method*” have tried to rate of black economy in Turkey (Yurdakul; 2008:205-221).

It is presumed that the payment instrument in the black economy is cash and cash flow rate is the same in the registered and the unregistered economies. In this method considering the major reason of the black economy as the elevated tax rates, available cash demands are separately calculated for the situations where taxes are applied and not applied and the difference between these numbers show the level of the available cash demand of the black economy. The extent of the black economy is determined including the cash flow rate in to the analysis (Akalin and Kesikoglu, 2007:73).

4.1. The Measurement Problem of the Black Economy

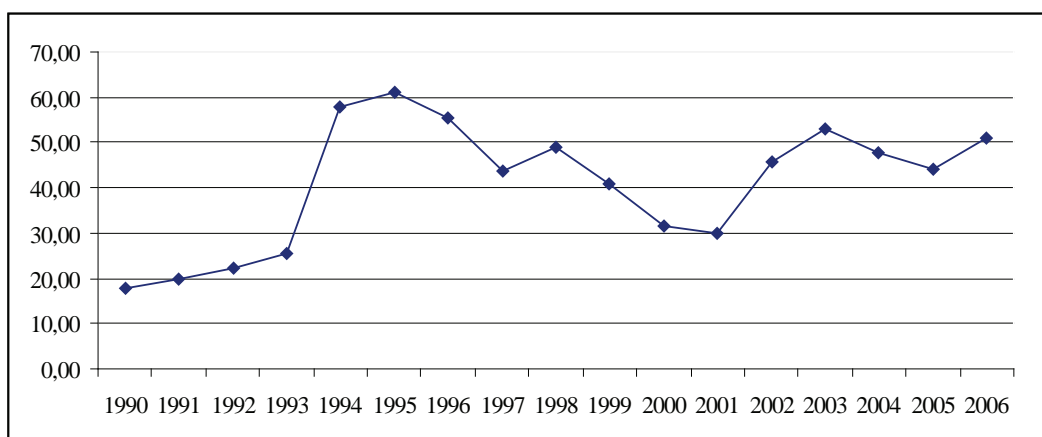
There are a lot of studies carried out both in our country and abroad with regards to the measurement of black economy. Essentially none of these studies are capable enough to be able to precisely measure the black economy. Because of the fact that, the black economy does not have any section that could be continuously controlled. Unregistered activities could take place in any time and in any medium. But not to attempt to measure black economy using these as an excuse would be a big mistake. In this regard generally three methods have been using in measuring the black economy. These can be categorized as the direct and indirect measurement methods. Usually questionnaires are used among the direct measurement methods. Indirect measurement methods are analyzed under three different sub headings as GDP, employment and monetary

ratio. Monetary ratio is the most used method among these. Therefore other methods have not been contained in our study.

4.1.1. Monetary Approach

According to this method usage of cheque and cash could give information to the related parties. According to the monetary approach most of the payments made in the black economy are made in cash in order not to make the controls possible in this regard. The cash movements are monitored in order to measure the dimensions of the black economy. In this approach, increase of the ratio of money in circulation to the money on deposit shows the demand for money is increasing and therefore indicates that the black economy is enhancing (Altuğ, 1998:3421). Using the monetary ratio method, extend of the black economy in Turkey in Table 3 is estimated using the ratios which are obtained by various calculations. According to this, C shows the money in circulation, D shows the drawing account, Co shows the multiplication of the minimum of C/D ratio with the drawing account, Yo shows the nominal GDP, Vo shows the circulation speed of money an Yu indicates the approximate amount of the black economy (Yurdakul; 2008:205-221). As can be seen from the Table 3 the ratio of the calculated unregistered GDP to the registered GDP (Yu/Y0) varies between 17.97% and 61.28%. This situation can be clearly observed in the graph illustrated in Figure 2.

Figure 2. Variation of the Black economy in Turkey as of Years (1990 – 2006) calculated with Simple Monetary Ratio Method***



***have been prepared by using the data of RTCB and TurkStat.

Table 3: Black Economy in Turkey calculated with Simple Monetary Ratio Method***

Years	C Money in Circulation	D Drawing Account	C/D	Co=ko*Do ko=0.3029	Yo GDP	Vo=Yo/ (Co+Do) Circulation Speed	Yu=Yo* C-ko*D)/ (ko+1)*D	Black economy
1990	14412	20020.4	0.568	6586.71	397177.54	12.64	71412.12	17.97
1991	20920	29344.1	0.504	9654.20	634431.097	16.3	126636.70	19.96
1992	31181	47952.2	0.633	15776.27	1130843.423	17.3	252805.23	22.35
1993	51517	77442	0.666	25478.41	1929249.992	18.7	489960.06	25.39
1994	104370	77498.73	1.1004	25497.08	3887903	23.80	2256691.11	58.04
1995	189542	144177.96	1.143	47434.54	7854887	25.41	4813967.31	61.28
1996	354901	259415.75	1.067	85347.78	14978067	27.92	8327185.82	55.59
1997	641707	569143.29	0.908	187248.14	29393262	27.06	12815120.10	43.59
1998	1106023	953401.09	0.983	313668.96	53518332	28.31	26311324.89	49.16
1999	2003483	1707086.20	0.074	561631.36	78282967	24.46	32117339.67	41.02
2000	3214550	3336058.3	0.748	1097563.18	125596129	21.53	39658911.77	31.57
2001	4801257	5352012.44	0.726	1760812.09	176483953	19.10	52737429.97	29.88
2002	7208863	6418713.50	0.034	2111756.73	275032366	22.15	125269018.8	45.54
2003	10128670	8632312.71	1.031	2840030.88	356680888	20.33	188657353.74	52.89
2004	12446299	12955240.26	0.965	4262274.04	428932343	16.84	205272132.55	47.85
2005	18276069	17525111.81	0.924	5765761.78	486401032	14.49	214260529.53	44.05
2006	24676425	21125339.29	1.008	6950236.62	575783962.1	13.56	294552133.99	51.15

***have been prepared by using the data of RTCB and TurkStat.

Conclusion and Recommendations

We could list down the solution proposals in order to mitigate poverty in Turkey as follows.

1. The political and economical authority should have stability in order to maintain an effective and sustainable development. In case of an administration displaying frequent variability the economical structure would never gain stability and the sustainability of the policies would be a matter of discussion.

Especially in the global economic situations of our day where almost the entire world is interconnected, the financial markets could give out very rapid reactions. In order for the markets accelerate towards development and to maintain stability in this direction the political decision taking mechanism should also have stability.

2. Almost every section of the society should be able to benefit equally from the Public Services. Particularly, in the rural areas of our country complete provision of educational, healthcare, social and cultural services would strengthen the equitable sharing and the understanding of social state.

3. The social development must be put afore as the supportive element of the understanding of social state and the economical development. In this regard, the disadvantaged groups and regions that are able to get the least share out of national income should be fostered. This matter becomes more of an issue in order to realize the social justice and to prevent the income distribution inequity.

4. *Mitigation of Black economy.* In order to mitigate black economy adoption of an integrated policy approach would possibly be the most effective method. No policy measure alone would be sufficient to create a significant increase in having the economical activities registered. However, with the collaboration of these policies in question a new balance point may be moved to where the registered activities in the economy have increased. As stated in the World Bank's Report; in Turkey the public opinion needs to be effectively enlightened on the subjects of the costs of black economy and benefits of having the economy activities registered and it is needed to strengthen the control capacity, effectivity and targeting, making the labor market regulations more flexible (*particularly in the areas of employing and laying off fixed term or part time contracted workers*). There could be transition period costs -such as job losses- while realizing such registering policies and within the extent of the general "policy package" it should not be forgotten that the policies of balancing mechanism may require being included.

Every type of black economy may have different types of results and significance. For instance, the under declaration of the salaries while making no impact in the short run on the social welfare of the employees, it makes a significant impact failing to register the employees. Likewise, it is possible for the black economy in the agricultural sector to yield different results with the black economy in the manufacturing sector in the urban areas (World Bank, 2010:6).

As of in order to attain the greatest acquisitions in having the economy registered, increasing the frequency of the tax controls and coordination and providing the labor regulations be more flexible is of the vital importance among the fundamental reasons of black economy (*possible policy leverages*). The tax policy, working life regulations, tax management, social benefits programs and social standards lay among the possible matters that the policies are to be focused on. Among these areas, yielding the best results when focused are the areas of tax management and working life regulations. This result is attained using the international comparisons and the consultations and the survey findings in Turkey. Moreover, the social standards that are of deep esteem and widespread economical implementations as well, joining with the above stated factors have a common share in the generation of an unrecorded economy parallel to all of the production chain. This matter bears a vital importance as of understanding the rooted nature of the unrecorded economy in Turkey (World Bank, 2010:63).

5. The incentive effects of social benefits programs lacking the premium contribution is considered to be the most important issues for strengthening the unrecorded economy. Notwithstanding, having the ties of social benefits programs with the employment status would possibly ameliorate the targeting and increase the effectiveness. In Turkey a lot of well targeted program (*for instance: Green Card, health insurance plan without any premium and Conditional Cash Transfer*) have specialties that would encourage the work force stay unregistered. The anticipated value of the social benefits in many incidents is not as big as to affect the preference of the employees. But again, splitting the social benefits from the employment status may in return mitigate the risks of similar effects to arise in the future (World Bank, 2010:63).

6. The measure package to regulate competition would bring the efficiency increase. Every kind of obstruction to limit the positive effect of competition in the markets would negatively affect the economy attain a potential efficiency and thus its potential growth. The phenomenon of being unregistered is just an obstruction of this kind. Black economy being evident prevents attaining positive results anticipated from the competitive system. As a result the economy shapes into a bilateral structure in the course of time. From one side firms operating under register and more efficient from the government view point, on the other hand firms operating unregistered and more inefficient as of the taxation. The permanent division prevents the economy attain a structure that is more efficient and producing more affluence. Thus, being unregistered (*as have been mentioned in the section on the effects of unrecorded economy*) preventing the economy attain its potential efficiency negatively affects the growth performance of that country (GIB, 2009:32).

As a result, the existence of black economy causes significant amount of damages on the income distribution and the poverty in Turkey. In this study this subject is tried to be interpreted in the effects of the black economy section in a wide scale. In the light of the obtained data and

comments made, we can say that the black economy creates a negative effects on the economy both in the short run and in the long run as well.

With regards to mitigating poverty in Turkey the measures in mitigating black economy and maintaining the equity in income distribution are contained in the conclusion and recommendation section, being the 5th and the last section of our study.

Mitigating unrecorded economy would provide the balanced growth in our country in short, medium and long runs, prevent unfair competition, maintain the functionality of the perfect competition market in an effective way, pave the way for a balanced and sustainable development and this way would find a solution to poverty as laying the foundations of providing justice in the income distribution.

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ANNEX:

Annex Table 1. Poverty Ratios of Individuals per Method of Poverty Line in Turkey

Methods	Individual Poverty Ratio (%)						
	2002	2003	2004	2005	2006	2007 *	2008
Nutrition Poverty (starvation)	1,35	1,29	1,29	0,87	0,74	0,48	0,54
Poverty (Nutrition + Non-Nutrition)	26,96	28,12	25,60	20,50	17,81	17,79	17,11
Under \$1 level per capita ¹¹	0,20	0,01	0,02	0,01	0,00	0,00	0,00
Under \$2.15 level per capita ²¹	3,04	2,39	2,49	1,55	1,41	0,52	0,47
Under \$4.3 level per capita ¹	30,30	23,75	20,89	16,36	13,33	8,41	6,83
Poverty as of the Expenditure Based ²	14,74	15,51	14,18	16,16	14,50	14,70	15,06

Source: www.tuik.gov.tr).

Annex Table 2. Number of Impoverished Individuals per Method of Poverty Line in Turkey

Methods	Number of Impoverished Individuals (in Thousands)	
	2007 *	2008
Nutrition Poverty (starvation)	328	374
Poverty (Nutrition + Non-Nutrition)	12.261	11.933
Under \$1 level per capita ³³	0	0
Under \$ 2.15 level per capita ³	356	330
Under \$ 4.3 level per capita ³	5.796	4.759
Poverty as of the Expenditure Based ²	10.127	10.497

Source: www.tuik.gov.tr).

Annex Table 3. The Consumer Tendency Statistics as of Years in Turkey

Index	2005	2006	2007	2008	2009	2010
Consumer Confidence Index	105,17	99,45	92,04	93,89	69,9	78,79
Purchasing Power (Current Period)	92,71	87,48	82,48	82,66	64,9	72,49
Purchasing Power (Future Period)	97,45	91,75	86,71	88,13	68,14	77,62
General Economical Situation (Future Period)	104,74	94,82	87,25	90,12	62,19	73,01
Employment Opportunities (Future Period)	93,08	90,69	88,1	89,74	63,42	72,19
Convenience Of The Current Period In Order To Buy Durable Consumer Products	137,85	132,53	115,67	118,81	90,84	98,64

Source: www.tuik.gov.tr).

1 As for the equivalent of the purchasing power (PP) of \$1 for 2002, 618,281 TL; for 2003; 732,480 TL; for 2004;780,121 TL, for 2005 ; 0.830 YTL, for 2006 ; 0.921 YTL; for 2007 ; 0.926 YTL ve for 2008 ; ise 0.983 YTL is taken.

2 50% of the median value of Equivalent consumption per capita is based upon.

3 As for the equivalent of the purchasing power (PP) of \$1 for 2007 0.926 YTL and 2008 0.983 YTL is used.

* revised per the new population projections.

Annex Table 4. The Distribution of Monthly Consumption Expenditures per Expenditure Types

Expenditure Types	Overall Expenditure of the Household (%)		Per Household Monthly Consumption Expenditure (TL)			
			2008		2009	
	2008	2009	Average	Median	Average	Median
Total	100,0	100,0	1626	1341	1688	1402
Food and beverages	22,6	23,0	368	322	388	332
Alcoholic drinks, cigarettes and tobacco	3,8	4,1	62	33	69	35
Clothes and shoes	5,4	5,1	88	35	86	35
Residence and rental	29,1	28,2	472	427	477	426
House Furniture	5,8	6,2	94	42	104	48
Health	1,9	1,9	31	2	32	4
Transportation	14,1	13,6	229	90	229	94
Telecommunication	4,4	4,2	71	51	71	48
Cultural, entertainment	2,5	2,6	41	7	44	8
Educational Services	2	1,9	32	0	32	0
Hotel, Restaurants, Patisserie	4,4	5,2	71	34	87	44
Various goods and Services	4,1	4,1	67	25	68	25

Source: (www.tuik.gov.tr).

AN EFFECTIVE AND MODEL EXPERIENCE OF PUBLIC, LOCAL ADMINISTRATIONS, CIVIL SOCIETY AND CITIZEN COOPERATION IN REDUCTION OF POVERTY SARMASIK ASSOCIATION^{*}



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Heavy living conditions have a corrosive effect on the poor and make them open to all abuses. Unemployed persons are forced to be a gunman in mafia organizations, sex slave in prostitution sector, drug dealer-addicted, member of a street burglary gang.

Donations made by individuals with sensitivities like “Benevolence-Charity” have an understandable aspect; however, it is necessary to shape perspective of institutions, especially public, local administrations and non-governmental organizations, to poverty and particularly to donations by settling it within the framework of **demand of social right and human rights** and to approach accordingly.

Within this understanding, our Metropolitan Municipality led and contributed in foundation of SARMASIK Association. It held a set of meetings and discussion platforms with all authorities, institutions and specialists related to poverty in Diyarbakir for about 8 months. Following these meetings, interviews and discussions, foundation of SARMASIK Association was realized by meeting 32 founders in 2006.

SARMASIK Association which conducts joint studies not only with our Metropolitan Municipality but also with all non-governmental organizations operating in our city in the field of poverty works on certain projects to the benefit of our poor citizens in addition to its employment, skill/vocational and sustainable development studies. One of these studies is SARMASIK Food Bank Project established with partnership of 56 authorities and institutions and 4200 citizens of us. Our city and municipality obtained important gains with the Food Bank project which turned into a model project. Above all, it used **public resources in a more rationale, effective and productive manner.**

^{*} The original version of this paper is in Turkish and English translation is appeared here. The original version of the paper is appeared on the Turkish version of the Edited Collection of the Symposium.

Poverty continues to stand before the mankind as a social bothering problem existing for thousands of years and affecting the entire world seriously, which must be struggled.

As a term, it may be simply explained as the case of the individual being deprived of the things required to survive, in another words, poverty is disability of the individual to access to sources and production factors due to being deprived materially based on unequal development conditions resulting in depriving of the income required for his minimum living level.

Efforts have continued for many centuries to find solution for poverty. As required by poverty definition of us above, it is obviously seen that, despite these efforts, **the solution is not providing money** although it is a problem in connection with money or material values used instead of money. It has been observed that coverage of lack of income provided a temporary solution for a part of the poor; however, any other “services” are needed beyond money for a significant part of them.

Peace, respect to human rights, social and economic welfare and possession of equal rights and opportunities in every field are indispensable values. They are also service and requirements which may be listed beyond money. It is clear that struggle against poverty only based on providing money without providing these basic universal values does not result in a solution and is not sustainable, but causes new problems.

Poverty which must be considered from this perspective in the present world is a great threat for internal peace of the country and consequently for world peace. Naturally, existence of incredible wealth and scientific technologic development in the new thousand years on the one hand and people dying due to hunger and poverty on the other hand; these two extreme doubts threatens future of the world.

Poverty is also a condition threatening the social structure and safety. In a society with many poor people, it is not possible to mention about peace. On the other hand, individuals alienated from the society may want to continue his life by various illegal methods and survive in the society. Problems such as snatching, burglary, issue of children working on the street, drug addiction etc. are significant problems associated with poverty and threatening the social structure.

Heavy living conditions have a corrosive effect on the poor and make them open to all abuses. Unemployed persons are forced to be a gunman in mafia organizations, sex slave in prostitution sector, drug dealer-addicted, member of a street burglary gang. Therefore, struggle to create a new culture has a special significance. It is necessary to struggle against corrosive powers (mafia, drug and those offering women etc.) on the one hand and it is required to enter in such activities to contribute in giving rise to a new culture on the other hand. Multi-directional programs must be applied expanding and massifying solidarity network for rendering solidarity values to be an actual living culture against the approach of individualism and egoism that is basis of cultural degeneration.

Donations made by individuals with sensitivities like “Benevolence-Charity” have an understandable aspect; however, it is necessary to shape perspective of institutions, especially public, local administrations and non-governmental organizations, to poverty and particularly to donations by settling it within the framework of **demand of social right and human rights** and to approach accordingly.

Since concepts and categories like gender, ethnic origin, the handicapped, working children, educational problems and especially forced migration are the areas **producing poverty**, they must be considered as separate-special components of struggle against poverty.

In donation activities to be arranged, top level participation and cooperation of non-governmental organizations should be ensured.

There must be a focus on improvement of unqualified poor citizens who are excluded from production through profession and skill acquisition projects.

All donation activities to be conducted should in a systematic style **having a corporate and theoretical infrastructure, essentially hosting a philosophical standing and more impor-**

tantly aiming at being an alternative model with its functionality and style. SARMASIK Association that we led its foundation and contributed in its formation and with which we conducted many projects jointly on this matter has a noticeable position as a non-governmental organization and unique experience. We believe that **SARMASIK Food Bank**, one of many projects it conducted, especially to be worthy of examination as a model project.

When we consider the case of poverty at the scale of our city Diyarbakir, it is possible to see even with the naked eye how this complex problem having rather different reasons affects daily urban life in all its aspects.

Our city Diyarbakir which is rather beyond the poverty definition and limits suffers from poverty more intensively with its entire disruptiveness with the socio-economic and spatial "transformation" it experienced in connection with the experiences of the last 20 years in particular.

According to the data obtained from a research conducted in recent years, the State provides 18 million persons with aids in different fields by spending 1.5 billion Dollars in a year with many of its agencies. It is seen that our poor people in Diyarbakir benefit from this source at a certain rate through the Social Assistance and Solidarity Foundation and other state agencies; however, the fact that poverty increases every day does not change.

Although Diyarbakir Metropolitan and District municipalities as the serious conductor of a similar effort have considerable efforts in this field, they have not displayed the desired level of progress in their efforts for eliminating poverty ultimately.

We regard efforts of our institutions and municipalities connected to the Central management and foundations, associations and sensitive citizens conducting studies in this field to keep poverty which becomes widespread in the society increasingly at a tolerable level; **however, we desire to attract attentions to the fact that they create an objective situation towards continuity of the problem rather than its final solution.** We believe that our poor citizens who used to receive assistance from these authorities or persons do not want to change their current situation after a certain period.

SARMASIK ASSOCIATION and SARMASIK FOOD BANK:

Just at this point, seeking solutions thinking that it is necessary to conduct studies effective for poverty and focused on solution of the problem without any expectations, our municipality found appropriate to commence an effective struggle involving all authorities of our city related to poverty in this problem because we thought that it would be more rationale to get a result with a struggle having an effect equal to the damage created by poverty in our city Diyarbakir. Therefore, we led and contributed in foundation of SARMASIK- Struggle against Poverty and Sustainable Development Association. We held a set of meetings and discussion platforms with all authorities, institutions and specialists related to poverty in Diyarbakir for about 8 months. Following these meetings, interviews and discussions, foundation of SARMASIK Association was realized by meeting 32 founders in 2006.

SARMASIK- Struggle against Poverty and Sustainable Development Association is a non-governmental organization headquartered in Diyarbakir in order to conduct studies focused on poverty and development. As it is seen when Board of Founders is examined, it consists of such persons and communities with all ideas and understanding in our city. It includes chairmen of non-governmental organizations, chairmen of trade bodies, Chamber of Commerce, exchange market, bar, chamber of doctors, businessmen associations, opinion leaders and local managers and mayors. Members of the Board of Directors were also selected in the same understanding.

SARMASIK Association which conducts joint studies not only with our Metropolitan Municipality but also with all non-governmental organizations operating in our city in the field of poverty works on certain projects to the benefit of our poor citizens in addition to its employment, skill/vocational and sustainable development studies. One of these studies is SARMASIK FOOD BANK PROJECT established with partnership of 56 authorities and institutions and 4200 citizens of us.

With this project, we formed one of the most beautiful examples of social solidarity, even if at local level, by meeting not only opportunities of our municipality but also savings acquired by

the association from other authorities and institutions and above all small-sized solidarity aids of responsive citizens in a joint project. SARMASIK Food Bank Project which is a unique-model project with participation of LOCAL ADMINISTRATIONS, CIVIL SOCIETY and CITIZENS successfully progresses at the end of 4 years.

Under this project, food support is provided to 2300 families, that we define as those at the bottom in our city in economical terms, who are at HUNGER line beyond poverty, who try to survive only with aids and go to bed hungry at nights maybe, in fair and modern style every month regularly. It will be useful to repeat by highlighting that this support is offered every month regularly, not only in Ramadan or during elections. Moreover, our supported poor families receive this support as if they go shopping beyond receiving an aid on RIGHT BASIS in addition to avoiding from flinging their poverty to into their face, from offending them.

According to the data obtained from results of site study of DIYARBAKIR CITY POVERTY MAP Project conducted again by SARMASIK Association with partnership of City Council, there are nearly 4500-5000 families, dissolved or facing with the risk to dissolve, who have nobody at their home to work, excluded from production, not capable of returning to production and therefore surviving only with aids in our city Diyarbakir.

Our goal is to form such mechanisms to treat wounds of these families and at least recreate their hopes to survive. To do this, we try to combine not only possibilities of our municipality but also possibilities of the entire city involving support of citizens individually. We conduct our support studies for the target audience of these estimated 4500-5000 families.

In addition, the Food Bank Project has special aims including increasing solidarity and assistance possibilities among such persons, companies, authorities, institutions or non-governmental authorities with capacity for socio-economic aids; making JOINT BUSINESS DEVELOPMENT CULTURE more widespread by meeting the sections with different ideas in such efforts to be made for our city. For this purpose, 4200 persons with regular revenue regularly contribute in this project with the automatic payment instruction to their bank every month in terms of Social Solidarity Network. Namely, sensitive citizens have also become a partner of this project in addition to corporate project partners.

This Metropolitan Municipality targeted the following aims with this project and obtained effective results at the end of 4 years;

1- It used efficiency of conducting an effective and sustainable struggle against poverty which is main ones of the most important problems of our city with an organization including all parts of the society.

2- It obtained more effective results by attracting attentions to this serious issue and raising awareness in cooperation with Public-Local Administrations-Civil Society and Citizens and the synergy to be created by social and corporate cooperation.

3- It used **THE PUBLIC RESOURCES IN AMORE RATIONALE, EFFECTIVE AND PRODUCTIVE MANNER** benefiting from experiences, researches and scientific-social findings of SARMASIK Association mainly including the resource allocated by our Municipality to the poor and also authorities-institutions and specialists active in this area in respect of social issues.

4- It reduced cost expenses benefiting especially from SARMASIK Association's volunteers within the civil society in conduct of these and similar activities.

5- It contributed in development of a culture of common business development meeting with such communities with different ideas and understanding and it contributed, even slightly, in development of Participatory Democracy by ensuring participation of different communities in major efforts conducted by our municipality.

6- It contributed in development of non-governmental organizations.

7- It accessed to more resources by combining contribution of our municipality with gain of other authorities, institutions and civil society and sensitive citizens and provided more supports to our poor citizens in this way.

FREEDOM AND POVERTY ON THE SCALE OF SULTANBEYLI*



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Abstract

Poverty and disability which are as old as human history have changed their forms because of development of capitalism and collapse of pre-modern social organizations. Industrial revolution has brought mass production processes have developed, and agricultural societies transformed into industrial or semi-industrial societies. Production, consumption, and work style of traditional societies have been changed and new social organizations that are more different and do not remind the previous one took place.

People were born with a given identity, in a given social class and were living in uncomplicated traditional communities. However, modern societies rather than a protected life bring in a new form of life, which is stifling, boring and should always be followed. Especially poor and disabled people cannot reached average living standards easily on account of diversification in daily life that bound by fashion and consumption. Perception of social life focused on consuming makes life difficult for poor who have low purchasing power and disabled people who have more cost to participate.

In this study, we examined relation between poverty and disability, in particular in Sultanbeyli, by trying to explain relation between poverty and disability and making poverty phenomenon conceptual. Within the framework of these problems, we revealed life imaginations of the poor, their view of poverty, economic status, education level, hold strategies, social position, and life of poor disabled people.

Key Words: *Poverty, disability, poor disabled people, consumption, social participation*

Introduction

Poverty and disability are the main problems of the century we live in. Along with globalization it has become a problem which has an effect on all countries. Poverty, despite being a problem of developed countries as well; it has become the most concentrated in developing countries. The

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factor which has bolstered this concentration is the transition of civilization from an agricultural society to an industrial society with the advent of the industrial revolution. Along with the separation from land, the migration from the rural areas to urban areas has increased poverty. It has made the issue of disability more visible and turn into a social problem. The impoverished have been led into a defenseless lifestyle from one of a relatively protected lifestyle due to the collapse of the welfare state and the decay of the understanding of the social state. The neo-liberal policies that are practiced has caused the impoverished to become more introverted and dependant instead of being in a position where they could generate strategies to combat poverty. The unequal power relationship which has been imposed has made this segment prone to social exclusion. These exclusions has pushed certain segments of the impoverished towards struggle, perseverance and determination. Another segment has become more passive and deprived of this struggle. In a modern society, instead of a life of individual data, they have been faced with a life which needs to be planned and implemented. The modern speculative life has been organized by complicated and intricate relationships. In modern life, instead of a protected lifestyle; it has formed a new social lifestyle made up of the daily life's suffocation, boredom and one that requires to be constantly dragged on. In the new diversified social lifestyle, the consumption craziness along with fashion trends has dragged the average life standards to an unbearable level especially for the impoverished and the disabled. The consumption centered perception of life based on speed and pleasure has made life more difficult for the impoverished who have a low purchasing power and the disabled who have a higher cost in joining life.

In this study by conceptualizing the factor of poverty, we have tried to analyze the poverty and disability relationship; and through this looked into the situation of poverty, disability and the poverty relation in Sultanbeyli in particular. In the framework of these set of problems, we have pointed out the life perceptions of the impoverished, their viewpoint towards poverty, the life standards of the disabled living in poverty, their economic status, education level, their strategies to hold on as well as their social inclusion status.

Methodology

This study is limited to 96 registered persons with similar or differing disabilities in the district of Sultanbeyli. The Simple Random Sampling Method was applied during this research. The scope of the research is the disabled in Sultanbeyli, Istanbul who are over the age of 15. It is composed of the 96 disabled members of the Sultanbeyli Center for the Disabled. In addition one on one interviews were conducted with persons who awaited daily temporary job allocations in places they referred to as "Laborer Waiting Place", "Worker Waiting Place" "Work Stop". Personal Information Survey was used in this study. The deciphering of the data collected in the research through data collection tools are done through the SPSS 16.0 package program in a computer environment. The evaluation of the data in the research has been done through a cross table.

The Conceptualization Of The Case Of Poverty

Due to the problems of the neo-liberal economic policies; insecurities, inequalities, discrimination, diversity, social exclusion, addiction, deprivation and destitution of the impoverished and disabled segments increases. Despite the increase in mass production, justice has not been established in income distribution; on the contrary, the distributional injustice has deepened, the 'phenomenon of hunger' has increased on the global scale. The reason for the spread of inequality and the injustice in sharing on the world scale is the global capitalist lifestyle which monopolizes resources. The strategies that the impoverished have developed by themselves have not lessened the problem of sharing between the rich and the poor; on the contrary outside of the modern lifestyle, a segment has appeared that neither lives a rural nor an urban lifestyle and as a result has been stuck in the middle. "In addition to this, the phenomenon of poverty does not only mean destitution and physical danger. Poverty is at the same time a social and psychological problem. Poverty means being deprived of everything that is considered as a 'normal life'. Furthermore, poverty means being deprived of all resources that define 'a life' in the existing society, "not being able to grasp what life is forced to provide." (Bauman, 1999: 60). Seabrook gives a reminder that "The impoverished do not live in a different culture than the rich. They are forced to live in the

same world that has been designed for the benefit of those with money. Their poverty not only increases with economic recession but also intensifies with economic growth." (Bauman, a.g.e: 64)

Poverty along with global neo-liberal approaches; has accelerated the separation and discrimination processes based on the structural, spatial, class and gender. Through negative connotations such as 'those who live for free' or looking at poverty relief aid as 'government handouts' they have been degraded and the process of exclusion towards the impoverished have been developed." (Sallan, 2004: 353).

We see that the conceptualization of poverty is done based on four different headings. These headings are: 'absolute poverty', 'relative poverty', 'humane poverty' and 'new poverty'.

"The concept of absolute poverty is based on the thought of livelihood which reflects the basic conditions that are necessary to lead a physically healthy lifestyle. According to this approach, poverty is generally the situation of "not having the resources to take care of the basic necessities to live a humane life such as nutrition, shelter and clothing" or "being under the absolute minimum level of welfare" and "not being able to provide the necessary property and services to keep on living." Once the individual falls below these universal standards, no matter where in the world they are, they can be considered as impoverished." (Sapancalı, 2005: 55)

"Relative poverty is a concept that everyone accepts according to their own perceptions. Relative poverty is related to extensive life standards which is valid for every society. It covers those that can take care of all basic needs however due to the limited personal resources those that remain below the general welfare level of society and those that have been prevented from entering into the society through a social perspective." (a.g.e., : 55)

"Humane poverty: Humane poverty index; measures the rate of short life spans, deprivation from basic educational services, the deficiencies in regard to human development such as being unable to reach public as well as private resources, the dimensions of poverty and the amount of people who have been excluded from human development. Humane poverty, aims to explain the many sided dimensions of how the factor of poverty is degrading towards humanity. Poverty also includes the lack of reaching people or the deficiency in being able to request reaching them. This is a deprivation of a right." (a.g.e.,: 57)

"The New Poverty is not only about the income/consumption problems and as a result the impoverished living in a certain state of poverty but rather about them losing their 'achievability' that could potentially raise their standard of living. This achievability is a concept that should be placed as much importance on as the income/consumption expenses. While the income/consumption expenses enlighten the static dimension of poverty/welfare, "the research on the achievability" sheds light on the dynamic dimension. When referring to poverty being perceived as dynamic, it means the ability of the impoverished to reach certain opportunities that might arise in the future, the desire to make use of such an opportunity at the present or in the future and as a result the strength to change their lives. Through this dynamic view, the downward and upward movement of the impoverished as well as the strategies they develop to combat poverty can be observed. The 'achievability' has become unattainable due to the 'protected' environment under the welfare state eroding and with it the masses that do not have the 'ability' to develop strategies for the fight against poverty to suddenly face chronic unemployment. Since the 'achievability' no longer exists, the impoverished can fall into the status of passive observers regarding the game that is being played in front of them and can be dragged into a submissive position. The passive status of the segment of society that is thrown outside the system has reached serious levels especially in developed countries." (Işık and Pınarcıoğlu, 2005: 72).

Poverty And Disability Relationship

"The correlation between being disabled and poverty is two dimensional. Disability is both a cause and a result of poverty. A large segment of disabled citizens are impoverished; and this is not the case only in Developing Countries but also in Developed Countries. This segment also makes up the most impoverished part of the generally impoverished section of the population. In

spite of this; it cannot be stated that the entirety of the disabled are impoverished in an economic sense." (Özgökçeler, 2006: 210).

"In the impoverished masses the responsibility for the disabled is generally on the family and without family support the chances of disabled individuals hanging on to life are very slim." (a.g.e.: 210) The 'care at home service' that is provided by the state in order to raise the living standards of the disabled and the fact that the support the family gives to the disabled is of quality, the level of responsibility between the family and the disabled has increased. On the other hand for apportion of the impoverished families this service is regarded as a source of livelihood.

Illnesses which have occurred as a result of poverty make up the most important reasons for the disabled. Bad nutrition, limited access to immunization programs, working in hard and dangerous jobs and inhumane living standards, inability to access healthcare services, lack of care before and after birth, unhygienic environments, insufficient information about disability, wars, terror and natural disasters are all factors which cause disabilities. (a.g.e.: 211)

"In addition one cannot state that poverty is of a single format, and of an integrity similar to that of absolute poverty. It has different dimensions such as poverty, old age, childhood and disability and in every dimension different needs are existent. In this context, disability is one of the most important dimensions of poverty. However the reality of our country is of a structure which does not differentiate between poverty and deprivation. This situation is once again a characteristic that is particular to our own social conditions. As a result, to evaluate disabilities only in terms of an economic perspective would be insufficient both in terms of its conceptualization and in terms of theory. A segment of the disabled in our country are face to face with poverty while all of them are lacking the resources that the society on average has access to. When looked at from this perspective we are faced with the concept of disability which has as many social and cultural problems as those that are determined by deprivation. (Aysoy, 2003: 392)

Even though there is an important sensitivity towards poverty in our society there is also a tradition which tends to remember the impoverished only on the month of Ramadan. The type of aid that is given such months is some of the main indicators of how the society tends to view poverty. In the framework of this perception, what we call absolute poverty in the sociological sense is hunger.

A similar perception comes across on the topic of disability. In activities conducted with a variety of organizations for the World Disability Day or the Disability week most of the time wheelchairs (battery powered cars) and walking sticks for the blind are distributed. Behind this lies the fact that freedom is seen primarily as a physical concept. (a.g.e.: 392) On the other hand the problem of providing the basic medical necessities for the disabled still exists.

"Disability started as primarily as a health problem, however, it brought with it the dangers of not being able to provide for the basic living necessities, losing the ability to lead a life that suits the dignity of human beings and being gradually excluded from society and life. Exclusion; results in lack of resources, the decrease of expectations, and lack of healthcare as well as education (Çalık, 2003: 400).

The exclusion of the disabled prevents them from being a productive member of the household and society. And this is a factor which increases their poverty. For the physically disabled; since factors like insufficient or inappropriate transportation services, accessibility problems and inequality of education makes it more difficult for them to be employed, it prevents them from both having an economic income and being socially participative. (Çalık, a.g.e.: 401)

The Sultanbeyli Case

If we try to draw a picture that only points out the social support need in Sultanbeyli: In the District Governorate Social Assistance and Solidarity Foundation; the number of households which have taken advantage of the assistance in kind and in cash are;

In 2005

26.586 households, in 2006, 27.958 households, in 2007, 16.331 households, in 2008, 28.572 households, the number of households which have taken advantage as part of the Sultanbeyli Municipality; in 2005, 6250, in 2006, 4225 households in 2007, 5750 households, the number of households which applied in 2008:11940,

In the Mimar Sinan Foundation 1500 families are served hot meals per day. In the Gönül Kuşağı (Heart Belt) Aid Association, in 2005, 247 households, in 2006, 768 households, in 2007, 616 households, in 2008, 580 households were served daily hot meals. The Prime Ministry the General Directorate of Foundations of serves 500 people (102 households) daily hot meals. In addition, in Sultanbeyli 35.289 individuals have green cards. According to the 2008 address based census, the population of Sultanbeyli is 272.758. In the light of this data, if we take the -average of the number of individuals in households that are in need of the social support from the governorship as 5- we see that it is almost half of the total population.

The meetings in the laborer market: Ever since the foundation of Sultanbeyli, laborers gather from 06:30 to 09:00 in the morning in the Sultanbeyli square across the Central Mosque and wait. Business owners come and talk with them and give them a temporary one day job. They generally work in demanding jobs such as construction, being a porter etc. It can be seen that these laborers have generally migrated from rural areas, and they used to work as shepherds and farmers in their previous locations. When they migrated, they took advantage of the low real estate prices in Sultanbeyli and constructed private houses or shanty houses.

M.S: Worked as a mine laborer for 22 years and earns 650 liras per month as retirement pension. When we asked, "Who can relate to the poor?" he answers, "The poor can relate to the poor." He sold his property back in the village and constructed a shanty house in Sultanbeyli. When replying to the question, "Why did you move from the village?" he replied, "I could not make a living. Why do you work? You work when you can't make a living. You can go sit at the coffee shop all day or walk in the streets doing nothing. Everybody will bring bread to their homes; crisis or unemployment are all excuses. I work here to have a slightly better living standard."

A.S.: He is from Yozgat, and has been in the Laborer's market since 25 years. "Before my military service I was in Sultanbeyli. I worked at constructions. With the money I saved I bought a plot of land and together with my income in the village I built a shanty house. Since there was no water before in Sultanbeyli, I used to dig wells. And in my spare time I used to come here and do whatever work that came up. Now with the arrival of water the digging of wells have stopped. I work here. My social security is Farmer's Bağkur (Social Security Organization for Artisans and the Self-Employed). I pay that every month. That is how I take advantage of healthcare services. I collect the electricity, water, gas etc., bills and pay them when I have money. When the bills add up, a notice comes. I borrow money from the neighbors and pay it. And when I get money I pay them back. The state always helps and thinks about the soldiers, police and civil servants. None thinks about us. Since there are no job opportunities in Sultanbeyli, I and others work outside of Sultanbeyli. I use the house like a hotel. The tradesman here does not give proper money. My son works here for a tradesman. He earns 15 to 20 liras a day. We have no social life. We especially don't go out for leisure or to eat."

M.D.: Is from Kars, and came to Istanbul in 2000. Our household has 11 members, my children are going to school, I carry them on my back so they can get an education. And no one is helping us. *Are your wives working?* If you cut us into pieces, we will not make them work.

The survey activities conducted in the Sultanbeyli Center for the Disabled, and the one on one interviews demonstrate how low the education level of the disabled and impoverished are. In order to hang on to life they or their families are forced to work. As a result they are devoid of education. But as the amount of time they live in the cities increases there is a parallel increase on the importance they place on their education levels and education in general. They have realized after the first wave of migration that the second or third generations need to raise their education levels in order to live, prosper and raise their living standards in the cities. (Table 1) In the interviews we conducted regarding the level of education, income level, social participation,

social inclusion or exclusion, social support, and their views towards life, we saw that the disabled impoverished are subject to exclusion due to physical circumstances. It can be seen that participative individuals cannot find work even though they are willing to work.

Table-1: How old are you? What is Your Education Level?

		What is Your Education Level?							
		Illiterate	Literate	Elementary School	Primary Education	High School	Associate Degree	Bachelors	Total
How old are you?	15-24	0 ,0%	0 ,0%	5 19,2%	9 34,6%	12 46,2%	0 ,0%	0 ,0%	26 100,0%
	25-33	4 19,0%	1 4,8%	13 61,9%	2 9,5%	0 ,0%	1 4,8%	0 ,0%	21 100,0%
	34-50	7 24,1%	2 6,9%	12 41,4%	5 17,2%	2 6,9%	0 ,0%	1 3,4%	29 100,0%
	50-64	5 41,7%	0 ,0%	6 50,0%	1 8,3%	0 ,0%	0 ,0%	0 ,0%	12 100,0%
	65 and Over	3 42,9%	2 28,6%	2 28,6%	0 ,0%	0 ,0%	0 ,0%	0 ,0%	7 100,0%
	Total	19 20,0%	5 5,3%	38 40,0%	17 17,9%	14 14,7%	1 1,1%	1 1,1%	95 100,0%

The rate of the educable part of the population in participating into education has been increased relatively after the migration. When we look at the table, we see that the 15 to 24 year olds place more importance on education when compared to older generations and that they noticed the need to adapt to the living standards of the city. One of the major reasons for them to be excluded from a proper education is their low income. When we look at the income level, and when taking into notice that a portion of this income will go towards bill, kitchen expenses, it is designated that the impoverished disabled are living below basic conditions.

Table-2: What is Your Gender? What is the Monthly Income Level of Your Family?

		What is the Monthly Income Level of Your Family?					
		100-500 TL	500-1000 TL	1000-1500 TL	1500-2000 TL	2500 TL and over	Total
What is Your Gender?	Female	6 30,0%	9 45,0%	4 20,0%	1 5,0%	0 ,0%	20 100,0%
	Male	24 32,9%	39 53,4%	9 12,3%	0 ,0%	1 1,4%	73 100,0%
		32,3%	51,6%	14,0%	1,1%	1,1%	100,0%

Even though the impoverished disabled want to continue their lives by working and getting back the rewards of their labor, we see that the rate of their social participation is decreasing due to lack of employment opportunities and not being able to find proper jobs because they are disabled. In addition their low income level limits their achievability. They are unable to take advantage of social activities due to their low socio-economic status. It can be observed that they apply to 'social support' programs to close this gap. It is clear that the factor of disability reinforces poverty. These segments, which are forced to put aside their education because they are forced to work, are becoming more and more aware as they stay longer in the cities that the only way out of poverty is by continuing ones education. This is especially true of the young disabled impoverished. (Table1)

Table-3: How do you think the disabled should continue their lives? Do you work in any kind of job?

How do you think the disabled should continue their lives?			Do you work in any kind of job?		
			Yes	No	Total
Total	By Working	Number	28	53	81
		How do you think the disabled should continue their lives?	34,6%	65,4%	100,0%
	Through getting aid by not working	Do you work in any kind of job?	93,3%	82,8%	86,2%
		Number	2	11	13
		How do you think the disabled should continue their lives?	15,4%	84,6%	100,0%
		Do you work in any kind of job?	6,7%	17,2%	13,8%
		Number	30	64	94
		How do you think the disabled should continue their lives?	31,9%	68,1%	100,0%
		Do you work in any kind of job?	100,0%	100,0%	100,0%

Table 4: According to you how should disabled people go on their lives?

How do you think the disabled should continue their lives?		I did not apply to any aid organization.			
			Yes	No	Total
Total	By Working		46	36	82
		How do you think the disabled should continue their lives?	56,1%	43,9%	100,0%
	Through getting aid by not working	I did not apply to any aid organization.	92,0%	81,8%	87,2%
			4	8	12
		How do you think the disabled should continue their lives?	33,3%	66,7%	100,0%
		I did not apply to any aid organization.	8,0%	18,2%	12,8%
			50	44	94
		How do you think the disabled should continue their lives?	53,2%	46,8%	100,0%
		I did not apply to any aid organization.	100,0%	100,0%	100,0%

From the participants who think that the disabled should continue their lives through work, %56,1 did not apply to any social support organization, and that %66,7 of these that believe they should live by not working and getting aid have applied to at least one social aid organization. Even though the young impoverished disabled are aware that the ways to overcome the deprivation of impoverishment is through work and partial education, it has been seen that they are still pessimistic about the future and that they have no hope.

Table-5: How old are you? What kind of investment are you making for the future?

What kind of investment are you making for the future?						
		I am making a financial investment	I am making an educational investment.	I am making an investment for the future.	Total	
	15-24	Number	3	10	12	25
		How old are you?	12,0%	40,0%	48,0%	100,0%
	25-33	Number	2	2	16	20
How old are you?		How old are you?	10,0%	10,0%	80,0%	100,0%
	34-50	Number	0	2	27	29
		How old are you?	,0%	6,9%	93,1%	100,0%
	50-64	Number	1	1	10	12
		How old are you?	8,3%	8,3%	83,3%	100,0%
Total	65 and over	Number	2	0	5	7
		How old are you?	28,6%	,0%	71,4%	100,0%
		Number	8	15	70	93
		How old are you?	8,6%	16,1%	75,3%	100,0%

Despite of this hopelessness and the lack of a quality of living they try to sustain their lives in the city and do not consider migrating back. In the two tables below we can see that the impoverished have come over the shock after the migration wave and settled in the cheapest areas of the city. The biggest contributor to the settlement in the cheap areas of the city is based on the solidarity of their origins and through relationship of relatives.

Table 6: When did you come to Istanbul?

		Would you consider resuming your life back in your hometown?				
		In the near future	After Retirement	I want to go back to my hometown but the conditions of life won't allow me.	I am not thinking of going back to my hometown.	Total
When did you start living in Istanbul?	I was born in Istanbul.	1	3	1	12	17
	When did you start living in Istanbul?	5,9%	17,6%	5,9%	70,6%	100,0%
	Would you consider resuming your life back in your hometown?	33,3%	25,0%	4,3%	21,1%	17,9%
		2	9	22	45	78
	When did you start living in Istanbul?	2,6%	11,5%	28,2%	57,7%	100,0%
	Would you consider resuming your life back in your hometown?	66,7%	75,0%	95,7%	78,9%	82,1%
Total		3	12	23	57	95
	When did you start living in Istanbul?	3,2%	12,6%	24,2%	60,0%	100,0%
	Would you consider resuming your life back in your hometown?	100,0%	100,0%	100,0%	100,0%	100,0%

Table-7: Are you married? How do you evaluate your status in society?

		How do you evaluate your status in society?					
Are you married?		I think that the society does not understand the problem I am going through.	I think society acts differently towards me.	I think I am being separated from society.	I dont think the society act any different towards me.	I think I am displaying a defensive behaviour towards society.	Total
		10	11	4	8	7	40
	Single	25,0%	27,5%	10,0%	20,0%	17,5%	100,0%
	How do you evaluate your status in society?	52,6%	36,7%	100,0%	24,2%	87,5%	42,6%
		7	15	0	21	1	44
	Married	15,9%	34,1%	,0%	47,7%	2,3%	100,0%
	How do you evaluate your status in society?	36,8%	50,0%	,0%	63,6%	12,5%	46,8%
		1	2	0	2	0	5
	Widowed	20,0%	40,0%	,0%	40,0%	,0%	100,0%
	How do you evaluate your status in society?	5,3%	6,7%	,0%	6,1%	,0%	5,3%
	1	2	0	2	0	5	
	Are vou married?	20,0%	40,0%	,0%	40,0%	,0%	100,0%
	How do you evaluate your status in society?	5,3%	6,7%	,0%	6,1%	,0%	5,3%
Total		19	30	4	33	8	94
	Are you married?	20,2%	31,9%	4,3%	35,1%	8,5%	100,0%
	How do you evaluate your status in society?	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%

It can be seen that %63,6 of the participants who think that the society does not act any differently are married, those that state they have been separated from society are completely single, and that %87,5 of those that think they display a defensive behavior towards society are single. The claim can be made based on this table that single participants are more negatively affected by the actions of society. We can state in this situation that the concept of marriage is an important tool in merging into society. At the same time it due to its status creating role, it causes distinct differentiations on the way the disabled view society.

Conclusion

The results obtained as a result of this study which analyzed the relationship between disability and poverty on the scale of Sultanbeyli can be summarized as follows. Sultanbeyli, is a relatively new residential area of Istanbul whose population increases due to migrations and therefore plays host to a considerable size of families who have come from Anatolia and are in need of jobs. Due to the presence of a large workforce without any professional skills, the size of the population who is forced to work under very harsh conditions or that cannot find work at all is considerably large. When disability is concerned, it is not that different from the general characteristics of Sultanbeyli. The segment of population which cannot work due to disability and has very little or no education live their lives based on the support they get from the state and the civil society organizations. It has been determined that the social support aid requested are realized mainly on women through meetings held with official institutions and civil society organizations. In a life which is surrounded by patriarchal values, in traditional families which are in need of social support and want to take advantage of it, the men who cannot make a living gets this support and aid through women. In this context even through poverty aid is a tool for the family to hold on to life; it means that the authority of the man is damaged. The economic limitations have caused a decrease in their social lives, and they have begun reproducing the social networks with which they are in a relationship with in similar socio-cultural and economic based social environments. The factors of disability and poverty in the framework of this relationship network have put forward the understanding that poverty is 'fate that one has to deal with'. The despair caused by this fatalism in question is only bearable due to the association which unite around geographic origins and the social environment in the relatively closed off society of Sultanbeyli.

In the surveys that were conducted it has been demonstrated that a majority of the disabled want to earn their own living through work but that the job opportunities are limited, their education levels low and that the presence of an unskilled labor force further diminishes this possibility. It has been demonstrated that the achievability of the impoverished in Sultanbeyli is limited by their socio-economic living conditions, and that they are denied broad living standards. On the other hand, the lack of formal job opportunities in Sultanbeyli, pushes the impoverished towards informal relationship networks. It has been proven that especially the physically disabled have shown more participation in this network. In one on one interviews, it was observed that the physical conditions are not designed with the living standards of the disabled in mind and that inaccessibility naturally pushes the impoverished towards generating life strategies within the network of informal relationships. The physically disabled who could not hold on in the formal and informal relationship network, continue their lives by taking advantage of socially supported aid programs (2022 salary and the 7th article of 2828). Or since the jobs they find are not permanent and not dependable, they become introverted and separate from social life. In this context, from the theoretical labels of poverty, it can be stated that the impoverished in Sultanbeyli live under the relatively impoverished class. Considering the existing situation of poverty, deprivation and hardship, social equality can be achieved only through the active social policies that the state will practice in an honest and sustainable manner.

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FAST TRACK TO END HUNGER AND POVERTY

THE FAMILY NUTRITION APPROACH



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Abstract

Poverty and hunger are inextricably inter-linked. While poverty most often leads to hunger, hunger and the resultant malnutrition expressed in low BMIs and the prevalence of anaemia often result in the inability to earn an adequate living, hence poverty. While most developing countries have in place numerous interventions to end hunger and reduce malnutrition, the focus of these efforts has always been on women and children. In the long run, no doubt, a healthy mother will give birth to healthy children, growing into adults capable of earning adequate wages, and eventually, breaking the hunger-poverty nexus. However, the validity of this simple equation is belied by the results in many developing countries. This paper contends that efforts to improve the nutrition levels of women and children alone are insufficient to ensure a healthy population and a breakthrough in the stranglehold of poverty.

It is accepted that in South Asia, adult males have first choice from the food basket. As such, male malnutrition was never considered an issue in nutrition policy. Recent data, however, reveals little difference in male and female nutrition levels. The issue here is that in families where the adult male, who is often the main wage earner, is severely debilitated, food supplements for women and children may be of little value. It has often been stated that nutrition interventions focused on women and children have the highest rates of return. However, it is quite feasible that broadening the safety net to include interventions for adult males could bring in higher economic benefits and improve outcomes within a generation as against the next generational outcomes of mother and child focused programmes.

The analysis utilizes country level data on adult malnutrition and state level NFHS-3 data for India.

Key Words: male undernutrition, hunger and poverty, nutrition focus, adult BMIs.

BACKGROUND

The inter-causal relationship between hunger and poverty is unquestioned and interventions targeted at reducing hunger implicitly aim at reducing poverty, and vice versa. In a study of food and nutrition security in Africa, Todd (2004) outlines the logic of the relationship. "Broad-based economic growth is necessary to increase incomes and consumption to reduce poverty. Economic growth can be achieved primarily through enhanced economic productivity, which in turn comes about through broad improvements in the intellectual and technical capacity of the population. The potential intellectual and technical capacity of the population is dependent on improved nutrition, particularly for young children and women in their childbearing years. Similarly, the effective utilization of such capacity is dependent on a properly nourished population, in which individuals are living healthy and active lives and are able to contribute creatively to their own and the nation's economic well-being". The logic holds true in all developing regions.

Governments of most developing countries have in place multiple projects and programmes, often with international funding and expertise, to deal with the issue. Yet The Millennium Development Goal which aims at reducing by one half the global prevalence of hunger between 1990 and 2015 is far from being reached. In fact, the progress to end hunger has been stymied in most regions and hunger may have spiked as a consequence of the global food and financial crisis (MDG website). The Global Hunger Index (GHI) 2009 shows that worldwide progress in reducing hunger remains slow. The 2009 GHI has fallen by only one quarter from the 1990 GHI. Southeast Asia, the Near East and North Africa, and Latin America and the Caribbean have reduced hunger significantly since 1990, but the GHI remains distressingly high in South Asia, which has made progress since 1990, and in Sub-Saharan Africa, where progress has been marginal (Global Hunger Index 2009).

Most interventions to address hunger and malnutrition so far have sought to achieve results in a cost effective manner by narrowing the focus to the most vulnerable groups, i.e., women in the reproductive years and children. It is argued and rightly so, that a healthy, well nourished mother will give birth to healthy infants and will be better able to provide the care required to nurture these children into healthy adulthood. Added to this is the finding that it is in the first two years of life that the foundations for both physical and mental growth are laid, therefore, an even narrower focus on children below 24 months would provide the highest economic returns. It is claimed that "the physical and cognitive damage from undernutrition suffered in the first two years of life is irreversible, affecting health and well-being in the short term and the future individual and collective progress. Stunting and anaemia generate learning difficulties during schooling age, a fact that seriously compromises, almost permanently, entry into the labour market and job performance. The lower development of human capital in turn reduces the ability of economic growth, thus perpetuating poverty from generation to generation (WFP 2010).

There is no doubt that targeting scarce resources to the most vulnerable is far more effective than the thin spreading of resources over the entire under nourished population. However, what needs to be clearly defined is the term "most vulnerable". *Should the "most vulnerable" target population remain static or should it be redefined in terms of the latest available statistics?* This is the question this paper seeks to answer. A case in point is India where Government efforts over the last three decades have focused on improving the nutrition status of women and children with little effect. Like many other countries, nutrition statistics, while collected regularly through family health and other demographic surveys, are collected only for women and children. While data on anthropometric measures of males has been collected in the past by the National Nutrition Monitoring Bureau (NNMB), and the similarity in prevalence of undernutrition in adult males and females pointed out as early as the Eighties, these surveys were usually based on small samples (Jaya Rao 1984) and did not impact nutrition policy. It is only the most recent National Family Health Survey- NFHS 3 (2005-06) that, for the first time, collected nutrition indicators on adult men on a countrywide basis. Results showed that there is very little difference in the nutrition status of adult men and women in India, yet health and nutrition policy has totally ignored the needs of the adult male population. If this anomaly could occur in the South Asian context, where the deeply entrenched bias against women reflected in their inadequate access to food, healthcare

and education is well known, and given this, the extent of undernutrition in the male population, is perhaps, unexpected, the probability of continuing focus on the wrong target group is much higher in countries where gender disparities are less clearly defined. This argument is supported by the findings of a recent study of 52 countries (Moore *et al* 2010) using self reported height and weight measures from the World Health Survey (2002-03), which concludes that “compared to women, the distribution of weight status for men leaned toward lower BMI categories. Men had a higher prevalence of underweight (7.2 versus 6.1)”. Also, Nube and Van Der Boon (2003) in a study of adult undernutrition in 31 developing countries found that in general, prevalence rates of undernutrition were similar in adult men and women. They observe, however, that there are regional differences, for example, in Sub-Saharan Africa, prevalence of low BMI is, on average, a few per cent higher in men than in women, while in South/Southeast Asia the reverse is the case. In some communities differences in undernutrition prevalence between men and women are exceptionally large. They conclude that “where large differences between prevalence of low BMI in men and women occur, gender-specific policies aimed at reducing under-nutrition should be considered”.

The Global Hunger Index states that South Asia and Sub-Saharan Africa continue to suffer from the highest levels of hunger, despite some progress since 1990. Many countries with high rates of hunger are also especially vulnerable to the consequences of the financial and economic crisis – a situation that puts the food security of poor people in these countries at great risk. High rates of hunger also tend to go hand in hand with gender inequality in areas such as economic participation, education, political empowerment, and health. After decades of slow progress in combating global hunger, the number of malnourished people is now rising as a result of recent events (Global Hunger Index *op cit*).

In this context, it must be emphasized that gender inequalities may affect either side of the gender equation, particularly in terms of nutrition and health indicators. It is quite likely that there are a number of countries or regions within countries where the male population is as undernourished or more undernourished than the female population. As both men and women are wage earners, and in many countries, men are the primary wage earners bringing in much needed cash incomes, ignoring the needs of undernourished men can be counterproductive. Interventions meant to ensure good health for pregnant women, nursing mothers and young children can lay the foundations for a healthy life, but cannot ensure long term nutrition security. For sustainable food and nutrition security, both men and women have to be ensured the minimum level of nutrition required to lead a productive life and earn an adequate livelihood. To compound the problem, interventions in developing countries often focus on below poverty line populations, ignoring the fact that for the millions living just above the official poverty line- that is on the verge of poverty, a natural calamity or even unexpected changes in weather like early/late rains or unusually high temperatures can plunge them back into the cycle of hunger and poverty. Todd (2004) reiterates this in the case of Africa: “...there are 160 million persons in Africa who are undernourished. Although they may not necessarily be facing an acute crisis in access to food, their access is not secure. If any of the 160 million were to be affected by one of these broad shocks or a range of other more individual shocks— death in the household, loss of an income source, chronic illness—most would face an acute hunger crisis relatively quickly”.

Clearly, it is not the impact of such shocks alone, but the lack of resilience in undernourished populations that prevents the breakthrough out of the stranglehold of poverty.

This paper is an attempt to assess gender differentials in adult undernutrition in developing countries with a view to identifying the “correct” focus groups for nutrition interventions. The conventional exclusion of one section of the family unit, i.e., adult males from the purview of nutrition programmes may well prove a stumbling block. It is hypothesized that breaking out of the standard women and child focus in nutrition interventions and re-focusing on the “currently vulnerable” in the local context may fast track the achievement of the Millennium Development Goals of reducing hunger and poverty.

Data Base

The single objective of the paper as stated above is to correctly identify the “hungry” and “undernourished” in order to fine tune nutrition interventions for more effective results. There are numerous measures of hunger ranging from the per capita availability of food, per capita calorific intake, household expenditure on food to nutrition outcomes as expressed in biometric measures such as Body Mass Index (BMIs) for adults and weight/height for age in the case of children. Body Mass Index is defined as the weight of an individual in kilogram’s divided by the square of the height in meters. Low calorific intake is, perhaps, best expressed in terms of low BMIs, which provide a universally comparable measure of nutrition outcomes. Based on the international classification of adult weight status (WHO), the level of undernourishment is defined as the proportion of adult men and women with BMIs below the norm of 18.5.

Data on female undernutrition as expressed in BMIs is readily available at the global level as numerous surveys on women’s health status have been conducted in most countries. However, the picture is very different where statistics on male undernutrition are concerned. Even data from the FAO reveals large gaps in information at the level of individual countries making the dataset unusable for cross country comparisons. The search for a more complete set of statistics on male and female nutrition levels with reference to low income and low middle income countries revealed only a single source: the WHO Global Database on BMI. However, as mentioned at the site, the available data refers to different time periods and may have been collected for different age groups, and as such, is not strictly comparable. Moreover, BMI data on women at the country level is more readily available than that on men. In order to render the data suitable for analysis, two steps were followed:

1. From the list of countries for which data on BMIs for men were available, low income and low middle income countries were identified.
2. Data on women was collected for the countries selected.
3. As the most recent data available on men and women could refer to different years, an attempt was made to ensure that the data selected was for the same year, even if not the most recent available.

To help cross-check results, it is useful to locate an independent source of data. A second source identified was the long version of the World Health Survey (2002-03), which provides data for 53 countries based on self reported height and weight measures collected from 172,625 WHS participants who provided self-reported height and weight measures and socio-demographic information. The long version of the WHS was administered primarily in low-income countries, although several high and middle-income countries were also included. The WHS’s sampling frame covered 100 percent of a country’s eligible population. The target population included any male or female adult aged 18 or over, present in the country and residing in a private household during the survey period. The WHS was the first survey designed with explicit attention to cross-national comparability in instrument development (Spencer Moore et al 2010). In this case too, the International Classification of adult weight status was used to identify underweight adults as those with BMI <18.5.

As Moore *et al.* write “Estimates of weight status may come from either direct or self-reported measures of height and weight. Direct measures of height and weight tend to provide more accurate prevalence estimates of body mass index (BMI) than self-reported measures since they reduce social desirability biases in reporting. Nevertheless, self-reported height and weight measures remain as equally correlated with disease biomarkers as direct measures and have been shown associated with mortality due to cardiovascular and coronary heart disease. Self-reported height and weight data thus remain valid for identifying relationships in large epidemiological studies because they are lower in cost, less intrusive to collect. The lower costs of self-reported studies of height and weight are particularly relevant for resource-poor countries where surveillance of infectious disease may have financial priority over the surveillance of population weight status” (Spencer Moore *et al.* 2010).

For the sub-national study of India, which was undertaken to emphasize the fact that even within a country with extremely high levels of female undernutrition, there can be regions where men are equally or more undernourished, data is sourced from the National Family Health Survey-3 (NFHS-3) 2005-06, which covers a nationally representative sample of 124,385 women aged 15-49 and 74,369 men aged 15-54 living in all 29 states of the country.

Analysis

I. Poverty and Undernutrition: the Global Scenario

Undernutrition is due to food intake that is continuously insufficient or poorly absorbed and retained in the body to meet and maintain energy requirements. Undernutrition is epidemic in parts of the developing world with its occurrence generally associated with high rates of infectious diseases and has been estimated to contribute to the deaths of 5-6 million children under 5 each year. Undernutrition affects all age groups and is especially common among the poor and those lacking clean water and good sanitation. Famines, civil conflicts and wars also contribute to undernutrition (Moore *et al* 2010). Sustained efforts over several decades have led to an improvement in the situation with countries like Thailand and China making major breakthroughs in the nutrition status of the population, especially that of women and children. However, in other developing countries, the response to nutrition interventions has remained slow.

“Information on absolute levels and on trends with respect to undernutrition prevalence in low-income countries is considered of relevance for, at least, two reasons. In the first place, malnutrition by itself is considered an unacceptable infringement of human well-being and human dignity, and its eradication is a development goal by itself.... In the second place, the prevalence rate of undernutrition in children is one of the most widely used nonmonetary indicators to characterize poverty and food security conditions in developing countries or regions (Food & Agriculture Organization, 2004; World Bank, 2004). Thus, where a significant and lasting decrease in undernutrition prevalence has been observed, it is generally considered a confirmation or at least a strong indication of an overall reduction in poverty and an improvement in the food security situation. And vice versa, where over a certain period of time an increase in undernutrition is being observed, it is considered an indication of overall deteriorating conditions with respect to general human well-being” (Nube 2005).

Table 1 presents data from low income and lower middle income countries¹ on undernourished adults-male and female (with BMIs <18.5). The hypothesis put forward in this paper is that undernutrition and its impact on the ability to earn a livelihood can perpetuate poverty; hence efforts at reducing undernutrition must not stop at women and children, but must be broadened to include men where necessary, if poverty is to be effectively and rapidly reduced. The first step towards verifying this hypothesis is to assess whether there is a significant correlation between the nutrition levels of men and women. The application of Pearson's Product Moment correlation to the self-reported BMI statistics (Table 1) reveals a positive correlation between undernutrition levels in men and women ($r=0.752$ significant at 99 per cent level of confidence). At the global level, across low and low middle income countries, therefore, undernutrition seems to affect men and women alike, the implication being that common causal factors operate such as food shortages and poor environmental conditions.

¹ The classification of countries into income groups is based on the World Bank's grouping. A per capita GNI of USD 935 or less (2007) is used to identify low income countries, while Lower Middle Income countries are classified as those with per capita GNIs between USD 936-USD 3705 (World Development Report 2009).

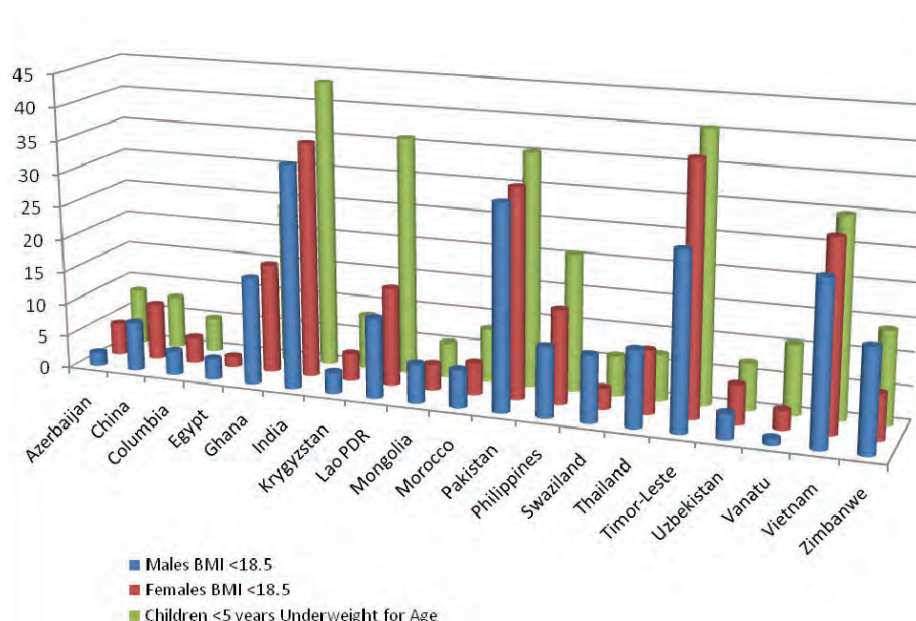
Table 1: Adult Undernutrition: 2002-03 (Self reported)

Country	% Males with BMI <18.5	% Females with BMI <18.5
Bangladesh	16.3	10.6
Bosnia & Herzegovina	3	4.1
Burkina Faso	5.7	7.1
Chad	5.5	6.1
China	13.5	12.7
Comoros	6	8.7
Congo	3.9	4.1
Cote d' Ivoire	5.5	5
Dominican Republic	5.4	5.6
Ecuador	2.1	2.6
Ethiopia	10.8	15.7
Georgia	1.3	5.8
Ghana	13.9	9.1
Guatemala	4.1	3.5
India	28.9	17.1
Kenya	14.5	6
Laos	9.3	9
Malawi	7.6	7.9
Mali	7.5	2
Mauritania	11.1	7.1
Morocco	6.1	5.7
Myanmar	14.6	13.3
Namibia	12.8	15.2
Nepal	16.7	14.2
Pakistan	11	8.6
Paraguay	3	4.8
Philippines	16.5	9.2
Senegal	13	9.1
Sri Lanka	4.9	4.9
Swaziland	1.6	2.8
Tunisia	4.8	5.7
Ukraine	0.5	6
Vietnam	22.8	12.1
Zambia	6.7	11.1
Zimbabwe	12.2	5

Source: World Health Survey in Spencer Moore *et al* 2010.

The WHO dataset on underweight men and women compiled from the Global database on BMIs and data on underweight children below five years of age from the WHO Global Health Observatory (Table 2) is collated from various surveys at different points of time. While all efforts have been made to render the data comparable, it is not possible to run a statistical correlation on this dataset. However, a graphic analysis is permissible (Fig. 1).

Fig.1: Levels of Undernourishment in Males, Females and Children



In 14 of 19 countries, in which data comparisons between child and adult undernutrition are possible, the prevalence of undernourished children is higher than that of undernourished adults. *This reiterates the need for a continued focus on children in most developing countries.* However, in three countries-Mongolia, Swaziland and Zimbabwe, where adult undernutrition exceeds that of children, the prevalence of undernourishment is highest among adult males. In the case of China, however, both children and adult males record lower undernutrition prevalence than adult females, while in Thailand, child malnutrition levels are well below those of adults. Nube observes that in regions where poor anthropometric results are observed in both children and adults, limited overall levels in household food supply are most likely to play an important role in the causation of undernutrition" (Nube 2005).

Table 2: Global Prevalence of Undernutrition in Adults and Children below Five

Country	% Males with BMI <18.5	Year	% Females with BMI <18.5	Year	% Children <5 years Underweight for Age	Year
Azerbaijan	2.1	2006	4.8	2006	8.4	2001
China	7.46	1996	8.5	1996	7.9	1994
Columbia	3.7	2005	3.9	2005	5.1	2005
Egypt	3.2	2008	1.6	2008	6.8	2008
Ghana	16.2	1988	16.6	1988	24.1	1988
India	33.7	2006	35.6	2006	43.5	2006
Krygyzstan	3.17	1993	4.17	1993	8.2	1997
Lao PDR	12.1	1994	14.8	1994	36	1994
Mongolia	5.9	2005	3.9	2005	5.3	2005
Morocco	5.7	1999	4.8	1999	8.1	1992
Pakistan	30.81	1994	31.63	1994	35.3	1992
Philippines	10.6	2003	14.2	2003	20.7	2003
Swaziland	10.1	2007	3.2	2007	6.1	2007

Thailand	11.6	2004	9.6	2004	7	2006
Timor-Leste	26.4	2003	37.7	2003	40.6	2002
Uzbekistan	3.8	2002	5.9	2002	7.1	2002
Vanuatu	1	1998	2.9	1998	10.6	1996
Vietnam	24.43	2000	28.31	2000	29.9	2000
Zimbabwe	15.5	2005	6.9	2005	14	2006

Source: for adults: WHO Global Database on BMI

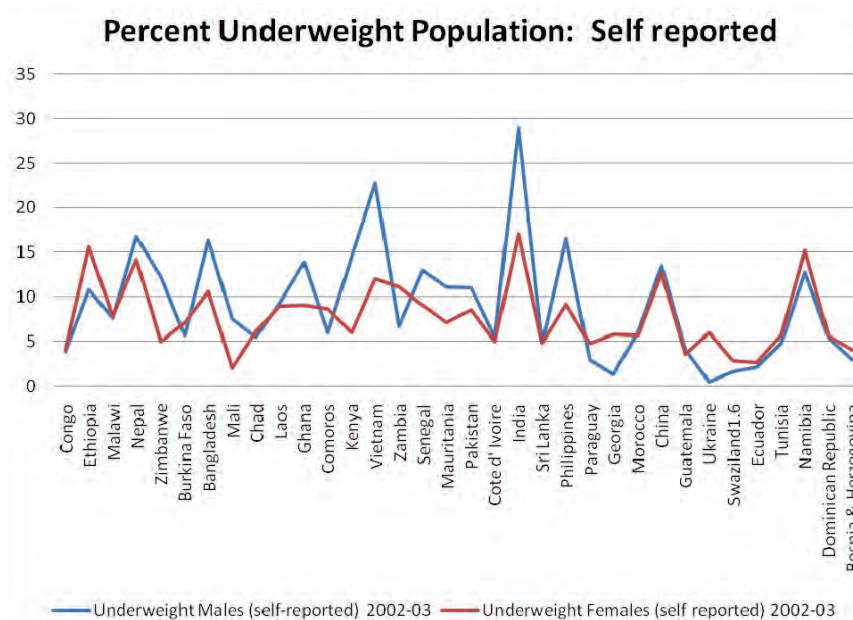
for children: WHO Global Health Observatory 2009

II. Gender Disparities in the Prevalence of Undernutrition

While the prevalence of undernutrition among adult males and females is highly correlated, the intensity of occurrence by gender does vary considerably across regions and countries pointing to the need for gender specific interventions. As mentioned above, the focus on nutrition interventions in developing countries so far has been almost exclusively on women and children. However, data analysis reveals that not only does undernutrition affect an equally large proportion of the male population, but in a number of countries the percentage of undernourished men far exceeds that of women.

While the WHO dataset is comprised of data for different years and thus does not permit direct comparison across countries, the WHS self reported statistics can be directly compared. Figure 2 reveals that in 19 out of 36 developing countries (low and lower middle income), the proportion of the male population with BMIs below 18.5 exceeds that of females. Not only are larger proportions of the male population undernourished, but the magnitude of variation can reach as high as 4:1 as in the case of Mali. Other countries from Africa like Kenya and Zimbabwe record almost two and a half times higher prevalence of undernutrition in adult males as against females.

Fig.2: Gender Disparities in Undernutrition (2002-03)



As mentioned above, the WHO dataset does not permit direct comparison between the prevalence of low BMIs in men and women. However, it is possible to compare gender differentials in BMIs or the ratio of the male population with BMIs below 18.5 to the corresponding female population across countries as data on male and female under nutrition for a particular country refers to the same time period. This dataset reveals that 7 of 22 countries have higher levels of male un-

dernutrition. Moreover, in an additional 5 countries, male undernutrition levels are almost equal to female undernutrition levels ($\geq 90\%$). *As such, in over half (12 of 22) developing countries, male undernutrition warrants an equal policy focus to that on females* (Table 3). It must be mentioned here that while the data for individual countries covers a period of 20 years ranging from 1988 to 2008, with the exception of Morocco (data is for 1999), in all six countries where the prevalence of male undernutrition exceeds female undernutrition, the data is current referring to years between 2004-2008 (for the year referred to see Table 2).

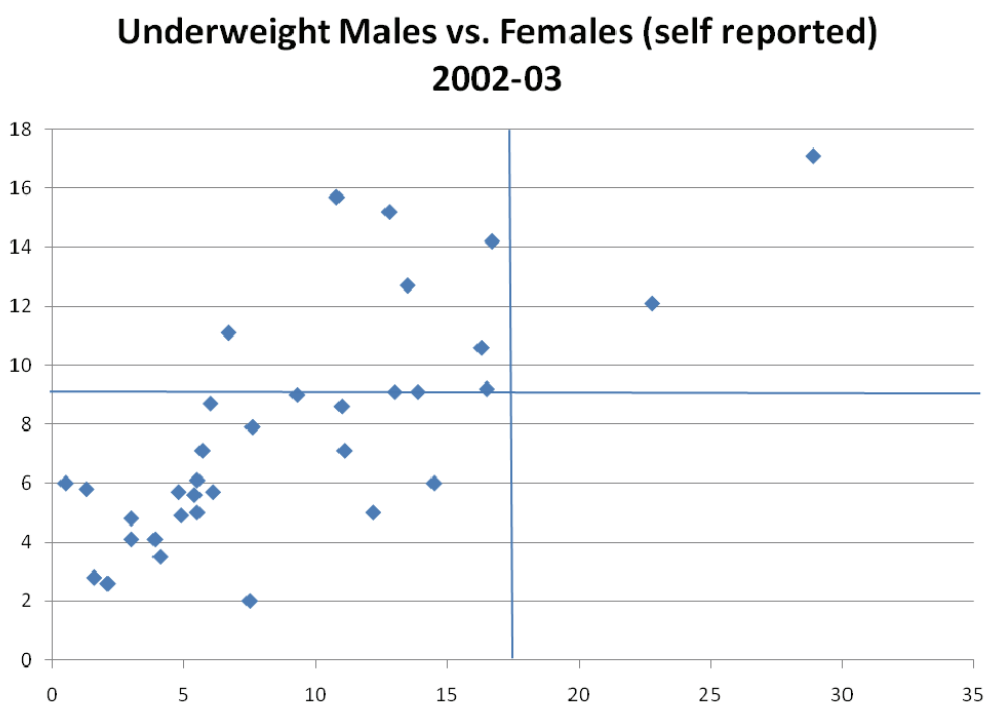
Table 3: Ratio of Male to Female BMIs

Country	% Undernourished: M/F Ratios
Azerbaijan	0.4375
China	0.877647059
Columbia	0.948717949
Egypt	2
Ghana	0.975903614
India	0.946629213
Iran	1.211538462
Kiribati	0.5
Kyrgyzstan	0.760191847
Lao PDR	0.817567568
Mongolia	1.512820513
Morocco	1.1875
Pakistan	0.974075245
Philippines	0.746478873
Rep. of Korea	0.430769231
Swaziland	3.15625
Thailand	1.208333333
Timor-Leste	0.700265252
Uzbekistan	0.644067797
Vanuatu	0.344827586
Vietnam	0.862945955
Zimbabwe	2.246376812

Source: Calculated from WHO data on BMIs

To enquire further into the relationship between male and female undernutrition, a scatter graph was plotted for the 36 developing countries for which self-reported data are available (Fig. 3).

Fig. 3: Relationship between Male and Female Undernutrition



The point distribution shows a clustering in the lower left quadrant, indicating that the majority of developing countries record comparatively low levels of prevalence of both male and female undernutrition. However, even where the prevalence of female undernutrition is low, male undernutrition levels may be high (upper left quadrant). High levels of both male and female undernutrition prevalence (upper right quadrant) are recorded by only two countries, while a number of countries hover around the halfway mark indicating equity in the prevalence of undernutrition among males and females. As opposed to the general understanding regarding the high levels of female undernutrition in the developing world, not a single country emerges in the lower right quadrant, which signifies high levels of female undernutrition coinciding with low levels of male undernutrition.

Policy implications would be:

1. A focus on family based nutrition interventions in most low income and lower middle income countries (26 countries).
2. A special focus on male malnutrition in six countries where male malnutrition levels are significantly higher than female levels.
3. A special focus on both men and women in two countries with exceptionally high levels of adult undernutrition-India and Vietnam.

III. Regional Variations in Adult Undernutrition

Developing countries can be classified into 6 regional groups:

1. East Asia and the Pacific
2. South Asia
3. Sub Saharan Africa
4. Middle East and North Africa

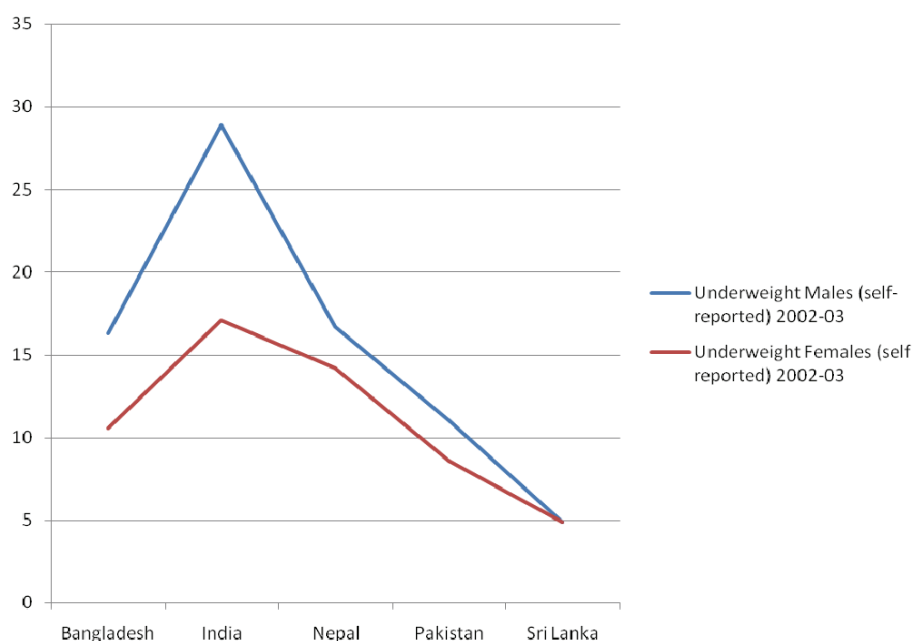
5. Latin America and the Caribbean

6. Europe and Central Asia

The set of thirty four countries for which BMIs based on self-reported height and weight measures are available were grouped into these six regions to permit further analysis. While two regions-the Middle East and North Africa, and Europe and Central Asia had only two countries each, the four remaining regions had a sufficient number of observations to allow further analysis. Figures 2-5 depict gender variations in adult undernutrition by region.

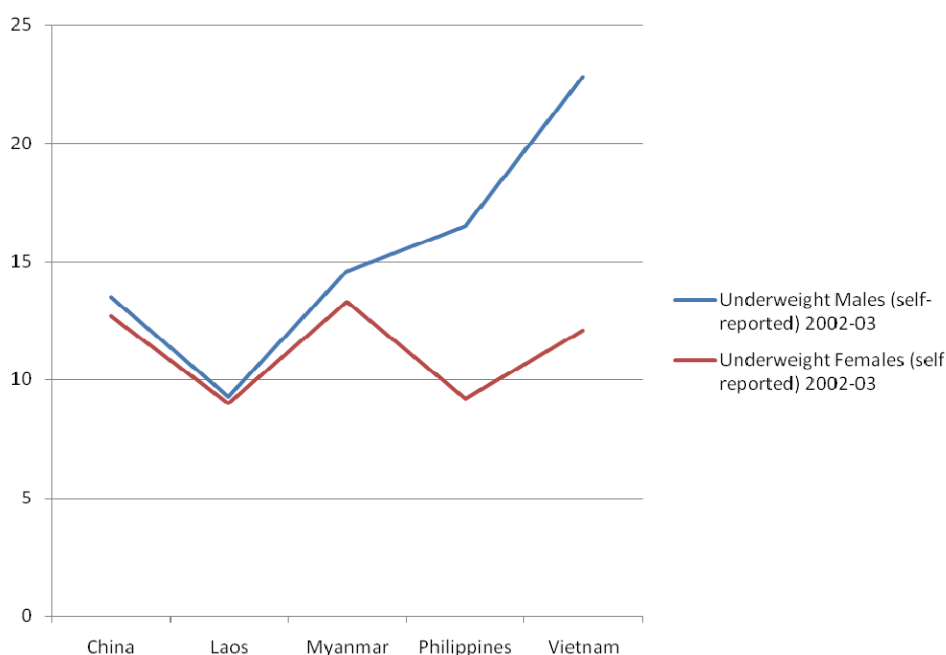
Among the five South Asian countries, male undernutrition is higher than female undernutrition in all except Sri Lanka, where 5 per cent of both males and females report BMIs below 18.5. The disparity appears particularly sharp in the case of India (fig. 4).

Fig.4: Percent Undernourished Male and Female Population in South Asia



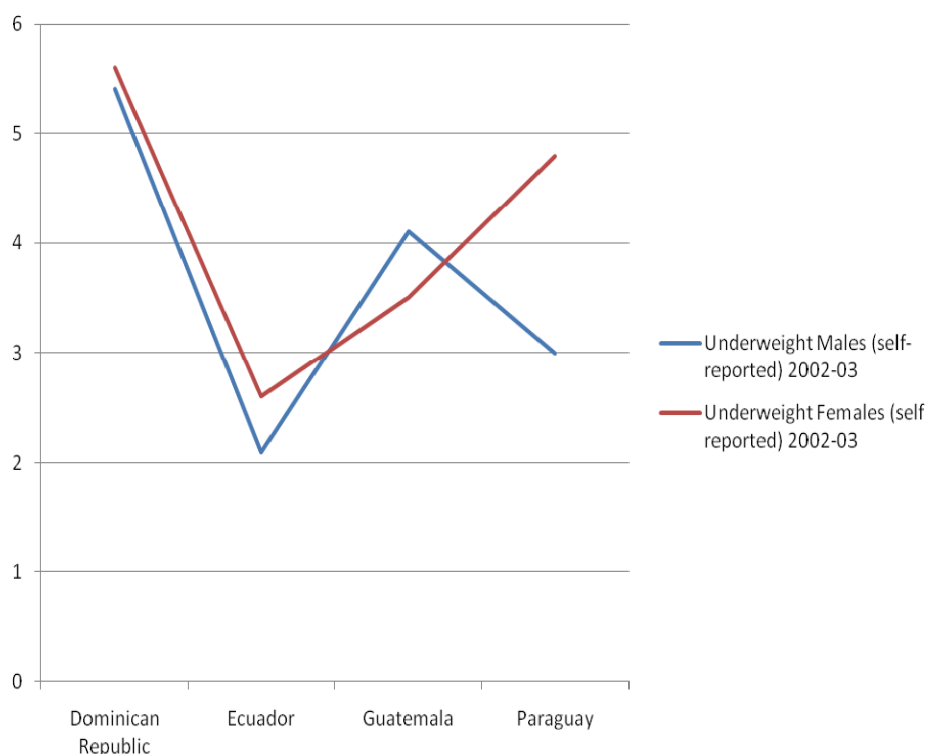
In the case of East Asia and the Pacific, once again male undernutrition levels are much higher than female, though in the case of Laos PDR, the difference is negligible. Within this region, Vietnam shows the highest disparity with the prevalence of male undernourishment exceeding female undernourishment by almost 11 percent points (Fig. 5).

Fig. 5: Percent Undernourished Male and Female Population in East Asia



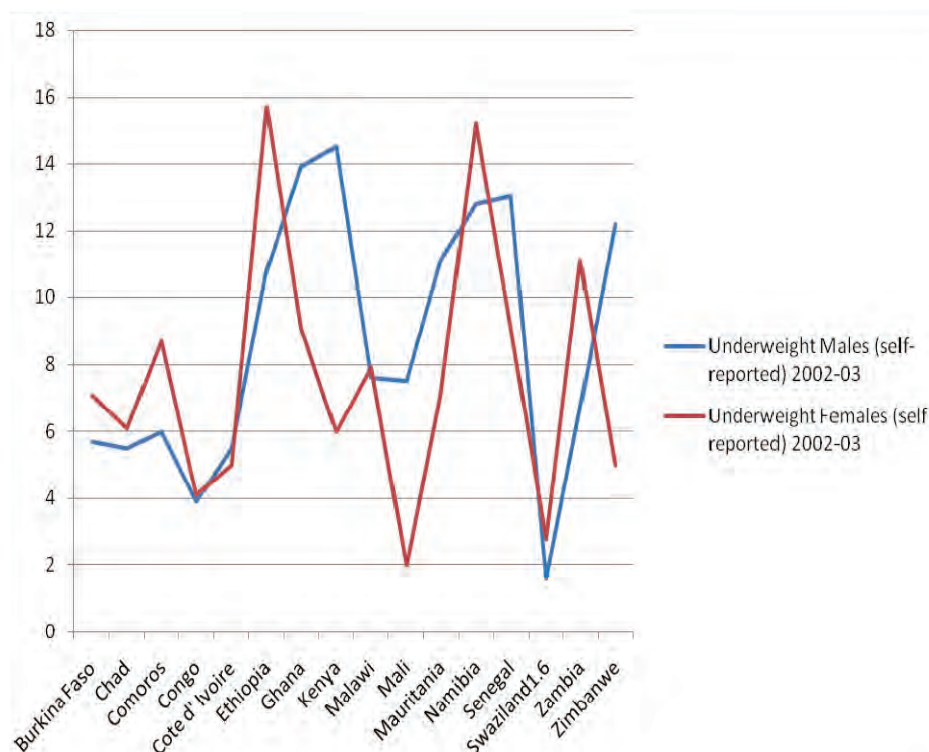
In Latin America and the Caribbean, female undernourishment levels are higher than those of males in four of five countries, but the difference in the proportions of undernourished males and females is small. Only a single country-Guatemala records a higher prevalence of male undernourishment. In this case too, the difference is negligible, merely 0.5 per cent (fig. 6).

Fig. 6: Percent Undernourished Male and Female Population in Latin America and the Caribbean



Sub-Saharan Africa which has the largest number of countries (16) with comparable statistics reveals a mixed picture. Six countries record higher proportions of undernourished males. In the case of Kenya and Zimbabwe, the incidence of male undernutrition is more than twice that of female levels, in the case of Mali, almost four times. However, in countries where a larger proportion of females are undernourished, the difference between the sexes is not as sharp. Only Swaziland reports about twice the proportion of undernourished females as males (Fig. 7).

Fig. 7: Percent Undernourished Male and Female Population in Africa



Data from the two regions of the Middle East and North Africa (MENA) and Europe and Central Asia, which have not been plotted owing to too small a number of observations reveal a mixed picture. In Europe and Central Asia, both countries (Georgia and Ukraine) reveal a much higher incidence of female undernutrition at about 6 per cent compared to 1 per cent or lower among males. In the MENA region, however, Morocco reports a higher incidence among females, while in Tunisia the opposite prevails. However, disparities are small.

IV. The Poverty-Undernutrition Cycle in India

On the economic front, India has taken rapid strides achieving one of the highest growth rates in the world, even during the recent global recession. However, its performance on human development indicators has failed to keep pace. The Global Hunger Index 2009 ranks India at 65 just above Liberia and Bangladesh. While poverty lines are drawn and redrawn indicating a reduction in the numbers living in abject poverty, the fact remains that almost 40 per cent of India's population living below or just above the official poverty line is denied an adequate dietary intake. This estimate is reinforced by the data on nutritional outcomes which reveals that one-third of all adults are underweight, while undernutrition in children below the age of five years is much more severe, affecting as much as 43 per cent.

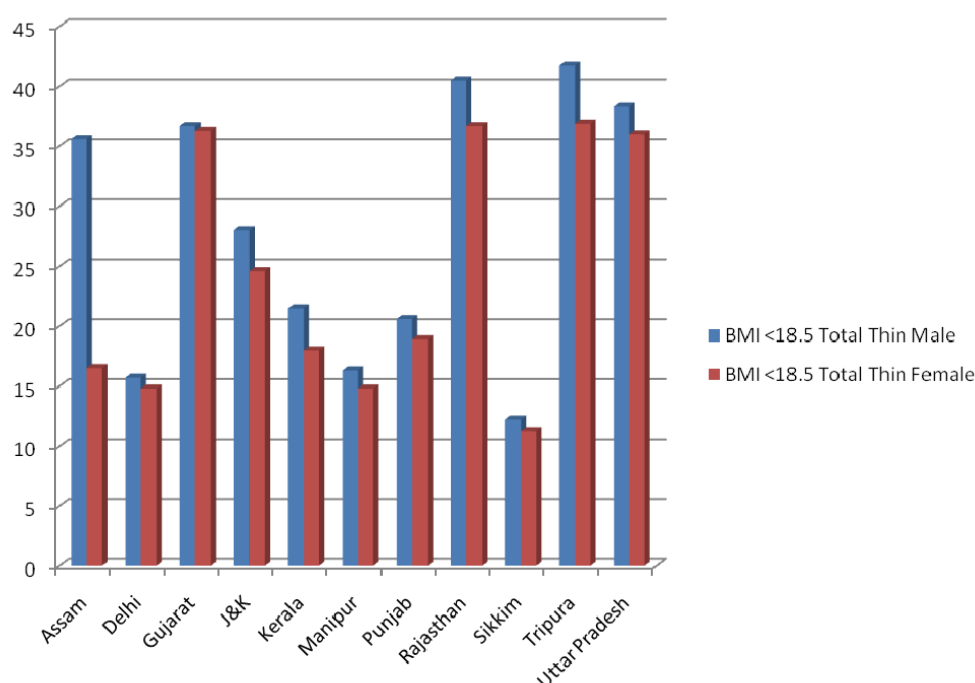
Table 4: Gender Disparities in Undernutrition in India

State	% Males with BMI <18.5	% Females with BMI <18.5
Andhra Pradesh	30.8	33.3
Arunachal Pradesh	15.2	16.4
Assam	35.6	16.5
Bihar	35.3	45.1
Chhattisgarh	38.5	43.4
Delhi	15.7	14.8
Goa	24.6	27.9
Gujarat	36.7	36.3
Haryana	30.9	31.3
Himachal Pradesh	29.7	29.9
J&K	28	24.6
Jharkhand	38.6	43
Karnataka	33.9	35.5
Kerala	21.5	18
Madhya Pradesh	41.6	41.7
Maharashtra	33.5	36.2
Manipur	16.3	14.8
Meghalaya	14.1	14.6
Mizoram	9.2	14.4
Nagaland	14.2	17.4
Orissa	35.7	41.4
Punjab	20.6	18.9
Rajasthan	40.5	36.7
Sikkim	12.2	11.2
Tamil Nadu	27.1	28.4
Tripura	41.7	36.9
Uttar Pradesh	38.3	36
Uttaranchal	28.4	30
West Bengal	35.2	39.1
India	34.2	35.6

Source: NFHS-3 (2005-06)

At country level, undernutrition prevalence among the male and female population in India varies by only 1.4 percentage points- the proportion of undernourished females being higher. At the sub-regional level, data for all 29 states (administrative divisions) of the country is tabulated in Table 4. Of the 29 states, 11 report higher levels of undernourishment among adult males. While the disparity in the prevalence of undernourished males and females is small in six of the seven states ranging between 1 to 5 per cent points, in the case of Assam, the disparity is extremely sharp with more than twice the proportion of males as compared to females, being undernourished (Fig. 6). In an additional four states, male and female prevalence of undernourishment is almost equal, thus dispelling the long held notion that women are severely disadvantaged in terms of nutritional status (Fig. 8).

Fig. 8: Indian States Reporting Higher Levels of Male Undernutrition



Male malnutrition levels appear to be higher in a group of North Eastern states- Assam, Manipur, Tripura and Sikkim, and a cluster of 3 states in the North- Jammu and Kashmir, Punjab and Delhi. Elsewhere no regional concentration is discernible.

V. Findings

The above analysis highlights the following points:

1. There is a strong positive correlation between the prevalence of undernutrition among men and women.
2. Despite this positive relationship, the intensity of prevalence among men and women differs across countries, and by extension, across regions at sub-global level and within countries at sub-national levels.
3. Over fifty per cent of low income and low middle income countries report higher levels of male undernutrition.
4. The disparity between the proportion of male and female population with BMIs below 18.5 can be as high as 4:1.
5. Ratios of male to female undernourishment levels reveal that 7 of 22 countries have higher M/F ratios and an additional 5 countries have ratios at equity, indicating that at the very least an equal focus on the nutrition of males and females is warranted in 12 of 22 countries.
6. High levels of both female and male undernutrition are recorded by only two countries- and not a single country records high female undernutrition coinciding with low levels of male undernutrition.
7. At the regional level:
 - a. Four of the five countries in South Asia record higher levels of male undernutrition, the exception being Sri Lanka, which has equal levels of undernourished population by gender.
 - b. In the case of East Asia and the Pacific, male undernutrition prevalence is much higher than

that of females, though in the case of Laos PDR, the difference is negligible. Within this region, Vietnam shows the highest disparity with the prevalence of male undernourishment exceeding female undernourishment by almost 11 percent points.

- c. In Latin America and the Caribbean, female undernourishment levels are higher than those of males in four of five countries, but the difference in the proportions of undernourished males and females is small. Only a single country-Guatemala records a higher prevalence of male undernutrition. In this case too, the difference is negligible, merely 0.5 per cent
- d. Sub-Saharan Africa which has the largest number of countries (16) with comparable statistics reveals a mixed picture. Six countries record higher proportions of undernourished males. In the case of Kenya and Zimbabwe, the incidence of male undernutrition is more than twice that of female levels, in the case of Mali, about four times. However, in countries where a larger proportion of females are undernourished, the difference between the sexes is not as sharp. Only Swaziland reports about twice the proportion of undernourished females as males.
- e. In Europe and Central Asia, both countries (Georgia and Ukraine) reveal a much higher incidence of female undernutrition at about 6 per cent compared to 1 per cent or lower among males. In the MENA region, however, Morocco reports a higher incidence of undernutrition among females, while in Tunisia the opposite prevails. However, disparities are small.

At the sub-national level, in India, of the 29 states, 11 report higher levels of undernourishment among adult males. While the disparity in the prevalence of undernourished males and females is small in six of the seven states ranging between 1 to 5 per cent points, in the case of Assam, the disparity is extremely sharp with more than twice the proportion of males as compared to females, being undernourished. In an additional four states, male and female prevalence of undernourishment is almost equal, thus dispelling the long held notion that women are severely disadvantaged in terms of nutritional status.

Conclusions

The foregoing analysis reinforces the hypothesis put forward in this paper that undernutrition among adult males is at least at par with female undernourishment levels, and in many parts of the world exceeds it. In fact, at the global level, current self reported statistics reveal a higher prevalence of undernourishment in adult males. In the light of these findings, it is evident that a review of existing nutrition interventions is warranted, both at country level and at sub-national levels within countries.

As contended earlier in the paper, the single focus on women and child nutrition, which may have been necessary in the past, now needs re-evaluation. The nutrition status of adult males requires urgent attention, if families are to pull themselves out of the grip of poverty and continue to sustain their efforts.

Policy implications would be:

1. A focus on family based nutrition interventions in most low income and lower middle income countries (26 countries).
2. A special focus on male malnutrition in six countries where male malnutrition levels are significantly higher than female levels.
3. A continued focus on women in two countries, where female undernutrition levels exceed that of males-India and Vietnam.

In this context, the following strategies could be incorporated into existing nutrition interventions:

1. Identify areas with high prevalence of male malnutrition.

2. Broaden safety nets in these areas to cover the adult male population.
3. Ensure that there are provisions at community level to identify undernourished households.
4. Provide simple height-weight checkups for all at primary healthcare centers and provide access to both men and women.
5. Ensure that nutrition supplements/micro-nutrients are available to undernourished adult males.

It is suggested that such simple refocusing of existing strategies and funding may provide the impetus required to achieve the Millennium Development Goals of halving hunger and poverty by 2015.

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SOCIAL CAPITAL APPROACH IN STRUGGLING WITH POVERTY*



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Abstract

Social capital is a concept which ensures the success of joint actions of individuals. It is considered that increasing levels of social capital can lead to positive economic consequences. These consequences are increasing wealth, power and life satisfaction for individuals in micro economic respect and reduction in transaction costs and uncertainty, increasing competitiveness in macro economic respect.

The role of social capital in the process of poverty reduction is an important research topic. The investigation of relationship between state of elements of social capital and level of welfare, ensures having information about the role of social capital in the process of struggling with poverty.

This paper aims to explain the concept of social capital, to analyze the role of social capital in the process of struggling with poverty, to investigate the state of countries in the context of social capital and socio-economic development.

Key Words: Social capital, poverty, socio-economic development

JEL Codes: A13, I32, R58

Introduction

While it was considered during past years that income and tangible values or experience, education, skills and knowledge of individuals were having value of capital, today view regarding consideration of relations and connections of individuals and institutions as capital is accepted widely (Eşki Uğuz, 2010). Therefore, social capital concept highlighted in economy literature drew attention of people on the role of individuals' relation in economical process. Another support regarding social capital related developments is provided by World Bank having a voice in world economy. In this case, view of World Bank regarding utilization of social capital during struggling

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with poverty had significant impact. Role of social capital in economical progress gained much more importance in economy literature.

Social capital concept consists of certain issues which are utilized during representation of social capital. Reliability being one of these issues is the most significant issue during measurement and monitoring of social capital. Because reliability creates point of exit for other issues of social capital and has an essential place within practice of economical progress. In fact, human relations are based on reliability and impacts establishment and continuity of relations. Accordingly, it is accepted that reliability can be used as an indicator of social capital.

This study aims to analyze communal reliability levels obtained as a result of questionnaires performed in certain world countries by Survey of World Values and relation between per capita income levels, as well as development of an approach regarding utilization of social capital in increase of social wealth and struggling against poverty. Accordingly, role of social capital within strategies of World Bank while struggling with poverty is identified. In this scope, proposals about usage of social capital while struggling with poverty are highlighted.

SOCIAL CAPITAL

Basically, social capital concept defines all sources existing in social relations and obtained from these relations. Therefore, it is commented that social capital is not included in different analysis levels such as individual, team, organization, community, society, but exists within relations established between these actors and others. Such a productive source providing the opportunity to reach certain sources that are impossible to be obtained even if it does not exist highlights that effort and time should be allocated for management of social capital. These features stated for social capital lead evaluation of the concept as a kind of capital (Özdemir, 2009).

Traces of social capital concept can be analyzed within way of thinking of 19th century thinkers, such as Tocqueville, Durkheim, Tönnies, Marx, Simmel and Weber; however the concept gained popularity in recent years, but as of beginning of 20th century it has been developed by different disciplines and people. During development of the concept, contributions of the educator named L. J. Hanifan in 1916, the sociologists named J. Seeley, A. Sim and E. Loosely in 1956, the urban expert named J. Jacobs in 1961, G. Loury, the economist in 1977, the sociologist P. Bourdieu in 1980, the economist E. Schlicht in 1984 and the sociologist named J. Coleman in 1988 draw attention. It should also be stated that R. Putnam achieving to gain the concept validity in many different areas has significant contributions in addition to Bourdieu and Coleman (Eşki Uğuz, 2010; Özdemir, 2007).

In particular, view regarding increase of social capital in relation with each member of the community came to the forefront as of 1995 when Fukuyama considered the concept at nation level after Bourdieu, Coleman and Putnam. Fukuyama explains problem solving approach by social capital by creating horizontal lines being formed by civil community and thinks that civil society gathers benefits to be obtained by people (Özdemir, 2009).

Wide scope represented by the social capital has an unlimited research area including economical and communal development, family and youth problems, education and educational facilities, communal life, working life and organization, democracy and governance, collective actions, community, ethical values and spiritual assets (Eşki Uğuz, 2010). Common conclusion of many studies applied regarding different disciplines of social capital concept is non-acceptance of reliability, norms and communication networks as items of the concept (Meçik, 2010). These issues are sources providing formation, development of and mutual interaction within social capital and also facts arisen as a result of social capital formed. However, it is also highlighted that interaction between these issues should not be eliminated when the concept is divided into its components (Öğüt & Erbil, 2009).

In general, reliability representing one of the items of social capital is the issue highlighted mostly. As defined by A. Giddens, reliability is persuasiveness of a person or a system. According to famous saying of E. Durkheim stating "everything in a contract is not stated within the con-

tract", reliability can be defined as a roof under which preconditions regarding senses and feelings of an individual emerge. Therefore, it is impossible to establish cooperation, communication and commercial relations without reliability. Hence, reliability can be defined as one of the basic human values known, utilized, brought into existence and protected by individuals of a community (Karadoğan Doruk, 2009). In parallel, reliability in economical area affects increase in intensity of production and commercial relations, as well as quality. In this scope, reliability can be stated as the most valuable product within the markets (Kara, 2010).

Reliability as a precondition of welfare is stated by F. Fukuyama and highlights that people not recognizing each other in modern communities have the possibility to cooperate in relation with traditional, social and ethical habits. Similarly, K. Arrow defines reliability as a significant fluid of communal system and a pragmatic value. Therefore, reliability and similar values can be indicated as a sample of externalities. In fact, creation, protection and sustaining a continuous communal life is possible by establishment of systems benefitting from contracts, rules and sanctions and all of them creates high costs against the community. On this point, it may be commented that reliability establishes voluntary cooperation among the individuals and its establishment of cooperation within the community is valuable (Karadoğan Doruk, 2009). In particular, reliability within the community in general sense is accepted as main indicator of social capital as it functions as a social network providing various social interaction types and cooperation (Stolle, 1998).

E. Lorenz (1999) states within his evaluations regarding role of reliability in economy the reason for attribution of less importance to social networks such as reliability, sincere, loyalty as complete rationality assumption being one of the important assumptions of economical theory and providing the opportunity to eliminate overall uncertainties without any cost for the economical units. Therefore, as stated by Lorenz, functioning of mechanism within economical theory does not realize within an environment where reliability does not exist and uncertainties are in question. As a result, establishment and utilization of reliability in functioning of economical mechanism exhibits that explanation of economical units and their commitments are essential items in success of the market (Sen, 1999). F. Roth (2007) states that reliability affects economy in three channels first of which has impacts in decreasing transaction cost, whereas second one has direct impact on growth by providing common movement of economical actors in problem solving and the last one is less original-proxy problem in communities where reliability level is higher. However, as it can be accepted, main significant side of reliability in economy is achieving decrease in transaction costs and facilitating common movements, as well as creation of conditions required for existence of transactions.

Representing another item of social capital, communication networks are structures created by relations among individuals, groups formed by individuals, units, organizations or organization groups and different composition of these relations and it provides flow of aim oriented information between actors creating the network. This information transfer increases effectiveness within the network which provides more sensation about business opportunities and other economical opportunities and decreases asymmetrical information. In addition, networks play significant role in formation and continuity of social capital, as well as strengthening of networks by means of reliability emerging by time as it covers cause and effect relation in terms of social capital (Öğüt & Erbil, 2009).

As another item of social capital, norms are defined as unwritten values explaining which behaviors and attitudes of individuals living in a community are acceptable or unacceptable. Adoption and acceptance of norms by individuals results with conversion of them to dynamic pressure means and representation of social pressure characteristics. On this point, direction of pressure highlighting its existence on norms and which aims are served by this pressure shall be important (Öğüt & Erbil, 2009).

It is accepted that existence of social capital within a group or society affects economical developments to be summarized as level of welfare. Therefore, relations between social capital and poverty being one of the economical and social problems to be faced by the community can be analyzed by taking level of communal welfare into consideration.

POVERTY

Poverty in general sense means that individuals within a community do not have adequate level of and regular income to meet their basic needs. However, as it is difficult to find common, solid and objective criteria being valid for each individual in every period and community, level of income being adequate to meet requirements differs. Therefore, it is possible to evaluate the term poverty with absolute poverty term defining adequate level of income meeting basic requirements of individuals such as eating, sheltering and clothing, as well as relative poverty term defining that level of income owned by individuals may provide the opportunity to sustain a life above hunger limit, but may be inadequate when compared to life standards of other individuals living in same community (Altan, 2004).

Poverty problem arises due to socio-economical conditions of a country. In this context, relations are established between poverty and income distribution structure, regional income inequalities, gender, education and certain demographical issues. In addition, it is stated that macro economical policies applied in a country have impacts on poverty due to distribution of income (Dansuk, 1997). It may also be commented that poverty is relevant with working life, education, health and basic infrastructure services and even special political and cultural conditions. On this point, non governmental organizations have essential role while fighting against poverty (Buğra, 2007).

Increase of communal welfare and realization of economical development shall bring required dynamism to the economy. In this direction, improvement of general economical conditions of countries, such as per capita income level, shall provide positive results while fighting against the poverty. Therefore, current status of reliability being representative of social capital which has impacts on per capita income level of world countries and formation of socio-economical conditions in a country is analyzed.

LEVEL OF RELIABILITY AND INCOME IN WORLD COUNTRIES

Date in Table 1 indicating level of reliability and per capita income in certain countries represents general reliability level in accordance with countries. This data is obtained by asking the question "do you believe that people in general sense are reliable or should you be careful in your relations with people?" being one of the popular question of social capital related researches. The reason to accept reliability as basic indicators within research methods performed for measurement of social capital is due to the difficulty in measurement of other concepts. In this direction, measurements regarding social capital owned by a certain group or community can only be established by accurate measurement of reliability (Öğüt & Erbil, 2009).

Research of World Values whose data are utilized in this study to represent reliability and social capital is a study aiming to measure existence and dimension of social capital, renewed in every five years and covering developing countries. Among multi dimensional data included within the research, responds given to the reliability related questions are analyzed as a result of which reliability level of countries is ordered. It can be concluded that communities having high level of reliability have stronger social capital structure and savings in theoretical framework created in this scope (Kara, 2010).

Countries indicated in Table 1 are ordered from highest to lowest level of reliability. When these countries are analyzed in general, countries having developed economies are available and per capita income level of these countries has higher values when compared to others. Countries placed on lower levels are developing and underdeveloped countries and their per capita income level is lower than that of countries representing higher level of reliability. Accordingly, it can be commented that relation between social capital and level of welfare can be observed from this table, except for certain exceptions. One of these exceptions is low level of reliability in France having developed economy and high per capita income level.

Increase in per capita income level of countries indicate communal welfare and is evaluated as positive improvement in struggling against poverty. However, in order to achieve decrease

in poverty, income distribution of a community should have a fair structure, because inequality in income distribution shall increase poverty and cause deterioration in the community. In particular, high level of problems in income distribution causes increase in level of deterioration in accordance with studies within which causality relation between inequality and deterioration is tested (Bakırtaş, 2007).

Particularly, text of Kuznets published in 1963 states that income distribution at level of households is more unstable in developing countries when compared to developed countries and income obtained from agriculture sector represent more stable distribution in all developed and developing countries, whereas income distribution in other sectors out of agriculture is more inconsistent in developing countries and inequality in income distribution of developed countries constricts together with increase on income level of lower income groups and economical development (Dağdemir, 1998); therefore, it can be commented that sustainability in economical development of countries shall impact income distribution positively and shall create one of the conditions regarding decrease of poverty.

Table 1: Level of Reliability and Per Capita Income in Selected Countries (2006)

No	Country	Most of the people are reliable (%)	Per Capita Income (\$)*
1	Norway	74,20	49.756,16
2	Sweden	68,00	35.076,32
3	Finland	58,90	32.679,79
4	Switzerland	53,90	39.115,67
5	China	52,30	4.659,15
6	Australia	46,10	35.313,72
7	Holland	45,00	37.329,68
8	Canada	42,80	36.953,88
9	Hong Kong	41,10	38.876,58
10	USA	39,30	44.822,96
11	Japan	39,10	31.942,64
12	Germany	36,80	32.513,04
13	England	30,50	33.877,58
14	Italy	29,20	29.455,52
15	Uruguay	28,40	10.416,02
16	South Korea	28,20	24.662,13
17	Ukraine	27,50	6.271,22
18	Russia	26,20	13.220,18
19	Taiwan	24,20	28.887,62
20	India	23,30	2.329,43
21	Bulgaria	22,20	10.321,77
22	Romania	20,30	10.471,42
23	Spain	20,00	29.059,62
24	Poland	19,00	14.895,53
25	France	18,80	32.091,10
26	Slovenia	18,10	25.464,61
27	Argentina	17,60	12.058,14
28	Mexico	15,60	13.414,00
29	Serbia	15,30	9.092,70
30	Colombia	14,50	7.899,77
31	Iran	10,60	9.841,46
32	Brazil	9,40	9.166,30
33	Peru	6,30	7.093,36
34	Turkey	4,90	12.106,67
35	Ruanda	4,90	942,19

Source: <http://www.wvsevsdb.com/wvs/WVSanalyzeQuestion.jsp> Date of Access: 15.08.2010.

<http://www.imf.org/external/pubs/ft/weo/2010/01/weodata/weorept.aspx> Date of Access: 15.08.2010.

*Per capita gross domestic product figures in accordance with purchasing power parity (\$) (IMF)

When studies included within literature are analyzed, it is observed that Knack and Keefer (1997) social capital has meaningful impact on economical development on the basis of reliability and common actions in the community. In addition, findings indicate that decrease in income inequalities is in question in developing countries. In this scope, policies regarding establishment of social capital knowledge play a new role during development process.

In another study performed, Dincer and Uslaner (2007) state that conflicting results obtained regarding relation between reliability and economical development are based on differences between regions and countries where analysis are performed, whereas they also state on the basis of their analysis based on USA data 10% increase in reliability leads to 0,5% increase in per capita income level and 2,5% increase in employment. Therefore, results obtained from practical studies indicate that social capital has positive impact on macro economical indicators.

After evaluation of current data in certain countries, approaches regarding utilization of relation between reliability and per capita income or communal welfare indirectly during struggling against poverty process are analyzed.

ROLE OF RELIABILITY IN STRUGGLING WITH POVERTY

It is stated that reliability highlighted mostly during representation and measurement of social capital has significant role during struggling with poverty process. The fact that development of a country cannot be attributed to economical values solely has been considered as an essential issue by World Bank experts in terms of global economical development. In addition, it is supported that establishment of mutual reliability and cooperation between individuals of a community contributes to the economical development of a country at least as economical values and in addition to economical development realized in the context of social capital, it shall be possible to eliminate social problems. Therefore, increase in social capital knowledge of a community has significant potential in elimination of economical and social problems such as unemployment, poverty, social exclusion (Şenkal, 2005).

Idea regarding utilization of social capital as a political means is supported by OECD (Organization for Economical Cooperation and Development) and development highlighted within evaluations realized during shaping of sustainable development policies by the World Bank in 1990s and performed by the group is also applied during participation of the group to the decision taking mechanism, establishment of local organizational capacity and mitigation of poverty program emphasizing selection of projects that can meet local demand (Field, 2008). Interpretation of social capital in line with Putnam's ideas and its consideration as a basic item of social and economical development both at macro and micro level by the World Bank play a significant role in this issue. By this way, social capital became a means utilized in development programs of World Bank. In order to decrease poverty, ethnic relations and traditional relations between family members, neighbors, close friends should be improved as a result of which it is anticipated that poverty shall be decreased thanks to social capital created accordingly. External support planned by the World Bank during development of social capital only shapes the context and the climate within which non-governmental organs shall process by means of civil institutions (Eşki Uğuz, 2010).

Struggling with poverty strategy of World Bank is considered in three sections within 2000/2001 World Development Report. These are increase of opportunities for poor people, strengthening poor people and increasing reliability of poor people. Representing second part of these strategies, strengthening of poor people aims to establish cooperation between non-governmental organizations. This prediction covers participation of poor people to local and national decision taking mechanisms and attaches roles for non-governmental organizations. Term of strengthening covers side concepts such as "making capable" and "capacity building" and it is designed to include poor people in "productive facility" (such as trading, production or service). By this way World Bank excludes poor people from being receiver of development assistances as a basic issue

of sustainable development and includes them within development projects. Changing role of poor people highlights radical change in development paradigm (Zabacı, 2009).

In particular, exclusion of poor people from social networks where significant information can be obtained about economical opportunities causes missing out of opportunities that can create positive improvements in their life and continuity of their poor life. In addition, lack of connection between poor people and those having economical and political effect causes decrease in marketing power regarding utilization of resources (Tisdell, 2009).

Consideration of social capital concept by different disciplines indicates that social capital has impacts on many different areas such as social, economical and political arenas. Study performed by Grootaert and Bastelaer (2002) shows that social capital affects completion of services both in rural and urban areas, improves management of public benefit, assists improvement of education, prevents conflictions and even, compensates missing points of the state (Öğüt & Erbil, 2009). Social capital shall also increase harmony between individuals and the community, communal values and legal system as a result of which rate of crimes, as well as radical movements shall decrease and high communal costs shall be prevented (Çalışkan & Meçik, 2010).

In study of E. Parts highlighting relation of poverty problem with income distribution and social integrity, importance of market access provision for poor people in terms of long-term economical development is stated and social capital is explained as playing a role in inclusion of these people to the system and provision of effective resource distribution (transferring from 2004, Öğüt & Erbil, 2009). If reliability is considered as an issue representing social capital, it is stated that dissemination of reliability shall contribute to health processing and development of economy as well as facilities continuity of mutual economical relations in the market by affecting success of economic policies (Oğuz, 2006).

Conclusion

Social capital is explained as a value sourcing from relations between individuals. In this definition, harmony between features of the concept and definition of capital plays a role. Idea regarding increase of social capital of a community in relation with each member of a society provides elimination of problems by horizontal links organized through the civil society by means of social capital and results obtained accordingly by individuals shall be consolidated. On the basis of wide scope of social capital, this concept can be defined by different items; however, it is accepted that reliability, norms and communication networks are basic items of social capital. Reliability issues emerging with its economical dimension decreases transaction costs and provides common movements, as well as provides creation of conditions required for existence of economical transactions. Due to utilization of reliability concept in many studies to represent social capital, it is anticipated that poverty problem being one of the basic economical and social problems of the community may be mitigated by increasing reliability level of a community. This struggling is based on gain of dynamism to the economy by means of increase of communal welfare and realization of economical development.

If relation between general reliability level of a community and economical conditions is analyzed with respect to the level of reliability and per capita income level in certain world countries, it can be seen that per capita income level increases relatively in countries where level of reliability is higher. Accordingly, countries having highest level of reliability are developed countries, such as Norway, Sweden, Finland and Switzerland, whereas Iran, Brazil, Peru, Turkey and Ruanda come at the end of the ordering. Reliability level of these countries is lower than other countries in addition to which their per capita income level accompanies lower level of reliability. However, per capita income level of Turkey does not represent linear structure like other countries. This different case in Turkey causes questioning of reliability level utilized during representation of social capital, as well as relations between reliability and economical conditions. Studies included within the literature show that results obtained about social capital and economical development

can be benefitted during struggling with poverty process. In this direction, it can be commented that the situation analyzed emerges due to other features out of economical and social conditions of countries.

When it is considered that development of a country cannot only be attributed to economical variables during provision of global economical development according to the approach of World Bank experts, it should be stated that formation of reliability and cooperation in a community shall contribute to the economical development of a country like economical values and shall be significant potential in dissolution of economical and social problems such as unemployment, poverty, social exclusion. Therefore, struggling with poverty strategy of World Bank aims to strengthen poor people and participation to local and national decision-taking mechanisms by means of non-governmental organizations and develops an approach that includes poor people within "productive efficiency". In this context, it is anticipated that inclusion of social capital approach during identification of struggling with poverty strategies shall bring society based value in economical processing as a result of which economical efficiency shall be increased.

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POVERTY AN OBSTACLE BEFORE SOCIAL AND DEMOCRATIC PARTICIPATION OF THE INDIVIDUAL*



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Abstract

In this presentation, the relation between poverty and democracy, the most popular political form in our area, is examined. In this sense, the relation between democracy and poverty is supposed to be multidimensional and the relation is going to be mainly based on 'participation' that is one of the leading concepts in democratic theory. Though poverty stems from economic realm, it becomes socially, psychologically, legally and politically anomie or exclusion in due course. In this sense, poverty is one of the challengers against democracy but, ironically, democracy is also considered as an instrument for solving the problem of poverty. In this presentation, both of the aspects will take place and the relation between democracy and poverty will be discussed both with respect to the problem and the solution.

Key Words: Poverty and democracy, participation, participatory democracy, exclusion

Introduction

Poverty has been experienced in various ranges of all ages of humanity. But we could say that the structure and perception of poverty nowadays as a universal awareness is different from the previous periods. The most important point of such awareness is the consideration of poverty as 'a governance issue that can be solved and needs to be solved'. At least, this awareness is in correlation with the change of perception towards the question asking what the source of the government is. However, poverty was not considered to be a governance issue but a rather faith in governance that was based on a traditional ancestor regime or related with a celestial in the previous ages when emperorship was seen. Doubtlessly, there had been sultans and emperors that had taken the issue of poverty as a concept related with governance and that was necessary to be solved. There is a necessity of certain data to provide comparison for the subject and actually constitutes a different field of research. Such a research can also be handled as studying on

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the different ways of experiencing poverty in life with more general means of handling the topic related to the fact it's being a governance issue. We are not going to give place for a historical comparison in this study but we will try to handle it as a governance and power. The change of perception was realized after the governance started with the change of the concept about the source of the government with the French Revolution and the age of enlightenment. With the acceptance of 'public' as the source of power of government by human, all social issues have begun to be perceived and accepted as governance issues.

There are many ranges of governance that do not or in fact cannot define that the power is based on society. The most popular of these is without doubt the types of democracy that show difference and variety within itself as well. Democracy is rather considered as a system of values than being considered as a structure of governing. Here in this study, we will not discuss or describe theoretically what democracy is and will assume that there exists a wide spread information about the topic. The most determining fact about the democracies applied nowadays is that it is based on human rights as a group of values. These base lines show more references to liberal values as a result of all the obtained acquirements through the history of humanity. Democracy is, therefore, the most discussed fact nowadays due to all these claim and conclusions. The most specific feature that makes it the most discussed is due to the reality of it taking responsibility of all the demands related to human rights and freedom through the whole of history. It is for sure that the most of important of the rights is the right to live at best as human. So, it would not be wrong to define democracy as governance that promises the right to live the best like human. In present days, the major issue that obstructs the right to live at best is the issue of poverty. Here at this point, democracy and poverty meet at a fundamental discussion base.

WHAT IS DEMOCRACY GOOD FOR?

Democracy experiences its most depressive days at a period it is wide spread. Today, the governments, which are not democratic, represent minority. Most of the countries have somehow adopted kind of democracy. It is matter in hand the crisis of democracy experienced in the 80's after the short success and relief the welfare states have experienced after the Second World War. This crisis reveals to back up from the ideal of democratic governments even at the USA and the UK where considered to be the home of democracy. The world homes of democracy, applying vandalism and having adopted a way of occupancy by alleging the threat of terror coming from the poor world has confused the minds of those who had belief in democracy. This situation has lost trust of the political systems of people who were in expectations of hope from democracy whilst the lost of trust towards democracy cleared the way to the totalitarian system. The main points which weakened democracies were the facts of poverty surrounding the world, the disparity of opportunities seen in education, the unfair distribution of income and the issue of terror that came along avoiding freedom. These were the issue put forward by democracy which seemed as the solution to everything. The point that threatened against democracy was actually an issue that democracy had to come over with, which was the same point. Democracy seems to have spread around the world and has strongly settled as in means of quantities. However, this is misleading and democracy is strong in means of quantity but is weak in performance and is not safe, in means of qualifications. Thus, the United Nations have initially aimed to 'remove over poverty and hunger' in the first row of the Millennium Development Goals at the summit meeting applied in September, 2000 (United Nations Millennium Development Goals).

So, at such point we have come to reach a practical question related with democracy: 'What is democracy good for?' It is possible to answer this question with a variety of descriptions defining democracy. These answers are the answers of the question related to what democracy is at the same time. For instance, a point of view which considers democracy as the source of power, it can be said that democracy is the society taking their own decisions via their own participation. Such description actually describes the direct democracy as in Athens or to the free voting at present and sometimes to the systems of election based on referendums, namely representative democracy. With such definition, democracy is described with the technical process of taking decisions which is the process of taking decisions democratically. From another point of view, democracy is for the sake of human rights and freedom. By these means, democracy is more than a techni-

cal process and is a system of values (Sartori, 1996: 11) who held the discussion in wide scopes, has mentioned about three different perceptions related to democracy. The first was **political democracy** which limited itself with political and legal equity. The second was the **social democracy** which generally focused on the equity of social status. Finally, the third was **economic democracy** which aimed to provide equal income. All the three democracies aimed to provide political and legal equity, social status equity and income equity. All three of the aims are in fact independent and those that cannot be given priority and cannot be degraded from one and another. They are actually the common ideals of humanity and democracy.

The question about 'What is democracy good for?' has been issued by Ringen, who has taken the subject in hand and titled his book with this question, has taken the three of the ideals together and has approached the subject from a different point of view. According to Ringen (2008:21) democracy has many theoretical meanings but that it, in the real world, is a way of governing with ranging aspects. The matter that constitutes the ranges is the measure of democracy. This means that democracy takes action in accordance with the democratic criterions, which separates democracy from the other governances. What is the final objective of the governance processes of democracy? What is it that makes it governed well? The answer to this question is 'well-being', which is the will of living a good life (Ringen, 2008: 22). Human, practically wills for well-being from the government. Well-being is related with the will to live well and be able to choose what is good for him. This means the final moral objective of democracy is an individual being able to choose what is best for him and to continue living the life he chose and the creation of facilities in order for him to find the chance to develop its own potentialities. All such moral aspects are related with the principle of democracy in means of freedom. As a result, democracy is for freedom. However, Ringen here separates freedom (responsibilities) and unconstraint (freedom with no responsibilities) with a border line.

Freedom is the main aspect of liberal vision. However, it can be clearly understood from the scales of poverty that this vision is in tend to transform itself into a freedom that clears away the rocks to capitals and gets stronger day by day. The critics get stuck at this point. The liberal vision which lies in the principal of freedom in democracy has reduced democracy in a manner of remaining as a bureau of the capitalist system capitals and has managed to take control of it in order to meet its unlimited aim of profit. The misuse of the democracy unfortunately has taken the world to the edge of global poverty, covetousness on behalf of freedom, the deconstruction of the environment and racism which is based on cultural hostilities. It is injustice that lies beneath these entire awesome shares. The benchmarks of poverty have lead democracy to be re-investigated and to find new ways out of the situation. These investigations have pointed out solutions for democracy again within the democracy itself. We can say that it has constituted a rich variety of literature. The investigation subjected is due to poverty and all other issue that came along with it such as the violation of human rights and environmental problems. This subject will be reconsidered in the study.

WHAT ARE THE MEASURES OF A GOOD DEMOCRACY?

In Ringen's study, before answering what democracy is, he previously draws attention to the new investigation and emphasizes that the issues are related with the practices of the governance and its operative features and thus, proposes wide scoped reforms. He expresses that his own project provides a new scope to the concept of **economic democracy** (Ringen, 2008: 19).

The principle of political democracy shall not be the only measure for good governance or a good democracy. We shall take a look at what the political systems have produced so far and what they have provided for their society rather than considering how they operate in democratic means. We have to constitute practical references for the subject. For instance, does poverty as one of the most important issue of the world exist as a reference among the measure criterions related to democracy? It is not possible to answer this question with a positive sense with the current measures taken for democracy. The criterion measures of a democracy is the change of power through election, the power of law, the division of powers, the guarantee of freedom, equity, participation and abstract evaluations such as vertically and horizontally given expressions.

These, with no doubt, include all the important and inevitable values of democracy. However, what is important is in which situation the performance is. Appreciation and respect is what is expected from democracy and is already obliged in democracy- it is what it is provided and what is done for its society. The procedures and institutions operating well constitute the varieties of democracy which is related with the structure of decision making qualifications such as **direct democracy, consulting democracy, dialogic democracy and the participating democracy**. However, we need concrete indicators to practically show us what has come up related with the conclusion. Ringen has constituted concrete indicators which involve the factors of this subject. Poverty is the most important of these indicators and units of measures. The HDR which was prepared by the United Nations development program is used. In this way, the economic potentiality and thus the unequal income distribution and the levels of poverty can be measured by comparison. There are two factors here that are measured. The first is the regime itself, which is democracy and the second is the society which is affected by it. Thus, there are four measure criteria such as **power, capacity, security and confidence**, two for the regime and two for the society. Ringen (2008: 72) has transformed these criteria into indicators with two factors which enable us to observe concrete data. This means that we can observe the data obtained from the criteria with two factored indicators each that constitute eight tables in the whole. The data are marked with a 0 or 1 point for each indicator. It is as shown below:

There are two main criteria that measure **the regime: Power and Capacity**

1- There are two indicators which measure the **power** of democratic institutions: **Substantiality and The Press**

a) **Substantiality** according to the date general vote had settled: 1 point if it is before 1940 and 0 if it is after the date

b) The **power** of an independent **press**: Freedom House data are used for this subject.

2- There are two indicators that measure the **capacity** of the decision making process: **The functionality of Governance and Economic Abusiveness**

a) **The functionality of Governance**: The power of making decisions and the power of applying the decisions by the government. The data obtained from the World Bank is used for the subject.

b) **The power of Economy** used in political means: The marks of the countries in the World Bank bribery indexes and the perceptivity of abusiveness obtained from TI are used in the subject.

There are two criteria that measures the life styles of the **society: Security and Confidence**

3- The **security** of the societies' sources of freedom: **The Income Poverty and Health Services**

a) **The rate of income poverty**: For the subject, the data obtained from UNICEF for children's poverty in rich countries and the United Nations HDR were benefitted from for even richer countries.

b) **The Security of Health Services**: The position of health costs in the public expenses. The data obtained from the HDR was used.

4- **Confidence** in Democracy and Freedom: **The confidence** felt by the society towards the **government and their own freedom**

a) **Confidence in the Government**: The data related with the 'parliament' and 'confidence in social services' were obtained from the Research of the World Values and the Research of the European Values.

b) **Freedom and Confidence in Life**: The data related with the 'freedom of choices' and 'confidence felt for people' were obtained from the Research of the World Values and the Research of the European Values.

Ringen has achieved to state 25 leading democracies situation via marking the data in a table with the eight indicators obtained from the main 4 criteria. Countries have been marked with 1 point for every indicator which was above average and 0 for each indicator that were below average. This was applied to all eight indicators. thus, whilst entering the 21st century, 25 of the leading democracies in the world were marked with points ranging between 8 and 0. According to the measurements applied, whilst only Sweden and Norway managed to achieve complete marks from the indicators, Italy, Mexico, India and South Africa had zero points. However, the super power of the world, the USA represents its democracy with the two points gathered from press and the functionality of the government. As for France and England, where considered to be two of the founder countries of democracy, had only managed to receive 3 points each from the measurements. The table has compared the democracies with other democracies. Related with our subject, the countries which have received good points from the poverty indicator were England, France, Sweden, Iceland and Norway, with a total of only six countries. Therefore, it is possible to consider that 19 countries out of the 25 had poor indicators related to poverty. When compared with the other indicators used in the study, the indicator related with poverty had the lowest points after the indicator relating to confidence felt for freedom. However, the low confidence seen in the study can also be considered to be a negative reflection due to poverty. This situation, of course, means that the countries in the rest of the world that were not involved in the study had worse circumstances. When having considered the table for Turkey, it is only possible to compare the country with Spain, which partially shows similarity especially in means of its population and the fields of economy and democracy throughout its historical process except for the factor of being a member of the USA. Spain has only achieved to receive two points from the criteria related with the freedom in press and the functionality of the government. It can be clearly understood why Turkey has not been able to take place in the table when considered its situation of its search for a democracy in behind the discussions of the pulse.

A SEARCH FOR A NEW DEMOCRACY AGAINST POVERTY

Whilst entering the century where democracy is at a position most discussed and criticized, there are new suggestions proposed for democracy. The main mentality in these proposals gets stuck to the point where political and institutional developments have been provided but not have been quite successful in practicality. According to this point of view, political democracy has announced its victory to all the other structures of governance in the 20th century. However, the inequity in the distribution of incomes and the failure experienced economically such as poverty requires reconsidering the system of democracy. Therefore, the situation in politics as well, threatens democracy and weakens it, too. We can summarize some of the proposals made for the democracies with such mentality as below:

Bowles and Gintis's **Post-liberal democracy** theories have come about based on the critics over capitalism and Marxism. It has enabled us to reach to the construction of a radical democracy theory which involves the traditional acquirements as 'a new democratic economic plan.' According to the authors, neither Liberal nor the Marxist traditions have sufficient democratic theories within them. Democracy is a tool for both of them rather being an objective. Whilst liberalism focuses on freedom Marxism gives priority to a society without classes (Bowles & Gintis, 1996: 56). Capitalism, which causes for some amount of capital to be gathered in an only company, is the biggest obstacle in front of democracy. The duty and responsibility of the left-wing against capitalism- not Marxism- is to make accept the fact of the right to live with a standard of subsistence acceptable to everyone. The dominance of a society cannot develop where poverty exists. To deprive people from the matters of subsistence means to take their freedom away (Bowles & Gintis, 1996: 313).

The theory named as '**powerful democracy**' named by Barber, is based on the development by all means of its only subject 'citizen'. It criticizes liberal democracy as 'weak democracy' due to its lack of view towards the future. People supporting liberalism are offensive, greedy, hedonist and alone. According to Barber, it is nonsense dream to wait for democracy to realize an economic revolution for the whites as well as the black, for the rich as well as the poor or to wait for propriety to be removed so that the poor can also be considered as a citizen. The only solution to poverty

and the inequity it causes is to provide development for the poor considered as citizens (Barber, 1995: 17).

Hahnel has developed the idea about **economic democracy** in his book titled 'Economic Justice and Democracy'. The starting point of the author was the point we have reached currently as the rise seen in the inequity of propriety and income among countries. In the 1980 and 90's, inequity has risen strikingly and the gap between the rich and poor countries have grown incredibly wide. (Hahnel, 2006: 29). This situation calls us to reconsider democracy. What is the reason of such a poverty with such propriety and wealth existing? This specific question the author has asked has lead to the critics of capitalism which is based on 'economic freedom'. He, by criticizing real socialism, social democracy and liberter socialism that stands before capitalism, then proposes a participating 'economic democracy' based on cooperation instead of politics based on competitions.

The search for new democracies, of which some brief examples presented above, have a common starting point such as the inequity seen in the distribution of income, poverty and other related issues that simply come along. One other common point of the democracies is that the solution to be brought ranging in a wide scope from Liberalism to Marxism, is once again proposing suggestions existing within democracy itself.

CONSIDERING POVERTY AND PARTICIPATORY DEMOCRACY AS A SOLUTION

Besides the objective and subjective definition brought to poverty, the concept of deficiency has presented an important point of view for the subject to be comprehensible. The definition of poverty in the "**UNDP Poverty of Humanity**" approach has provided wider criteria (Coşkun&Tireli, 2008: 28). The reason for this is due to the fact that poverty has reached and has come about as a concept that begins in economic means but to transfer into a social, cultural, psychological, legal and political exclusion from day to day. Exclusion, in politics means non-participation by any means. However, democracy is defined as 'participatory democracy' rather than representative democracy. The genre that constituted the democracies at the beginning of the century was the fact that they were only based on elections as 'representative democracy' in means of participation. Though, almost still remaining the same, democracy has been transforming into a type more as of an intervening and determining structure by providing its citizens to be more aware and conscious of the rights they possess. Citizens were more in a passive position who only had the right to vote in representative democracy. Through time, political oligarchic sources that manipulate the systems of election technically have caused its citizens to be excluded in many means. The reason of such exclusion was the unfair distribution of sources and the increase in poverty with a small capital class possessing dominance over politics. Poverty has brought along the exclusion of people from the most fundamental needs such as shelter, health and educational services. The newly spread democracies in our era are candidates that aim to cover the gaps of the exclusive situation by providing citizens to participate in the system. Due to the fact the participating democracies are constructing themselves based on the fundamental rights of citizens also means that both political power and economic power will be fairly re-distributed. Thus, participating democracies will have an important positive role in the solution brought to poverty. The point of view for poverty will also change at such a point. We have reached a point here now believing that poverty is a resolvable issue, which is a step ahead of the belief that poverty was a governance issue, just as in the beginning.

At such point, it is necessary to find an answer to the question of 'Can we remove poverty?' by considering on the qualifications of poverty by heading a step forward rather than discussing the definitions made for poverty. The first aim is to remove poverty according to the positive reply given to the question in the first article of the Millennium Development Goals applied in the year 2000 Millennium Summit of the United Nations. According to this approach, poverty is an issue that needs to be removed. When approaching the subject with such a point of view, according to the specific mentality, 'inequity' is not a removable issue. Inequity can be decreased but not removed. Inequity is a concept that comes with birth and constitutes the varieties, richness and differences among us. That's why it is not generally a situation that is intended to be removed.

Despite all the facts, humanity has always accepted equity as an ideal though not exactly in these means.

The belief in the removal of poverty depends on two main points. The first constitutes the possibility of creating sources at minimum rates that will be found sufficient by everyone, namely 'comfort' and the second is the possibility of the distribution of the comfort provided, namely its 'governance' (Ringen, 2008: 165). Humanity has realized the first, which is comfort but not the distribution yet. The distribution is a governance issue. We had previously stated that the modern governance spread across the whole world is democracy. Thus, the issue of distribution concerns democracy and its possibility is expressed.

It was stated above that the starting point of the 'economic democracy' approach by Ringen was the situations seen in poverty. The author emphasizes that 'economic democracy' requires to be reconsidered in order to provide solutions to poverty and the other issues that come along with it. 'Political democracy' had gained victory in the 20th century. The victory which came due to the lack of economic democracy is going through tough days now. What matters is to be able to keep them together remaining. According to Ringen, the balance of power in society needs to be redetected and be able to resolve the relationship. In modern capitalist societies, there are three classes in means of economic power. The lowest level consists of the poor people deprived of economic power. In the middle, it is possible to see those who only have an income that affords fundamental needs. And at the highest level, the class of those who keep their wealth in their hands, the so called rich people exist. Though this distribution may differ from one society to another, they are generally similar to each other. The lowest level, the low class is generally small and constitutes 10 to 15% of the society population. The highest level, the top class is also small in size and similarly constitutes 10 to 15% of the population too. However, the middle class constitutes from 70 to 80% of the population and remains as the biggest class. (Ringen, 2008:83) Here, it is possible to see that economic power is unfairly distributed. Therefore, the individual right to choose and prefer related with the **power of freedom** and the **power of hegemony** that has the power to affect and determine others preferences are also distributed unfairly. The poor low levels are deprived of the power of economic means and the hegemony. The middle class does possess a power of freedom due to the sufficient income they have but they do not have the power of hegemony. The top class, though, has the power of both aspects under their control. Thus, to realize the foundation of economic democracy, the power of economy has to be re-distributed. The only way to make such fact possible lies in the balance of powers of the political democracy. The balance of power of the political democracy is protected with the right of equal votes. The situation seems to be fair in individual means. However, it turns out to be unfair classification in the practice. When determining the results in numerals, the votes of the lowest and the highest levels are weak in means of vote. In contrary, the middle class who possesses the power of freedom also is in possession of the political power. Thus, it constitutes a position in which the low level class is dependent to and that constitutes a threat for the top level class. So, the method that will provide economic democracy is due to the democratic administration of the balance of power. Thus, this is due to the action taken by people. Initially, the people who are in the middle class must be aware of how to use the power of vote in democratic means in order to realize economic democracy. The power of politics, which the middle class has in hand and that constitutes an important aspect, can not in any means be taken away from them economically. This can only be possible in undeveloped democracies via the **pulse** method or, from another point of view, it can only be possible if the top class uses its economic power on political power to limit or affect it at the expense of violating moral values. However, it is in no means possible to take control of the whole middle class. It is possible for the middle class to prevent the top class influence the political power in a country immorally by applying legislations with the political power they already possess. And once more, the middle class can benefit from the political power in hand and democratically use it against poverty, what the low class experiences. These methods will constitute provide the balance in income and the flow among different levels, which are all legal, moral and democratic methods. The political power will remain as it is as long as it depends on the rights due to votes but economic power may be re-distributed provided that acceptable political arrangements are applied. This is possible at every society that has a strong moral lobby

against poverty. The legal, moral and acceptable methods that have provided positive results in the Northern Europe democracies that the middle class can benefit from can be listed as below: Taxing with increasing rates, the creation of public funds, the increase of quality in public fields such as education and health services, the power given to the poor, the arrangement of standards of life and etc.

Conclusion

Poverty is the worst issue of the world we live in, similar to slavery of the previous world. There lies a contrary relationship between poverty and democracy. First of all, poverty is a threat that wears democracy out and weakens it with other threats and issues that come along with it. Secondly, democracy is the only treacle to poverty. This is due to the fact that poverty had been considered to be an aspect of faith in the previous ages widely accepted but currently is a fact that has reached the consciousness of people and is believed to be removable in the era of democracy.

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HUMAN CAPACITY BUILDING FOR POVERTY ALLEVIATION - WOMEN EMPOWERMENT IN PAKISTAN



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Abstract

Today facing the challenges and opportunities emerging due to globalization and knowledge-based economy, and for the common prosperity of Pakistan, Researchers and government officials have reached to consensus on the great significance of human capacity building for poverty alleviation and determined to incorporate human capacity building as a central theme among the highest priorities in countries economic agenda. To promote human capacity building and entrepreneurship development under the environment of knowledge-based economy, the role of women empowerment plays a very important role. In the aspect of human capacity building, the revolution in educating and providing knowledge based skills through training and development to a woman in Pakistan will help to remove economic despondency prevailing currently.

The paper identifies that the concept of poverty-inducing nature of neoliberal restructuring has been especially severe women in Pakistan. Although the reality is that the majority of the world's poor are women cannot be substantiated, the disadvantaged position of women is incontestable. If poverty is to be seen as a denial of human rights, it should be recognized that in this region of the world, the women among the poor suffer more from the denial of their human rights – firstly due to gender inequality, secondly because of poverty. Therefore, different proposals to eliminate or alleviate poverty require attention to gender inequality and women's human rights.

I- Introduction

Poverty is one of the most important issues facing by the global world today and Asian region was badly affected by it. Despite some real efforts and progress over the last few decades, the region remains home to two thirds of the world's poor.

Countries in this region is dedicated to combating the region's poverty in all its aspects, fostering growth, social development and good governance to boost incomes and opportunities, improve living standards, and provide the basic services many in richer countries take for granted.

The impact of the work done by the respective countries in the region specifically Pakistan can be measured by the progress the Asia and Pacific region makes toward the Millennium Development Goals and other development objectives indicated in national poverty reduction strategies. According to the MDGs, it is a principle stand by the global world for combating problems including poverty, hunger, disease, environmental degradation and discrimination against women.

The MDGs are now part of the global development agenda and every country facing respective problems are formulating strategies to overcome these deadly issues. According to the study issued by *Asian Development Bank (ADB) for Poverty Reduction for each goal, one or more targets have been set, mostly for 2015, using 1990 as a benchmark. Indicators have been identified to measure progress against each target. Each goal, with their respective targets and indicators, needs to be adjusted according to the specific country context.

In Pakistan Government and civil society is also striving hard to eliminate gender disparity and trying to promote gender equality and empower women. The target which has been set to eliminate gender disparity to all levels of education no later than 2015. The indicators will be that ratio of girls to boys in primary secondary and tertiary education shall be raised, share of women in wage employment in the non agricultural sector should be increased and representation of women in national parliament should be ensured so that women should be given equal chance to raise voice for issue related to their gender discrimination and work for developing policies for both National and International levels. A woman in Pakistan needs to get freedom for their rights to be executed.

The goals are:

1. Eradicate extreme poverty and hunger
2. Achieve universal primary education
3. Promote gender equality and empower women
4. Reduce child mortality
5. Improve maternal health
6. Combat HIV/AIDS, malaria and other diseases
7. Ensure environmental sustainability
8. Develop a global partnership for development

While the MDGs have a great focus on social and environmental results for poverty reduction, for achieving respective results in accordance to their planning, requires also investment in economic infrastructure, productive private sector-led employment, and good governance.

According to the Gender analysis made by various research groups of labor markets in Pakistan they all suggests that women are having more difficulty than men to escape poverty through paid work and higher incomes. Women face various difficulties related to social norms and values that govern the gender division of labor in production and reproduction. Yet, women have been entering the labor market in increasing numbers at all age groups now. This has led many to question the unfair division of roles and responsibilities within their homes.

It explains why those women who carries on in paid work through their reproductive years are most likely to be found in forms of self-employment or piece work in any industry that allow greater flexibility in the use of time. And it also explains why women's income, when they work, is more likely to be spending on enhancing the life style of their children. These constraints mean that women face greater difficulties than men in translating their labor into paid work. Moreover, they also face greater difficulties in translating their paid work into higher incomes, a reflection of gender inequalities in the resources that men and women bring to the labor market.

According to the source ("The Employment intensity of growth: Trends and Macroeconomic determinant by S. Kapsos, employment strategy 2005. Geneva ILO), role of the women in industrialization and specifically contributing to the GDP is rapidly increasing over the decade. As per the stats showing global employment elasticity's by sex from 1991 to 2008 there is 0.6% increase in total GDP of the world economy, which was 2.9% in 1991-95, 3.6% in 1995-99, 3.5% in 1999-03 and 3.9% in 2008. This overall trend shows now that female concentration is more as compare to men and gradually increasing day by day.

Gearing up economic growth is necessary but not the actual reason to bring down poverty levels. As past experience in the case of Pakistan and other countries has repeatedly suggested, periods of high growth that have occurred at the expense of macroeconomic stability do not tend to produce the desired outcomes with regards to poverty reduction in a sustainable manner. Government is still facing a challenge to increase the current GDP of 3.7 % to the expected rate of 4.1% in 2010. Efforts are made to reduce the inflation from 20.8% to 9.0% by giving importance to human capacity building for overall economic development.

The challenge is, as always, how to make growth more inclusive by spreading its benefits to large segments of the population. The allocation of more resources for the provision of basic services such as education, health sanitation, and housing particularly for those belonging to lower income groups, and targeted programs for the benefit of the poor in the broader framework of social protection, as is being done over the past two years, remain critical drivers of long run reductions in poverty.

II- LITERATURE REVIEW

World is facing different acute problems from severe diseases to natural disasters and from normal accidents to shocking terrorist attacks. People belonging to different occupations put different efforts at different levels to address such issues. Regional committees were made, local people were mobilized and different countries emerged as one block that was all because of the welfare of the people. What so ever be the issue is and what so ever be its shape, many intellects related it with the cause of poverty. Despite of many other factors it is true that poverty makes people to involve in some unethical, unscrupulous and dishonest activities. The reason behind their all mal activities is the non fulfillment of their basic needs which is because of poverty. Indeed, the 21st century has been identified by the UN as the century in which the challenge of poverty must be confronted.

Poverty is not only lack of capital or assets but can be taken as the lack of competencies, confidence and disempowerment (Singer, 2006). Different authors defined poverty in number of dimensions ranging from capital to capacity with different indices ((Bevan and Joireman, 1997; Sullivan, 2002; Chambers et al., 1989; Jazairy et al., 1992; Mellor and Desai, 1985). Monetary terms of poverty are the most common of all and considered to be addressed shortly. On the basis of income approach the Economic Survey of Pakistan (2009-10) defines "the last 20 years have seen a significant reduction in the depth and severity of extreme poverty in the developing world. In absolute terms, extreme income poverty has fallen substantially, with the number of people living on less than \$1.25 a day having declined from a high of 1.9 billion in 1981 to a low of 1.4 billion in 2005. In relative terms, the proportion of people living in extreme poverty more than halved from 52 to 25.7 percent during this period." Singer (2006) is of the views that entrepreneurs and corporations devastatingly do not view the alleviation of global poverty as a strategic priority but still business activity can effect poverty in any way i.e. positively or negatively. In order to reduce

poverty, entrepreneurs have to find ways of limiting the negative aspects for which they have to join hands as partnership with governments and NGO's. Public pressure is also important and can be taken as one of the major catalysts in forming the policy for the people of the country. Good governance can be seen in those countries which feel public pressure (Currie, 1998) and they can even get more benefits out of it.

Though poverty affects everyone irrespective of the gender differences but the most affected are the women. There are many studies which have pointed out considerable sex discrimination in developing countries. Efforts were made to improve the women livelihood but still the percentage is more in urban areas and development programs in the rural sector have achieved some success in bringing poor women into the paid job but still the gap is wide and the programs failed to reduce within job discrimination (Akter, 2005). This is not only the case of least developed countries or under developed countries but also of developed countries. One of the reported facts by Cawthorne (2008) for United States gives a clear picture as

- Poverty rates are higher for women than men. In 2007, 13.8 percent of females were poor compared to 11.1 percent of men.
- Women are poorer than men in all racial and ethnic groups. The data shows that 26.5 percent of African-American women are poor compared to 22.3 percent of African-American men; 23.6 percent of Hispanic women are poor compared to 19.6 percent of Hispanic men; 10.7 percent of Asian women are poor compared to 9.7 percent of Asian men; and 11.6 percent of white women are poor compared to 9.4 percent of white men.
- Black and Latina women face particularly high rates of poverty. Over a quarter of black women and nearly a quarter of Latina women are poor. Black and Latina women are at least twice as likely as white women to be living in poverty.

South Asia is the home of poverty and about 30 % of the world poor lives there. Pakistan is also facing huge problems. Pakistan's consistent economic growth rate for the last 60 years has failed to bring prosperity to its people. There is no reliable data available by which the poverty estimate can be made but according to UNDP (1999) the absolute number of poor has increased from 19 million in 1960 to 42 million in 1995. Poverty manifests itself along the lines of class, gender, region, and rural-urban divides. According to any of the measures for poverty the incidence of poverty in rural areas is higher than in urban areas. Majority of Pakistan's poor live in rural areas. A review undertaken by the Social Policy and Development Centre (1998) claims that "while incidence of poverty has been falling in the urban areas in recent years, it has been climbing in rural areas."

Women are vulnerable because they are treated as the one of the lowest caste in rural areas. Mostly are engaged in unskilled activities have to give double duties in home and in agriculture fields. Malnourished, more immune to diseases and less mobile even for their treatments. Even in urban areas the figures are not healthy. Whether it's the area of politics, sports, business or education the numbers of women participation are always less and the responsibilities are equal or more.

Due to male migration and high unemployment, more and more women are seeking income earning opportunities in the job market. They normally lack in required education and skills for which they have to join informal sector or secondary sector of the segmented labor market. In 1990-1991, 77percent of economically active women in urban areas were working in the informal sector where they were economically exploited and had no protection of labor laws. Exploitative working conditions at the workplace, intensified by tyrannical conditions at home where women continue to take the sole responsibility for domestic work, overburdened them to the detriment of their health.

The traditional way of working will not give any relief to the people. Some efforts have to be put on such areas which give self employment or be the source of livelihood on the sustainable basis. Human resource, no doubt is one of the most important resource where Pakistan is not only self sufficient but also have the capacity to export. Women being a large part of Pakistan should be addressed to bring them equal with men and to provide them a source of sustainable living. Organizations are also trying to come up with the new ideas not only for the betterment of the consumers but also to improve the society as a whole rather than in some segments. Triple bottom line (TBL) regarding social, environmental and corporate governance and responsibilities risks is the areas of importance (Brich, 2003). Those commercial organizations which are taking part in community development get benefit even from the society. According to Loza (2004) the following functional benefits will be

Marketing - sales promotion, building brand recognition and reputation;

Human resources- improving staff morale, management development and training and building teamwork skills;

Public affairs - dialogue and consultation between national, local and business opinion formers

Public relations - public goodwill

A strong support of the organization for community development will also give strong support in the shape of strong community organizations that shape the levels of social capital in the communities in which they operate, citizen participation for different opportunities, give vital services that improve social problems and social disadvantage and provide an edge for all stake holders specially the government and business sector (Loza, 2004). Therefore, building or strengthening the capacity of community organizations is one strategy for building and sustaining a strong civil society.

The society which will contribute in the economic development of the country that is only possible if the people of the state are self sustaining in economic terms.

The support for the community development in developing countries like Pakistan is more resulted because small efforts on such a large population will give some impact. Human capacity building especially for rural women for the cause of their livelihood and educating them of the same route will be the last resort for those pitiable ones. No any government can take such a step to eradicate poverty without the help of the NGOs and their social partners

III- WOMEN IN PAKISTAN SHOULD BE EMPOWERING TO CONTRIBUTE IN ECONOMIC AND SOCIAL DEVELOPMENT

In response to changing global economic scenario, the issues related to gender are an integral part of economic and social development of countries. In a country like Pakistan, where females' involvement in productive activities in any sector including service or manufacturing sector, is low due to a numerous factors, efforts are needed to improve quantity and quality of labor market participation of females. Though it needs to be recognized, however, that due to socio-cultural factors and lack of institutional support the females face wide spread discrimination in terms of access to education, health and nutrition, title to land, access to land and technology, and access to labor market or otherwise establishing self sustaining businesses through Entrepreneurial process.

The gender-based development indicators (GDI) and gender empowerment measures (GEM) vary across countries in South Asia. For Pakistan, both indicators are below the average for South Asian countries revealing that Pakistani females, relative to females in other countries of the region, play a limited role in economic development and their access to social services and in decision making within and outside the household is limited.

In order to involve females more actively in market oriented productive activities, there is a need to improve the quality of female labor force, to provide legislative support to ensure equality of opportunity and rewards between males and females and to involve females in the process of economic development and decision making more effectively.

IV- INDUSTRIAL DISTRIBUTION FOR WOMEN IN PAKISTAN

The Industrial Revolution was fueled equally by the economic necessity of many women working with men, single and married, to find waged work outside their home. Women mostly worked in domestic service, textile factories, and piece workshops. They also worked in the coal mines. For some, the Industrial Revolution provided independent wages, mobility and a better standard of living.

In Pakistan, employment distribution by industrial perspective shows that a majority of working females is currently working in agriculture, community service, and manufacturing sectors. Agriculture remained the main sector employing females. The second largest sector employing females was manufacturing before 1990s and after 1990s it is community services. The shift from manufacturing to community services could be due to a decline in industrial activity in the country and the limited employment generating capability in the occupations where females are concentrated. But this scenario changed a bit after 2000 as major concentration of the country's economy was dependent on Textile and Garment Sector. The share of female workers in the construction sector is small but rising consistently, but the share of urban females working in construction has remained stagnant, whereas in rural areas it has gone up. The number of females employed in financial institutions increased during the 1980s, but declined in the 1990s but again raised after 2000 and become the most popular field for educated women. Wholesale and retail trade is employing a growing fraction of working females.

Now as per different surveys what is substantially ignored is the distinct gender dimension of the textiles and clothing production. The textile and clothing sector composed of a disproportionate share of female employment, particularly in Asia. Women account for more than two thirds of the global labor force in the sector, and employment in textiles and clothing accounts for almost one fifth of the total world female labor force in manufacturing.

Pakistan is also among those having similar composition. The textile and clothing sector is the largest employer of female workers in Pakistan textile product manufacturing. An estimated 30 percent of the sector's workforce (approx. 2.3 million workers) is female as compared to a national average of 15 percent. This is lower than in other South and Southeast Asian countries. However, in the context of the social seclusion of women, which negatively affects female labor market participation, the strong representation of women in the textile and clothing industry makes the phase out of the quota regime a gender equality issue - potentially impinging on one of the few sectors that provide paid employment to women in Pakistan.

Although the overall employment of female workers in the Pakistani textile and clothing industry is about 30 percent, relative female employment in stitching units is considerably higher, up to 75 percent of the total workforce in the units where Gender Promotion in Garment /clothing sector through skill development, under UNDP, Islamabad Pakistan (United Nation Development Program) conducted its research. Whereas, commonly workers are regular employees of the respective companies, the majority of workers in these stitching units are employed via sub-contractors and paid on a piece rate.

V-ROLE OF UNDP GEN-PROM, PROGRAM AS "WINDOW OF OPPORTUNITY" FOR EMPOWERING WOMEN- "SETTING STANDARDS"

The textile industry of Pakistan contributes 8.5% of the GDP and employs 38% of the workforce in the manufacturing sector. It is responsible for about 55% of total exports.

Exports statistics show our progress in the last 5 to 6 years and how we foresee huge challenges under the new rules of international trade.

TEXTILE INDUSTRY'S ECONOMIC CONTRIBUTION

2008-09

Exports	55% OF TOTAL EXPORTS (US \$ 9.57 BILLION)
Manufacturing	46% OF TOTAL MANUFACTURING
Employment	38% OF TOTAL LABOUR FORCE
GDP	8.5% OF TOTAL GDP
Investment	US \$ 7.0 BILLION
Market Capitalization (Listed Companies)	5.0% OF TOTAL MARKET CAPITALIZATION

Source : Pakistan Economic Survey, SBP,TDAP

Export of textile products has reached \$ 10.62 billion in the year 2007-08 from \$ 5.5 billion in the year 2003-04 i.e. an increase of \$ 5.12 billion in value term or by 93% and it still have the potential to beat this rate of growth in future.

The question is what we need to do to maintain or improve the growth of this industry?

Even though, Textile Industry of Pakistan is indeed passing through a very crucial juncture due to the prevailing socio-economic and political climate. In particular, the Textile sector is exposed to extreme competition after the phasing out of quota besides facing resistance from developed countries in the name of lack in Human Capacity Building through skills development, Social Compliance, Environmental & Effluent Treatment Plants, Anti-Dumping, Counter-Veiling and Safeguard Accusations. To increase competitiveness and quality of products, textile industry requires concentrating on one of the major issue of Human capacity building.

For this United Nations Development Program (UNDP) has taken the initiative of mainstreaming women workers in the garment, apparel and textile sector in Pakistan. This initiative, GEN PROM Pakistan, the overall aim is to reduce poverty among female workers and empower them, intends to address the existing gaps in training, retaining, skill development and skill up-grading of women workers.

This in turn will lead to increased income and employment of garment, textile workers, particularly women, affected by the changing international trade environment through skills development and private sector partnerships. This program is being run simultaneously in Karachi, Faisalabad and Lahore with implementing partners –PRGMEA (Pakistan Readymade Garments Manufacturing and Exporters Association), and Faisalabad Institute of Textile and Fashion Design (constituent unit of Government College University Faisalabad).

KSA Technopak, hired for the project, has completed 3 modules of working at 3 locations mentioned above. To summarize the achievement of this initiative for human capacity building specifically for women empowerment, 12 program coordinators, 266 Master trainers and 3,847 workers (out of which 3,008 were females) have so far been trained during the course of this project across Faisalabad, Lahore and Karachi. Out of these, 12 program coordinators, 266 Master Trainers and 1,397 workers (1,251) were females) have been trained directly under KSA Technopak's supervision in different Textile and Garment manufacturing Industries.

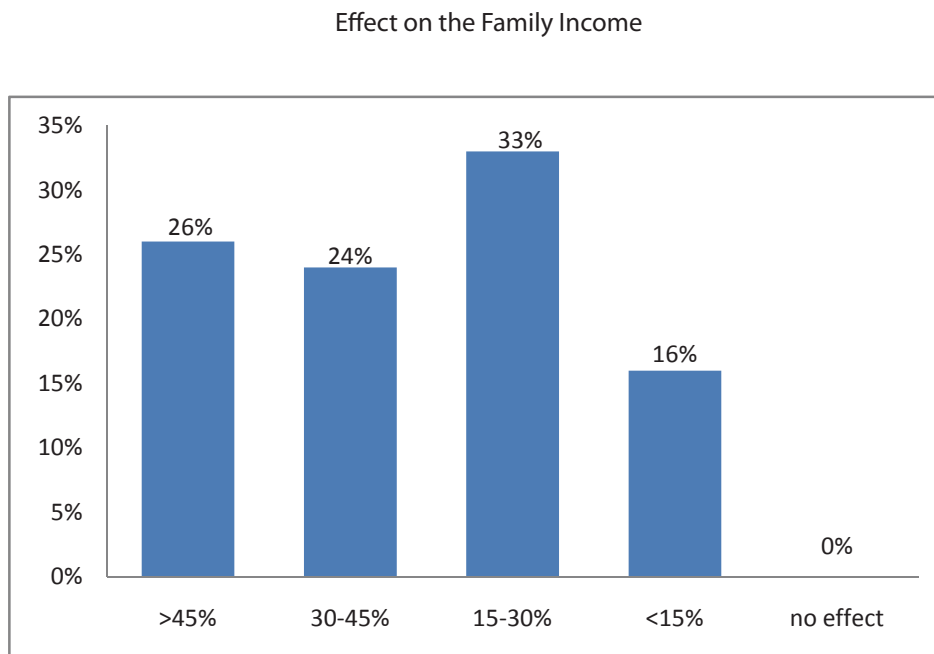
Almost 72 Industries all around three cities were selected as satellite training Units where separate training and development centers were established to accommodate female workers to be trained. These Industries are responsible to provide transportation facility and stipend during the training sessions for 2 months. Later all the female workers are inducted as skilled workers contributing through their effective and efficient levels of performances.

The overall goal of the project is to reduce poverty and empower female garment/textile workers through skill development and private sector partnership.

According to the assessment made in accordance to this Project for human capacity building;

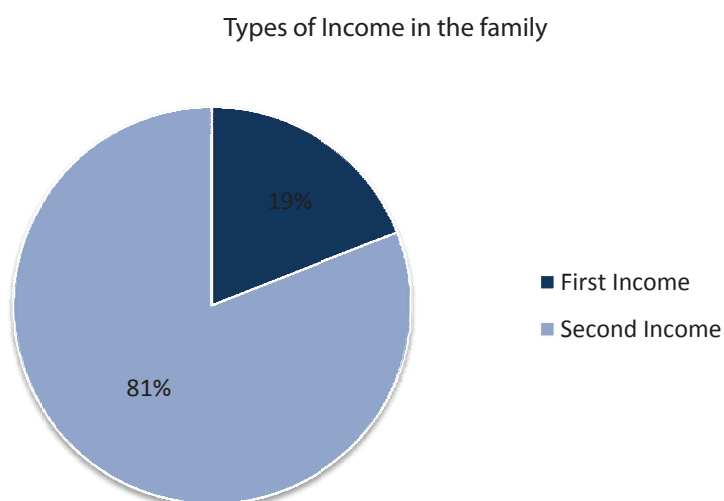
"More than 50% of female trainees increased their family income by more than 30% whereas almost 26% of OT's family income has shot up by more than 45%. Thus it could be concluded that they are contributing substantially to their family's income.

FIG 1:



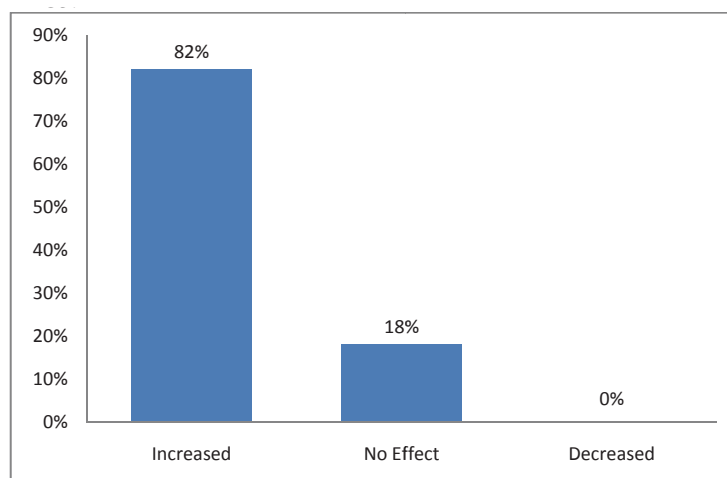
"Approximately 19% OTs are earning salaries which is first income to their family, hence they are playing an important role in their family's subsistence"

FIG2:



"In terms of qualitative improvement, 82% of the OTs has improved their standard of living"

FIG3:



"77 % o the families, who decided to send their female members, are saving more. Also 55 % of these families are saving over 15%".

FIG 4:

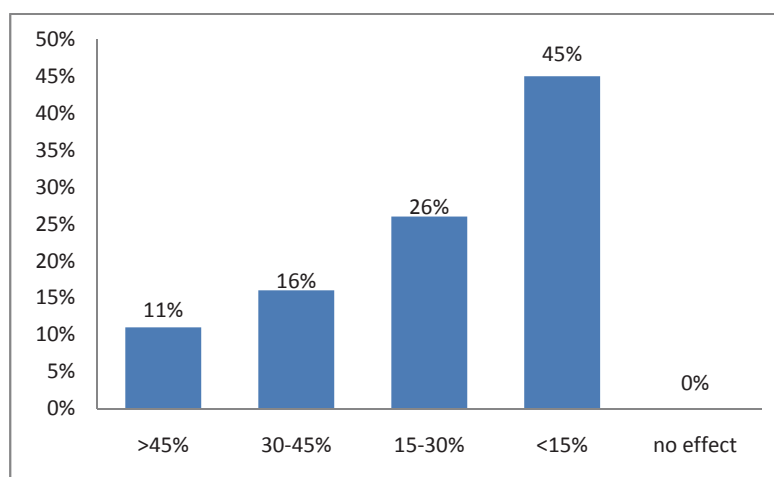
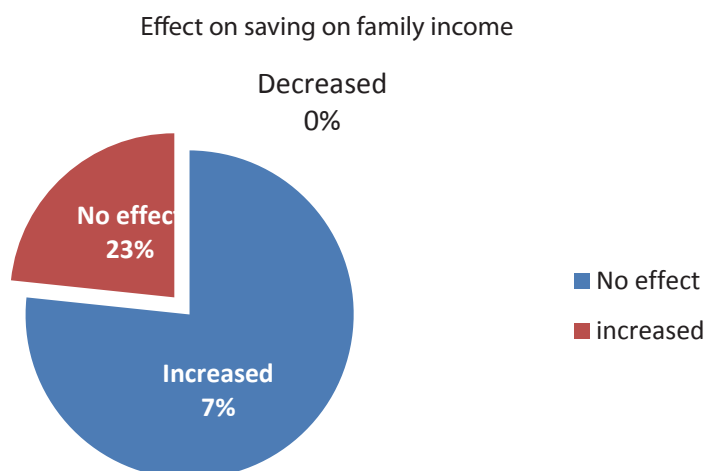


FIG: 5



This is one of the aspects where this program has really brought awareness among the rural areas for allowing females from their families to work in the industry and contribute to economic well being of the country.

VI- WHAT CAN WE DO?

Women in Pakistan are trapped in a web of dependency and subordination due to their low social, economic, and political status in society. The majority of women suffer from all forms of poverty. In order to change women's position and societal view of their inferiority, structural changes need to be brought about in the social and economic order that shape our social world.

The poverty gap between men and women is not inevitable. The gender wage gap has narrowed over the past 30 years as women have gained greater access to education, the labor market, self employment through entrepreneurial approach while launching their own businesses and running them successfully and better paid jobs. Bringing an end to women's poverty and providing good economic opportunities for women in Pakistan will require Strategic policy to ensure that:

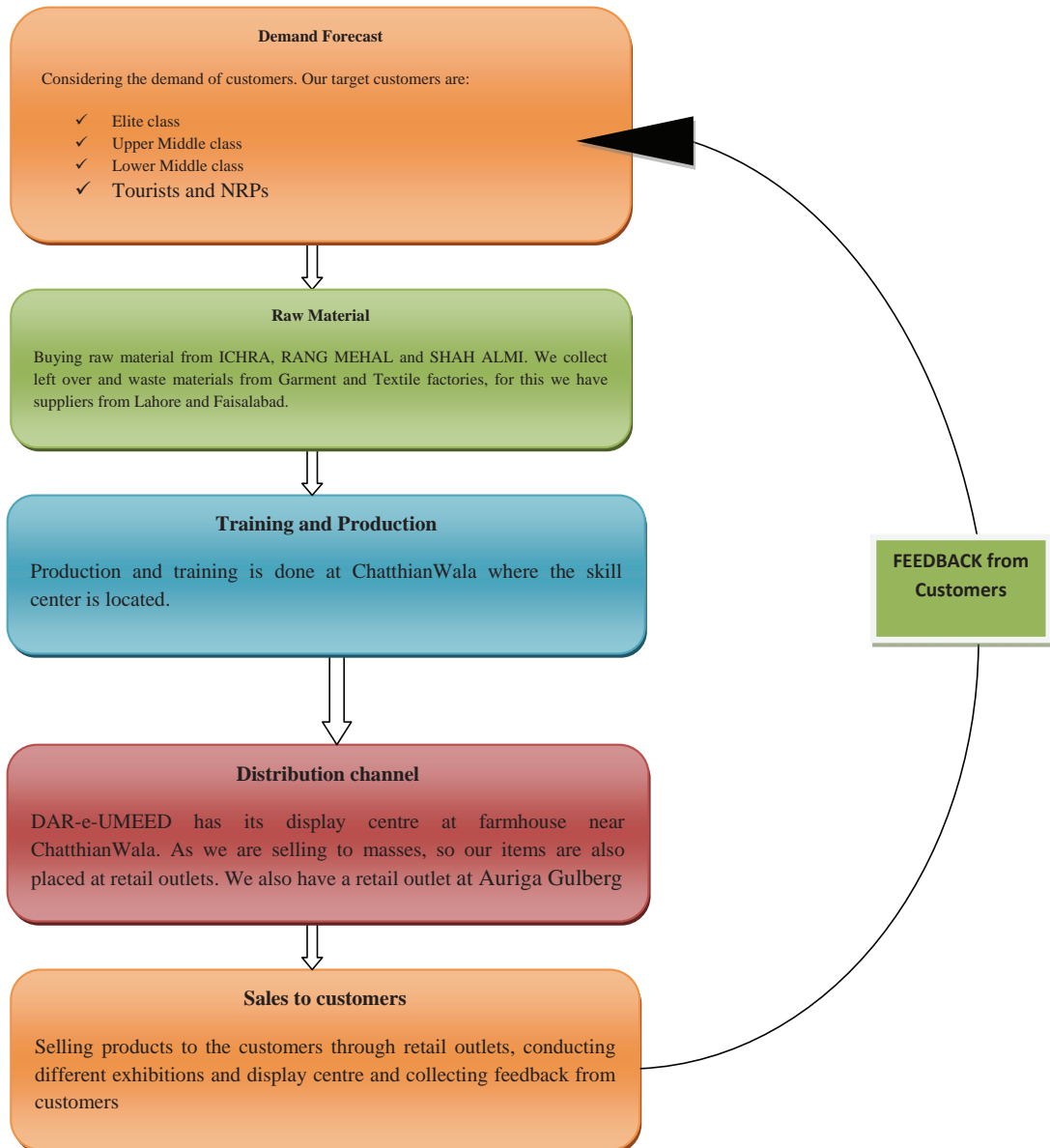
- Women should receive the pay they deserve and equal work conditions
 - Women should have access to higher-paying jobs
 - Working women should have affordability for her child and elder care
 - She should have access to quality flexible work and paid family leave
 - Working women should receive the support they need through expanded tax credits to help meet the costs of raising their families
 - Women should be encouraged for entrepreneurial ventures for successfully adding value to the economic growth
 - Women should receive the support and protection they need to leave violent situations while maintaining job and housing stability
- I- DAR-E-UMEED – (INSPIRATION FROM THE GEN-PROM UNDP PROJECT) “A Business Project initiated by group of Female Entrepreneurs studying at University of Central Punjab under the supervision of the respective Authors for this Research Paper” – A Good Example for Human Capacity Building for Poverty Alleviation- Women Empowerment in Pakistan

Dar-e-Umeed ® is a small but one of the active profit oriented, non-political and non-governmental organizations based at Chatthian Wala Lahore, Punjab-Pakistan, founded in 2009. The Company is struggling to uplift the women in various sectors. University Students having entrepreneurial mindset under the supervision of their respectable faculty members gathered for establishing of such important platform that could provide assistance and facilitate the women on self-help basis. As an organization, Dar-e-Umeed was first registered under Societies Registration Act - 1860.

DAR-e-UMEED, is a project with a mission of joining hands, mingles the capable female workforce from villages to empower them for supporting their families, and fulfilling their required financial needs. The company is striving for human capacity building in producing innovative quality products in affordable price to the valued customers.

The main objective of the existence of this initiative is through looking at both micro-credit and adult-literacy/skills-building programs the project of Dar-e-Umeed, emphasizes that empowerment of women must include both women's practical and strategic interests in order to lead to long-lasting transformations in their position. The case study also suggests that an effort has to be made to include poor women in rural and slum settings, in the designing, implementation, monitoring and evaluation of their empowerment programs.

BUSINESS MODEL



DESCRIPTION OF THE BUSINESS MODEL

DAR-e-UMEED has a very simple 5 step business model. First it identifies the demand of these traditional products in the market. Secondly after the demand forecast the process shows the collection of raw material from different sources including left over from different factory outlet. In the third phase skill development center at Chatthianwala, Lahore women from the surrounds are encouraged through personal counseling to get training for about 2 months and then will be employed or guided to operate self sustainable businesses. Dar-e-Umeed is also providing micro-financing to those female skilled workers who wanted to establish their entrepreneurial businesses. Fourthly a distribution network is available to reach out customers. A display center is made at the production unit and inside the city at Auriga, to target the defined customers. Lastly sales and after sales services are offered through retail outlets and feedback is been collected for quality assurance and new product development.

TARGET MARKET

At Dar-e-Umeed, the company aim to sell our products to masses so target market includes;

- ✓ Elite class
- ✓ Upper middle class
- ✓ Lower middle class
- ✓ Tourists
- ✓ NRPs(non residential Pakistanis)
- Customer and employee oriented business

DAR-e-UMEED is customer as well as employee oriented business. Employee oriented in the sense that our objective is to make our labor force skilled and developed, compensate them fairly and help them through micro financing. It is also customer oriented because we produce those things that are according to the trends of our society and fulfilling the demand of our customer by providing quality products.

- Strategic assets

A strong management team and unique and simple business model creates a competitive edge for the company itself.

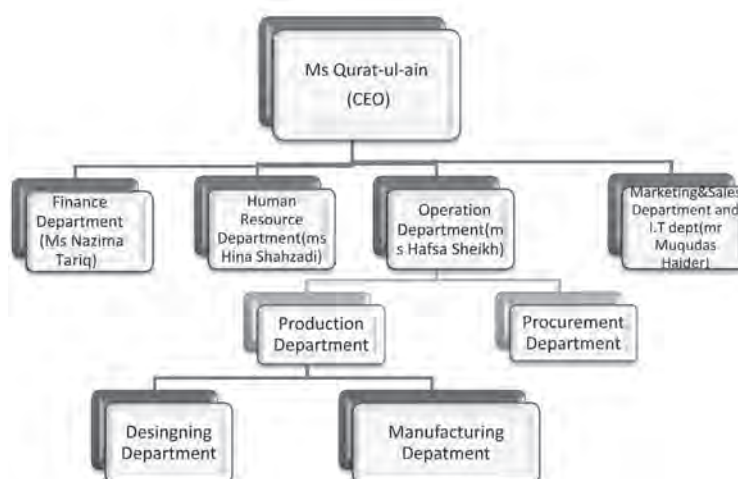
- Quality products under affordable prices

As compared to the respective competitors the company is selling all handmade items with the assurance of high quality. In general, the management has this perspective that handmade items are expensive and have a high profit margin. The company is selling to masses so it has lower prices as compared to their competitors.

ORGANIZATION STRUCTURE

DAR-e-UMEED's organizational structure is defining the responsibilities with the essence of experience and professional background which makes the company a success story. The company has well defined job description and the professional experience and goodwill of all the partners adds value to their middle and first line managers. For achieving set goals the company believes on equality in achieving task and for this team work approach with leadership on the top brings a winning combination.

ORGANIZATIONAL CHART



- | | | |
|---|---|--|
| 1. Bags <ul style="list-style-type: none"> • College bag • Party bag • Pouches • Clutch • Cosmetic bag • Wallets | 5. Sofa throw
6. Covers <ul style="list-style-type: none"> • Mobile covers • Goblet covers • Shades cover | 8. Scarves
9. Mufflers
10. Cushions <ul style="list-style-type: none"> • Sofa cushions • Floor cushions |
| 2. Bedcovers
3. Wall hanging
4. Table runners | 7. Boxes <ul style="list-style-type: none"> • Tissues boxes • Jewelry boxes • Gift boxes | 11. Blinds
12. Curtains
13. Comforters
14. Envelop |

PRICING STRATEGY

The Company classifies their product into two categories on the basis of prices

- Traffic builders
- Profit Takers



TRAFFIC BUILDERS

These are the products which bring customers to DAR-e-UMEED. The reason is the nominal prices with excellent quality of products as compared to the competitors. On these products company is attaining small profit margin.

Traffic builder includes:

- Mobile covers
- Wallets
- Goblet covers
- Scarves
- Bags
- Tissues boxes
- Shade covers etc

PROFIT TAKERS

These are the products which are not purchased frequently. People buy it twice or thrice a year. So we have good profit margin in such types of products.

Profit takers include:

- ❖ Sofa throws
- ❖ Curtains
- ❖ Table runners
- ❖ Bed sheets
- ❖ Wall hanging
- ❖ Cushions

FINANCIAL PROJECTION

Equity Share of DAR-E-UMEED					
Members	Qurat-ul-Ain	Nazima Tariq	Hafsa Shiekh	Muqadas Haider	Hina Shahzadi
Equity Shares	1500000	800000	1000000	1000000	700000
Startup Cost					
Land And Building Renovation Cost				102650	
Furniture & Fixture				84231	
Equipment / Machinery				450320	
Legal Expense				40000	
Stocks				803550	
Working Capital				500000	
Total				1980751	
Remaining Amount				519249	

- The equity partnership is including Ms. Qura-tul-ain having her shop in Auriga that will be used as her share of 30% in the equity.
- Syed Muqadas Haider has a training school in Chattian Wala and the building was empty from many years so it is currently been used as production Unit and his equity is 20%.
- Ms. Nazima Tariq, Ms. Hafsa Sheikh and Ms. Hina Shahzadi are sharing equity of 16%, 20% and 14% respectively.

The remaining amount which is Rs.5,19,249.00 is allocated for micro financing.

- CGS is 50% of sales
- Sales increases with 9% per year
- Admin and marketing expenses decreases with 2% every year.
- Current bank interest rate 13.5%
- Pay Back period of this project is 5 years
- IRR is 16 % which has shown the sustainability of the Project

This is one of the aspects where this project has really brought awareness among the rural areas for allowing females from their families to work in the industry and contribute to economic well being of the country.

Conclusion

In order to couple up with Human Capacity Building for poverty alleviation through women empowerment in different sectors of the economy, best solutions to address women's poverty must combine a range of decent employment opportunities with a network of social services that support healthy families, such as quality health care, child care, and housing support. Policy objectives must also recognize the multiple barriers to economic security women face based on their race, ethnicity, immigration status, sexuality, physical ability, and health status. These approaches must promote the equal social and economic status of all women by expanding their opportunities to balance work and family life. Women should be encouraged to participate equally for the economic uplift. The contributing factors are identified as greater self-empowerment of women realized through increasing access to basic rights (education, reproductive health, and micro-credit) and external supportive mechanisms that facilitate women's awareness of their rights at workplace and build their capacity for representation and negotiation.

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INTERNATIONAL SYMPOSIUM ON POVERTY ALLEVIATION STRATEGIES - EXPERIENCES AND NEW IDEAS



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Abstract

Poverty can and should be considered as a part of any society as the name itself does not give a clear picture of what exactly it means. During the past decades, we have been facing global shortages or scarcities of Food, Basic-Infrastructure and Education, which have lead to a particular geographical poverty. On the contrary, even if any one of these resources is amply available in a defined location, we still encounter or experience poverty may be because of improper management, planning or the incorrect usage and division rather than multiplication of available resources.

With these definitions, it becomes clear that any social entity or an economy should need a governance pattern to make the best use of available resources in order to make sure that the misappropriation of these resources will not lead to poverty. These efforts may not ensure the complete success, which results in removal of poverty but can be thought as a definite alternative to improve the economic standards, including the living standards of the associated people.

But, there has been a set of questions, which is always asked in most of these situations as to who will initiate the process of managing these issues starting right from defining what needs to be done. This is how Co-operatives came into picture, next to NGOs in working for a better society with a full focus on its people. These Cooperatives are formed by people and work for them more on identifying and making the weak factors better.

There are a number of studies and research conducted on how these cooperatives work with locating various people groups to help them in associating them with the main streams of societies. These researches have focused on the type and level of conceptual applications that predominate in every process of the cooperative functions after getting to know the actual problem and of course poverty

being one of the main concerns. However, the gap still exists for the global leaders to think on how these cooperatives can be used at micro levels of a society towards witnessing a poverty-free society.

This paper aims at identifying the definitions / meanings of Cooperatives and its different types; following how can these cooperatives can be used to alleviate poverty at micro and macro levels. Continuing with presenting the challenging roles and responsibilities of these cooperatives in easing the poverties, this paper concludes with certain recommendations that can be used to bring down the poverty level substantially.

Key Words: Cooperatives, Poverty Alleviation, Social Levels

Introducing Cooperatives.

A Cooperative can be termed as a group of like-minded people associated together to achieve a preset objective. The history of these cooperatives takes us back dacades where the first human organization for mutual benefit was formed. In other words, any Cooperative can be defined as a firm / an establishment which is owned, controlled and operated by a group of oepole for their own benefits. In such a business unit every member contributes either in terms of capital or knowledge and have a share on the growth as well as the profits. The Rochdale Society of Equitable Pioneers, founded in 1844, is usually considered as the first successful co-operative enterprise of the world.

Cooperatives are defined by the Values and principles under which they operate. They are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others.



Fig-1: An example of a Cooperative.

Members putting Knowledge, Capital and getting Equities, Self Help and Benefits.

Co-ops, along with offering benefits and equities to its members, also bring them under one group irrespective of their income levels and education. These cooperatives put their values into practice by following the seven internationally recognized co-operative principles

1. Voluntary and Open Membership
2. Democratic Member Control
3. Member Economic Participation
4. Autonomy and Independence

5. Training and Information
6. Co-operation among Co-operatives
7. Concern for Community

As all the cooperatives are formed and run by members, they offer a voluntary and open membership for the people who wish to join in the democracy format. Further these members can enjoy autonomy and independence in the economic participations by getting adequate and timely trainings and the information of relevance. Such cooperatives also work for their community concerns by ensuring proper cooperation amongst them.

Types of Cooperatives.

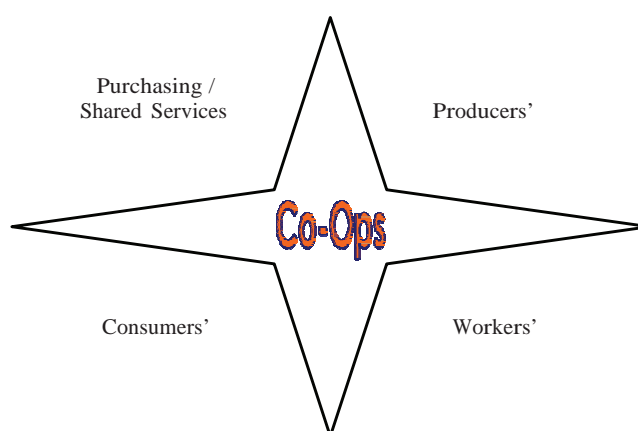


Fig-2: Major classifications of a Cooperative at the global level.

Purchasing and shared services cooperatives

These types of Cooperatives are owned and governed by independent business owners that come together to enhance their purchasing power, lowering their costs and improving their competitiveness and ability to provide quality services and products. They operate in all sectors of world's economy and include some of the largest businesses in the both developed and developing countries.

Producer cooperatives

Some of the world's leading Cooperatives fall under this category. These are owned by people who produce similar types of products For Ex. farmers who grow crops, raise cattle or milk cows, or by craft workers and artisans. By banding together, the cooperating producers leverage greater bargaining power with buyers. They also combine resources to more effectively market and brand their products.

Consumer cooperatives

These are another variety of Cooperatives which are owned by the people who buy the goods or use the services of the Cooperative. Consumer co-ops may sell consumer goods such as farm supplies or food, or provide housing, or electricity. Other co-ops such as credit unions offer financial services, and community creches provide childcare services. Almost any consumer need can be met by a cooperative.

Worker cooperatives

Cooperatives that fall under this group are owned and governed by the employees of the business. They operate in all sectors of the economy providing workers with both employment

and ownership opportunities. Examples are to be found among organic shops, taxi companies and overseas in light and heavy industry.

The Role of Cooperatives in easing global / regional poverties.

Most of us who are a part of this event agree that almost half of the world's population are still making their living on less than two US Dollars a day. Thus, the global campaign against poverty has gained momentum, with various organizations suggesting the use of different methods to alleviate poverty. The self-help groups or cooperatives were amongst the basic level bodies that were suggested by and used in many of the developing nationals to work for easing the poverties. This reveals that the cooperatives are, first and foremost, voluntary business associations formed by people of limited means through contribution of share capital that forms the basis of sharing out the profits that accrue from the business. However, it's been believed from ages that the cooperative enterprise is one of the few forms of organization that meet all dimensions of poverty. Further the argument continues that cooperatives have the advantages of identifying economic opportunities for the poor; empowering the disadvantaged to defend their interests; and providing security to the poor by allowing them to convert individual risks into collective risks

Cooperatives take different steps in alleviating the poverties at global levels. These cooperatives usually work as catalysts for providing the necessary practices in addition to the changes in social processes just to ensure that every member of the community is benefited. A cooperative is the first organization of its kind at the global level that demonstrated that even poor people can earn, save, take loans productively and repay loans in a timely manner. Based on this example, many other smaller business units groups have taken consultations with them and have subsequently started working like cooperatives.



Fig-3: An example of Cooperation.

Global Principle of Cooperation – By the people, From the people and For the people.

Another silent revolution is the method by which the Cooperatives act as an instrument to transfer assets and benefits to the names of its members. Such steps will make sure that the people at lower levels who are members are benefited from this. The statistics of these Cooperatives show that only a few percent have a long lasting life. Both at the operational and service levels, Cooperatives insist that all the transactions should be in the name of its members so as to ensure flexibility and success. Sometimes, these Cooperatives are also run by selling semi finished or finished products, which are produced by it's family members and put the obtained revenues under the organization's name as part of its asset-building program. In this way, all the revenues though generated are equally distributed amongst its members.

The operational strategy of any Cooperative is based on financial sustainability by making use of the surplus funds to promote developmental activities by and for the members. Usually, there

will be no subsidies or grants, and the Cooperatives witness the financial inflows and outflows by the capital provided by its members. As other business units, these Cooperatives have Institutional and managerial positions that are filled at regular intervals. There are also regular elections to the Board, and a capable professional management team is maintained

Finally, another important milestone in the day to day routine of any Cooperative is to focus on employment creation and income generation amongst the members. Though it is very diffused and difficult to estimate at the root levels, there should be some indications as to how many people got the working opportunities and from where these have come. By this, it makes clear that several categories of people rely on the vibrancy of the cooperative sector for their income by providing inputs to cooperative enterprises either by employment or by selling products at the marketplace.

Challenging roles and responsibilities of these cooperatives in easing the poverties,

“Poverty anywhere is a threat to prosperity everywhere”

Cooperatives and NGOs across the globe put great efforts into developing multi-purpose social establishments that would bring the benefits of development to the rural poor. With some exceptions these failed to live up to preset objectives; even some having been created and supported by the local as well as regional governments. Recently, a set of new and more genuine co-operative sectors are now emerging, addressing almost all the problematic areas but primarily focusing on easing the poverty levels. Co-operatives, in their operations face new challenges brought about by continuing processes of economic globalization, the IT revolution, and changes in the national and international balance of powers. To survive and thrive, the ability for any co-operative organization to network effectively at both the local level and beyond is becoming increasingly important. Such networks are usually being built both within the co-operative sector itself and with a range of other bodies, each locally, nationally and internationally.

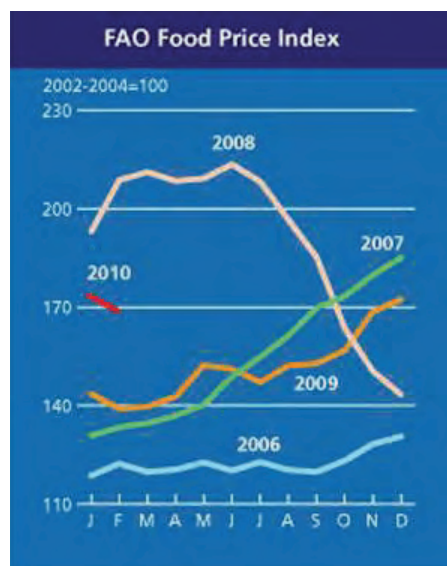


Fig-4: A Graph of United Nations Food & Agricultural Organization, 2010.

Hunger – One of the vicious faces of poverty.

According to FAO, one of six people in the world are now hungry, with the 2008 crisis having pushed another 100 million into poverty and food insecurity

Identifying the causes of poverty in any developed or developing country, we can classify them at basic and advance levels. For example, the world has too many people but few jobs, and not enough food. But such basic causes are quite intractable and could not be easily brought down. In most cases, the causes and effects of poverty interact, so that what makes people poor also creates conditions that keep them poor. Primary factors that may lead to poverty include overpopulation, the unequal distribution of resources, inability to meet high standards of living and costs of living, inadequate education and employment opportunities, environmental degradation, certain economic and demographic trends and welfare incentives

Taking a holistic look at the roles of the Cooperatives in bringing down these causes of poverty at all the levels, we need to address the following questions.

1. How can we build the Cooperative institutions at local and regional levels that can influence changes at the member levels so that they support poor peoples own initiatives to lift themselves out of poverty?
2. How can poor peoples be made more aware about these institutions so that they are heard and represented in order to make the best use of them?
3. How can the knowledge, resources and power at the local, national and global Cooperatives and NGOs be used to support poor people's own efforts?

The present economic conditions and in the recent past, present new challenges to the Cooperative community, despite of the multi dimensional functions. The projections of world poverties need to be addressed with efficient initiatives to upscale Cooperative roles. The most important feature of such responsibilities would be addressing the limitations of creating awareness about these organizations. Frequent campaigning amongst the communities affected by various facets of poverties can accelerate the positive impact of upgrading their lifestyles. The Cooperative sector requires a great sense of urgency, generally in carrying out every activities of on a daily basis. Even in developed countries, these Cooperatives have a role in mitigating the poverty levels and bringing up the under developed class of citizens.

Providing employments and the sustaining the quality of these employments, is one of the crucial challenges faced with poverty reduction. The social Cooperatives at the rural levels strive for regional and local economic growths with creating employments through a coherent blend of agriculture and manufacturing. The timely employment agendas of these Cooperatives promote the quantitative objective of increasing the earning levels through chosen productive employment and the qualitative dimension of work lives. In developing countries, where most people cannot afford to be out of work for even a day, many who do work and live on less than US\$ 5 a day are known as the "working poor." Improving the quality of employment is thus a major challenge with these classes of people. The employment practices thus practiced, seek to place employment at the heart of economic and social policies, so that both the quantity and the quality of employment are improved.

Another important problem confronting the Cooperatives is domestic migrations of its members from rural to urban areas, which is obviously for search of job opportunities. It therefore becomes necessary to look at some of the reasons causing this transfer of people. While the other problem areas of Cooperatives often considered distant are focused on, it is apparent that there is much interdependence between rural and urban Cooperatives and institutional change in helping to bring about solutions. With present urban problems and their likelihood of persisting for some time, the encouragement of people to become city dwellers may need to be more seriously reduced. Similarly there is a need for better understanding of the role of rural institutions, their jobs, and the socio-economic impact of alternate means in achieving them before real progress can be broadly achieved.

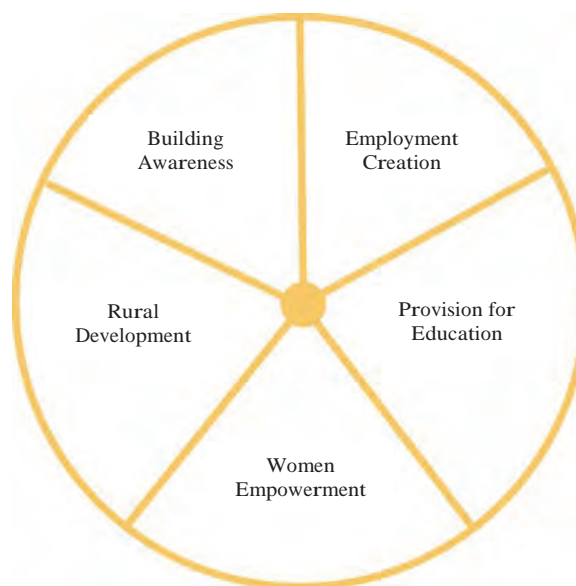


Fig-5: Major roles of a Cooperative in Poverty Alleviation.

Conclusions

We often hear NGOs from developed countries telling poor / developing countries that aid and loans will only be given when they show that they are working on poverty alleviation strategies. While that definitely needs to happen on a regular and frequent basis, the rich countries themselves are often active in comparing and competing with poor countries on the economic policies. Providing the necessary and timely aid for the developing countries in terms of fighting against poverty, definitely must be high on the priority lists, but so too must it be on the priority lists of rich countries

It is possible to alleviate poverty by generating new knowledge as basis of new experience, by more information and training, by better use of available resources and by organized Cooperatives at the local level and by improved socio economic political administrative conditions. It is necessary to bring new knowledge from the outside by external promoters, technicians or development entrepreneurs i.e. people who are conversant with the challenges of the new times and who are able and willing to share their knowledge with the local poor, who for their part depend on new approaches, new technologies and new skills to break the vicious circle of poverty in which they are caught. What is needed is implementing the methods of anticipation of the future development "Learning from the Future". This is only possible if the Cooperatives share their knowledge with local people in order to develop new locally adjusted knowledge on how to cope with the problems of production, income generation, social organization and survival in a changing environment.

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EXPERIENCING POVERTY AND SOCIAL EXCLUSION NARRATIVES OF WOMEN FROM ŞANLIURFA, TURKEY



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Abstract

This paper examines women's experiences of poverty and social exclusion in the context of Şanlıurfa, a major city located in the Southeast region of Turkey. Analysis of qualitative data shows that women experience poverty and social exclusion in unique ways. In addition to poverty, patriarchal ideology and gender discrimination limit women's access to education and work outside of home. Women are confined to the boundaries of domestic life and home contributing to their feelings of isolation, deprivation, and powerlessness. Women's stories also depict the hostile nature of public spaces towards women in the city. Male dominated character of public space and the patriarchal culture at large discourage women from using even the most rudimentary public services and spaces such as public transportation vehicles, parks, and city center. Lastly, the paper presents the demands of poor women from service providers to overcome some of the difficulties they face in their everyday life.

Key Words: Gender, poverty, social exclusion, Şanlıurfa, Turkey

Studies on poverty and poverty alleviation are quite rare and recent in Turkey (Kivilcim, 2003). However, public and academic attention to poverty has been growing particularly since the 1980s. This is not surprising as income inequality and poverty have continued to increase and new forms of poverty have started to emerge in the decades following the implementation of liberal economic reforms (Bugra & Keyder, 2003). In some recently published World Bank Reports, Turkey's attention has been drawn to the increasing rates of poverty, widening gap between the rich and the poor, and growing regional disparities within the country (World Bank, 2003).

Gender inequality limiting women's active participation in socio-economic life has also been noted as a significant social problem in the country. According to a recent UNDP Human Development Report (2005:300) women in Turkey scored significantly lower in all human development

indicators, except life expectancy. Adult literacy rate (+15) was 81.1 percent for women and 95.7 for men, while schooling rate was 62 percent for women and 74 percent for men. On average, women made at least two times less money than men.

Building on this background information, this article examines women's experiences of poverty and social exclusion in the context of Urfa, one of the major cities located in the Southeast region of Turkey. The analysis developed in this paper follows studies on poverty and social exclusion wherein poverty is conceptualized not only as a state of material deprivation but a complex phenomenon made up of a series of material and non-material forms of social exclusion. Although it is possible to define both concepts in multiple ways and debates continue as to which definition is better than the other, this study adopts the definitions provided by the European Union.

Poverty: People are said to be living in poverty if their income and resources are so inadequate as to preclude them from having a standard of living considered acceptable in the society in which they live.

Social exclusion: Social exclusion is a process whereby certain individuals are pushed to the edge of society and prevented from participating fully by virtue of their poverty, or lack of basic competencies and lifelong learning opportunities, or as a result of discrimination. (For full definitions, see Council of the European Union, 2004: 8)

This conceptualization of poverty as social exclusion has far-reaching implications for studies on poverty and poverty alleviation. First of all, it enables us to capture poverty as a multidimensional phenomenon with multiple causes and consequences that are at once material and non-material. Secondly, it paves the way for new methodological approaches that seek to understand poverty from the perspective of the poor themselves. Finally, it opens up a space for examining the relationship between gender inequalities and poverty that can enhance our understanding of multiple ways women experience poverty and social exclusion differently because of their gender (Skalli, 2001).

Qualitative studies focusing on the experiences of the poor, particularly of women, can have significant policy implications as well. They can help bring the voices of the poor to the public. They can empower the poor exercise their agency in formulating policies for their own problems and help policy-makers formulate solutions that directly address the causes and consequences of poverty, and social exclusion (Goode & Maskovsky, 2002). Such studies so far have shown that gender discrimination and patriarchal culture play significant role in women's social exclusion and vulnerability to poverty around the world. Women carry the burden of poverty yet they are disadvantaged in terms of accessing resources, power and decision making at all levels in society, starting from the family (Adaman & Keyder, 2006; Ayata & Gunes Ayata, 2003; Erman, 2003, Ecevit, Erman, Kalaycıoğlu et al, 1999). Gender inequality is a major obstacle in fighting poverty and women's exclusion from society (Cagatay, 1998).

In what follows, the paper first presents the methodology for the data used in this study collected from the fieldwork conducted in Şanlıurfa in 2008. Secondly, it gives a brief summary of the findings of the quantitative phase of the research, which will contextualize women's experiences of poverty and social exclusion in the city. The next section will examine experiences of women living with poverty and struggling through multiple forms of social exclusion they experience because of poverty and their gender. The paper will conclude with a brief list of the demands poor women have from service providers to overcome some of the difficulties they face in their everyday life.

Method and Data¹

The fieldwork for this study employed both quantitative and qualitative research methods in two consecutive stages. In the first phase, out of a representative sample of 1500 households and 1500 individuals, randomly selected with the help of Turkish Institute of Statistics from the

¹ The data for this study comes from a fieldwork conducted as part of EKOSEP (Social and Economic Integration Project in Migration Receiving Cities) supported by the EU and Municipalities of Diyarbakır, Erzurum, Gaziantep, and Şanlıurfa.

population residing within the boundaries of Urfa Municipality, 1266 *Household Questionnaires* and 1236 *Individual Questionnaires* were conducted through face-to-face interviews.

In order to develop a comprehensive understanding of the trends observed in the quantitative phase of the fieldwork, we also carried out a qualitative fieldwork based on focus group study. The potential participants for the focus groups were chosen based on the information obtained from the Individual Questionnaires. The data for this study were drawn from two focus group interviews conducted with *Young Women (20-34)* and *Adult Women (35-55)* from poor households of migrant and native origins. The findings of focus groups will be presented after a brief summary of the findings of the quantitative research that give a picture of the overall socio-economic and demographic characteristics of the city population of Şanlıurfa. This will help contextualize the experiences of women.²

Selected Demographic and Socio-economic Indicators of Şanlıurfa City

The Southeast Anatolia historically has been the least developed region of the country. A recent study by the World Bank noted that the region continues to be the poorest. The rate of extreme poverty within the region, based on the World Bank's poverty line, was 5 times the national average. Nearly half of the extreme poor in Turkey lived in the Southeast (World Bank, 2003: 11). The region accounted for less than 7 percent of the population but more than the quarter of the urban food poor (World Bank, 2003: 13). Along with extreme poverty, vulnerability was also much higher in the region compared to the rest of country. In the Southeast Anatolia, "93 percent of the urban population had per equivalent consumption below the vulnerability line" (World Bank, 2003: 23). In sum, urban poverty was found to be rampant shaping the life conditions of the majority in the region. In addition social, structural and institutional factors limited women's access to education and employment placing them among the most disadvantaged groups (Gulen, 2004). Urfa is one of the major cities of Southeast Anatolia and, as the findings of our research will show, the city seems to suffer from the same socio-structural and cultural problems of the region at large (also see DPT, 2003).

To being with, the average size of the household in the city is 5.4, a figure significantly higher than the national average of 4.6 recorded by TUIK in 2005. At the same time, 1 in 4 household in the city is composed of 7 or more members. Poverty is highly correlated with the size of households. As the number of dependent children in the household increases so does the rate of poverty. This simple fact, among others, may help to explain the extent of poverty experienced in the city as discussed below.

The majority of the households in the city seemed to live on a very limited monthly budget facing poverty or the risk of poverty. The median monthly expense level per household in the city amounts to 648,45 TL. The median monthly expense level per person, excluding rent, is found to be 124, 31 TL. According to TUIK (2009), the official poverty threshold established for a family of four was 767 TL in 2008. When divided into four, this amounts to 191,75 TL per person. Based on this comparison, our research findings indicate that majority of the population in the city lived much below the official national poverty level in 2008.

The fact that many households and individuals experienced poverty or risk of poverty was supported by the informants' subjective evaluations as well. 7 out of 10 households reported that they had difficulty in meeting their basic needs such as food, clothing and heating. Almost half of the households interviewed described their economic situation as "bad" and "very bad." 1 in 2 households reported having accumulated debts for their daily needs and having difficulty in paying them.

The major source of poverty that households experienced stemmed from some troubling structural problems in employment patterns in the city. First of all, the level of participation in the work force is extremely low in the city. Within the overall urban population, only 2 out of 10 people were employed. The proportion of those who were employed within the economically

² For an extended discussion on the fieldwork method, see Adaş and Geniş (2009).

active population (15-65) amounted to 1 in 3. Female participation in the labor force is also found to be extremely low. Within the economically active female population, only 3 out of 100 women were employed. In contrast, 36 percent of economically active men, about ten times higher than the figure for women, were employed. While women's absence in the workforce seem to be related to traditional gender roles and patriarchal ideology, among other things, the unemployment rate within the economically active male population points to another major problem in the city's ability to create jobs. 3 out of 10 men in the city did not work because "they could not find a job."

On the other hand, "work" did not seem to provide the material and social security for the majority who were employed. Almost 2 out of 3 workers were employed in jobs without social security and/or health insurance. Informal employment is disturbingly high among children and youth, reaching about 90 percent in total. The level of informal employment is also strikingly high within the small population of working women. Among the women older than the age 6, 3 out of 4 female workers were employed without any social security, whereas the same figure for men was 6 out 10, slightly lower than women.

The high rates of informal employment and unemployment limit the number of people who have access to health insurance. 1 out of 4 persons in the city did not have access to any type of health insurance. The proportion of men without health coverage was slightly higher than that of women. The data also showed that children and youth are more disadvantaged than the rest of population in accessing health coverage. Yeşil Kart³ owners made up the second largest group among those with access to health coverage, after SSK beneficiaries. The extent of Yeşil Kart ownership could be taken as another indicator of the scope of poverty in the city.

Another structural problem observed in the city is related to educational attainment. The research findings indicate that 1 out 4 person in the city is illiterate. There is a negative correlation between age and likelihood of being literate. For instance, among the population older than 50, the rate of literacy drops down below 50 percent. Although illiteracy is less common among the youth, there is relatively high illiteracy rate among children at schooling age whose proportion reaches to 10 percent.

Data also indicate troubling gender inequalities in accessing education. The literacy rate among women is only 70 percent, while male literacy rate is 90 percent. The literacy rate among women drops even more sharply when controlled for age. The literacy rate among women above 35 is less than 40 percent. In contrast, among men who are younger than 65, it approaches to 9 in 10. The literacy rate among men older than 65 is about 6 in 10.

Access to formal education displays similar trends in the city. Only 77.5 percent of the city population had some forms of formal schooling. There is a negative correlation between age and formal schooling: As the age of the respondents increases, the likelihood of participation in the formal education system declines. Among the adult population, the rate of schooling drops to 40 percent. Women face disadvantages in accessing formal education as well. In entire population, only 1 in 3 women had a chance to acquire formal education, while this figure is 9 out 10 for men.

The level of educational attainment in the city is also strikingly low. The average year of schooling per household amounts only to 5.2 years. In other words, the overwhelming majority of the city population had less than 8 years of education, i.e., less than the compulsory level of education required in the country for the past 13 years. Once again gender is a significant factor in determining a person's level of education. On average, women are significantly less educated than men. While the average year of education for men is 6.16 years, the average year of education for women is only 3.6 years.

Education indicators within the population at the age of schooling (6-18 years old) also display some troubling trends. First of all, almost 2 out of 10 children and youth did not continue their education although they were still at schooling age. While 1 out of 8 boys were not attending any

³ Yeşil Kart is public health insurance scheme provided by the state for the poor who lack any income sources and assets which need to be documented to qualify for it.

educational institution, this rate is 1 out of 5 for girls. While poverty and economic hardships are the major causes limiting boy's access to further education, gender plays the leading role in preventing girls' access to education. Almost 4 out 10 girls did not continue their education because of their gender, followed by poverty and economic hardship. Furthermore, in total, 4 out 100 children did not attend school on a regular basis. A quarter of this population was regular absentees due to "seasonal migration" and "working during the school days."

These findings are supported by the findings of focus group interviews conducted with the participants. Major causes of poverty and social exclusion identified were unemployment as well as informal and casual employment. Women were enthusiastic about participating in labor force but they faced strong barriers due to low educational attainments, low skills and high levels of unemployment. In addition, patriarchal family structure and traditional gender division of labor formed major obstacles to women's access to education and employment.

The Results of Female Focus Group Interviews

The Profile of the Women

Table 1 and Table 2 present the profiles of the female participants in focus group interviews. Participants were chosen from households, which stated that they suffered from poverty, economic hardship, and material deprivation. Apart from this common identity, the participants varied in terms of age, marital status, place of birth, and employment status.

Name	Origin	Reason for Migration	Duration of Residence (Years)	Marital Status	Education	Occupation	Occupation of Father/Husband
Fatma	Urfa, Village	Economic	1,5	Married	Primary	Housewife	Worker
Necla	Urfa, Town	Economic	8	Single	Middle	Unemployed	Retired
Fatma N	Urfa, Town	Health	3	Married	Primary	Housewife	Worker
Yasemin	Urfa, Town	Economic	3	Single	Vocational	Unemployed	Worker
Fadime	Urfa, Town	Health	3	Married	Left Primary	Housewife	Worker

Name	Origin	Reason for Migration	Duration of Residence (Years)	Marital Status	Education	Occupation	Occupation of Father/Husband
Şenay	Native	--	--	Married	Vocational	Housewife	Seasonal Migrant
Semiray	Mardin, Town	Economic	35	Married	Left Primary	Housewife	Retired
Hacer	Native	--	--	Married	Primary	Housewife	Technician
Bilge	Adıyaman	Economic	4	Married	High school	Housewife	State worker
Hatice	Urfa, Village	Economic	40	Abandoned	Illiterate	Housewife	---
HB	Native	--	--	Married	Illiterate	Housewife	Unemployed
Güler	Native	--	--	Married	Primary	Housewife	Worker
Rahime	Urfa, Village	Economic	20	Widow	Illiterate	Seasonal Migrant	Seasonal Migrant

Education and Work

The overwhelming majority of women had little or no formal education. In the stories about obstacles to their access to education, common themes included poverty, limited financial resources within the household, domestic responsibilities assigned to girls in the household, absence of schools in the place of residence, particularly in the rural areas, and the patriarchal ideol-

ogy that prioritizes the education of male child in the family. For instance, Semiray left her education after the first year in elementary school. She grew up in Mardin where sending girls to school after first grade was considered shameful. In the case of Fatma, she was able to finish elementary school in her village in Urfa, but she could not have the chance to further her education because there were no middle schools in the village. Similar obstacles were also limiting the chances of women's access to education born and raised in the city. Guler grew up in one of the poor neighborhoods on the outskirts of the city. She finished primary school and but had never gotten the chance to attend middle school because "there were no middle schools around and, even if there were any, her father would not let her go anyways, because they did not educate girls 50 years ago."

Necla, a participant in the Young Women Focus Group, represents another common case where a girl's access to education is blocked due to the burden of household chores assigned to young girls. Necla was forced to withdraw in her third year in elementary school due to her mother's illness and the domestic responsibilities required from her. Later on she acquired a middle school degree through homeschooling herself. At the time of the meeting, she was trying to get a high school diploma through homeschooling as well. Necla wanted to continue her education and enter a university, but she did not have the money to attend the training courses for exams and "she is now perhaps too old to attend a university."

In the discussions regarding the implications of being excluded from educational opportunities, all women seemed to have agreed on the significance of education for women's independence, self-esteem and participation in social life. For instance, Fatma, who is a primary school graduate, compared herself with her sister in law who is an illiterate woman.

Fatma: (Education is) really important. My sister in law never went to school. She is ignorant. When we were coming here, I asked her to go together. She said "I can't go. I would not know anything. I would be scared." But I came by myself. I have many acquaintances, who can't go to the city center by themselves. Me, on the other hand, I take care of every business of my family. I go to the city center, I go everywhere. They are afraid of going out.

This little vignette can show how much even primary education can make a difference in the lives of women who feel empowered and confident enough to go out and take care of personal and family responsibilities. This is in a striking contrast to the experiences of illiterate women. For instance, Hatice felt that she is marginalized by the fact that she is illiterate. She was dependent on others to get to the city center, to use buses and to visit doctors. She could not go out by herself "because she feels at lost."

None of the women interviewed were currently employed and had access to regular income of their own. Except the two young women, Necla and Yasemin, who had prior experiences of work and described their current status as "unemployed", the rest described themselves as "housewives". Several women with prior experience of paid work in the informal sector and in the agricultural sector became "housewives" after marriage and migration to the city. In addition to women's lack of educational and occupational skills, patriarchal ideology and traditional gender roles, the state of labor market in the city function as irrevocable barriers in women's access to employment.

The majority of women lacked educational and occupational skills that would qualify them for some form of employment. Not only they lacked the skills but also the knowledge and social network necessary to search for jobs of any kind. "What can I do? What a woman like me could do?" were common questions raised particularly by women who were illiterate, older and coming from rural settings. Several women with high school and college education tried to capitalize on their experience as mothers in their search for jobs. For instance both Hacer and Şenay tried finding employment as "sister" (*abla*) in kinder gardens but they lacked the educational skills and certificates required for the job. This reinforced their sense of exclusion and undercut the only hope they had for what they considered a decent employment.

Different than the findings of many studies on urban employment patterns among poor

women, women in Urfa did not have access to even informal jobs such as housekeeping, baby-sitting and knitting or sewing for subcontractors. Many women with no hope for regular employment tried to contribute to household income by doing some knitting, sewing and needlework. A common problem women faced, however, was to sell what they produced. Little income was generated through such home-based activities. They did not have the social network.

The level of unemployment as well as the precarious nature of jobs available in the city, characterized by low pay and no benefits, also undercut women's chances for employment. The two single young women, Necla and Yasemin, had some prior experience of employment in the service and manufacturing sectors. However, they have been looking for jobs for several years now and both described themselves as "unemployed." Recently, Necla was informed about a job opening in a factory but the pay was so low that it would not even compensate her transportation cost. She could not take the job.

Women's access to employment opportunities is also severely constrained by the patriarchal ideology and conservative values. Several women considered working but only in jobs that were extensions of their domestic roles as mothers and caretakers. Apart from the fact that these were the only skills they thought that they could capitalize on, conservative values about women's work limited women's choices for employment. Many women complained about the fact that even if they had the opportunity, they would not be allowed to work outside because that was considered 'shame' for the family. Some stated that they could work within the neighborhood, not far from their home, but any location farther would not be allowed by men and would be criticized by the community. The problem was not only of husbands, but also of fathers, and the community. Many thought their husbands would be willing to support them if they had a chance to work, but the fathers would interfere and the community pressure was too much to handle for the family. Women complained about the control by their extended family even after they got married.

Many women, particularly younger ones, wanted to work not only to support their household income, but also to become part of social life and gain economic independence, confidence and a sense of personal worth. Yet, given the strength of pressures against women's work in the community, a sense of powerlessness and hopelessness marked their existence.

Poverty, ironically, is another obstacle undermining poor women's struggle for economic independence. Poverty prevented women from investing in vocational training or personal development. Many women could not afford transportation costs and fees for the various training courses offered in the city. Fatma, for instance, had to borrow money to attend the focus group meetings with the hopes that she could get some help. In other words, poverty fed poverty by limiting women's choices to access occupational training and paid work.

Living with Poverty

The effects of poverty on women is harder than men as women are the ones responsible for taking care of the everyday needs of the family members, and facing the constant stress and challenge of prioritizing between their needs and the needs of other family members. Given that none of the women had access to regular income of their own and their family lived on a limited budget, living through the reality of poverty and deprivation on a daily basis shaped the experiences of these women. While women with no regular income-earners in the household were the most disadvantaged group, the painful struggle of surviving day by day marked the experiences of all women in the group, even those whose husbands or sons worked and brought some income to the household.

Women with families and children had hard time meeting the basic needs of their family and tried to prioritize food, heating and educational expenses for their kids above everything. According to women, they had to prioritize these needs because they have to feed their kids and make sure that they are protected from cold, and attend their schools.

Women developed strategies to cut down on spending in everyday expenses and maximize

the quantity and quality of the food they can put on the table. The first strategy they relied on was to cut down their own personal needs. Many women with small children decreased their own food consumption to make sure that children get enough food they need. They did the same thing for clothing and other personal expenses. Secondly, they tried to target places that are cheaper. This brought an additional burden on women, as they could not afford transportation and many times they had to travel to distant places on feet. Thirdly, they strategized on timing when they go to local bazaars. Postponing shopping to late hours when the bazaar is almost over, bargaining at the last moment when the sellers are looking to finish their products, looking for left-over products in the market were some strategies employed by poor women to minimize the cost of food.

Most of the women thought it cheaper to put food on the table during the summer as they saved from the heating and educational expenses. Summers were also the times they felt they could provide better nutrition for the family and the kids, when they could afford 'luxurious items' such as vegetables and fruits because they are abundant and cheaper. Winters, however, were harder to get by. Not only the heating costs put a considerable strain on the household budget, but food also got more expensive and hence the meals declined in both quantity and quality. The most common items of diet consumed on a regular basis during the winter were bulgur, pasta, potato, dried beans, and chickpeas and such. Meat was something precious and luxury which they could rarely afford.

Women and children suffered from cold during the winter, as they did not have adequate heating system and the money to heat the house on a regular basis. To save money, women went without heat when they were alone at home. When they had small children in the house, however, heating the house became a priority. Women complained that during winters they had harder time to balance the expenses for food, heat, and the children's needs.

Many families survived on loans for their basic necessities, such as food, heating, and, bills for the utilities. Accumulating loans however increased the burden on women and the pressure men exercised on them. Men would pressure them to save from food, heating, and kids' necessities.

Women also felt overstressed by the expectations of their husbands. They felt that men did not understand the pressure they were under to put food on the table and take care of children's needs on a very limited budget. Men expected women to minimize the effects of material deprivation felt by the household.

While women were under pressure of making ends meet with little resources, men were under pressure of not making enough money to support the needs of their family. Quarrels frequently took places about shortage of money and the priorities about spending in the household. Women felt alienated and powerless since even their attempts to help were taken as a challenge to the male's authority. Many times women were subjected to frequent battering and serious forms of male violence due to arguments about money, food, children's needs and other unmet necessities in the household.

Many women lived in extended households with the relatives of their husbands. Extended households are both a strategy to alleviate poverty and capitalize on young women's labor for social care of children and elderly. One striking case was Fatma. She lived together with her husband's relatives. There were 13 people in the household including the brother-in-laws and their family, in addition to the elderly. In the household, only Fatma's husband had a job. They supported the family and the family let them stay in the house for free. Fatma's only dream was to be able to afford a place of her own.

While living with extended family meant social support for each other in the cases of extreme poverty, it also increased the physical and psychological burden on particularly young women. Their needs were the least prioritized in the family. Their burden of the household chores increased as the number of people increased in the household. Their subjugation augmented since the relatives of the husband also got involved in the issues concerning women's and children's needs and demands. Many women narrated instances of violence, beating and abuses by their

husbands and relatives on issues of food, household chores and women's demands for work outside.

Parenting and Children

The dominant discourse in public focuses on poor women's having too many children than they are capable taking care of. The discourse is framed in the 'language of individual choice'. What is not mentioned is that poverty and patriarchy limit poor women's capacity to exercise their reproductive rights. Poor women, most of the time, do not have the right to choose when and how many children they would like to have.

Young women and mothers were strongly aware of the fact that poverty limited the opportunities they could provide for their kids. They were conscious about limiting the number of children they can have or will have so that they can maximize the resources they can allocate to their children's needs. Many wanted to have more than one child but they simply could not afford it. They felt deprived because their maternal choices were constrained by poverty. In the cases of poor older women, women with rural origins and living with extended families, the contrary was the case. Poverty and patriarchy overrode women's will to decide on when and how many children they would like to have. Not having money and resources to access medical support and knowledge, and being confined by the patriarchal pressure, older women did not have a choice but to have more kids than they desired. One woman said, "I was forced to have more children than I wanted. This is a sin too. A big sin."

Another myth about the poor is that they do not understand the value of education for kids. Therefore they choose not to educate them. This view is wrong for two reasons. First, it ignores how much the poor are enthusiastic about educating their kids and women particularly of their daughters. Secondly, the public's perception ignores the heroic efforts and sacrifices poor people make to send their kids to and to keep them in school. They want to invest in their kids and want to be involved in their kid's education, even albeit within the limits of their budget and their own cultural capital. They take their way to make sacrifices from their own needs so that they can afford to send their kids to school. Although primary education is theoretically free in Turkey, the expenses necessary just to send the kids to school can amount to a considerable sum of money for these families. Many times, women could not afford the books, stationary, uniforms, and the frequent contributions asked by the school administration. They felt ashamed and helpless, and constantly worried about having their children belittled in the school by their teachers and friends for lacking what others could effort.

Women also felt that their kids were not getting the best education they should. There were complaints about the schools lacking proper equipments and manpower. Teachers were not invested in kids' education and they lacked the understanding of the particular needs and problems kids from poor families may have. Children were frequently subjected to physical violence inflicted by teachers and administrators. Mothers felt powerless and helpless. Parents' involvement in their kids' education was often blocked by the hostile attitudes of teachers and administration. Women felt that they did not have the power to change how their kids were treated in schools because they were poor.

Women with young children were also concerned about the fact that schools lacked facilities and social activities for children to play, learn, and improve their physical and mental capabilities. None of the schools had any appropriate play areas. None of them organized social and cultural activities for children. Women also complained about the lack of such facilities in their neighborhood and in the city. Children did not have any place to go after school. The education was very scholastic and they did not have any opportunities to develop their social and cultural skills.

Social Isolation and Control

Poverty and patriarchal culture isolate women from social and public life. Rural to urban migrant women particularly experienced a sense of loss and isolation after moving to the city. They narrated their life as a process of "social isolation" shaped by financial and physical difficulties and

social control inflicted on them by the family and relatives in a strange environment that they did not know.

These feelings of social isolation and control were not limited to the experiences of migrant women. Native poor women also felt that their lives were seriously confined by poverty and patriarchal control. Women did not have the financial resources and freedom to involve in any kind of social activities. Most of the time they did not even have the freedom to wonder outside of the neighborhood. Their neighborhoods also lacked any facilities that would help bring women and their families together in social activities. Many women, for instance, voiced their demands to have walking paths, recreational areas, and cultural and educational activities in their neighborhoods where they can exercise and socialize with their kids and neighbors without cost.

The male-dominated character of the public space and the patriarchal culture at large also confined poor women's participation in social life. Many women felt uncomfortable using the public transportation in the city since men stared at them, behaved and spoke disrespectfully (swears, sexual jokes, and so on) and, make them uncomfortable physically and psychologically. Women felt the same way about using public spaces in the city. Young women who wanted to socialize in the center with their husbands did not feel comfortable going out, as mixed socialization in the city is considered inappropriate and criticized. Women eschewed from using many recreational areas in the city, such as parks and walking paths since men harassed them physically and verbally.

Women's Demands From Policy-makers and Service-providers

Employment and Decent Jobs

Unemployment and informal forms of employment need to be tackled if poverty is to be eradicated in the city. High levels of unemployment and informal employment in the city leave these families in a constant experience of economic and health insecurities and risks where they cannot meet their basic needs. This situation affects women more deeply as they have to tackle with the everyday struggle of getting by and prioritizing between the basic necessities such as, rent, utilities, food, clothing, heat, health and educational expenses of kids.

Vocational Training and Employment Assistance for Women

Several women complained about the unavailability of vocational trainings or trainings for income-generating activities for women in surrounding areas. Distance to such centers is pictured as a barrier since transportation cost is a major concern for poor women. Distance is also a problem due to conservative culture that limits women's mobility. Women also complained about the fact that courses in *Halk Egitim Merkezleri* (Public Education Centers) and *Mesleki Egitim Merkezleri* (Occupational Training Centers) were designed without consulting the needs of local women. Women also wanted to have only-women training sections. This, they thought, would make it easier to get permission from their families to attend these courses. Some women also voiced their concerns that they do not learn well in mixed classes. They did not feel comfortable in talking and participating when men were around.

Many women also wanted to learn and have access to income-generating activities that they can do at home or in their neighborhoods. Since the conservative culture in the city and the domestic responsibilities of women, particularly those with small children, prevent them from working outside of home, women wanted to access income generating activities at home.

These demands may seem controversial as gender segregated activities may generate more sex-segregated life and social conservatism. Yet, if the trade-offs are to have women participate in social and economic life and women's empowerment through education and work, then these propositions may well be worth considering, particularly for policies targeting adult women.

Healthy and Affordable Housing

Housing is a serious problem for poor people. Many women lived in unhealthy houses that

are too small and lacking basic amenities. Housing conditions have serious detrimental effects on poor people's health, particularly of women and children who spend more time at home. Yet women were more concerned about the cost of rent than the quality of housing since rent puts a considerable strain on their household budget. Policies have to be developed to make quality housing available at an affordable price for the purchase of poor people.

Recreational Areas for Women and Kids

Women complained about the lack of any parks, recreational areas and social-cultural activities in their neighborhoods. Many of them were aware of the facilities in the different parts of the city but they were not accessible due to distance, transportation cost, and fees required to use them. Women were also concerned about the lack of recreational facilities for their children in their neighborhoods and in the city at large. They wanted to have facilities where children can play, exercise and develop their social, physical and mental capacities. Women wanted to have such amenities made available in accessible distances and with little or no cost. Such amenities need to be made available to poor women and children at no or little cost and women's input must be required to design and implement such activities.

Access to Free and Quality Education

The fees required for extra-curriculum materials and activities constitute a major complaint and put families under financial and emotional pressures. Women were also concerned by the quality of the education provided to their children in the schools. Teachers and school administrations were not sensitive to the special needs and constraints children living in poverty have. Women also complained about the frequent physical violence inflicted on their by teachers.

Women demanded that poor children are provided with the quality education they need and deserve, both families and educational institutions are trained in children's rights, and that school administrations are held accountable to parents' complaints about physical and emotional violence towards children.

Investing in and Protecting Women

Women thought that assuring women's access to education and employment are essential to alleviate their poverty and exclusion. Policies need to be devised to increase women's access to education and employment. Yet, in formulating these policies, women need to be involved to provide feedbacks on the problems and obstacles they face in everyday life. Women need to be involved in a participatory policy-making to devise solutions to their own problems.

Poor women are subjected serious domestic violence. Policies need to be developed to combat violence against women at multiple levels. Educating public about violence and discrimination against women must be supplemented by harsher sanctions. Many women feel alone and without support in their struggle against violence and find themselves in the cycle of violence when their complaints are not taken seriously and not followed by any sanctions.

Women Friendly Public Spaces and Urban Culture

Women are made to feel as "others" in the public spaces of the city. Women feel deeply uncomfortable using the buses, parks, recreational areas, and the city center. They are physically and verbally harassed and subjected symbolic violence. Policy makers need to find ways to tackle and transform the male-dominated culture of the city. For instance, free or low cost socio-cultural activities can be organized to attract more women and couples into the city center.

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POVERTY DYNAMICS

LITERATURE REVIEW FOR MEASUREMENT AND CONCEPTUAL UNDERSTANDING*

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Abstract

A better understanding of poverty will help us to design efficient poverty reduction strategies. In the standard poverty literature, static poverty analysis has limited power than the dynamic analysis in explaining poverty. The processes which make poverty durable and prevent the extinction of poverty can not be understood by static analysis. These processes can be better understood by dynamic analysis. The long-term dynamic poverty researches which are done in developing countries show that the transitory poverty is very large whereas chronic poverty is small. Transitory and chronic poverty have different causes and therefore different poverty reduction strategies. In Turkey, policy makers should learn the relative magnitudes of transitory and chronic poverty. Besides, policy makers in Turkey should make a decision for formulation a balance between poverty reduction strategies targeting chronic and transitory poverty.

Key Words: *Static Poverty Analysis, Poverty Dynamics, Transitory and Chronic Poverty, Interdisciplinary Researches.*

1. Different Approaches used in Measurement of Poverty

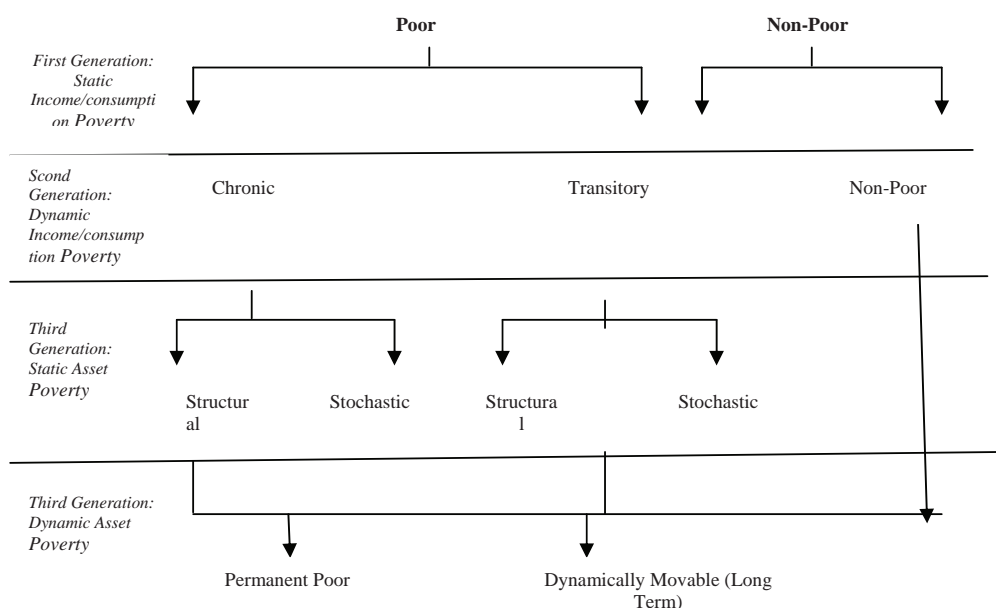
Approaches used in measurement of poverty can be grouped under four generations. In the First Generation Approaches, poverty is measured by gathering income/consumption data just belonging to one period. Such a measurement of poverty divides the society into two groups as poor and non-poor. In the Second Generation Approaches, long term panel data is used for the same households. Then, households are divided into three groups as chronic poor, transitory poor and non-poor. Poverty measurements made with the Second Generation Approaches evidence that transitory poverty is very high in general poverty (Carter and Barrett, 2006, 179-180).

* The original version of this paper is in Turkish and English translation is appeared here. The original version of the paper is appeared on the Turkish version of the Edited Collection of the Symposium.

Poverty measurements made with the Second Generation Approaches are not very beneficial for determination of transitions among groups (chronic poor, transitory poor and non-poor). Researches made with these approaches cannot reveal whether or not inter-group poverty transitions result from structural or stochastic reasons. Therefore, Third Generation Approaches started to be used in poverty measurements. A poverty threshold is estimated for assets stock owned by poor people. Poverty threshold estimated for assets ensures differentiation of stochastic transitions from structural transitions among groups. Poverty threshold estimated for assets stock is used for determination of households having an asset stock which might exceed income/consumption based standard poverty threshold (Carter and Barrett, 2006, 181-182).

If assets stock of a household is higher than poverty threshold calculated for assets stock, but income obtained is lower than standard poverty threshold, this household is considered as stochastically poor. If assets stock of a household is lower than poverty threshold calculated for assets stock, income obtained will be probably below standard poverty threshold. Such households are considered as structurally poor (Carter and Barrett, 2006, 183).

Figure-1: Different Approaches used in Measurement of Poverty



Source: (Carter and Barrett, 2006, 180)

Income obtained by a household obtained when its returns of asset portfolio below poverty threshold calculated for assets stock increase may exceed standard poverty threshold and it may not be considered as poor any more. This transition (escaping from poverty) is named as stochastic transition. Moreover, if assets stock of a household is higher than poverty threshold estimated for assets but household income is lower than standard poverty threshold, an increase in returns of asset portfolio will lead household income to exceed standard poverty. This transition (escaping from poverty) is named as stochastic transition. If assets stock of the household exceeds this threshold from the level below poverty threshold estimated for assets, the new asset level will generate an income above standard poverty threshold. This transition (escaping from poverty) is named as structural transition (Carter and Barrett, 2006, 183).

However, estimation of a single period static poverty threshold for assets stock will cause some problems. Will structurally poor people remain as poor in the future? Are structural poor people proceeding in the right pathway? Is the situation of structural poor people sustainable? How many of structural poor people are structurally movable in the long term? How many of structural poor people were trapped by the long term poverty which might make them continuously poor? Answers of these questions cannot be found in poverty measurements made with

Third Generation Approaches. Poverty threshold estimated for single period (static) assets stock may predict stochastic and structural transitions in the short term. However, those trapped by long term structural poverty may be determined with a dynamic assets stock. This constitutes Fourth Generation Approaches (Carter and Barrett, 2006, 185).

In case a household does not decline its assets stock when a transitory income shock decreases the household below standard poverty threshold, this household may reach up to its former welfare level. Generally it is seen that households subjected to stochastic income shocks transiently decrease below standard poverty threshold but are not trapped by poverty (Carter and Barrett, 2006, 192). It is seen that households having a higher possibility of access for financial capital have a more advantageous accumulation pathways and they can escape from structural poverty faster than other households.

2. Chronic Poverty

Chronic poverty is a dynamic concept and includes a time factor. However, standard literature generally disregards time dimension while describing the chronic poverty. How long does a persons have to remain as poor to be considered as a chronic poor? This question is not frequently asked in the standard literature. Concept of chronic poverty is considered equal with "poverty trap" in a certain part of the literature (Osmani, 2009, 248).

If a person's income sometimes drops below standard poverty threshold and sometimes exceeds above, this person is considered as transitory poor. Income of a chronic poor person always remains below poverty threshold. For example, if income of a person or household occasionally exceeds poverty threshold but usually remains below poverty threshold, this person or household is considered as chronic poor. Chronic poverty is related with the length of the period in which poverty continues. However, there may be excessively poor people among chronic poor. Some people or households are classified as chronic poor in terms of the period in which poverty continues while they are considered as excessively poor or moderately poor if debt of poverty is also taken into account (Osmani, 2009, 248-249).

Concept of chronic poverty may be explained better when the period in which poverty continues and stochastic variation characteristics in income are combined. For this, we will assume that income of a person is Y_t in t time and depends on two factors set.

- Characteristics of individual like age, sex, assets portfolio, education, skills etc., characteristics of household, number of dependent individuals in the household, number of individuals who can participate in work force in the household etc. These characteristics indicate outfit of individual and are indicated with D_t .
- Variables out of individual and household. These are external variables existing in village, regional, national or global level and indicated with X_t .

Process of generating income is indicated with two dynamic equations. Existence of error term in both equations indicates the existence of stochastic variation:

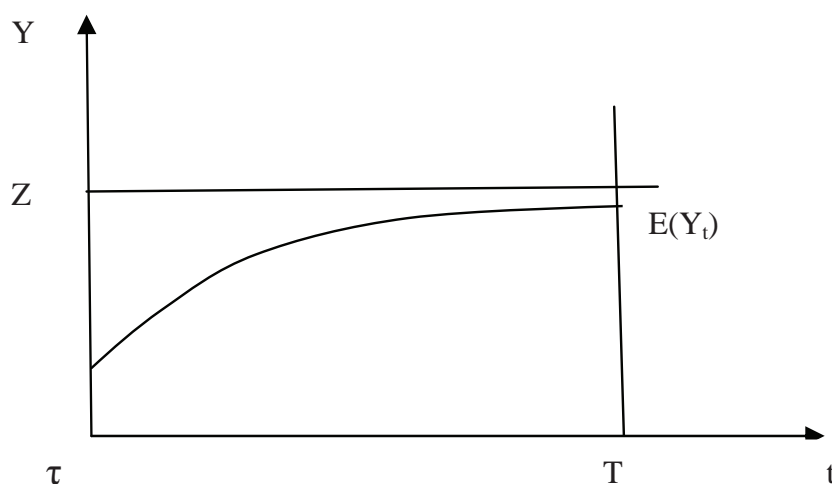
$$Y_t = F(D_t, X_t) + e_t$$

$$D_t = G(Y_{t-1}, D_{t-1}, X_t) + \varepsilon_t$$

People may remain as poor or escape from poverty in time due to the stochastic variation in income. Even a chronic poor person may exceed the poverty threshold due to the stochastic variation in his/her income. As seen in Figure 2, if time pathway of expected income $E(Y_t)$ is always below poverty threshold (z), then income earned usually remains below poverty threshold but may exceed poverty threshold, though rarely, due to the stochastic variation (Osmani, 2009, 249-250).

As seen in Figure 2, starting time of chronic poverty is indicated as τ and the time where working period of a person ends is indicated with T : the condition $E(Y_t \setminus D_t^*, X_t) < Z$ must be fulfilled to consider this person as chronic poor [$t \in [\tau, T]$, $D_t^* = E(D_t)$].

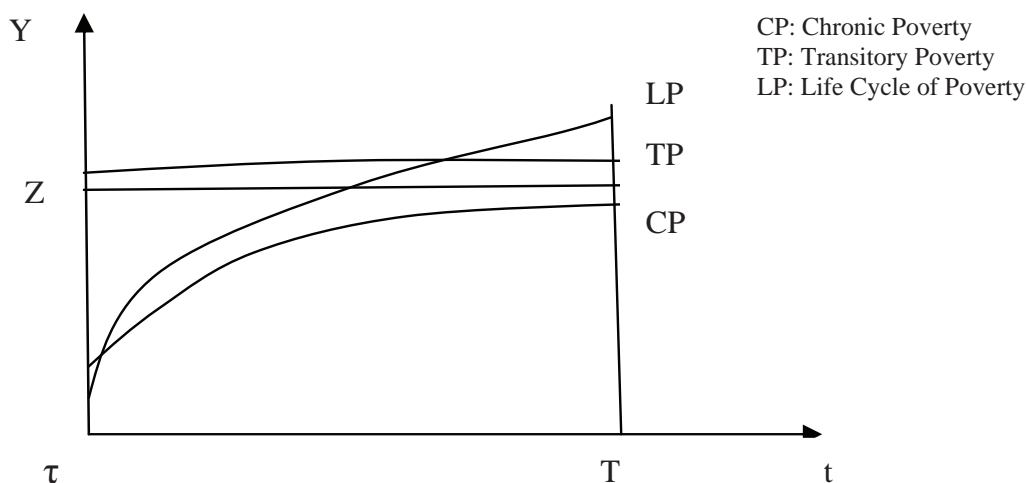
Figure-2: Chronic Poverty



Source: (Osmani,2009,251)

D_t^* includes two types of variables. Individuals do not have a control on some variables included, for example age, sex. But individuals have some control power on other variables, for example accumulation period of different types of assets and skills, household size, household work power. While external variables are constant, a person is considered as chronic poor if his/her initial conditions leads the income to remain below poverty threshold until the end of working period (income of individual may exceed poverty threshold, though rarely, due to the stochastic variation in income) as seen in Figure 2. (Osmani,2009,251-252).

Figure-3: Life Cycle of Poverty, Chronic and Transitory Poverty



Source: (Osmani,2009,253)

Time pathway of expected income of a non-poor is always above poverty threshold. Time pathway of expected income of a non-poor is higher than the time pathway of a transitory poor but it may occasionally (rarely) decrease below poverty threshold due to stochastic variation in income. When the life cycle pathway of poverty (LP) is examined in Figure 3, it is seen that the line is sometimes below and sometimes above poverty threshold during the working period. Actually, this definition neither corresponds with definition of poverty nor with definition of transitory poverty. Indeed, it does not resemble time pathway of a non-poor. Resources owned by a person

during the initial years of the life time cycle pathway of poverty like assets, skills, experiences and work force in household cannot generate an income sufficient to exceed poverty threshold. However, when resources owned at the end of accumulation period or by means of learning/acquired experiences increase, this person would escape from poverty in remained years of the working period. Therefore, it is seen that LP line (life cycle pathway of poverty) exists below poverty threshold during initial years of working period but exceeds poverty threshold during remained period (Osmani,2009,253).

If internal dynamics of the economic system do not generate a solution to escape from poverty for a person, this person is considered as trapped by poverty. If time pathway of expected income touches with a ceiling below poverty threshold (W) or converges with this ceiling asymptotically, this situation is named as poverty trap. This situation is expressed with the condition $E(Y_t \setminus D_t^*, X_t) \leq W \leq Z$ ($t \geq \tau$). W is asymptotic ceiling existing below poverty threshold (Osmani,2009,254).

2.1. Reasons of Chronic Poverty and Solutions

Time pathways of expected income depend on the evolution of two factors set: 1) Quality and amount of different physical, natural and human capital types existing in the asset portfolio. 2) Returns of different types of assets. Evolution of asset portfolio depends on returns from assets, because returns of assets determine the capability and motivation which enables a person to invest in different types of assets. Therefore, income flows to be obtained in the next period depend on the evolution of returns of assets. This depends on choices made by the individual under certain constraints (initial asset portfolio and external factors). Time pathway of expected income determining whether or not a person is a chronic poor is the function of current and future returns of different types of assets. If a person is chronically poor, returns of assets are considerably low (Osmani,2009,255-256).

Macro level constraints and structural constraints cause two types of assets by decreasing returns of assets. For example, Keynesian unemployment results from macro level of total demand weakness and puts a limitation on the extent to which how much an employment will be created by the economy. Structural unemployment results from nonconformity between supply and demand in the labor market (Osmani,2009,257).

Smallness of market also constitutes a macro level constraint. For example, opportunities for wage workers would be limited and wages would be low if the market is small. If the market where a poor person sells his/her products is small, returns will decline when he/she tries to grow work scale. Consequently, new investments cannot be made and production scale will not increase. In this case, poverty turns into chronic poverty. The more the market grows, the greater opportunities for everyone there will exist and this will ensure poor people to escape from poverty (Osmani,2009,257).

Structural constraints are different from macro constraints. Firstly, structural constraints affect certain small groups, but not affect all economic agents. Structural constraints do not result from insufficient number of opportunities but from nonconformity between outfit structure owned by the individual and opportunity structure. Opportunities generally increase while the economy grows but outfit structure of some people does not conform to opportunity structure opened. Therefore, they cannot benefit from growth process. For example, higher qualified labor force benefit from new opportunities but lower qualified poor groups cannot benefit when countries open their economies abroad. Because structure of their outfit does not conform to opportunity structure. Therefore, a number of poor people remains as chronic poor while the economy grows (Osmani,2009,258-259).

A significant characteristic of poverty traps is the existence of some thresholds in returns of assets. When this threshold is exceeded, decreasing returns turn into increasing returns. Decreasing returns become the part of activity again while assets are accumulated. However, this is not an important problem. Because, there is another threshold more above and increasing returns start again when this threshold is exceeded. Poor people exceeding these initial thresholds escape from poverty trap. However, some poor people cannot exceed these thresholds. Because

firstly they cannot invest enough to exceed initial threshold. Secondly, they cannot accumulate sufficient amount of capital since they do not have high returns. Thirdly, they cannot purchase required capital due to credit constraints (Osman,2009,260).

Economic system does not provide sufficient return according to outfit for most people when the market size is a binding constraint. This means lower employment and low wages for wage earners. This means selling products with lower returns for self employers. In this case, solution for chronic poverty would be possible by enlivening the economy and accelerating its growth. Fast growth causes growth of the market, increase in opportunities, and higher returns for chronic poor people compare to the outfit they own. This process may rapidly increase time pathway of expected incomes of chronic poor people above poverty threshold (Osmani,2009,263).

If the reason of chronic poverty is not macro constraints but nonconformity between outfit and opportunities, namely structural constraints, allocation of opportunities becomes crucial in this case. Structure of outfit of chronic poor people must be made conformed with the structure of opportunities. For this, reasons of structural nonconformity must be searched. Different chronic poor groups may have different structural reasons. In this case, growth process must be managed in order to ensure chronic poor people to generate an opportunity structure conformed to outfit structure. Rapid growth under structural constraints does not create a solution for chronic poverty. Form of growth is important and must be managed. Well planned interventions must be done to change the structure of outfit of chronic poor people (Osmani,2009,263).

2.2. Measurement of Chronic Poverty

One of the questions required to be answered primarily in researches concerning chronic poverty is the number of people living in chronic poverty in the society. This question is answered with head counting ratio: expressed with $H(y;z,\tau)=Q(y;z,\tau)/N$.

Example: Income matrix (y) composed of four people (columns) and four different periods (lines) is given as follows. For example, the number 4 in the second column and third line indicates the income of second person belonging to third period. Poverty threshold $z = 5$, period limit accepted for chronic poverty $\tau = 0,70$, poverty gaps $g = (z-y) / z$, poverty periods = h.

$$y = \begin{matrix} & \begin{matrix} 3 & 9 & 7 & 10 \end{matrix} \\ \begin{matrix} 7 \\ 3 \\ 4 \\ 8 \end{matrix} & \begin{matrix} 3 & 9 & 7 & 10 \\ 7 & 3 & 4 & 8 \\ 9 & 4 & 2 & 12 \\ 8 & 3 & 2 & 9 \end{matrix} \end{matrix} \quad g = \begin{matrix} & \begin{matrix} 0,4 & 0 & 0 & 0 \end{matrix} \\ \begin{matrix} 0 \\ 0 \\ 0 \\ 0 \end{matrix} & \begin{matrix} 0,4 & 0,2 & 0 \\ 0,2 & 0,6 & 0 \\ 0,4 & 0,6 & 0 \end{matrix} \end{matrix} \quad h = \begin{matrix} & \begin{matrix} 1 & 0 & 0 & 0 \end{matrix} \\ \begin{matrix} 0 \\ 0 \\ 0 \\ 0 \end{matrix} & \begin{matrix} 1 & 1 & 1 & 0 \\ 1 & 1 & 1 & 0 \\ 1 & 1 & 1 & 0 \end{matrix} \end{matrix}$$

When the columns of h matrix are summed and divided with $T = 4$, period vector is obtained: $d = (d_1, d_2, d_3, d_4) = (0,25, 0,75, 0,75, 0)$. Namely, the first person remains below poverty threshold for just one period among four different periods. Second and third persons remain below poverty threshold for three periods among four periods. Fourth person has never remained below poverty threshold during all four periods. In this case, head counting $Q(y;z,\tau) = 2$, namely two persons are considered as poor and head counting ratio is $H(y;z,\tau) = 0,5$. Half of people including number two and three persons are chronic poor in this society. However, head counting ratio is not sensitive to the period in which poverty continues. For example, it is seen that head counting ratio does not change when poverty period of third person is not $d_3 = 0,75$ but 1. In this case, head counting ratio sensitive to the period in which poverty continues should be estimated (Foster,2009,66).

Average period is calculated with $D(\tau) = (d_1(\tau) + d_2(\tau) + \dots + d_N(\tau))/Q$ among chronic poor people. Time set Head Counting Ratio sensitive to the Period in which poverty continues is calculated with $K_0 = HD$ veya $K_0 = (d_1(\tau) + \dots + d_N(\tau))/N$.

Example: $h(\tau)$ matrix for $\tau = 0,70$ is as follows:

$$h(\tau) = \begin{pmatrix} 0 & 0 & 0 & 0 \\ 0 & 1 & 1 & 0 \\ 0 & 1 & 1 & 0 \\ 0 & 1 & 1 & 0 \end{pmatrix}$$

$$d_1(\tau) = d_4(\tau) = 0 \text{ and } d_2(\tau) = d_3(\tau) = 0,75.$$

Head counting ratio is $H = 0,50$, Average Period is $D = 0,75$. In this case, Time Set Head Counting Ratio is $K_0 = 0,375$. Suppose that income of third person in the first period is 3 rather than 7. Period for the third person passed in poverty would increase from 0.75 to 1, average period for chronic poor people would increase to $D = 0,875$. Even though H remains the same, Time Set Head Counting Ratio would increase to $K_0 = 0,438$. Namely, when the number of periods in which the third person remains poor increases from 3 to 4, general poverty status increased (Foster,2009,67).

Time Set Poverty Gap Index $K_1 = K_0 G$ is equal to multiplication of Time Set Head Counting Ratio (K_0) and average poverty gap (G). At the same time, $K_1 = HDG$. Namely, this index measures prevalence (H), period (D) and depth of (G) poverty. This indicator is sensitive to (H, D, G) changes in these factors. For example, when income of a poor person declines or the period in which poverty continues increases, this indicator will also increase.

Example: $g(\tau)$ matrix for $\tau = 0,70$ is as follows:

$$g(\tau) = \begin{pmatrix} 0 & 0 & 0 & 0 \\ 0 & 0,4 & 0,2 & 0 \\ 0 & 0,2 & 0,6 & 0 \\ 0 & 0,4 & 0,6 & 0 \end{pmatrix}$$

$$|g(\tau)| = 2,4 \text{ (sum of columns in } g(\tau) \text{ matrix)}$$

$$|h(\tau)| = 6 \text{ (sum of periods in which poverty continues in } g(\tau) \text{ matrix)}$$

$$G(\tau) = \frac{|g(\tau)|}{|h(\tau)|} \text{ (Average Poverty Gap)}$$

$$G = \frac{2,4}{6} = 0,40$$

$$H = 0,50, D=0,75, G=0,40$$

Time Set Poverty Gap is $K_1 = HDG = 0,15$ (Foster,2009,68).

If the Time Set Poverty Gap Square Index is $K_2 = K_0 S$, it is equal to multiplication of Time Set head Counting Ratio (K_0) and average poverty gap square (S). ($K_0 \equiv$ FGT P_0 , $K_1 \equiv$ FGT P_1 , $K_2 \equiv$ FGT P_2). At the same time, $K_2 = HDS$. Namely, Namely, this index is sensitive to prevalence (H), period (D) and severity of (G) poverty.

Example: $s(\tau)$ matrix for $\tau = 0,70$ is as follows:

$$s(\tau) = \begin{bmatrix} 0 & 0 & 0 & 0 \\ 0 & 0,16 & 0,04 & 0 \\ 0 & 0,04 & 0,36 & 0 \\ 0 & 0,16 & 0,36 & 0 \end{bmatrix}$$

$$S(\tau) = \frac{|s(\tau)|}{|h(\tau)|} \quad (\text{Average Poverty Gap Square})$$

$$|s(\tau)| = 1,12 \quad (\text{sum of the columns in } s(\tau) \text{ matrix})$$

$$|h(\tau)| = 6 \quad (\text{sum of periods in which poverty continues in } s(\tau) \text{ matrix})$$

$$S = \frac{1,12}{6} = 0,1866$$

$$H = 0,50, \quad D = 0,75, \quad S = 0,1866$$

Time Set Poverty Gap Square is $K_2 = HDS = (0,50)(0,75)(0,1866) = 0,07$ (Foster,2009,69).

How can we find the contribution of chronic poverty in general poverty after this information? Firstly we should estimate $H(y;z,0)$ for $\tau = 0$. This expression gives general poverty ratio estimated for all periods. Then, K_0 , K_1 , K_2 indicators are calculated while $\tau = 0,75$. Following three formulas measure contribution of chronic poverty in general poverty for K_0 , K_1 , K_2 indicators.

$$\frac{K_0(\tau = 0,75)}{K_0(\tau = 0)} = \text{Chronic Poverty (\%)}$$

$$\frac{K_1(\tau = 0,75)}{K_1(\tau = 0)} = \text{Chronic Poverty (\%)}$$

$$\frac{K_2(\tau = 0,75)}{K_2(\tau = 0)} = \text{Chronic Poverty (\%)}$$

Contribution of transitory poverty in general poverty is found with the following formula:

$$\text{Transitory Poverty (\%)} = 100 - \text{Chronic Poverty (\%)}$$

2.3. Poverty Dynamics Derived from Life Stories

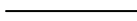
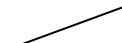
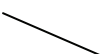



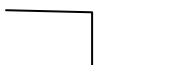
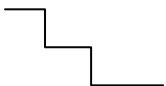
Davis (2009) examined poverty dynamics by using life stories of poor people in Bangladesh. It is understood that perceptions of people related with their lives and complex and dynamic realities related with their lives in life stories obtained from the interviews held with poor people. Some general (common) life pathways were obtained from life stories obtained from interviews held with poor people in Bangladesh between 1999-2001.

Some conclusions were drawn by examining the life pathways:

- While improvements slowly occur in living conditions of people, sudden declines are experienced more frequently. People rarely win a lottery but they get sick or loss their farm, spouse, money more frequently and suddenly (Davis,2009,160).

- Crises cause very serious and sudden declines in living conditions when people do not have sufficient resource, asset or saving to relieve the effect of crises. Most people have little assets enough to soften negative effects of crises. Therefore, they cannot prevent serious decline in living conditions caused by crises.
- We encounter with life pathways or some part of life pathways in common shapes and the number of these shapes is so low. For example, a great crisis occurs in some pathways and negatively affects remaining of the life of concerned person. This life pathway is seen in a way of declining one step. Shape of some pathways is similar to teeth in a jowl. Slow improvements are interrupted by sudden declines. But some are proceeding in a proper way (Davis,2009,160-161).

Figure-4: Shapes of General (Common) Life Pathways

<u>Direction of Pathway</u>	<u>Shape of Pathway</u>	<u>Shape</u>
Level	Straight	
Progressive	Straight	
Regressive	Straight	
Level	Jowl-Straight	
Progressive	Jowl-Teeth	
Regressive	Jowl-Teeth	
Regressive	Single Step	
Regressive	Multi Step	

Source: (Davis,2009,160)

Research on life pathways of poor people ensures a better understanding for dynamic risk profiles and social structures. Preventive, contributory and redistributive social policies considering these factors provide greater help for poor people. Social improvements held in periods when poor people are subjected to crises and they are most fragile are so effective. Most popular one among these crises include diseases, unemployment, hidden unemployment, low income, courts, failures in working life, production low, divorce, death of spouse, dissolution of family, violence, conflict and crime etc. Examination of such crises in life cycle provides a better understanding for their reasons and results and ensures performing proper interventions. For example, if pathways have a slowly progressing form and sometimes there occur sudden regressions due to crises, they must support progressive periods during which fight against poverty policies are

slow, on the other hand must prevent negative effects of sudden incidences causing regression (Davis,2009,181).

2.4. Non-Income Chronic Poverty

It has been evidenced with empirical researches that upward mobility is high in developing countries, so a considerable part of poverty is transitory poverty, chronic poverty is rare in these countries. Transitory and chronic poor people are studied in two different groups in terms of characteristics and intervention strategies in the standard poverty literature. Researchers studying on chronic poverty focus on poverty traps, continuance and structural reasons of poverty while those studying transitory poverty focus on fragility, risk and stochastic shocks. Transitory and chronic poverty is conceptualized in income/consumption and monetary dimension. However, income/consumption is not a sufficient indicator for welfare. If welfare/happiness is conceptualized in capacity context (ability of being literate, living long and healthy, being knowledgeable), it is understood that income is just one of the tools generating capacity. Equal incomes do not cause equal capacities, because people are a heterogeneous group, so there are great differences in the way they transform their income into capacity (Günther and Klasen,2009,78).

Günther and Klasen (2009) examine chronic poverty by using non-income dimensions in their study. This study uses welfare outputs instead of income which is an income of welfare. Using real welfare indicators instead of income which is a close indicator of welfare leads one to reach more meaningful conclusions. The most contested point in such a research is that not a great progress has occurred in non-income dimensions of welfare in time. For example, if attendance period in school is used to measure education poverty of people, it is seen that this indicator remains the same for many adults because most of these adults have left the education system. Moreover, this indicator never comes down even though it mobiles upwardly. Therefore, when welfare is measured with non-income dimensions it is seen that there is a resistance or continuity in these dimensions (Günther and Klasen,2009,81).

It is seen that most of poor people are chronic non-income poor, but there is a little number of transitory non-income poor people. For example, most people are chronic poor people while considering significant acquisitions (ability of being literate, living long and healthy, being knowledgeable) in developing countries. Many people, most of them are women, do not have the chance of going to school in developing countries, so they are chronic education (non-income) poor people. Imposing compulsory attendance in primary school for all children universally would not be effective in preventing chronic education poverty of adults (Günther and Klasen,2009,81-82).

Poverty thresholds are calculated not only in income dimension but also in non-income dimension. For example, adults who have received an education below nine years are defined as moderate education poor, those who have received education below four years are defined as excessive education poor. The same classification is also used for children (Günther and Klasen,2009,83).

Günther and Klasen (2009) used the results of Vietnam Living Standard Research for 1992/3 and 1997/8 in their study. This study evidences that people who are considerably chronic income poor remain as chronic poor also in non-income dimensions. Those being transitory income poor usually remain as poor in non-income dimensions. Because, increase in income affects non-income dimensions in delayed form (Günther and Klasen,2009,93).

It is also seen that when a person escapes from income poverty, he/she remains as poor in other dimensions. A great majority of those poor in non-income dimensions remain as poor in these dimensions. This indicates that there is a little correlation between income and non-income poverty dynamics. A person being poor in non-income dimension remains as poor in one dimension in future years. However, the dimension in which poverty remains may change. This indicates that people are forced to make a choice among different poverties and make different choices in time. Finally, the study evidences that non-income poverty is more stable and everlasting than income poverty (Günther and Klasen,2009,97).

3. Economic Mobility and Poverty Dynamics in Developing Countries

Governments generally help poor groups by using static (single period) welfare indicators. However, deciding through consideration of just one period leads some people not really poor to benefit from assistance but really poor people are forgotten. When permanent incomes are examined, it is seen that transitory poor people who cannot receive assistance (since they become poor transitorily with a negative shock), but chronic poor people cannot benefit from assistance (since they exceed poverty threshold with a positive shock) even though their permanent income is below poverty threshold). Examination of the factors causing entry and exit in poverty pool leads to a better designing for social assistance networks and interventions targeting poor people. Research on poor people why some households increase their welfare faster than others may direct policies implemented for ensuring the growth to cause a more equal income distribution (Baulch and Hoddinott, 2000, 2; McCulloch and Baulch, 2000, 100-101).

Capital output of households is composed of physical capital (like agricultural instruments, houses), natural capital (like farms), human capital (like knowledge, skills, health), financial capital, social capital (like social organizations, networks) and labor outfit (may perform self-employment or work in others' enterprises) in the conceptual framework in the study held by Baulch and Hoddinott (2000). Shocks affecting an household occur out of control of the household. Shocks may be negative or positive. Some shocks may affect all households while some shocks affect just one household. These shocks affect outfit amount owned by the household and returns. For example, a long term disease suffered by an adult and potential worker is a negative shock which just affects the outfit of this household. But drought, earthquake, flood are shocks which affect physical assets of all households (Baulch and Hoddinott, 2000, 4).

Households decide to increase or decrease their asset stocks depending on the type of shock and the existence of additional income resources of the household. These shocks affect savings of households in developing countries. Households may have to sell their assets like finance, durable goods and livestock due to some shocks. At the same time, they may borrow credit or money by entering in the credit market. For example, negative income shocks may lead to decline in schooling ratio of girls in India. To sum up, poor households have a very limited capacity of relieving negative effects of shocks since they have a liquidity constraint (Baulch and Hoddinott, 2000, 4).

Experiences obtained in previous years change expectations of households concerning the variability of incomes and different activities. In addition, households learn better ways of coping with negative shocks in time. Households reserve their outfit for different economic activities; they are subjected to shocks and take efforts to relieve negative effects of shocks on income/consumption. This process continues during the life cycle of households (Baulch and Hoddinott, 2000, 5).

Transitory poverty results from the fact that households cannot prevent their consumption from being negatively affected against a negative shock. Chronic poverty results from the fact that assets level of households is so low and acquires a very low income from them. For example, a household experiencing a much higher shocks above average would probably have a very low capital (this case will increase the possibility of chronic poverty for this household) and would not have the power to resist a possible new shock (Baulch and Hoddinott, 2000, 11).

Jalan and Ravallion (1999) evidenced in their research that increase in physical capital owned by households in the rural areas of China considerably declines chronic and transitory poverty, and the level of chronic poverty is lower among smaller and educated households. McCulloch and Baulch (2000) evidenced in their research that there is a great mobility in household incomes when the number of adults declines and male adults are less educated in rural areas of Pakistan (Baulch and Hoddinott, 2000, 11).

A research on poverty dynamics in the short run (1-5 years) provides information concerning how many times households have entered or exited in poverty pool. However, research on poverty dynamics in the long run (5-15 years) provides a great knowledge about welfare of households (Baulch and Hoddinott, 2000, 12). Significant results may not be obtained when short run transi-

tion matrixes (entry or exit in poverty) are estimated and social mobility is examined. For example, when poverty dynamics are examined for a period over then years, it can be seen that young households relatively get rich while middle aged households relatively become poor (Baulch and Hoddinott,2000,15).

Poverty is a combination of little outfit, low returns of such outfits (chronic poverty) and fragility against shocks (transitory poverty). Households who have a high outfit and obtain high returns from this outfit are less fragile against shocks (Baulch and Hoddinott,2000,19). Fragility of households depends on changes in outfits and returns of outfits. For example, newly established households having children, crowded households, those living in desert and rural regions or poor people may be more fragile than other households (Baulch and Hoddinott,2000,21).

Roberts (2001) evidenced in the study held with South Africa that chronic poor people have a more crowded household and a higher number of children in average compare to chronic poor people. This study indicates that transitory poor people have a higher number of children than non-poor. Moreover, head of household is in average 3 years older in chronic poor households than non-poor households and adult literacy rate is lower in these households (Roberts, 2001, 13-15).

Roberts (2001) summed up the poverty profile as follows in his study for South Africa: it is seen that chronic poor households live in rural regions, households are crowded, households include persons in need of nurse, head of households is mostly woman and literacy rate is very low in household. It is also seen that fragile transitory poor people live in rural regions but households are less crowded, head of households is mostly man and literacy rate is higher in the household (Roberts,2001,17-18).

Poverty dynamics literature states that transitory poor households are fragile against negative shocks and need policies to ensure them minimizing the risks they encounter. For example, declining assets of household against a negative shock leads to very high cost results for the household in the long run. Possibilities like social aids, micro credit, and product insurance should be provided for households fragile against shocks in order to balance their income/consumption against negative effects of shocks. The most effective policies for chronic poor people are those which increase human and physical assets of households. For example, land reforms, investments made in education and health, investment for rapid rural development are included in policies which decline chronic poverty (Roberts, 2001, 21; McCulloch and Baulch, 2000, 105).

Relative size of chronic and transitory poverty is significant for policy makers because, interventions which prevent transitory poverty are different from interventions which prevent chronic poverty. The study held by McCulloch and Baulch (2000) for Pakistan indicates that interventions which help households to balance their income against negative effects of negative shocks decline transitory poverty considerably. This study evidenced that some transfer and investment policies considerably decline both chronic and transitory poverty (McCulloch and Baulch, 2000, 101).

The study held by McCulloch and Baulch (2000) indicates that a great part of rural poverty is transitory poverty in Pakistan. The study indicates that the increase in average income of households considerably decreases chronic poverty. Fluctuations in income are among the most important reasons of poverty. A great decline is seen in general poverty through balancing income/consumption against negative shocks in time. Namely, a great part of income poverty declines through balancing income of poor households. It is stated that this decline in poverty can be reached with a very high growth rate. Since average income of households does not increase in case growth is not fulfilled, chronic poverty continues. Therefore, policy makers should decide how a balance they must establish among chronic or transitory poverty fight policies (McCulloch and Baulch, 2000, 113-116).

McCulloch and Baulch (2000) stated in their study that the most effective method to decrease income poverty in Pakistan is to make aids in crowded households. For example, it is stated that increasing education level of household heads considerably decline poverty. Provision of primary

education for women or land reform does not lead to a decline in income poverty in the short run. Social and cultural barriers which prevent women in households from working in income generating jobs must also be removed. If these barriers decline, women will start working and income to be earned by households will increase.

Kristjanson et al. (2009) examined poverty dynamics of Kenya by using data obtained in site researches held during 1990, 1997 and 2005. This study indicated that the number of those escaping from poverty in 15 years is lower than the number of poor people in Kenya during this period. The shocks experienced by households were researched by means of chronological order in the study. Because, it was tried to be understood which occasion put a household into a regressive or progressive pathway.

The study of Kristjanson et al. (2009) evidenced in their study that the occasions removing households from poverty include rational selection among different economic activities, employment possibility in formal sector, product differentiation, increase in production for market, social support of relatives and friends. Occasions leading households to fall in poverty include unhealthy situation of household members, sickness or death of household head, very expensive health services, drought, division of farms, product loss due to sickness, decline of product prices, existence of persons in need of nursing, high level of robbery and extortion events. Since the factors leading households to escape or fall in poverty are different, different policies to fight with poverty must be implemented.

Conclusion and Recommendations

Poor people are divided into two fundamental groups in a time slot in the standard poverty literature. One group is composed of those with an income above poverty threshold, namely transitory poor people, the other groups is composed of chronic poor people who remain as poor for long periods. People generally believe that poverty is a social fact which continues for a long time. Whereas, researches related with long term poverty dynamics performed in developing countries evidenced that there is a considerable number of people who are poor due to transitory shocks (like unemployment), contrarily there is a small number of chronic poor people who always live in poverty.

Most importantly, different reasons for transitory and chronic poverty lead to take different preventive measures. For example, while a great part of poverty may be transitory in a region in Turkey, majority of population may not be poor in another region, however the little chronic poor group in this region may remain as poor throughout their life. In this case, fight against poverty strategies must target those who remain as poor for the short run in the first region. Provision of possibilities like social aids, micro credit and product insurance would ensure households to balance their income/consumption against negative effects of transitory shocks in this region. Fight against poverty strategies must target deeper structural problems of chronic poor people living in the other region. The most effective policies for chronic poor people are policies which improve human and physical assets of households. For example, land reform, investments in education and health, investments for rapid rural development are considered among policies which decline chronic poverty.

Relative size of chronic and transitory poverty must be learned by policy makers in Turkey. Targeting just chronic poor people and neglecting transitory poor people would lead to undesired results. Fight against poverty policies must target both chronic and transitory poor people. Therefore, policy makers must decide that they have to establish a balance between policies for fight against chronic or transitory poverty in Turkey.

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ABSOLUTE POVERTY, NON-ABSOLUTE FUTURE REFUGEES AND ASYLUM-SEEKERS*

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Abstract

Our study explains refugees and asylum-seekers trying to sustain their lives at the limit of absolute poverty in Turkey representing one of the most significant crossroads of refugee flows due to its location and their efforts to survive by daily wages. Refugees and asylum-seekers sustaining their lives through illegal ways to meet their primary requirements are exposed to many violations of rights and are subject to a life framed by absolute poverty. Our study identifies levels of poverty on the basis of data obtained by means of interviews with refugees and asylum-seekers residing at satellite cities.

Key Words: *Refugees, asylum seekers, absolute poverty, social exclusion*

Refugee and Asylum-Seeker Migration to Turkey

Today, reasons that increase the level of migration and efforts given to control increasing migration pressure are the focus point of international migration-related discussions. These two factors identify how the migration process is to be realized. However, factors that constitute the basic migration equation do not significantly change. Gaps within national and international income distribution, unequal distribution of employment opportunities, tensions encountered in political, ethnical, religious and similar cultural rights constitute attraction and repulsion factors of migration. In this context, various models are developed in order to explain migration movements. Some of them emphasize economical issues, whereas others highlight individual, psychological factors (Castles, 2008, p.144). The origin of refugee and asylum-seeker migrations occur, at least directly, due to capital accumulation process; therefore, it is considered in the framework of migration theories accepting capital accumulation as a determinant power (Miles, 2007, p.3049). Today, periods of migration flows become longer by moving beyond a country level, that transfers and accepts migrations, and migration emerges as circulations. This situation highlights the transnational dimension of new international migration movements; migration now concerns more

* The original version of this paper is in Turkish and English translation is appeared here. The original version of the paper is appeared on the Turkish version of the Edited Collection of the Symposium.

than one geography. For example, a migrant leaving from a town of Afghanistan and reaching to England after passing from Moscow through false documents acquired from Pakistan, highlights the changing nature of today's migration movements (Castles, 2008, p.144). The refugee population having a figure of 2.4 million people in 1975 increased to 10.5 million in 1985 and 14.9 million people in 1990 on a global scale. After end of Cold War, global refugee population reached its peak figure with a rate of 18.2 million people. As of 2000, global refugee figure decreased to 12.1 million. Number of people included within authorization of UNHCR (refugees were displaced within borders of the country and their return to their home countries was provided) peaked in 1995 with a figure of 27.4 million people and this figure decreased to 21.1 million in 2000. Refugees generally migrate from Afghanistan (2.6 million refugees in 2000), Iraq (572.000), Sierra Leone (487.000), Sudan (468.000), Somali (452.000), Bosnia (383.000), Angola (351.000), Eritrea (346.000) and Croatia (340.000) and other similar countries affected due to war, violence and chaos (Castles, 2008, p.141).

International migration gaining a helical nature made inevitable the inclusion of Turkey within this scene as a significant player. Migration became denser in Turkey as of 1980s representing an increasing trend by years. Migration of foreign people to Turkey mainly occurs from border countries or other close countries. In 1980s, 300.000 ethnical Turks ran away from Bulgaria to avoid prosecution. Many of them returned to Bulgaria later on. In 1990s, some Muslims came to Turkey due to displacements as a result of conflicts in the Balkans. In 2000, Turkey arranged its migration law as to enable the right of priority given to the ethnical Turks to go beyond the political asylum. This legal amendment reflects new regional migration dynamics converting Turkey both to a migration country and to a significant point for eastern transit to Europe. In 1980s and 1990s, Turkey accepted millions of people from Iran, Afghanistan and Iraq, who were not officially recognized as refugee, but whose residing was ignored by the government of Turkey (Castles, 2008, p.183). Although reliable figures are not available regarding size of this migration, it can be commented that a migration wave including different migration categories and consisting of transit migrants or illegal workers employed for shorter periods has been directed towards the country having an annual figure between 250.000 and 350.000. When it is considered that annual figure of migrants in countries acknowledged as traditional acceptance regions of migrations -such as Australia and Canada- changes between 75 thousand and 225 thousand during the last 15 years, it is obvious that Turkey has gained a significant place within international migration movements (İçduygu, 2004, p.28). New individuals and families from neighboring countries, even Asia and Africa are settled in Turkey through legal and illegal ways (Unat, 2000, p. 56). On the basis of this fact, Turkey, which is face to face with the concept of refugees and asylum-seeker for the last 30 years, implements certain policies in line with the responsibilities brought about with the international texts it has signed and the EU process. With respect to these policies, there are refugees and asylum-seekers settled in different satellite cities. Refugees and asylum-seekers live in camps or places within satellite towns identified by authorized personnel of Ministry of Interior Affairs. In accordance with the policies implemented, various services are provided to refugees and asylum-seekers coming from different countries. These services change with respect to the available opportunities of satellite town; however, there are certain services provided.

Economical Profiles of Refugees and Asylum-Seekers in Turkey

There is a general total of 17854 international migrants in Turkey from 45 different nationalities; 10879 of these are refugees whereas 6975 of them are asylum-seekers¹. Refugees and asylum-seekers live in approximate 32satellite towns², which identified by the Turkish National Police Department, and those whose asylum requests are approved are waiting for placement in a third country by UNHCR. They are required to undertake the responsibility to meet their own living needs during this process.

Refugees and asylum-seekers encountering difficulties while sustaining their lives face many problems along with the extension of their waiting periods in Turkey. These problems can be

¹ www.unhcr.com (May, 2010)

² In accordance with the amendment made in 2006 regarding asylum-seekers, people applied for asylum and received refugee status are required to reside at city centers to be identified by Ministry of Interior Affairs.

classified as education problems, psychological matters, problems regarding language, health problems, harmonization matters, establishment of social relations and economical problems. When the necessity to leave their countries and to take refuge in another country, not being able to bring along their savings, the lacking of their status and resources as well as their namely social support systems such as family, relative, neighbors that they had in their home country are taken within consideration, it is better understood how daily life is full of difficulties for asylum seekers. (Buz, 2002: 171). No doubt, many problems exist in lives of refugees and asylum-seekers, surrounded with difficulties and uncertainties. However, we shall explain economical problems in our study. In accordance with the data of Istanbul Independent Accountants and Financial Advisors, United Nations International Organization for Migration (IOM), United Nations High Refugee Commissioner (UNHCR), Directorate General of Security, World Bank (WB) and Organization for Economical Cooperation and Development and the report arranged on the basis of statements of authorized personnel of above stated institutions, "for asylum-seekers to be refugees, they are required to wait for about 4-5 years in Turkey. Asylum-seekers having temporary status in Turkey during this period are generally employed as illegal cheap workforce. After the migrants that come to Turkey complete their legal applications, they are directed to new settlement in Anatolia. Although their employment is illegal, they are employed in workforce markets of satellite cities, such as Istanbul, Kayseri, Konya. The government, UNHCR, non-governmental organizations and local administrations provide support in cooperation to the refugees. However, refugees located in cities where poor population rates are high and which has a lower share of national income can be counted as less lucky when compared to others. Because, poor people living in such cities are prioritized during distribution of social assistances (ISMMMO, 2008).

As it can be understood from the report, economical lives of refugees and asylum-seekers in satellite cities are covered with informal networks. We shall try to highlight details of this process by means of data obtained from field studies. In our study, which started on May 2010 and covered 3 cities, we interviewed a 73 people; 25 in the first satellite city Isparta, 25 in the second satellite city Burdur and 23 in the third satellite city. Considered as the main obstacle in front of sustaining living practices of refugees and asylum-seekers, poverty, has been transferred directly from their statements. Their statements are grouped under general categories. These categories are "Pre-Migration" consisting of their explanations regarding economical levels they had in their countries, as well as their professional occupations in their hometowns and "Subsistence Concern" explaining their working condition in satellite cities.

1. Pre-Migration

Living standards of refugees and asylum-seekers differ before they leave their countries due to despotism. These differences are questioned with "Which of the following assets did you own in your country? Car, television, computer, mobile phone, fridge, washing machine", "What was your profession before coming to Turkey? How long did you work in this job?". A comparison could be established between their lives in their home towns and in Turkey.

A³. "I was a lecturer in a university, as well as acting as a writer and tradesman. I completed my doctoral thesis over conflictions between religions. I had a shopping center, 3-storey house, a private chauffeur and secretary. I came here and visited a university and explained that I was a lecturer in Iran and asked what I could do here and submitted a petition to the governor. I am not a workman; how do I work as a 45-years-old man. I only wrote pen. How am I working, I am not a workman. I cannot understand why Turkey does not accept refugees; here arises a confliction. Employment is prohibited; no money is supplied, but demanded" (A refugee from Iran).

B. "I completed my two-year degree, I am an electronic technician and we had a company. I worked for 6 years. We had everything. Our status was really excellent (an asylum-seeker from Iran)."

C. "I graduated from physics department and I am a small-plane pilot. I worked at Iranair for 4

³ People interviewed are explained with alphabetical codes due to their sensitivity.

years. Then, I worked at printing house of the church. Our status was wonderful. We had everything (A refugee from Iran)."

D. "I had to end my education at second class of the school of medicine at university. But, we owned a clothes workshop in Iran. We were purchasing goods from Turkey and selling them in Iran. Our financial status was excellent. We were earning a lot of money from trading clothes (A refugee from Iran)."

E. "I am a computer engineer. I owned and operated a computer market. I had a house whose construction was continuing and a car. I was living in my father's house and I was to move to my own house when its construction was completed (an asylum-seeker from Iran)."

F. "I worked at an exchange center. I worked with my brother during 3 years. We had a house and television (a refugee from Somali)."

G. "I worked at a coffee house for 1 year. I was living with my parents in their house (a refugee from Somali)."

The average status of other interviewees is also better than their condition in Turkey. The economical welfare level of refugees and asylum-seekers coming from Iran is extremely high. Refugees and asylum-seekers coming from Somali and other African countries have lower economical profiles due to war environment in their countries. Their level of property ownership is lower when compared to other refugees and asylum-seekers. The welfare level of refugees and asylum-seekers coming from Afghanistan shows a decreasing trend since the Taliban period, but again better than status of Africans.

2. Concern of Subsistence

"I had two cars while living in Iran. I paid 20 liras and left tips when I took my car to the auto-washer. Here, I am working at a car wash and earn 20 liras per day."

On the basis of their period of stay in Turkey and future uncertainties, refugees and asylum-seekers are required to work to sustain their lives. Refugees and asylum-seekers not having legal working rights encounter low-paid and long-working hour jobs in informal sectors. The vocational statuses they in their home countries is not valid in Turkey. The interviewees generally work in sub-branches of the industry; at car-wash facilities and restaurants. The following questions were asked to the refugees working with "subsistence concern"; "Do you work?", "What job did you do or are you doing?", "Is this your regular job, or not?", "What is your daily or weekly salary?", "Do you like your job?".

H. "I was working, but I quit. I worked for 6 months. I ended working 2 weeks ago. I was not so happy while working there. I was working as a waiter, but they said I would also clean. There was two old men there. I earned 17 liras excluding food. It is difficult to prepare steak tartar causing pain and swallows in your arms. My boss warned us that I was abusing my task. I was performing task of my spouse for about 20 minutes when he went to the public soup-kitchen, he worked alone, and therefore, I said my boss that half past nine was appropriate for me to start working, but he then said me that I had to start working at nine. I refused his offer as a result of which he claimed that I was abusing his good intention. Therefore, I thanked him and quit the job. It is difficult to work in Turkey; people work for about 12 hours, but earn very small amount of money. In addition to difficult working conditions, bosses judge us unreasonably, this upsets me. We have no money problem in Iran. Many refugees live here and take assistance from foreign countries, such as America, Iran; however, we don't, we live on daily basis here. When we go to public soup-kitchen and wear some good clothes, people look and say us "Wow! You are really pretty, you are going around, putting on makeup; therefore, you do not need anything". I cannot understand how would you live? We do not eat bulgur in Iran; we feed chickens with them. Iran is the top country in rice. Whether the family is rich or poor, rice dish is certainly eaten. But here they think we love the food oh we say what wonderful food. This is difficult for us but they don't understand.

We fell off the horse here in our life. My boss never thought I would quit work, he thought I needed the money so I wouldn't quit but I quit, he would always break my heart. (a refugee from Iran)."

I. "I am working in a shop where games are played over internet. I have been working here for about 5 months. I earn 15 liras per day. My task is extremely easy. But, I was a teacher in Iran. Now, I am mopping the store in the mornings. It is really a difficult situation to be accepted. I would not do anything in my house. It's difficult but there's nothing to do. Here, security department informed us that our employment in Turkey was forbidden, no payment was made, on contrary we are requested to make payments (residing fee). They want money and we want to work. There is a small number of Iranians working and they are staff, I am also literate but it doesn't matter, they used to work in Iran too. I went to the governor and said, would you want them to not accommodate you well when you went to another country. He said no, I wouldn't, and then I said why are you doing that to me? I am teaching you Persian for free, I advertised, they came 10 people they were also students but not from Isparta. A person who welded in Iran can also weld here, but I am a scholar, another Iranian is a doctor, he went to a hospital here they didn't accept him (a refugee from Iran)"

J. "I have been working as a tour guide in Antalya for 3 months. I was working at a car-wash here, but left today. I earn 1000 liras from tour guiding business. But, working at an car-wash facility is not so nice, because dirty jokes are done and people use vulgarities. Therefore, I talked to a police and informed that I did not want to work illegally and requested permission to work in Antalya against payment of residing fee (an asylum-seeker from Iran)."

K. "I worked as a painter; I also performed different tasks at the industrial zone. I done every freelance work I found. I received 100-150 liras according to the nature of the business. Tasks are really hard, but we are required to execute them. They know that we are foreigner and our working here is forbidden, they pay less money. I have not encountered any discrimination yet. I teach Persian to my friends and they teach me Turkish. Our accent is different to which we laugh but there is no problem. I would live in Turkey but it is hard, you earn money hard if you work, everything is expensive here and if you have a low salary you cant get by (a refugee from Somali)."

L. "I have been working at a car-wash for 3 months. Before, I was also working at a car-wash, there was not a lot of business there so I left because they paid low. I now earn 100-150 liras. I have to do this job; washing cars is really hard (an asylum-seeker from Iran)."

M. "I just moved to Isparta, but before I was working at Siteler in Ankara. I worked there during 2006-2007; then I became ill and could not work. Then I started working again from September 2009 to April 2010. Your salary is what they pay. If you have a bad boss you he pays 100 liras a week, if he's good he pays 150 liras. I worked at a glass-maker, glass-making is hard but so is furniture. They acted like everyone was brothers. If someone said someone bad the other would say he's your brother in religion why are you behaving like this. not everyone has the same humanity. They ask if I'm a non-Muslim. They swear at me but I pretend not to have heard (an asylum-seeker from Somali)."

Conclusion

Discussions developed over migration and poverty relation can be categorized under four main points. The first is induction of migration due to poverty and poverty being a driving factor for migration; the second point is restriction of social mobility of potential migrants by poverty; the third one is induction of poverty due to migration and poverty encountered by migrants after migration due to various reasons; the fourth is alleviation of poverty through migration (Çağlayan, 2008, p.303). Our study highlights poverty emerging after migration at satellite cities where refugees and asylum-seekers reside.

Statements of refugees and asylum-seekers explaining their lives in Turkey display their life at a threshold of poverty. Living with their families in rented houses and working without any security and for monthly payments of 150-200 liras; refugees and asylum-seekers live at an "absolute poverty" threshold. When definitions for absolute poverty are analyzed; it means failure in meet-

ing basic needs of people. It is possible to define poverty within two scopes; narrow and wide. In the narrow sense, poverty means facing hunger and not having any shelter, whereas in the widest scope, it means being under general level of the community although possibilities, such as food, clothing and sheltering, are adequate to sustain a life. Absolute poverty is defined as the case in which households or an individual does not have the minimum welfare level to sustain his/her life. Therefore, identification of absolute poverty requires determination of minimum consumption needs required to sustain lives of individuals (Commission Report for Provincial Poverty, Migration and Social Policies, 2009, p.30). As it can be observed from the definitions, refugees and asylum-seekers face hunger and live poverty in the wider sense. Poverty prevents access to services regarding improvement of human capital and accordingly, causes being deprived of community developments and social inclusion. In this context, poverty includes lack of obtainment of rights and not to be able to demand to obtain these rights. This can be called also as deprivation of rights. Poverty includes deprivation (İnsel, 2001, 62-71). Refugees and asylum-seekers waiting for long periods to settle in a third country are exposed to working periods of up to 12 hours, difficult working conditions and unjust payments, as well as deprivation of rights. As it can be seen from their statements, refugees and asylum-seekers do not have the same conditions of citizens of the relevant country in terms of salary and working conditions. Refugees and asylum-seekers encounter social exclusion during the migration period. Social exclusion can be defined as exclusion of people from the community and prevention of their participation to the community in accordance with their desire due to poverty, deprivation of basic education/skills or discrimination. This situation creates difficulties for associated the segment accessing labor markets, income generating activities, education and learning opportunities, as well as preventing establishment of communal and environmental networks and facilities by these people. Power of this segment is extremely limited and their contribution to decision-making process is restricted; therefore, this segment feels weak and incapable of having the control of decision-making for their daily lives (Adaman and Keyder, 2006). Increase of racism and discrimination in our daily lives and increase of xenophobia, discrimination made in accordance with color and accent can be illustrated as some of the problems. It is required to justify the approach of "exclusion". The social exclusion concept, representing a conceptual tool, is a multi-dimensional concept that indicates the insufficient function of institutes responsible of social integrity and is prioritized in Europe when compared to other issues, such as poverty, marginality or under-class issues (Yılmaz, 2007, p. 133). Employers being aware that refugees and asylum-seekers are deprived of the right of employment, again cause another deprivation of right.

Poverty is so multi-dimensional that it cannot be included within a single sided point of view. Poverty varies in different places in terms of its reasons, dimensions, types and profiles and represents a situation attaching different meanings to an individual, arising due to different reasons and requiring different solutions (Senses, 2001, p.316). We highlight the poverty and deprivation statuses of refugees and asylum-seekers on the basis of data obtained from field studies. We refer to the refugee and asylum-seeker policy of the country to produce a solution for this issue. Because, as it is stated above, refugee and asylum-seeker poverty can be eliminated by means of integrated policy, not through individual solutions. Turkey needs a comprehensive migration policy. Refuge problems, which have encountered for long years and expected to continue in the following years, represent a political area required to be considered by the state and non governmental organizations together. In accordance with the report of International Organization for Migration (IOM) published in 2008, practical efforts and an influential struggle arena is required to manage migration.⁴ Again, the government of Turkey is called to eliminate geographical limitations arranged within the Geneva Agreement, to apply legal arrangements required for a national asylum procedure with respect to the reports published by non-governmental organizations⁵. Other recommendations are approval of Optional and Additional Protocol for Convention against Torture, providing the opportunity for independent supervision of retention places; supervision

⁴ See: International Organization for Migration (IOM) World Migration Report 2008: Management of Workforce Mobilization at Developing Global Economy

⁵ See: Refugee Report of Organization for Amnesty (April 22, 2009), Helsinki Foundation of Citizens (April 02, 2008) Undesired Guests: Report for Refugees kept at Foreign Guest Houses

of guest houses by Province and District Human Rights Boards and providing continuity of training of the personnel employed at "Foreigners Branch" of Security and "guest houses".

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THE IMPORTANCE OF SOCIAL ENTREPRENEURSHIP AND CONTRIBUTIONS OF NON-GOVERNMENTAL ORGANIZATIONS WHILE STRUGGLING WITH POVERTY*



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Abstract

Poverty has become the most important problem of current societies. Poverty is being away from the standards of high quality living. Philistinism, population increase, unplanned and rapid urbanization, failures and inadequacies in management, corruptions, disasters, epidemic, wars, conflictions within the country cause poverty. Poverty arises not only due to economical reasons. Inequality of opportunity, deprivation of markets and business opportunities due to social and geographical reasons may also cause poverty (Yatkin, 2007: 53).

In Turkey, the recent reduction in poverty can be linked to decrease in poverty-before-transfers and increase in the amount of transfers.

The NGO's that are the important parts of social entrepreneurship have become an important actor in this process.

Key Words: Poverty, Social Entrepreneurship, Non-Governmental Organization, Turkey

Introduction

Struggling with poverty issue is a challenging area; because struggling against an issue whose definition and measurements are not cleared yet and improving struggle programs is highly difficult. In addition, poverty is not only related with economical structure of a country. It is also affected by the other social, political, environmental features, international politics, economy, etc. of the country. This multi-dimensional process becomes more complex together with impact of globalization issue.

World Bank is a significant actor regarding struggling with poverty issue due to scope of its projects and programs, as well as their monetary values and corporate importance.

* The original version of this paper is in Turkish and English translation is appeared here. The original version of the paper is appeared on the Turkish version of the Edited Collection of the Symposium.

Poverty is a considerable indicator showing how economical improvements of countries are reflected in social area and in which degree they are improved in social area. Therefore, struggling with poverty case has been kept in the agenda of many countries. Known as failure in meeting basic requirements, poverty is defined differently in accordance with development level of countries.

The phenomenon of Civil Society gain importance day by day in our country. Coming of civil society into prominence and realization of beneficial studies by civil society shall be achieved by professionalization and specialization. In this scope, non-governmental organizations undertake the leading role. In order for specialization of NGOs and to increase efficiency and benefits of community based studies, non-governmental organizations (NGOs) should apply their studies on the basis of projects and benefit from applications adopted in the world.

In general sense, this study indicates the change in today's poverty parameters and highlights that humanity comes up against a tremendous problem.

1. Poverty and Struggling with Poverty

If certain problems are increased due to inaccurate policies and negligence, struggling with these problems require extremely comprehensive programs. If this problem concerns not only poor people, but also overall humanity such as poverty, significance of struggle increases. In this scope, struggling against poverty should be realized in many different areas, such as social, economical, cultural, psychological and educational areas.

When looking at another another point of view, struggling with poverty is not only under responsibility of the state or certain institutions. Therefore, each individual and institution should undertake responsibility, because, struggling with poverty covers prevention of matters causing emergence of poverty or should cover elimination of poverty of poor people.

In this context, it is necessary to prevent impoverishment in the future as much as to rescue poor people from poverty. However, policies to be adopted should follow certain balance. Although different methods have been used while struggling with poverty, a certain solution has not been found yet. Although solutions and recommendations are produced, most of them could not be realized or consistency required for application could not be maintained (Yatkin, 2007: 58).

Table 1. Scope of Poverty and Relevant Indicators

	Scope	Indicators
Economical dimension	Provision of sustainable economical growth, income level required for a better life, access to equal income distribution, increase of living standards, prevention of unemployment	-Economical growth -Income distribution -Employment indicators -Inflation -Balance of payments
Human dimension	Right of existence and improvement of skills, elimination of deprivations, equality of opportunities and access to resources,	-Demographical indicators (infant death, fertility, life expectancy, etc.) -Education, health and nutrition -Communal and cultural values
Corporate dimension	Improvement of social security system, transparency, management of participants, prevention of corruption, effectiveness and functionality of NGOs	-Social security (retirement, health) -Public expenditures -Budget balance -Contribution to NGOs
Political dimension	Adoption of democracy understanding based on human rights and freedoms, application of freedom and fairness principles, elimination of race, gender, religion and language discriminations	-Democratic election system -Contribution to elections -Confidence in law system -Indicators regarding gender discrimination

Source: Tutar, E. and Demiral, M.

1.1. Poverty Concept

Poverty, in general sense, means failure in meeting basic needs, such as food, clothing and sheltering by the public or certain part of the public in order to sustain minimum living standards (Yatkin, 2007: 54).

Probably, a few concepts within social sciences literature have touchable entity like poverty and perhaps, a few concepts have public visibility required to be endured even for those who do not want to look at. With this simple definition, poverty highlights negative reality of civilization history.

Multi-dimensional structure and political aspect of poverty make definitions of poverty different. In fact, poverty concept is considered on the basis of different facts such as "absolute, relative, subjective, complex, cultural and alternate" and its political, social, economical and ideological dimensions are evaluated in different sense.

According to a study performed by World Bank in 1990, people whose daily income is not adequate to receive 2400k/cal nutrition are called as absolute poor people.

Absolute poverty limit is identified as 1 dollar per day for underdeveloped countries, 4 dollar/day for Eastern Europe countries including Turkey and 14,40 dollar/day for the developed industry countries (Demiral, N., Evin, H., Demiral, B., 2007: 3-4).

Table 2: Poverty rates of individuals in accordance with poverty limit methods, 2002-2008

Methods	Poverty rate of individual (%)						
	2002	2003	2004	2005	2006	2007(*)	2008
TURKEY							
Food poverty (hunger)	1.35	1.29	1.29	0.87	0.74	0.48	0.54
Poverty (food + out of food)	26.96	28.12	25.60	20.50	17.81	17.79	17.11
Lower than \$1/day per capita ⁽¹⁾	0.20	0.01	0.02	0.01	0.00	0.00	0.00
Lower than \$2.15/day per capita ⁽¹⁾	3.04	2.39	2.49	1.55	1.41	0.52	0.47
Lower than \$4.3/day per capita ⁽¹⁾	30.30	23.75	20.89	16.36	13.33	8.41	6.83
Relative poverty based on expenses ⁽²⁾	14.74	15.51	14.18	16.16	14.50	14.70	15.06
CITY							
Food poverty (hunger)	0.92	0.74	0.62	0.04	0.04	0.07	0.25
Poverty (food + out of food)	21.95	22.30	16.57	12.83	9.31	10.36	9.38
Lower than \$1/day per capita ⁽¹⁾	0.03	0.01	0.01	0.00	0.00	0.00	0.00
Lower than \$2.15/day per capita ⁽¹⁾	2.37	1.54	1.23	0.97	0.24	0.09	0.19
Lower than \$4.3/day per capita ⁽¹⁾	24.62	18.31	13.51	10.05	6.13	4.40	3.07
Relative poverty based on expenses ⁽²⁾	11.33	11.26	8.34	9.89	6.97	8.38	8.01
RURAL							
Food poverty (hunger)	2.01	2.15	2.36	1.24	1.91	1.41	1.18
Poverty (food + out of food)	34.48	37.13	39.97	32.95	31.98	34.80	34.62
Lower than \$1/day per capita ⁽¹⁾	0.46	0.01	0.02	0.04	0.00	0.00	0.00
Lower than \$2.15/day per capita ⁽¹⁾	4.06	3.71	4.51	2.49	3.36	1.49	1.11
Lower than \$4.3/day per capita ⁽¹⁾	38.82	32.18	32.62	26.59	25.35	17.59	15.33
Relative poverty based on expenses ⁽²⁾	19.86	22.08	23.48	26.35	27.06	29.16	31.00

Source: TurkStat, **2008 Poverty Study Results**, Bulletin

(1) According to purchasing power parity, corresponding value of \$1 is TL 618 281 in 2002; TL 732 480 in 2003; TL 780 121 in 2004; TRY 0.830 in 2005; TRY 0.921 in 2006; TRY 0.926 in 2007 and 0.983 in 2008.

(2) 50% of median value is considered for equivalent per capita consumption expenses.

(*) Revised in accordance with new population projections.

Together with latest developments, 0,54% of individuals living in Turkey, in other words 374.000 people sustain their lives under hunger limit including only food expenditures and 17,11%, in other words 11 933 people live under poverty limit including food and out-of-food expenses.

There is not any individual whose daily expense per person less than 1 dollar in accordance with purchasing power parity. However, rate of individuals sustaining their lives under poverty limit of per capita daily amount of 2,15 dollars is 0,47%, whereas this rate is 6,83% for people living at the limit of 4,3 dollars.

Rate of individuals living under hunger limit which was anticipated as 0,48% in 2007, has increased to 0,54% in 2008 and rate of poor individual decreased to 17,11% from 17,79%. In 2008, hunger limit of a family consisting of 4 members was TRY 275 and poverty limit was TRY 767.¹

1.2. Reasons of Poverty

Reasons of poverty differ with respect to countries and development levels, demographical, social, economical, political and cultural features of the regions within which countries are located. In this scope, general reason of poverty can be defined as inadequate production and unfair distribution of positive values obtained by this inadequate production between regions, sectors and individuals (Demiral, N., Evin, H., Demiral, B., 2007: 5).

1.3. Approaches at Struggling with Poverty

Together with every new process, a consensus created in international area is available regarding the methods to be used to mitigate poverty in sustainable and effective manner. In conclusion, relevant methods can be explained as following:

- Providing credits to poor people;
- Sustainable economical development;
- Mitigation of poverty by means of education, health and infrastructure investments;
- Reinforcement of human capital;
- Formation of comprehensive social development program;
- Decreasing rural poverty by increasing growth in agriculture sector by means of technological advancements and changes;
- Elimination of urban poverty and improvement of public management (Aktel, M., Kerman, U., Altan, Y., 2007:17).

1.4. Importance of Social Entrepreneurship while Struggling with Poverty and Non-Governmental Organizations

Persons having social entrepreneur characteristics have always existed throughout the history. In this context, Florence Nightingale established contemporary nursery system in 1800s. Accordingly, in 1980, Ashoka defined social entrepreneurship concept and initiated relevant studies. At first stage, this concept was not accepted by people, except for those interested in social entrepreneurship. In addition, Ashoka International Social Entrepreneurs' Network was established by Bill Drayton in India in 1980. This organization supports worldwide entrepreneurship and does not seek for profit (Denizalp, 2007: 10).

When looking at from global point of view, Ashoka, which also operates in Turkey, defines social entrepreneur as an individual providing innovative solutions for the most important problems of the community.

¹ For more information see: "2008 Yoksulluk Çalışması Sonuçları" (2008 Poverty Study Results) December 1, 2009. (<http://www.tuik.gov.tr/PreHaberBultenleri.do?id=4151>), Access: September 3, 2010.

Social entrepreneurs, instead of leaving solutions of social problems to the state or business world, search the source of the problem and dissolves the matter by changing the system. In this context, they share solutions with wide masses and persuade all community to take new steps (Tireli, 2009: 90).

On the other side, Leader social entrepreneurs achieve community transformation by producing innovative solutions for the most significant problems of the world. In conclusion, social entrepreneurs, who are the member of Ashoka, play leading role in communal transformation process with their extraordinary impacts obtained by their innovative solutions. Ashoka members defined as strong change creators generate considerable differences and become source of inspiration for others (<http://turkey.ashoka.org/>).

Ankara Chamber of Trade defines its corporate responsibility as following: "contribution to the development, improvement of the community". Their activities regarding social responsibility area are: "food distribution to poor families during Ramadan month and establishment of if-tar tents, providing scholarship to the needy students, providing cash assistance to the schools, sponsorship support to social activities, contributing to increase of public's knowledge through free of charge publications, providing chamber exhibition rooms free of charge for art activities and providing free of charge training to the members" (Ersöz, 2007: 114).

2. Poverty in the World and Turkey: Global and Local Perspective

Poverty is increasing in all over the world as of 1990s regardless of development levels. In particular, adverse impacts of global crisis in developing countries deepen poverty problem. When it comes to 2000s, new poverty concept is not anymore limited with countries. The issue became a global matter. United Nations, World Bank and similar international institutions apply significant projects, programs and policies and promote their application.

As it is already known, many approaches and applications are available to mitigate poverty. The approach which has been concentrated on during recent years is micro credit applications developed by Grameen Bank in Bangladesh and applied in successful manner. In this direction, micro finance institutions established to finance and support low-income individuals and entities come into prominence. A global movement was initiated together with micro credit summit arranged in February 1997 in order to support the poorest 100 million families in the world and to support, as well as encourage women regarding establishment of their own business and realization of other activities (Yurdakul, E. and Özdemir, A., 2009: 446).

2.1. Conditions and Status of Poor People

When it is evaluated in general sense, with respect to results obtained by Turkish Statistical Institute, poverty rate of those living in rural areas was 34,80% in 2007 and 34,62% in 2008; whereas this rate decreased to 9,38% from 10,36%.

While poverty rate of individuals in household that consists of 3 or 4 members was 8,48% in 2008, poverty rate of households having 7 or more members was estimated as 38,20%. Rate of poverty for households consisting of at least 7 individuals and living in cities is 26,95%, whereas this rate is 54,03% for those living in rural areas.

Poverty rate of individuals living in nuclear families with children is 15,42% in accordance with type of households, whereas this rate decreases to 8,76% for individuals living in nuclear families not having any child. Rate of poverty in patriarchal or large families is anticipated as 21,79%. While poverty risk of individuals living in nuclear families with children is 9,14%, this rate is 33,77% in rural areas.

Rate of poverty is 5,93% for paid-salaried people in 2008; 28,56% for per diem employees; 1,87% for employers; 24,10% for self-employed and 32,03% for those being unpaid family workers.

Rate of poverty is 32,05% in 2007 for those working for agricultural sector which has the high-

est rate of poverty, whereas, this rate is anticipated as 37,97% in 2008. As for those working in industry sector, rate of poverty is 9,71% in 2008 and 6,82% for those working in service sector. Poverty rate of those not being active in economical sense is 13,73% in 2008 and individuals searching for a job represent a rate of 17,78%.

While poverty rate of illiterate peoples is 39,59% in 2008, this rate is 13,44 for primary school graduates and 5,64% for those completed their high school and equivalent vocational schools and 0,71% for college, faculty and upper level graduates. Poverty risk of children being under age of 6 and not started primary education is estimated as 22,63%.²

On the other side, philanthropists construct a new house for Hacı Yalçın living in single-room ruined house in Emiruşağı locality of Tomarza district of Kayseri province. Hacı Yalçın, who is 32 years old and sustaining his life in single-room ruined house in Emiruşağı locality of Tomarza district, is waiting to live in his new house. Expat Kemal Karataş and businessman Şadet Temel supported Hacı Yalçın who is struggling to survive in single-room ruined house after death of his parents. It is stated that his 4-room house is to be finished before winter. Trying to survive with assistances of his neighbors, Hacı Yalçın feels happy to have a new house and he also tries to help during construction of his house. Hacı Yalçın states "I encountered difficulties after death of my parents. Nobody provides me a job. I cannot take my money from places where I work. I have not adequate financial status to renew my house. May God bless our elders who are constructing a new house for me before the winter has come". (<http://www.engellilersitesi.com/haber/3709-haberler-hayirseverlerden-ozurlu-gence-ev-yardimi.html>).

2.2. Relevant Laws

Today, the term poverty, more than an inadequate income, is defined as violation of all human rights on the basis of integrity, indivisibility and mutual dependency of human rights. In this context, poverty is defined by United Nations Office of the High Commissioner for Human Rights as "deprivation of resources, opportunities, preferences, safety and power required for sufficient life level and required in order to benefit from other civil, cultural, economical, political and social rights (Demiral, N., Evin, H., Demiral, B., 2007: 4).

In addition, *"It is given particular importance principle in our social law state that all citizens would benefit from social rights in accordance with the human dignity in the framework of equality. Protection of individual rights and freedoms and benefitting from human rights and other social rights equally are secured by the Constitution and by certain laws"* (İleri, 1998: 11).

2.3. Nature of Philanthropy while Struggling with Poverty

Philanthropy, due to its historical progression, is defined generally as aid activities of individuals made due to their religious, conscientious or emotional senses. No doubt, philanthropy at international level is defined as grants of individuals and entities to increase welfare level of communities.

It is necessary to indicate that in order to understand and to measure philanthropy potential regarding social justice in Turkey, we points out the attempt of TUSEV (Turkey Third Sector Foundation) which last for two years. In this context, historical background, Islamic traditions, legal frameworks during transition periods and current applications of foundations constitute specific structure of Turkish philanthropy concept. Due to this nature, the need for creation of understandable and new third sector model requires comprehensive research.

Moreover, philanthropy for social justice is to canalize contributions or grants to non-profit organizations for structural changes in order to increase opportunities of those having minimum assets in political, economical and social sense.

² For more information see: "2008 Yoksulluk Çalışması Sonuçları" (2008 Poverty Study Results) December 1, 2009. (<http://www.tuik.gov.tr/PreHaberBultenleri.do?id=4151>), Access: September 3, 2010.

Besides, it is stated that three encouraging factors named **religion, tradition and custom** promote philanthropy and provide participation of people to philanthropic activities.

Philanthropy concept provides rich and comprehensive evaluation against difficulties and opportunities encountered and obtained during this multi-dimensional process. These consequences should establish solid dialogue, when current development targets of Turkey are considered. Reform and initiative groups concentrating on community changes should undertake more supportive role regarding NGO attempts trying to completely eliminate reasons for social and economical unfairness in Turkey.

We hope that this study shall be beneficial in terms of certain basic problems and create rich philanthropy tradition and contribute to increase strength of people (Zincir, R. and Bikmen, F. (Ed.), 2006: 11-18).

3. Civil Society as a Popular Concept

When discussions regarding civil society in Turkey and in the world are analyzed, basic problem arises as: is civil society meant to a concept emerged in 1980s, gained popularity rapidly, used intensely by people, academicians, politicians, intellectuals, but at the same time represented inflationist nature and whose meaning has not been defined clearly as a result of which it became popular in terms of public, but then forgotten, or is it a cliché, or one of the most important concepts leaving its mark on 21st century?

In this context, as it is stated by Keyman, a rebellion arose in England during 1370s by villagers. John Ball, one of the leaders of this rebellion points out a sentence. This saying is hanged on wall of a church located in Blackheat quarter of London: "Friendship is life. Any place lack of friendship is death. Friendship is not available in hell, humans stand individually". Of course, John Ball was not thinking that definition of civil society was completed by above statement. In fact, civil society is friendship, collectivity, gathering of people voluntarily. Therefore, while stating civil society, in reality we talk about life. Difference between being alone and together is same with being death and alive. This is why, civil society means collective activities that cannot be applied individually; hence, it represents collectivity, voluntarism and solidarity (Keyman, 2004: 1-3).

Non-governmental organizations can be defined in different senses in accordance with functions they perform. While aid institutions are structured as to assist needy people, non-governmental organizations are organized assist local community to increase level of public services. Non-governmental organizations organize to create impact on policies or management style of the state or business world.

On the basis of this point of view, when history of civil society is analyzed and evaluated on the basis of "organizational life out of political area" bases, civil society in Turkey has a long history, as it is stated by Ersöz. Organizational life and non-governmental organizations have been available as of Ottoman period. Foundations are some examples for non-governmental organizations of Ottoman community.

In fact, foundations emerging as philanthropy entities created non-governmental organizational living area; emerged communal solidarity relation out of political and economical living areas by their philanthropic activities and realized a community relation style being similar to social citizenship of today in the scope of philanthropy (Ersöz, 2007: 114-120).

3.1. Non-Governmental Organizations: Conceptual Approach

"Civil" having French - Latin origin means those being aware of etiquettes, as well as connotes contemporary, polite and gentle and in Turkish, it is pronounced as "sivil". Civil means "city etiquettes" "civilization-not to be bedouin (peasant)" and known as "those not being soldier, not included in military, not wearing uniform" among the public. However, integration of this word with "community", as a result of which "civil community" arises, is realized on the basis of certain community and political movements.

In this context, *"civil society is used to define transition from "natural status" to "civilization status" during seventeenth and eighteenth centuries, as well as used to define freedom, right and obligations as a requirement of townsmen"* (Abay, 2004: 272).

First of the principles differentiating non-governmental organizations is based on voluntarism and self-sacrifice from special areas; because, this feature has close relation with expectations from non-governmental organizations at individual level. Besides, it is beneficial to state that their end objectives are to present something to the community, contribute to the communal goods (Şahan, H., Ulukan, M., Gezer, E., Aytaç, K., 2009: 404).

Today, globalization increases its impacts on civil society, private sector and different local, regional arenas, as well as overall world. Therefore, what is emerged in the world affects governments within world political system successively and in organized manner (Doğan, 2002: 296).

As it is stated by Yatkin, while civil society strengthens as a significant arena of social change, rate of NGOs providing activation of communication and negotiation part of this civil society as organizational life and public area increases everyday, their scope of studies differs and their activation areas disseminate and deepen within community life. Therefore, we witness that NGOs act within a wide arena including voluntary organizations operating in different areas, think tanks, social movements, citizenship initiatives, non-governmental organization, trade unions and vocational chambers within this differentiation and dissemination. NGOs represent an organizational living arena contributing internalization of civil and democratic values of community life giving effort to be live, efficient and effective during differentiation process created within working areas and dissemination process created within social arenas by NGOs (Yatkin, 2007: 59).

3.2. Role of NGOs during Mitigation of Poverty and in terms of Social Entrepreneurship

Activities of non-governmental organizations are not commercial and based on volunteerism and consist of studies regarding elimination of various problems within the community. Activities of non-commercial and non-governmental organizations are called as social entrepreneurship. According to social entrepreneurship philosophy, neither commercial profits, nor satisfaction of customers can be a measure for value creation; because, measure of value creation can only be creating social impact. The return of investments of a social entrepreneur is social benefit obtained in long-term and social entrepreneur does not apply hit-and-run tactic. In conclusion, aim of social entrepreneur is to create long-term impacts (Uluyol, O. and Danacı, M. Cem., 2009: 50).

On the basis of this point of view, NGOs include all organizations not being part of administration within the community and activating in civil society area, as it is stated by Seyyar. Accordingly, political groups, trade unions, religious entities, sport clubs, culture and art centers, commercial unions and industrial chambers are included in this scope. In narrower sense, NGOs are organizations solely contributing to socio-economical development. NGOs are evaluated in this scope to due to subject of the study and defined on the basis of four main factors.

Voluntarism: Any legal arrangement recommending or preventing foundation of organization should not exist and voluntary contribution is required. In other words, entities based on acceptance of members and providing opportunity for democratic contribution of members have civil nature.

Independency (Self-government): NGOs are supervised by laws creating NGOs in the scope of community rules or boards authorized by members. This can means that NGOs are independent fro central and local administrations, as well as support different views when compared to political parties. Although NGOs are excluded from state structures, they establish close relations with governmental institutions, when required.

Non-profit: NGOs do not act for personal profit or gaining. However, permanent employees of these organizations may be paid. In addition, they may realize income-generating activities, but income earned is not distributed among members.

Having vision and ideal: NGOs perform eager activities in accordance with their goals and associated values. In general, objectives of NGOs are not limited with themselves.³

In historical sense, OIC (Organization for Islamic Conference) stated that “Struggling with Poverty Fund” was to be established with an allowance of 19 billion dollars to struggle with poverty in Islamic world. In addition, Ekmeleddin Ihsanoglu, the Secretary General of Organization for Islamic Conference, stated in this speech addressed during 33rd Session of Islamic Development Bank that 21 of 57 OIC member countries were ready to establish such cooperation.

Struggling with Poverty Fund of OIC shall perform activities in Islamic countries regarding struggling with poverty, literacy mobilization, epidemic diseases and assistance to development of underdeveloped countries.⁴

Together with latest developments, Abdullah Gül, the President of the Republic, made significant statements in political and economical sense during “Opening of Ministers” session arranged in the scope of 25th Economic and Commercial Cooperation Permanent Committee (ISEDAK) of Organization for Islamic Conference.

In addition, Mr. Gul stating that capital owned by OIC member countries should be evaluated again in these countries added that precautions regarding improvement of investment media of member countries should be realized immediately. Stating “I believe that one of the most important keys to achieve permanent development process is to increase our competitive power”, Abdullah Gül, the President of the Republic added: “It is important to improve business and investment environment, to achieve macro-economical stability, equal opportunities in education, technological advancement and to realize R-&D studies in order to increase our competitive power. In this context, contribution of member countries in formation of new and fair competition conditions should be provided and should be our prioritized target.”⁵

4. Main Policies Required To Be Adopted In the Context of Struggling with Poverty

State policies come to mind when struggling with poverty issue is discussed. Policies to be applied by the state are known as socio-economical policies. Non-governmental organizations are one of the organizations which become prominent in struggle with poverty and which grow in importance year by year.

Number and effectiveness of non-governmental organizations increase especially in the developed countries of the world. Efforts are given by international organizations, particularly by United Nations Education, Science and Culture Organization (UNESCO) to eliminate poverty.

In the scope of “Development and Anti-Poverty Strategy” of UNESCO, it is decided to arrange and discuss political framework for mitigation of poverty.

UNESCO presents its stability regarding alleviation of extreme poverty until 2015 by cooperating national and international institutions, as well as bilateral entities. UNESCO aims to benefit from non-governmental organizations while struggling with poverty (Yatkin, 2007: 58-59).

No doubt that we could express a situation which should be clarified in terms of Turkey as following. As it is already known, non-profit organizations encounter two significant factors due to its objective and nature. One of these factors is defined as “donors” constituting input source of organization. Other factor is those showing where output should be delivered and those benefiting from activities of non-profit organization. In other words, donors represent the fund supplying individuals or groups who provide resources such as money, effort, service or materials to non-profit organization. On the other side, in addition to “conspicuous consumption”, which is defined as consuming due to status related concerns, “conspicuous charity” points out to create

3 For more information, see: Ali Seyyar, “Türkiye’de Yoksullukla Mücadelede STK’ların Roller ve Önemleri (Deniz Feneri Derneği Örneği)”, (http://www.sosyalsiyaset.net/documents/yoksullukla_mucadele.htm), Access Date: September 3, 2010.

4 For more information, see: “İKÖ’den Yoksullukla Mücadele Fonu” (Poverty Alleviation Fund from OIC), (<http://www.haberpan.com/koden-yoksullukla-mucadele-fonu-haberi/>), Access Date: September 4, 2010..

5 For more information, see: “Yoksullukla mücadeleye Gül formülü”, (<http://www.haberpan.com/yoksullukla-mucadeleye-gul-formulu-haberi/>) Access Date: September 4, 2010.

positive impressions in the eyes of others and to form identity. This concept also explains “conspicuous grant behavior” including concern for recognition of individuals by others in relations established with aid institutions (Torlak,Ömer and Tiltay, M. Ali, 2009: 212).

4.1. Why Some Countries Are Rich and Others Are Poor?

In general sense, globalization process, which is criticized as good-for-nothing, making the rich richer and the poor poorer, supports above statements with its current structure and functioning. In this scope, poverty, unemployment and helplessness become indicators of inequality. On the other side, unfair functioning of global system deepened the gap between winners and losers. Those, who get the best of this process or who think to get the best of it, appreciate globalization and give effort to prevent any obstacle. However, the losers want that if change is beneficial for everybody, then the profit should be distributed in more equal manner and those who get excessive profit should be prevented (Aktel, M., Kerman, U., Altan, Y., 2007:13).

Conclusion and Perspectives

Poverty emerges as the most important human and social concept encountered by the humanity in the 21st century. Today, many countries come up against this matter more or less regardless of its severity level. It has become a requirement to struggle with poverty due to this matter.

Poverty does not only mean hunger or lack of foods required for adequate level of nutrition. Human does not only need foods. People also need clothes, shelters, education, health, culture and similar requirements. Therefore, the fact that whether or not human needs are met in “adequate” level constitutes the base of the problem. In this scope, poverty concept is one of the oldest concepts invented by humans and has revealed itself in different periods of the history.

Hence, it is required to point out importance of social entrepreneurship and contributions of non-governmental organizations (NGOs) within global world system where struggles presented against poverty increase. In fact, today “Social Entrepreneurship” concept is considered as prevention of poverty, increase of welfare level and achievement of fair income distribution.

According to global point of view, following justification can be supported at the end of overall explanations regarding all concepts: although activity areas of non-governmental organizations differ, all of them are based on **“Unity brings strength” (Birlikten güç doğar)** principle.

In conclusion, NGOs, which undertake and adopt the responsibility of providing overall social aids to poor people as its task, perform their social activities in all over the country and outward-oriented manner. They are able to gain large amounts of financial support from donors thanks to transparency and confidence built by them in the community and represent good and beneficial examples regarding realization of social activities by volunteers.

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MARKETING DECISIONS OF RURAL HOUSEHOLDS AND AGRICULTURAL DEVELOPMENT IN MOZAMBIQUE



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Abstract

The vast majority of households in Mozambique live in rural areas and agriculture is still the main economic activity. They rarely produce for the market and are highly dependent on climate for their subsistence. In this study I analyse basic food marketing decisions of rural households using a double-hurdle estimator, also considering non-market factors as influencing the participation decisions in the basic food agricultural market. Moreover, results from disaggregated quantile analysis are presented, evidencing the differences in the estimated coefficients of some key variable at different quantiles. Finally, a basic fuzzy set poverty index is constructed and a series of qualitative analyses is conducted. The dataset used (Trabalho do Inquerito Agrícola, TIA 2005) refers to the 2004/2005 agricultural season, and contains more detailed data on agricultural prices and quantities with respect to the household survey previously used for similar studies. This allows a better understanding of the dynamics involved in the process of marketing decisions. Preliminary findings say that first, lack of infrastructures, technology and information may play a very important role in determining the marketing decisions of basic food commodities; second, market participation is associated with greater asset endowments, even though there is no clear causation. Policy implications are finally drawn for Mozambican agriculture development.

Key Words: agriculture, market participation, Mozambique. JEL classification: Q13, Q18, O13

Introduction

The vast majority of households in Mozambique live in rural areas (64%) and agriculture is still the main economic activity, accounting for more than 27% of GDP (World Bank, 2008). Moreover, for what concerns the poorest 60% of rural households, income deriving from crop production accounts for 80% of their total income (Boughton et al., 2006). Notwithstanding the high level of

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market liberalisation in Mozambique, agricultural commodities are rarely exchanged or sold on the market (Boughton et al., 2007). Lack of adequate infrastructures, state support, credit and productivity-enhancing tools are among the main causes (Hanlon and Smart, 2008). Moreover, agriculture in Mozambique is mainly rain-fed and this increases the dependency on climate for rural households' subsistence. In this study I analyse the marketing decisions of rural households and I will particularly focus on basic food markets, which usually exhibit variable responsiveness to price changes, low entry barriers, high transaction costs, few regulated contract schemes (Boughton et al.,

2007). This issue is very important because participation in the market is considered an escape from poverty and subsistence agriculture. In past years different mechanisms have been identified through which this could be possible: for example market participation may increase productivity, or it may enhance specialization and make households able to exploit comparative advantages.

Especially the latter one seems to be important for welfare gains and the analysis of specialisation-related gains dates back to Smith and Ricardo. However, the switch from subsistence agriculture to market agriculture is rarely observed in developing countries. Many different things are needed to achieve such a result: public goods, governmental support, credit, technology. Simple price-based interventions or imposed liberalisations rarely proved to be successful (Barrett, 2008); and the cashew liberalisation implemented in Mozambique during the nineties is among the "bad" examples of such strategies (McMillan et al., 2002; Hanlon and Smart, 2008).

The investigation of the causes leading to participation and determining the quantities sold is then crucial to design better agricultural policies. The government and many national as well as international NGOs are committed to develop agriculture in the country; this study may provide a further insight into this subject, describing rural households' behaviours with respect to basic food agricultural market and evidencing the association between participation and endowments, technology, infrastructures, information.

In what follows I analyse these issues by means of a double-hurdle model. This model helps to answer different questions: if it is important to understand what determines the amount sold on the market, it is also important analysing why so few households sell maize or other basic food crops despite most of them produce it. The double-hurdle estimation is a truncated regression which differently from the Heckman procedure does not correct for self-selection, but introduces another "hurdle" to the selection problem in the first tier of the model; in addition to a standard Tobit model in the second tier.

The dataset used (Trabalho do Inquerito Agrícola 2005², referred to as TIA 2005 in what follows) refers to the 2004/2005 agricultural season, and contains more detailed data on agricultural prices and quantities with respect to the household survey (Inquerito dos Agregados Familiares

2002/2003, IAF 2002/2003) and to the Trabalho do Inquerito Agrícola 2002 previously used for similar studies on Mozambique (respectively by Heltberg and Tarp, 2002, and Boughton et al.,

2007). This allows a better understanding of the dynamics involved in the process of marketing decisions.

In the preliminary analysis I find that first, lack of infrastructures, technology and information may play a very important role in determining the marketing decisions of basic food commodities; second, market participation is associated with greater asset endowments. However, strong causation links cannot be assessed because of the cross-section structure of the data.

In this paper I also check for the differences in the coefficients at different quantiles, running

² Ministério da Agricultura (MINAG), Trabalho do Inquérito Agrícola, Departamento de Estatística, Direcção de Economia, MINAG, República de Moçambique, Maputo, Mozambique.

a quantile regression. Results suggest that while most of the coefficients remain the same for the whole distribution, some key variables like price, education, livestock ownership or mean province maize production show a pattern that standard analyses based on the distribution mean would not grasp.

Subsequently, I introduce a basic fuzzy set poverty index based on available data about education, health and consumption of durable goods such as bike, radio, table and other farm endowments and tools. A qualitative analysis of the results in association with this poverty index are also presented, showing again that market participation is associated with greater asset endowments and that poor and nonpoor may behave differently in response to price changes or alternative income sources. Policy implications are finally drawn for Mozambican agriculture development.

My contribution is thus to understand the nature of the decision process to market participation for rural household in Mozambique, and also to apply a double-hurdle estimation to this problem. To the best of my knowledge, a double-hurdle estimation in the agricultural sector in developing countries has only been applied to the market for milk (Holloway et al., 2006), and while being conceptually very different from selection models (*à la* Heckman), its use is justified in my study because results of sample-selection estimations (not shown in what follows) give little evidence of a selection bias. This allowed me to use the same set of parameters in both selection and quantity process eliminating the dependence of the results on chosen instrumental variables.

Indeed estimation results say that the instrumental variables chosen -among others- by Heltberg and Tarp (2002) are indeed relevant in the quantity equation, too. Hence, they do not seem to be very good instruments. Both education and possessing of a radio for example influence the quantity sold on the market and the choice to participate in the market.

Going back to the article by Holloway et al. (2006) and its use of a double-hurdle estimator, it is evident that livestock or milk market have very different characteristics compared with basic food markets, hence the use of a double-hurdle estimator is a novelty in this strand of studies. This article is a modest attempt to fill this gap in the literature on market participation decisions in developing countries, in addition to providing new empirical results and presenting anomalies for the Mozambican agricultural market. Moreover, the application of quantile analysis and of a fuzzy set poverty index are also new in this literature, deserving deeper study for future applications.

The article is developed as follows: Section 1 presents a review of the relevant literature on the subject, with particular attention to the studies focusing on Mozambican agriculture. In Section 2 I introduce the theoretical model used in the rest of the paper. Section 3 deals with data and descriptive statistics. Section 4 presents the econometric model and estimates. Section 5 is about the construction of a basic poverty index using fuzzy set theory, with some qualitative analyses of the link between market participation and asset endowment/poverty. Section 6 presents some policy implications and concludes.

1. Literature review

After the preliminary contributions of de Janvry et al. (1991) and Fafchamps (1992) a theoretical framework to analyse market participation was developed; the main results of which being that market failures in low-productive food production hinder cash crop market participation. Afterwards, a strand of literature developed which dealt with the econometric analysis of market participation, trying to cope with the problems arising in this kind of estimates, first of all the self-selection problem (Heckman, 1979). One of the first attempts to study market participation in developing countries which tried to solve the self-selection problem was carried out by Goetz (1992). He analysed grain market participation in Senegal. In this article he uses a probit in the first stage to study market participation, and a switching regression model in the second stage to assess the quantities of grain which were marketed. Key et al. (2000) instead studied maize market participation in Mexico, using a censoring model with unknown threshold. As opposed to Goetz (1992) they implicitly make use of the hypothesis that participation and quantity choices are made simultaneously. Choosing one or the other hypothesis is not just a technical matter, it

involves considerations over the possibility that farmers are exploited by professional traders or not. A simultaneous decision on participation and quantity make farmers much more dependant on traders' conditions. When instead choice is sequential, that is quantities sold are chosen conditional on market participation, farmers who participate in the market check the conditions available on the market (namely the prices) and then decide the quantity to be sold. In Mozambique it seems that farmers, and especially the poorer among them, are often exploited by professional traders. Many sell the total production or a great proportion of it in a single day (55% of the households who sold cereals and 70% of those who sold beans sold the whole quantity in a single day); moreover, from the following results it seems that quantities sold do not have a clear positive relation with price. Prices only influence the decision to participate or not.

The first attempt to test the hypothesis of sequential or simultaneous decisions is the 2006 article by Bellemare and Barrett. Their study is about the Kenyan and Ethiopian livestock market and they compare the results of a simultaneous decision model (bivariate tobit) with a sequential decision model (ordered tobit). They consequently test which one fits the data most, using a series of nonnested hypotheses. Holloway et al. (2006) instead apply a double-hurdle estimator to the Ethiopian milk market, paying great attention to the presence on non-negligible fixed costs, which cause a non-zero censoring in the model. They also assume sequential choices.

Very few article exist in this strand of literature that focus on Mozambique: Heltberg and Tarp (2002) study the issue of market participation using fixed transaction costs as the key variable for the identification of the two processes, participation and production. This is the same method that had been previously used by Key et al. (2000). They argue that variable transaction costs affect both decision processes while fixed transaction costs only influence the participation decisions and, by definition, not the quantities. The estimation procedure they use is a switching or (one-step) Heckman regression, to correct for the self-selection of the non-selling household group, i.e. the same approach developed by Goetz (1992). This analysis is applied to the household survey IAF

1996-97 and it focuses on aggregated total sales, basic food sales and cash crop sales. A similar approach is followed by Benfica et al. (2006), but it is applied to cotton and tobacco contract farmers in the area of the Zambezi Valley.

Boughton et al. (2007) study market participation in Mozambique in great detail: they use an asset- based approach utilising the data of the Trabalho do Inquerito Agrícola (TIA) 2002, which is the first wave of the TIA panel (2002-2005). They analyse whether participation in remunerative cash crop markets (cotton and tobacco) is associated with higher asset endowments relative to participation in the less remunerative maize market and allow rural farmers to endogenously select themselves into one market or another. They find that greater endowments of assets such as land, livestock, labour and equipment are indeed associated with participation in more remunerative markets, but they cannot derive stronger causation because of the cross-sectional nature of the data.

2. A model of agricultural supply

At the basis of the following analysis there is an empirical model which has been previously used by Strauss (1984), Goetz (1992) and Heltberg and Tarp (2002). It is quite simple and is made up of a production equation, q , and a consumption equation, q .

$$q_i^S = Q^S(p, z_i^S) \quad (1)$$

$$q_i^C = Q^C(p, z_i^S, z_i^C) \quad (2)$$

the subscript i refers to household i , p are the prices of the goods. z_i^s refer to factors which are fixed and which are linked to production, while z_i^c to fixed factors linked to consumption. Among the z are the characteristics of soil, climate, but also the households' characteristics which influence production. α is any exogenous source of income, while $f(\cdot)$ represents farm's profits.

The difference between q_i^s and q_i^c is the surplus, which is eventually marketed, and which depends on all the previously introduced exogenous variables.

$$s_i = q_i^s - q_i^c = f(p, z_i^s, z_i^c) - Q_i \quad (3)$$

Studying marketed surplus must then take into account the interaction between production, decisions to participate in the market, and quantity to be supplied to the market. As introduced before, Key et al. (2000) and Heltberg and Tarp (2002) use fixed transaction costs as the key variable for the identification of the two processes, participation and production, in the switching regression approach. In particular, Heltberg and Tarp (2002) use distance and transport characteristics as proxies for variable transaction costs. "Information" variables, such as possession of a radio, TV, telephone, maximum education of household head and district population density, as proxies for fixed transaction costs.

3. Data and descriptive statistics

In this study I use data from the Trabalho do Inquerito Agrícola (TIA) 2005, which is a large dataset containing information about 6149 Mozambican rural household in 10 provinces (Maputo and Matola cities are excluded) and 94 districts out of 136. This was collected by the Ministry of Agriculture with technical support from the Michigan State University (Ministério da Agricultura, 2005).

The survey is representative for small (99% of total rural households) and medium landholders, where the classification is based on cultivated land, number of livestock and number of trees. It contains several sections dealing with demographic household characteristics, income, assets, land⁵, crop production and selling, services and technology.

Regarding agricultural market participation, information on quantities produced and sold are available for cereals, peanuts, cassava, beans, potatoes, cash crops, horticultural crops and fruit crops. Prices are also recorded and standardised to price/kg. However, for most crops too few observations were available and the present analysis only focuses on aggregated food crops (maize, rice, *mapira*, *mexoeira*, two varieties of peanuts, cassava, two varieties of sweet potato and six varieties of beans).

Maize is the most important basic food crop: 84.5% of the households in the sample cultivated maize and it represented the most important food reserve in hungry periods. The central and northern region of the country are those in which more maize is produced because of more favourable climate conditions. However, only 19.2% of the producers sold at least some quantity on the market, and among the sellers 52.8% sold the entire production in a single day. Prices vary in a considerable manner across regions and districts, the mean selling price being 3.9Mt/kg (Meticais/kilogram). However, in the Maputo province the mean selling price of maize was much higher (8.5Mt/kg).

Mean (seasonal) sales value of maize also varies across provinces, going from 416Mt in Zambezia to 4289Mt in the Maputo province (roughly corresponding to 10€ and 100€, respectively).

³ Sadoulet and de Janvry (1995) show that the restrictions which are attached to supply and demand functions are not applicable to market surplus.

⁴ As a first step to the estimation of market participation in rural Mozambique I made use of the same identifying assumption. In the Heckman estimation owning a radio, education of household head and having received information about agricultural prices were used as proxies of (unobservable) fixed transaction costs. However, this analysis was not satisfying because these instrumental variables are shown to be very important also in the quantity equation.

⁵ For what concerns land, a sub-sample (25%) of all plots were measured by enumerators using GPS, and these measures allowed to correct for self-reporting errors, also considering household head's education and district differences (Mather et al, 2008).

⁶ See Boughton et al. (2007) for a discussion about production and marketing of maize.

The figures for the other basic food crops are presented in Table 1.

Table 1

crop	% cultivating	% selling	% selling in 1 day	mean selling price	std.dev.	mean sales value	std.dev.
maize	84.5	19.2	52.8	3.89	2.97	1357.7	5106.8
rice	14.2	12.6	60	6.95	4.19	16028.8	97534
mapira	31.5	4.5	62.6	4	3.71	247.9	385.4
mexoeira	8.9	2.6	85.7	6.24	4.71	113.3	90.2
peanuts (big)	13.3	23.2	67.2	9.75	5.52	619.4	1306.5
peanuts (small)	30.6	14.5	75.7	8.06	4.37	539.1	847.1
bean (manteiga)	14.2	29.3	65.2	9.74	5.47	814.8	991.2
bean (nhemba)	54.8	6.8	75.5	7.05	5.84	440.2	995.5
bean (jugo)	12.3	3.3	68	5.21	3.97	64.8	27.4
bean (boer)	15.9	13.5	80.3	3.97	3.58	223.71	376.6
bean (oloko)	2.2	5.3	85.7	6.62	4	67	31.1
bean (outro)	0.4	41.7	40	-	-	1607	936.6
sweet potato (alaranjada)	3.6	12	50	3.57	4.29	211	324
sweet potato (nao alaranjada)	17.5	13.1	35.9	3.79	3.78	393.8	717.2
cassava	62	16.5	48.3	1.93	2.87	324.8	552

In order to account for production and consumption effects I consider farm characteristics like land size, divided by the number of active (14-60) household members; the number of cashew and coconut trees; the number of cattle, goats and chickens; the number of total fields (cultivated or fallow lands) owned by the household. Technological variables which are included are a dummy for the use of animal traction; the mean province production of maize; whether the household practises rotation, consociation or cultivation in line; use of fertilizer; possession of high quality warehouses for storage.

In addition to these variables I also make use of other community characteristics, which unfortunately are only available in the TIA 2002 dataset, such as the existence of a paved road reaching the village; the presence of market, fair or pitchmen in the community; a dummy for feet as most used mean of transportation; the distance to reach public transports. Since the TIA 2002 covered fewer districts (80) than the TIA 2005, these variables have fewer observations.

For what concerns households' characteristics I include in the analysis the dependency ratio (computed as the ratio between the number of household members who are younger than 15 and older than 65 over the number of household members between 15 and 65 years); the age of household's head; four dummies for education of household's head (no education, primary school - first cycle, primary school - second cycle, secondary school and above), to account for possible non linear effects; a dummy if household head's is a woman; the proportion of healthy members in the household; a dummy if someone in the household is affiliated to any agrarian association and a dummy if someone in the household earns a wage or a salary. This variable is also important to evaluate the effect of other income sources on market participation. Household endowments are also accounted for by the inclusion of a few dummies: owning a radio, a lantern, a bike; a dummy whether house walls are made of high quality material. Finally, whether a household member received any information about prices is also included; together with other geographical controls such as regional dummies and whether the area is prone to natural calamities like drought or flood. A more complete description of the variables used is found in Appendix A.

4. Econometric model and estimates

In this section I introduce the econometric model which is used for the following estimations. I present the double-hurdle estimator, which models the problem as if decisions were sequential, but introduces two separate processes for participation and quantities without correcting for selection bias. The double-hurdle estimator allows to have same or different sets of explanatory variables in each process, while in the standard Heckman model, instead, we need to include a set of variables influencing participation (the discrete choice) but not quantity decision, in order to identify the model. The choice of such variables is usually hard and mostly debatable because the decisions are usually interconnected; moreover, estimation results are very sensitive to the choice of such instrumental variables.

4.1 The double-hurdle model

The double-hurdle model was first formulated by Cragg (1971). In the double-hurdle model a positive quantity is observed only provided that the household crosses two hurdles. The first hurdle determines the participation decision, while a Tobit model (the second hurdle) determines the amount that is sold (Jensen and Yen, 1996; Moffat, 2005). The model is formed by two equations:

$$q_{i1}^* = z_i' \gamma_i \quad \text{Participation decision} \quad (4)$$

$$q_{i2}^* = x_i' \beta_i + u_i \quad \text{Selling decision} \quad (5)$$

with:

$$q_i = x_i' \beta_i + u_i \quad \text{if } q_{i1}^* > 0 \text{ and } q_{i2}^* > 0 \quad (6)$$

$$q_i = 0 \quad \text{otherwise} \quad (7)$$

The model is estimated by means of maximum likelihood procedures and in what follows I also use robust standard errors. Moreover, differently from the original formulation of Cragg here I implement a double-hurdle estimator with dependent equations.

4.2 Estimation results

The dependent variable in all following estimations is the logarithm of quantities of basic food crops sold, expressed in kilograms. For what concerns prices, I use the median maize price of each district. Where this measure was not available I used the median maize price of the associated province. This should be sufficient to avoid the problem of endogeneity of price, also provided that most of the rural households are small producers and are price takers.

From the estimation results of the double-hurdle model one can immediately have an understanding of some important features of the Mozambican agricultural market. One of the most surprising characteristic is that the relation between the (log) quantities of basic food sold and the (log) price of maize is absent. It appears that the price of the most important food crop is more important for the participation decision than for the quantity decision. This is in line with previous findings for Mozambique (Heltberg and Tarp, 2002) and it was confirmed by informal talks with other researchers at the Universidade Eduardo Mondlane, Maputo. Farm endowments like (log) land size per active household or number of chickens have the expected positive effect in both processes. While the square of the (log) land size per active household has a negative sign, reflecting the possibility of a non-linear effect of this variable (diminishing marginal effect); this results are in line with findings by Boughton et al. (2007). In this article they explain the link between greater market participation and amount of livestock with the plausible hypothesis that who owns more livestock has less concern for food security. The (log) number of total lands and its square are significant, respectively with positive and negative sign (again, diminishing marginal effect), only in the selection equation. This might be due to the fact that cultivating more lands allows producing more products or varieties, increasing the probability to sell them; nonetheless, quantities sold might be well not affected by this characteristic.

Variables linked with technological resources are also very important: the mean province yield of maize positively influences the quantities sold, but not the participation; the use of fertilizer and the use of temporary workers instead are significant in both equations with positive sign. The latter variable is also an indicator of relative well-being, while the former denotes greater agricultural knowledge or more frequent contacts with associations, NGOs, etc. that often directly provide - or give information about - fertilizers. Owning high quality warehouses also affects in a positive way quantities sold: having the chance to store agricultural products is very important,

7 The logarithmic transformation was chosen as a result of a preliminary Box-Cox regression (with a value of theta equal to 0.01). Moreover, further checks were made in order to separate the "zeros" (converted into missing values after the logarithmic transformation) from proper missing data. However, since just 14 missing values entered the regression, the weight of such observations is negligible.

8 The effect of price on quantity is even negative, though not significant.

because the lack of adequate places for storage prevents households from smoothing consumption but also from negotiating better trading conditions. Consociation and production in line of different crops increase the probability to participate in the market but not the quantity decision. These variables can be considered as proxies of improved agricultural knowledge, which is not widespread in rural areas. Household's characteristics seem to affect participation and quantity decisions as well: the coefficient for the dependency ratio is negative and significant in both processes (although only at

10% level in the participation process), denoting family work as a main factor for production and selling. Moreover, if the household head is a woman then this negatively influences quantities sold. Even if Mozambique presents lower gender inequality with respect to other Sub-Saharan countries in many issues, women still have fewer opportunities than men in rural environments. This denotes the presence of cultural barriers which are not sufficiently explored by policy makers (Boughton et al., 2007). Health is also important for decisions about quantities to be sold. A higher proportion of healthy household members positively affects quantities, while being not relevant for participation decisions.

Concerning household endowments, an expected positive sign emerges for the coefficients of owning a lantern, a bike or high-quality walls. Furthermore, if the household head had difficulties in feeding household members at least once in the twelve months prior to the interview, then this strongly influences the participation and selling decision: throughout the different estimations the coefficient of the variable which describes this characteristic (*fome*) maintains a negative sign in both decision processes and it is significant at 1% level. I come back to this issue later in section 5 when I deal with the relation between poverty and market participation.

Whether a member of the household receives a wage/salary also reduces the probability of participating in the basic food market. This is in line with previous findings and it probably reflects the existence of different coping strategies, as suggested by Heltberg and Tarp (2002).

Some of the characteristics of the communities where the households live seem to play a considerable role in both decision processes: the presence of a market increases either the probability to become a seller and the quantity sold; the presence of pitchmen in the community instead is only associated with the quantity decision. Of course, in a country where lack of transport infrastructures is a main issue, having or not the possibility to trade inside the community (in the local market or through pitchmen) is a non-negligible incentive to trade. Therefore, it is not surprising that those households belonging to communities where feet are the main mean of transportation are less likely to participate in the market. On the contrary, and a bit surprisingly, distance to the closest public transport node is never significant. Probably time distance instead of physical distance would have had more explicative power since many roads might become impracticable for part of the year. Geography is also a key aspect of market participation: as stated before, and stressed by Boughton et al. (2007), the northern and central region of the country are those where more basic food crops and especially more maize are produced. No surprise that households in the North and in the Centre have a higher probability to sell their products. While those households living in risky areas are less likely to become basic food sellers: this may be seen as a coping strategy in areas prone to drought and/or flood.

Turning to the variables which were used as instruments in the Heckman estimation by Heltberg and Tarp (2002), these are mainly "information" variables; the reason being that having information about prices and having the ability to process it might be seen as factors that influence the amount of unobservable fixed transaction costs. In my case, as stated at the beginning I decided not to use a Heckman procedure. Mainly because the instrumental variables selected by previous studies in this literature were problematic: owning a radio also influences the quantity process, the coefficient is positive and significant at 1% level. This is probably so because owning a radio is an indicator of relative well-being, and consequently it influences the quantity process just like the other household endowment variables. Moreover, with my double-hurdle

⁹ Gross female primary enrolment for example is much higher in Mozambique relative to the average value for Sub-Saharan Africa (World Bank, 2008)

specification it is also possible to better understand the role of education in both processes. Indeed the coefficient associated with secondary or higher education (*educ_8_13*) is positive in the quantity equation while having a negative sign in the participation equation. This suggests that while higher education diminishes the probability of participating into the basic food market, the quantity sold given participation is greater. And the effect is significant at 1% level¹². The negative sign in the participation equation is probably due to the fact that most households heads with 8 or more years of education have a paid job in some other sector (66.7%) or produce cash crops (38%)¹¹, avoiding to enter the less remunerative market of basic food crops. Table 2 summarizes all these estimation results.

Table 2

	Dependent double-hurdle model	
		select
<i>l_qv_basic</i>		
<i>l_p_milho</i>	-0.035 (-0.17)	0.356 (4.14) ***
<i>l_land_hh</i>	0.387 (6.05) ***	0.213 (6.04) ***
<i>dep_ratio</i>	-0.121 (-2.79) ***	-0.048 (-1.78) *
<i>cajueiros</i>	0.001 (0.73)	-0.001 (-1.34)
<i>coqueiros</i>	-0.002 (-1.09)	0.000 (0.31)
<i>animal_traction</i>	0.126 (0.84)	-0.080 (-0.98)
<i>l_age</i>	-0.874 (-0.36)	0.912 (0.62)
<i>l_age_sq</i>	0.119 (0.36)	-0.153 (-0.77)
<i>paid_job</i>	-0.086 (-0.95)	-0.213 (-3.94) ***
<i>l_prod_milho</i>	3.324 (3.31) ***	-0.305 (-0.55)
<i>l_prod_milho_sq</i>	-0.300 (-3.63) ***	-0.003 (-0.07)
<i>north</i>	0.014 (0.05)	1.080 (10.00) ***
<i>centre</i>	0.406 (1.36)	1.160 (9.85) ***
<i>estrada_transitavel</i>	0.009 (0.10)	0.067 (1.22)
<i>radio</i>	0.274 (2.95) ***	0.083 (1.48)
<i>info_prices</i>	0.032 (0.38)	0.174 (3.29) ***
<i>educ_1_5</i>	-0.040 (-0.43)	0.096 (1.70) *
<i>educ_6_7</i>	0.173 (1.25)	0.037 (0.38)
<i>educ_8_13</i>	0.741 (2.95) ***	-0.306 (-2.04) **
<i>mercado</i>	0.290 (2.88) ***	0.187 (3.04) ***
<i>feira</i>	-0.114 (-0.73)	0.182 (1.55)
<i>fome_candeeiro</i>	-0.423 (-4.29) ***	-0.374 (-7.15) ***
<i>f_head</i>	0.193 (2.24) **	-0.005 (-0.10)
<i>ambulante</i>	-0.254 (-2.34) **	0.006 (0.09)
<i>trasporte_pe</i>	0.178 (2.03) **	0.083 (1.56)
<i>risky_area</i>	-0.162 (-1.89) *	-0.276 (-5.18) ***
<i>bovinos</i>	-0.082 (-0.60)	-0.248 (-2.50) **
<i>caprinos</i>	0.012 (1.98) **	0.000 (-0.02)
<i>galinhas</i>	-0.002 (-0.58)	-0.004 (-1.43)
<i>healthprop</i>	0.010 (3.01) ***	0.010 (3.27) ***
<i>hq_wall</i>	0.740 (2.12) **	0.240 (1.19)
<i>l_n_land</i>	0.332 (1.56)	-0.107 (-1.00)
<i>l_n_land_sq</i>	1.737 (1.18)	2.435 (3.24) ***
<i>l_dist_trasp</i>	-0.689 (-1.39)	-0.852 (-3.47) ***
<i>l_dist_trasp_sq</i>	-0.090 (-0.97)	0.055 (1.04)
<i>assoc</i>	0.033 (1.81) *	-0.012 (-1.14)
<i>rota</i>	-0.119 (-0.79)	0.056 (0.65)
<i>consoc_linhas</i>	0.116 (1.32)	0.076 (1.42)
<i>fertilizante</i>	0.165 (1.11)	0.269 (3.51) ***
<i>trabalho_int</i>	0.080 (0.88)	0.163 (3.02) ***
<i>trabalho_temp</i>	0.286 (1.78) *	0.443 (3.95) ***
<i>possui_bici</i>	0.285 (1.28)	-0.028 (-0.22)
<i>celeiros</i>	0.435 (4.42) ***	0.238 (3.70) ***
<i>_cons</i>	0.246 (2.76) ***	0.085 (1.50)
	0.379 (3.54) ***	-0.064 (-0.98)
	-5.454 (-1.01)	-3.086 (-0.97)
Number of obs	3359	
Censored obs	2209	
Uncensored obs	1150	
Wald test of indep. eqns. (rho = 0): chi2(1) = 6.31 Prob > chi2 = 0.0120		
Note: t statistics in parenthesis; * = 90%, ** = 95%, *** = 99%.		

10 In the selection equation the coefficient for primary education (*educ_1_5*) is also significant, but only at 10% level. This may suggest a non-linear effect of education on market participation, given the negative sign of *educ_8_13*. All the education dummies have "no education" as reference point.

11 21% of household heads with 8 years of education or more both have a paid job elsewhere and produce cash crops.

12 The estimates are obtained using the STATA program "dhurdle", written by J. Fennema. As introduced before, this program also allowed having dependent equations.

4.4 Analysis of the coefficients at different quantiles

In this subsection I analyse some of the estimated coefficients using the quantile regression

approach. This was proposed by Koenker and Basset (1978): quantile regression allows to estimate the entire distribution of the response variable dependent on any set of regressors. As Koenker and Hallock (2001) make clear, in this kind of models 'quantiles of the conditional distribution of the response variable are expressed as functions of observed covariates' (p.143). In quantile regression the τ -th quantile regression estimator β_τ solves the problem:

$$\text{Min } \frac{1}{n} \sum_i y_i - x_i' \beta_\tau \quad (8)$$

where:

$$z = z - I z = 0 \quad (9)$$

Such problem cannot be solved by first order linear approximations but it is solved by means of linear programming methods.

In our example I first present the results of simultaneous quantile regression and then make use of this procedure to better understand the differences in the coefficients of few key variables at different quantiles. The simultaneous quantile regression (applied to quantiles q1, q10, q25, q50, q75, q90, q99) replicates most of the results which were already discussed in the previous subsection, but with some difference at different quantiles; it is presented in Table 3. Then in Figure

1 there is the plot of some quantile regression estimated coefficient for τ ranging between 0.05 and

0.95; the interpretation of each point on the main solid line is the effect a unit change of the independent variable on the dependent variable, keeping all the other independent variables fixed. The dashed line is the OLS estimate (which is obviously constant throughout the interval), while the grey area represents the 90% confidence band for the quantile regression estimates (Koenker and Hallock, 2001). The first variable under study is maize price: the coefficient of this variable is substantially equal to the OLS value at most quantiles, and it is not significant. However, the effect on sold quantities at very high quantiles (of sold quantities) becomes positive and also significant at

5% level. So price is an important decision variable only for those who sell great quantities of basic food. It is also possible to focus on the effect of mean province maize yield at different quantiles. Figure 1 suggests that at low quantiles this variable is not as important as it is at higher quantiles. The effect on quantities sold passes from 0 to more than 7 in logarithmic terms, which means that it has a greater effect on increasing sold quantities of basic food as sold quantities get higher. It is also interesting to look at the effect of higher education on quantities sold: when quantities sold are low the effect of this variable is not significant. Nonetheless, at higher quantiles (q90 and q99) it greatly influences quantities sold in a positive way. The same pattern is observable for the existence of a market in the community and for the possession of cattle and chickens.

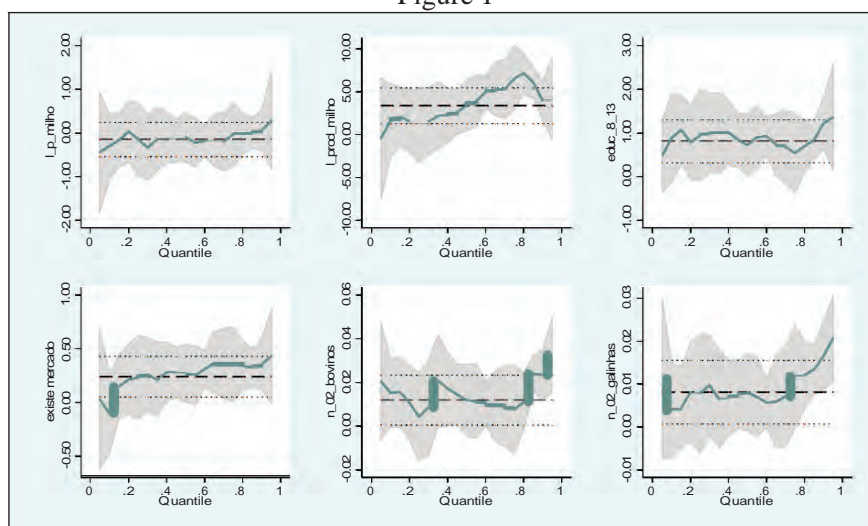
All these features could not be observed relying solely on OLS estimates, which are at the basis of Heckman and double-hurdle estimations, too. These findings help to provide a more precise picture of the Mozambican basic food agricultural market, emphasizing the different behaviours at different quantiles.

Table 3

Simultaneous quantile regression										
	q1	q10	q25	q50	q75	q90	q99			
L_qv_basic	-0.307 (-0.53)	-0.305 (-1.2)	-0.144 (-0.56)	-0.090 (-0.31)	-0.025 (-0.07)	0.067 (0.15)	1.088 (1.99)	**		
L_prod_miho	0.400 (2.32)	0.344 (2.71)	0.342 (4.1)	0.316 (3.66)	0.305 (3.1)	0.275 (2.73)	0.175 (1.04)	**		
L_land_hh	-0.184 (-1.53)	-0.175 (-2.02)	-0.171 (-2.08)	-0.110 (-2.08)	-0.074 (-1.22)	0.033 (0.57)	0.049 (0.45)	***		
dep_ratio	-0.006 (-1)	0.001 (0.28)	0.001 (0.4)	0.001 (0.45)	0.003 (1.25)	0.002 (0.45)	0.012 (3.56)	***		
calheiros	-0.001 (-0.15)	-0.003 (-1.01)	-0.004 (-1.8)	-0.003 (-2.16)	0.001 (0.38)	0.002 (0.41)	-0.002 (-0.35)			
coqueiros	0.339 (1.2)	-0.069 (-0.3)	0.148 (0.49)	0.371 (2.12)	0.082 (0.32)	-0.190 (-0.73)	-0.399 (-0.86)			
animal_traction	4.824 (0.64)	-1.170 (-0.29)	-0.576 (-0.15)	-3.021 (-0.77)	-1.860 (-0.44)	2.745 (0.66)	2.161 (0.49)			
L_age	-0.495 (-0.5)	0.180 (0.34)	0.092 (0.18)	0.395 (0.75)	0.239 (0.42)	-0.372 (-0.66)	-0.307 (-0.51)			
L_age_sq	0.269 (1.01)	0.112 (0.83)	0.005 (0.03)	0.168 (-1.37)	-0.131 (-1.03)	0.054 (0.44)	-0.547 (-1.65)			
paid_job	-0.287 (-0.1)	1.615 (0.79)	1.077 (0.61)	3.404 (2.09)	6.591 (5.18)	4.006 (2.51)	7.671 (2.29)	**		
L_prod_miho	0.001 (0)	-0.165 (-0.97)	-0.107 (-0.75)	-0.300 (-2.29)	-0.559 (-5.4)	-0.342 (-2.6)	-0.652 (-2.38)	**		
L_prod_miho_sq	-0.611 (-0.99)	-0.546 (-1.47)	-0.042 (-0.12)	-0.120 (-0.39)	-0.318 (-0.8)	0.050 (0.11)	0.021 (0.04)			
north	-0.323 (-0.5)	0.086 (0.18)	0.443 (1.17)	0.276 (0.6)	0.090 (0.19)	0.140 (0.31)	0.379 (0.58)			
centre	0.328 (0.81)	-0.140 (-1.24)	-0.040 (-0.51)	0.060 (0.54)	-0.005 (-0.05)	-0.085 (-0.49)	-0.022 (-0.11)			
estrada_transitavel	0.626 (2.71)	0.266 (1.3)	0.215 (1.83)	0.202 (1.63)	0.311 (2.67)	0.383 (2.54)	0.369 (1.51)			
radio	0.302 (1.14)	0.045 (0.3)	-0.022 (-0.16)	-0.020 (-0.16)	0.057 (0.44)	-0.088 (-0.61)	-0.166 (-1.08)			
info_prices	-0.127 (-0.57)	-0.124 (-0.76)	-0.196 (-1.36)	-0.071 (-0.53)	-0.163 (-1.36)	0.198 (1.79)	-0.170 (-0.79)			
educ_1_5	0.341 (0.9)	0.359 (1.07)	0.371 (2.36)	0.073 (0.33)	-0.037 (-0.19)	0.254 (1)	-0.271 (-0.78)			
educ_6_7	0.402 (0.49)	0.873 (2.4)	0.952 (1.49)	0.727 (1.81)	0.542 (1.23)	1.227 (2.09)	1.040 (2.6)	***		
educ_8_13	-0.263 (-0.83)	-0.100 (-0.45)	0.231 (1.92)	0.270 (2.45)	0.354 (3.21)	0.358 (3.08)	0.773 (3.25)	***		
mercado	-0.162 (-0.45)	0.014 (0.04)	-0.190 (-0.79)	-0.279 (-1.36)	-0.428 (-2.01)	-0.015 (-0.06)	-0.269 (-0.78)			
feira	0.139 (0.52)	-0.268 (-1.57)	-0.259 (-1.66)	-0.288 (-3.48)	-0.481 (-4.45)	-0.372 (-2.13)	0.183 (0.78)			
fonte_candeieiro	-0.058 (-0.28)	0.218 (1.73)	0.353 (2.69)	0.171 (1.49)	0.105 (0.92)	0.030 (0.23)	0.139 (0.43)			
f_head	0.387 (1.1)	-0.069 (-0.31)	-0.184 (-1.13)	-0.307 (-1.75)	-0.303 (-2.1)	-0.075 (-0.46)	-0.042 (-0.14)			
ambulante	0.290 (1.37)	0.280 (1.61)	0.154 (1.16)	0.202 (3.03)	0.170 (1.21)	0.175 (1.27)	0.361 (2.36)	**		
transporte_pe	-0.273 (-0.89)	-0.069 (-0.46)	-0.131 (-0.98)	-0.063 (-0.92)	-0.116 (-1.02)	-0.123 (-1.14)	0.218 (1.12)			
risky_area	-0.464 (-1.05)	-0.303 (-1.32)	-0.037 (-0.21)	0.113 (0.54)	0.017 (0.07)	-0.165 (-0.57)	0.211 (0.69)			
bovinos	0.015 (1.01)	0.015 (1.35)	0.004 (0.28)	0.012 (1.19)	0.007 (0.84)	0.023 (2.75)	0.024 (1.26)			
caprinos	0.004 (0.6)	-0.001 (-0.26)	-0.002 (-0.22)	0.000 (-0.06)	0.000 (-0.05)	0.001 (0.14)	-0.011 (-1.48)	*		
healthprop	0.010 (0.61)	0.004 (0.49)	0.008 (1.15)	0.008 (1.8)	0.012 (1.69)	0.017 (2.18)	0.024 (1.93)	*		
hq_wall	1.559 (1.58)	1.126 (1.77)	0.725 (1.49)	0.623 (1.23)	0.301 (0.85)	0.083 (0.18)	0.684 (0.74)			
L_n_land	0.013 (0.02)	0.199 (0.52)	0.608 (1.98)	0.554 (1.88)	0.408 (1.36)	0.511 (1.13)	0.009 (0.02)			
L_n_land_sq	4.714 (1.11)	3.450 (1.46)	1.772 (0.58)	0.975 (0.61)	0.406 (0.25)	-0.229 (-0.09)	-1.891 (-0.45)			
L_dist_trasp	-1.662 (-1.22)	-1.372 (-1.7)	-0.667 (-0.64)	-0.403 (-0.79)	-0.281 (-0.52)	-0.042 (-0.05)	0.567 (0.39)			
L_dist_trasp_sq	-0.104 (-0.66)	-0.063 (-0.47)	-0.150 (-0.96)	-0.137 (-1.38)	-0.025 (-0.17)	0.062 (0.29)	-0.365 (-1.51)			
assoc	0.065 (1.42)	0.014 (0.5)	0.045 (1.45)	0.042 (1.96)	0.022 (0.94)	0.004 (0.1)	0.069 (1.49)			
rota_consoc	-0.563 (-1.41)	-0.209 (-0.69)	-0.220 (-0.78)	-0.037 (-0.2)	-0.315 (-1.15)	0.362 (1.02)	0.363 (0.85)			
linhas	-0.075 (-0.33)	0.155 (0.95)	-0.084 (-0.55)	0.163 (1.39)	0.267 (2.42)	0.109 (0.72)	0.070 (0.36)			
fertilizante	0.234 (0.36)	0.130 (0.4)	0.241 (0.95)	0.090 (0.48)	-0.044 (-0.27)	-0.182 (-0.61)	0.100 (0.22)			
trabalho_int	-0.196 (-0.61)	0.006 (0.04)	0.063 (0.41)	0.011 (0.11)	0.041 (0.32)	0.056 (0.33)	0.235 (1.16)			
trabalho_temp	0.498 (1.21)	0.134 (0.55)	0.207 (0.93)	0.113 (0.64)	0.099 (0.33)	0.392 (1.31)	0.358 (0.97)			
possui_bici	0.319 (0.61)	0.038 (0.08)	-0.038 (-0.09)	0.251 (0.63)	0.610 (2.56)	0.357 (1.21)	0.667 (1.26)			
celeiros	0.659 (2.76)	0.353 (2.03)	0.355 (2.05)	0.391 (4.04)	0.371 (3.27)	0.405 (3.22)	0.024 (0.1)			
_cons	0.320 (1.35)	0.128 (0.83)	0.206 (1.32)	0.187 (1.53)	0.203 (2.14)	0.050 (0.28)	0.181 (0.77)			
	0.319 (0.95)	0.544 (3.3)	0.274 (1.4)	0.416 (4.06)	0.368 (2.62)	0.434 (2.63)	0.526 (2.02)	**		
	-12.121 (-0.71)	-1.314 (-0.13)	0.080 (0.01)	-0.586 (-0.08)	-10.499 (-1.34)	-10.663 (-1.24)	-20.238 (-1.51)			
Pseudo R2	0.3193	0.146	0.139	0.164	0.1932	0.2349	0.3836			
Number of obs	1150 #	1150	1150	1150	1150	1150	1150			

Note: t statistics in parenthesis: * = 90%, ** = 95%, *** = 99%.

Figure 1



5. Basic food marketing decisions and poverty

This section deals with the construction of a simple poverty index based on fuzzy set theory. This is used in the study in order to conduct a series of qualitative analyses on the relation between poverty status and market participation. Other previous studies were concerned with this issue: Heltberg and Tarp (2002) for example use per capita expenditure and divide poor from non-poor using an official poverty line computed by the Ministry of Planning and Finance et al. (1998). They find that while poor and nonpoor have very similar coefficients (and hence similar behaviours), they differ with respect to selling probabilities; the nonpoor being more likely to sell in both basic food and cash crop markets. Boughton et al. (2007) instead use the detailed information contained in the TIA 2002 about farm and non-farm household income (see also Walker et al., 2004); their results suggest that owned land, livestock, animal traction, income sources other than farm income and education are associated with higher participation and/or higher sales value.

To the best of my knowledge, mine is the first attempt to construct a fuzzy set poverty index in this framework, based on available data about consumption of durable goods, education and health. Although being somewhat arbitrary, this index permits to highlight some interesting characteristics of basic food marketing participation with respect to households' poverty condition.

5.1 The construction of the index

As many authors recognize (for example Kolm, 1977; Atkinson and Bourguignon, 1982; Bourguignon and Chakravarty, 2003), poverty involves many different dimensions apart from the monetary one. Fuzzy set theory tries to face the problem that poverty is a "fuzzy" concept, and so it is hard to define it in a precise (dichotomous) way. Whether one is poor or not depends on many different characteristics, and it is hard to say where poverty ends. In this sense, fuzzy set theory is a more elastic way to tackle the problem. This theory relies on the fuzzy logic, proposed first by Zadeh (1965): following this logic, each vague characteristic can be assigned a degree of truth, between 0 and 1, where 0 means definite falseness and 1 means definite truthfulness. All the values in between provide a degree to which the statement is true.

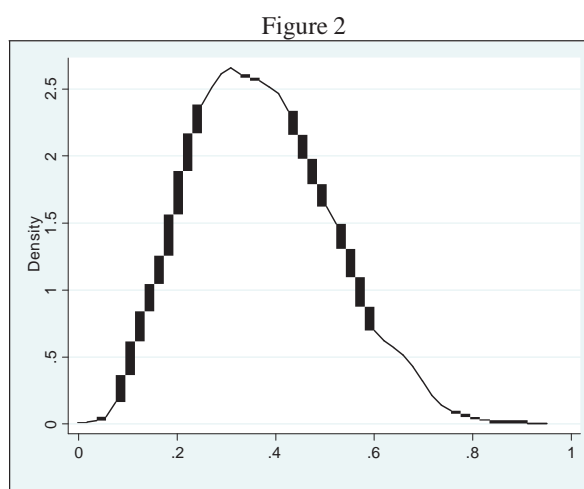
If the statement is "individual j is poor", then by means of this theory it is possible to assign to it a value such that he belongs to the set of poor people depending on a value comprised between 0 and

¹³ In this section I am not trying to derive precise implications or normative conclusions because, as I already argued, results are driven by arbitrarily chosen subset of variables, thresholds and aggregation procedure. Nevertheless, this exercise provides an instantaneous and easily understandable picture of the relation between market participation and poverty.

1. One of the first attempts to fuzzify the concept of poverty was undertaken by Cerioli and Zani (1990), who proposed two thresholds, a lower and an upper one, such that under the lower one an individual j could be considered undoubtedly poor; above the upper threshold he was considered undoubtedly non poor. People belonging to the range between the higher and lower threshold were considered poor by a measure between 0 and 1. The function connecting these two threshold values was a simple straight line. Several applications of this theory to poverty flourished in past years (see for example Lemmi and Betti, 2006); the main feature of these applications is the use of data about consumption of durable goods, education, health and the like, in addition to income or expenditure data. The selection of the variables is very important, nonetheless it seems that results do not change very much after that at least a certain number of variables are included (Berenger and Celestini, 2006).

In what follows, I construct a simple index using data about consumption of durable goods, health and education. I use the number of total lands and total land size; ownership of lantern, latrine, table, radio, warehouses, bike, scythe, hoe, high-quality walls or roof; years of education of household's head; the proportion of healthy household members; a dummy whether the household head had difficulties in feeding all the members. The continuous variables were firstly normalised to the $[0,1]$ interval. Then, different weights were assigned to each item depending on its dispersion in the sample and the correlation with other items (see Betti and Verma, 1999). In particular, five dimensions were first identified: house conditions and possession of durable goods; possession of productive goods; education; health; food scarcity. Each dimension is assigned a unitary weight while items in each dimension are weighted according to dispersion and correlation. Each weight is the result of the product of the coefficient of variation times the inverse of an average measure of its correlation with other items in the dimension (Betti and Verma, 1999, pp. 9-10).

In Figure 2 it is shown the distribution of this poverty index using the kernel density (with Epanechnikov kernel). Here a value of 0 indicates that a household is totally poor, a value of 1 that it is totally nonpoor. The distribution is positively skewed with mean equal to 0.37 and median equal to 0.36; the minimum value is 0.02 while the maximum value is 0.93.

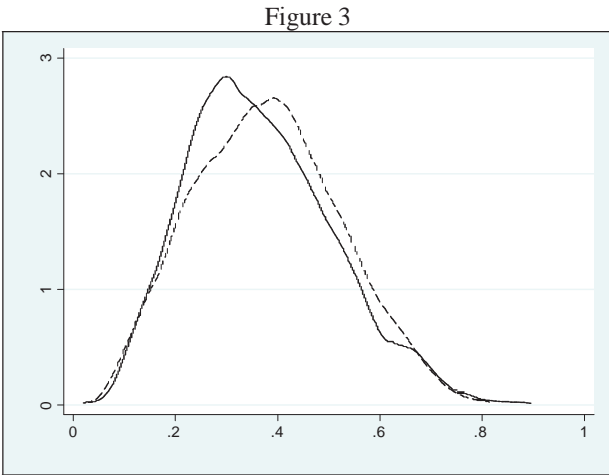


5.2 Qualitative analyses

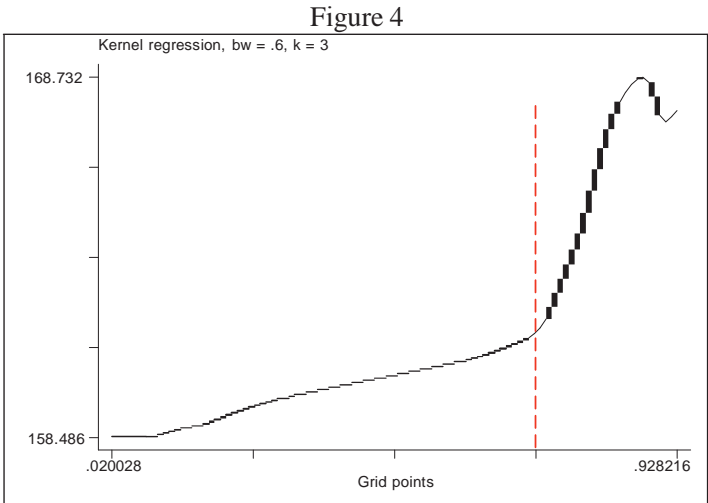
Now I can turn to some qualitative analyses based on the poverty index just described. First of all, it is important to assess whether market participation in basic food markets is associated with a higher or lower degree of poverty. Furthermore, it may be interesting to check whether

¹⁴ One of the main problems with this approach was that the choice of the threshold values was an arbitrary one. Hence, Cheli and Lemmi (1995) developed what was called the "totally fuzzy and totally relative" (TFR) approach. In this approach, the threshold values are computed on the basis of the distribution in the population of the characteristic under attention. Although this approach seems to be more "objective", it still underlies value judgements for what concerns the form of the membership function and the aggregation procedure (see Clark and Qizilbash, 2005).

the distribution of sold quantities of basic food changes across quintiles of poverty. In Figure 3 the two distributions of the fuzzy poverty index for households who participate and for households who do not participate in the market are plotted together. The solid line denotes market participation, the dashed line non participation. It seems that at very low levels of wealth (up to 0.32-0.35) market participants are worse off relative to non-participants. This might be due to the fact that trading basic food crops at those levels of poverty puts household's food security at risk. However, after that point the distribution for market participants is above the distribution for non-participants. This is in line with results from previous regressions.



In Figure 4 it is plotted the result of a kernel regression (Epanechnikov kernel, bandwidth equal to 0.6) of the quantity of basic food sold (y axis) on the fuzzy poverty index (x axis). As expected, the result is an increasing curve. However, it is interesting to note that at high and medium levels of poverty the curve increases gradually while at very low levels of poverty, after that a certain threshold is passed, it increases sharply. This might imply that rural households must be given greater asset endowments in order to have a significant participation in agricultural basic food market. The same upward trend is also observed (but not shown) for the relation between poverty and other variables like land size per active household, animal traction, quantity of cash crops sold, non-farm wage/salary and other farm or household endowment variables.



Moreover, and contrarily to what Heltberg and Tarp (2002) find, when one takes as reference the poverty index just introduced it seems that poor and nonpoor do show different response with respect to market participation and quantity sold¹⁵. Estimations computed for poor and nonpoor (Table 4) show for example that responsiveness to price changes is only significant and positive for nonpoor; the positive effect of pitchmen frequently passing by the community and of owning a radio (which are also connected to price information access) on marketing decisions are also significant for nonpoor only.

Whereas, it is quite interesting that information about prices and education of household's head between 1 and 5 years of schooling are significant just for poor households while education of household's head between 8 and 13 years of schooling is significant for both groups but with opposite sign.

Table 4

	Dependent double-hurdle model			
	poor		nonpoor	
l_qv_basic5	select		select	
l_p_milho	-0.042 (-0.14)	0.044 (0.29)	-0.156 (-0.44)	0.575 (4.28) ***
l_land_hh	0.397 (3.8) ***	0.154 (2.62) ***	0.431 (4.46) ***	0.238 (4.36) ***
dep_ratio	-0.094 (-1.14)	-0.033 (-0.71)	-0.210 (-3.22) ***	-0.076 (-1.7) *
cajueiros	0.003 (1.48)	0.000 (-0.25)	0.001 (0.88)	-0.001 (-1.41)
coqueiros	-0.001 (-0.29)	0.000 (0.45)	-0.002 (-1.5)	0.001 (0.93)
animal_traction	0.335 (1.28)	-0.112 (-0.77)	0.182 (0.82)	-0.056 (-0.45)
l_age	2.323 (0.55)	1.156 (0.49)	-6.041 (-1.55)	-0.445 (-0.18)
l_age_sq	-0.286 (-0.5)	-0.191 (-0.6)	0.806 (1.52)	0.017 (0.05)
paid_job	-0.235 (-1.29)	-0.435 (-4.79) ***	0.036 (0.27)	-0.057 (-0.68)
l_prod_milho	2.158 (1.12)	-1.009 (-1.04)	2.357 (1.58)	0.719 (0.86)
l_prod_milho_sq	-0.226 (-1.44)	0.045 (0.56)	-0.205 (-1.64)	-0.081 (-1.16)
north	0.568 (1.18)	1.099 (5.58) ***	-0.101 (-0.26)	1.013 (6.02) ***
centre	1.211 (2.17) **	1.450 (6.85) ***	0.068 (0.17)	0.777 (4.28) ***
estrada_transitavel	-0.154 (-0.95)	0.140 (1.49)	0.071 (0.54)	0.062 (0.74)
radio	0.078 (0.51)	-0.008 (-0.09)	0.702 (4.85) ***	0.185 (2.15) **
info_prices	0.190 (1.23)	0.199 (2.16) **	-0.002 (-0.01)	0.206 (2.53) **
educ_1_5	-0.080 (-0.47)	0.203 (2.16) **	-0.022 (-0.15)	0.058 (0.65)
educ_6_7	0.392 (1.67) *	0.292 (1.72) *	-0.044 (-0.2)	-0.224 (-1.54)
educ_8_13	1.389 (3.22) ***	0.190 (0.63)	0.466 (1.32)	-0.597 (-2.8) ***
mercado	0.305 (1.71) *	0.398 (3.8) ***	0.348 (2.51) **	0.025 (0.27)
feira	-0.062 (-0.25)	-0.102 (-0.52)	-0.125 (-0.47)	0.366 (2.03) **
fome_candeeiro	-0.488 (-3.05) ***	-0.406 (-4.56) ***	-0.275 (-1.85) *	-0.322 (-4.03) ***
f_head	0.138 (0.9)	-0.035 (-0.36)	0.221 (1.69) *	0.007 (0.09)
ambulante	-0.199 (-0.95)	-0.181 (-1.59)	-0.290 (-1.87) *	0.085 (0.85)
trasporte_pe	0.023 (0.14)	0.051 (0.58)	0.300 (2.24) **	0.189 (2.25) **
risky_area	-0.196 (-1.29)	-0.169 (-1.83) *	-0.153 (-1.09)	-0.377 (-4.59) ***
bovinos	0.042 (0.17)	-0.280 (-1.68) *	-0.177 (-0.87)	-0.233 (-1.41)
caprinos	0.028 (3) ***	-0.003 (-0.44)	0.001 (0.12)	0.000 (-0.04)
galinhas	-0.003 (-0.46)	0.003 (0.82)	-0.001 (-0.19)	-0.004 (-1.01)
healthprop	0.014 (2.72) ***	0.001 (0.2)	0.008 (1.23)	0.018 (3.73) ***
hq_wall	2.744 (4.6) ***	0.486 (1.38)	-0.251 (-0.49)	0.137 (0.41)
l_n_land	0.549 (1.39)	0.058 (0.31)	-0.088 (-0.28)	-0.328 (-1.99) **
l_n_land_sq	1.249 (0.49)	3.297 (2.53) **	1.506 (0.66)	1.454 (1.26)
l_dist_trasp	-0.596 (-0.7)	-1.153 (-2.71) ***	-0.620 (-0.81)	-0.521 (-1.39)
l_dist_trasp_sq	0.064 (0.39)	0.121 (1.29)	-0.157 (-1.14)	0.040 (0.49)
assoc	-0.002 (-0.07)	-0.022 (-1.18)	0.052 (2) **	-0.007 (-0.39)
rota	-0.304 (-1.19)	0.200 (1.23)	-0.024 (-0.1)	-0.102 (-0.79)
consoc_linhas	0.159 (1.01)	0.214 (2.32) **	0.093 (0.69)	0.028 (0.34)
fertilizante	0.605 (2.77) ***	0.217 (1.74) *	-0.211 (-0.88)	0.258 (2.1) **
trabalho_int	0.177 (1.23)	0.059 (0.65)	-0.025 (-0.17)	0.201 (2.37) **
trabalho_temp	0.299 (1.03)	0.661 (3.68) ***	0.047 (0.21)	0.288 (1.59)
possui_bici	-0.045 (-0.14)	0.155 (0.73)	0.279 (0.88)	-0.106 (-0.54)
celeiros	0.340 (2.01) **	0.124 (1.16)	0.534 (3.61) ***	0.319 (3.25) ***
_cons	0.252 (1.62)	0.100 (1.04)	0.337 (2.54) **	-0.046 (-0.52)
	0.489 (2.76) ***	0.080 (0.74)	0.421 (2.12) **	-0.268 (-2.45) **
	-10.079 (-1.06)	-1.907 (-0.37)	8.011 (0.97)	-2.853 (-0.55)
Number of obs	1305		1334	
Censored obs	908		862	
Uncensored obs	397		472	

Note: t statistics in parenthesis; * = 90%, ** = 95%, *** = 99%.

15 Here are considered as poor those households belonging to the first and second quintile of the fuzzy poverty index, and as nonpoor those belonging to the fourth and fifth quintile.

6. Policy implications and conclusions

In this paper I presented an analysis of rural households' decisions concerning basic food marketing

participation in Mozambique. Taking as a reference other articles on similar subjects (Heltberg and Tarp, 2002; Boughton et al., 2007), I applied a double-hurdle estimation as I found it more suitable than a two-step Heckman estimation. In this way I emphasized the role of household and farm endowments, technology used, information and education as well as geography in determining marketing decisions and outcomes. As a further step, some of the regressors were studied in a deeper way by means of a quantile regression analysis; it emerged that maize price, mean province maize yield, number of cattle and chicken, and the existence of a market in the community had different effects at different quantiles of the distribution of quantity sold. All these results lead me to further examine the relation between market participation and endowments/poverty. To this end, I computed a basic fuzzy set poverty index and put it in relation with quantity sold and market participation. From these results it seems that market participation is associated with greater farm and household asset endowments, and furthermore that the amount sold on the market decreases with poverty. In addition, estimation results computed for poor and nonpoor also suggest a different behaviour of these two categories with respect to market-related decisions.

As stated in the introduction, and often recognised by the Mozambican government, rural household participation in the agricultural market can be extremely important for poverty reduction and overall development of the country. Nonetheless, designing agricultural policies aiming at increasing marketing participation in rural environments should take into consideration all the variables that affect this complex process. In particular, endowing rural households with better technology, better agricultural knowledge, public goods like widespread education, infrastructures, appears to be more important than operating on prices. Even though price changes affect the decision to participate in the market, our estimations suggest that previously mentioned characteristics affect market-related decisions more directly. Moreover, price changes seem to influence nonpoor households' decisions only.

Further applications to this problem might also shed light on the causation link between endowments and market participation, which could not be explored here in more detail for the cross-sectional nature of the data. Nevertheless, the strong (negative) association between poverty and market participation evidenced here reinforces the argument that side policies should be undertaken in order to have effective outcomes in the field of agricultural market participation and rural poverty reduction.

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Appendix A - Descriptive statistics of variables used in the regressions

Variable	Description	Obs	Mean	Std. Dev.	Min	Max
<i>qv_basic</i>	Quantities (Kilograms) of basic foods which are sold in the 2004/2005 agricultural season	6149	160.6735	905.0965	0	36318.15
<i>p_milho</i>	Median maize price (Meticais) registered in the district (or province, for district with no observations)	6149	3.824996	1.630471	1.334816	11.81235
<i>land_hh</i>	Size of total owned lands divided by the number of active (14-60) household members	6149	0.8854391	1.26781	0	62.46836
<i>dep_ratio</i>	Dependency ratio (<15 + >65)/(15-65)	5976	1.13252	0.9367371	0	9
<i>cajueiros</i>	Number of cashew trees	6149	14.21939	70.87266	0	3750
<i>coqueiros</i>	Number of coconut trees	6149	7.143926	44.49651	0	1460
<i>animal_traction</i>	Animal traction used/not used	6149	0.200683	0.4005439	0	1
<i>age</i>	Age of household head	6147	45.81129	15.01331	15	99
<i>paid_job</i>	Any member in the household has paid job	6149	0.359408	0.479866	0	1
<i>prod_milho</i>	Mean province maize production	6149	397.7293	335.2014	83.64546	1198.391
<i>north</i>	Dummy for households living in Niassa, Cabo Delgado or Nampula	6149	0.2785819	0.4483377	0	1
<i>centre</i>	Dummy for households living in Tete, Zambezia, Manica or Sofala	6149	0.41275	0.4923686	0	1
<i>estrada_transitavel</i>	The street reaching the community is paved	5182	0.6549595	0.4754274	0	1
<i>radio</i>	The household owns a radio	6149	0.5680598	0.4953865	0	1
<i>info_prices</i>	Any member of the household received information about prices, from different sources	6149	0.3903074	0.4878588	0	1
<i>educ_1_5</i>	The household head has 1 to 5 years of education (primary education – first cycle)	6149	.4555212	.4980582	0	1
<i>educ_6_7</i>	The household head has 6 to 7 years of education (primary education – second cycle)	6149	.0928606	.2902606	0	1
<i>educ_8_13</i>	The household head has more than 8 years of education (secondary education or more)	6149	.0453732	.2081383	0	1
<i>mercado</i>	In the community there is a market	5182	0.285411	0.4516536	0	1
<i>feira</i>	In the community there is a fair	5182	0.0387881	0.1931082	0	1
<i>fome</i>	At least once in the past 12 months the household head had difficulties in feeding household members adequately	6149	0.4125874	0.4923398	0	1
<i>candeeiro</i>	The household owns a lantern	6149	0.5150431	0.4998143	0	1
<i>f_head</i>	The head of the household is a woman	6149	0.2415027	0.4280291	0	1
<i>ambulante</i>	Pitchmen frequently come to the community	5182	0.6225396	0.4847983	0	1
<i>transporte_pe</i>	The most used mean of transportation is feet	6149	0.5369979	0.4986698	0	1

<i>risky_area</i>	The area where the household lives is at risk of drought, flood or	6149	0.90161	0.2978654	0	1
<i>bovinos</i>	Number of bovines	6149	2.786632	8.428389	0	98
<i>caprinos</i>	Number of goats	6149	3.561392	10.73051	0	300
<i>galinhas</i>	Number of chickens	6149	5.429663	11.31705	0	500
<i>healthprop</i>	Proportion of healthy household members over the total number of household members	6149	0.9508627	0.1302303	0	1
<i>hq_wall</i>	The hose where the household lives has high quality walls	6149	0.0982274	0.297646	0	1
<i>n_land</i>	The number of lands (cultivated and fallow lands) the household owns	6149	4.297447	1.379217	2	14
<i>dist_trasp</i>	Distance to reach public transportation nodes	3584	25.43728	32.04353	0	300
<i>assoc</i>	Any member in the household belongs to agrarian associations	6149	0.0902586	0.2865752	0	1
<i>rota</i>	The household practises rotation of cultivations	6149	0.3403805	0.4738757	0	1
<i>consoc</i>	The household practises consociation of cultivations	6149	0.8616035	0.3453437	0	1
<i>linhas</i>	The household practises cultivations in line	6149	0.4745487	0.4993924	0	1
<i>fertilizante</i>	The household uses fertilizers	6149	0.0536673	0.2253782	0	1
<i>trabalho_int</i>	The household used full-time workers for agricultural activities on its land	6149	0.0567572	0.2313969	0	1
<i>trabalho_temp</i>	The household used temporary workers for agricultural activities on its land	6149	0.2128801	0.4093769	0	1
<i>possui_bici</i>	The household owns a bike (and used it for agricultural activities)	6149	.3083428	.4618465	0	1
<i>celeiros</i>	The household owns high quality warehouses for storage of agricultural products	6149	.1675069	.3734582	0	1