

## Chapter 6

# Microcredit Applications in the Context of Empowering Women: Case of Samsun Province, Turkey

**Bilgenur Sahbazoglu**

*Ondokuz Mayıs University, Turkey*

**Işıl Alkan**

*Faculty of Economics and Administrative Sciences, Ondokuz Mayıs University, Turkey*

### ABSTRACT

*Women, who can benefit less from the resources in the world and have less access to opportunities, are more likely to face the problem of poverty. This study aims to question the role and effectiveness of micro-credit practices in empowering women and increasing their participation in the workforce in the province of Samsun. The method of the research is the survey method. The universe of the research includes women using micro-credit within the scope of the Turkish Grameen Microcredit Program in Samsun. In this context, 104 women who were registered in the Micro Credit Branch Directorate in Samsun were included in the study. According to research findings, the majority of the participants participated in the workforce thanks to microcredit, the use of microcredit is an important tool in increasing the income level of the household, and the use of microcredit increased women's self-confidence; however, the amount of microcredit allocated is not sufficient to meet the needs.*

### INTRODUCTION

As many international statistics reveal, women benefit less from opportunities and resources in the world. This situation causes women to be impoverished, hence women's poverty becomes permanent. Therefore, empowering women and increasing their participation in the labour force is an important step to be taken against women's poverty. Microcredit practices are practices that pave the way for women's empowerment and aim to increase women's participation in the workforce. The main purpose of microcredit is to ensure the inclusion of poor women who are not in employment in the labour force and to support

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relevant women in breaking the vicious circle of poverty. The foundation of microcredit practice was laid by economics professor Muhammed Yunus in Bangladesh initially. The microcredit application, which was implemented in the 1970s, had positive repercussions all over the world and determined the fate of millions of people. Microcredit applications, which started in Bangladesh, are applied not only in Bangladesh but also in many countries such as the USA, China, South Africa and France. Mentioned practices, which have become widespread in the world since the 1980s, started to be implemented in Turkey in the 2000s. Microcredit activities in Turkey have been implemented with the Grameen Bank Microcredit Program (TGMP) since 2003. It has been observed that related applications have become widespread rapidly in Turkey since the relevant date.

This study aims to question the role and effectiveness of microcredit practices in the empowerment of women and increasing their participation in the workforce specific to Samsun province in Turkey. For this purpose, female poverty was discussed and female labour force participation in Turkey was examined as a beginning. Afterwards, concepts of microcredit and microfinance are investigated, and the development of microcredit in the world and in Turkey is explained. The third and the fourth sections reveal the method, scope and limitations, research gap and findings related to the field research. The study ends with the conclusion part, where the findings are summarized, evaluations and recommendations regarding microcredit applications are developed.

## **1. FEMALE POVERTY AND FEMALE LABOUR FORCE PARTICIPATION IN TURKEY**

Poverty is a multidimensional phenomenon with many different definitions in the literature. Gender has been ignored in various definitions of poverty, and the situation of women within the scope of combating poverty has been inadequately addressed in the relevant definitions. There is a difference between female poverty and male poverty as female poverty is an issue that needs different solutions. The segment where female poverty is most visible is the group in which the head of the household is female. Besides the female heads of household, other victim groups are those living in rural areas, asylum seekers or refugees, ethnic minority, disabled and elderly women (Alptekin, 2014, pp. 16-17).

Although there were significant increases in the female labour force participation rates towards the end of the 20th century, this period was also known as a period in which the economic situation of women compared to men gradually deteriorated. Diane Pearce first explained this process with the concept of “feminization of poverty” as women constitute two-thirds of the poor in America in 1978. The separation of home and work place as a result of the capitalist structure of production caused men’s increasing presence in public sphere and women’s increasing presence in private sphere, and this separation brought the feminization of poverty (Ulutaş, 2009, pp.2-3).

Although the causes of women’s poverty are diverse and vary from region to region in the world, they can be classified under certain categories. Gender inequality, lack of education, employment problems, household inequalities and social exclusion are the categories to be addressed. According to the United Nations’ 2022 projections, women and girls are at greater risk of extreme poverty. According to the related organization, as of 2022, 372 million adult men and boys in the world are in the grip of extreme poverty, while 388 million women and girls are struggling with the related problem. More than three-quarters (about 84%) of the world’s extremely poor women and girls live on two continents. These continents are Sub-Saharan Africa (63%) and Central and Southern Asia (21%) (UN, 2022). According to a report on

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