

MICRO-CREDIT APPLICATIONS AS A STRUGGLE AGAINST WOMEN POVERTY: A CASE STUDY OF ISPARTA PROVINCE, TURKEY

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Abstract

The micro-credit applications used as a struggle against women poverty in Isparta province were examined in this study. The main material of the study was comprised of original data acquired via face to face interviews with 212 women micro-credit users in the city of Isparta. It was determined based on the study results that 62.26% of the women micro-credit users were between the ages of 30-49, 54.25% had low education levels (primary school), 87.74% were married with an average family size of 3.76 people. It was observed that 87.26% of the women had social security and that the monthly family income of 40.09% varied between 1001-1500 TL. Majority of the women (58.49%) indicated that they used the micro-credit for developing their already existing businesses. It was set forth that the women used the micro-credit mostly in areas of commerce (43.87%), handwork/embroidery (28.30%) and animal husbandry (19.34%). The women indicated that their social relations and self-confidence increased as a result of the credit. About 80% of the women stated that there was a little increase in their family income after the micro-credit and it was determined that majority of the women (89.62%) want to use micro-credit again. Of the women who participated in the study 68.40% suggested an increase in the amount of credit while 51.89% suggested longer payment periods between two installments.

Key words: women, poverty, micro-credit, Grameen Bank

The struggle of people with poverty dates as far back as the history of humanity. Almost all the countries in the world have struggled against poverty regardless of their levels of development. These efforts were sometimes carried out by way of government and private institutions and sometimes via aids, donations etc.

Poverty for women emerges as a more meaningful and important issue (Ören K. *et al*, 2012). Women, children and the elderly are actually considered as disadvantageous groups with regard to poverty and there is a need for positive discrimination for this group. Hence, various means of struggle are tried to be determined to minimize women poverty. One of these means of struggle is “Micro-Credit Applications”. Micro-credit is a type of credit that is given to women who want to start a business but do not have the sufficient income. It is maintained that micro-credit as a small amount of unsecured and direct capital based solely on trust for strengthening unity and solidarity is an important tool for ensuring that the poor saves itself from poverty as a result of their own efforts (Akgül A., 2014).

Micro-credit application is based on the “Grameen Bank” foundation that emerged in 1976

as a result of the ideas and efforts of Muhammed Yunus, a professor of economy at the Chittagong University in Bangladesh on how banking services can be provided to people with small income at rural areas. Grameen Bank is a type of bank that Muhammed Yunus started by giving 27 dollars as capital to 42 poor people in a village in Bangladesh on the condition of paying it back within a year which became more systematic over time. Grameen Bank yielded successful results with this micro credit application in helping poor people in rural environments to start their own businesses and over time save themselves from poverty (Latifee H.I., 2006).

The applications of the bank were actualized in 81 countries all over the world including USA and various European countries along with Kosovo, Bosnia Herzegovina, Ecuador, Nigeria, India, Vietnam, Mexico, Nepal and China (Yunus M., 2003). Micro-credit applications attracted the attention of international institutions such as the United Nations, World Bank and IMF. United Nations declared 2005 as the “International Year of Micro Credit” and decided to present micro credit as an effective tool in reducing poverty (IYOM, 2005).

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The micro-credit application that is widely used in the world has also gained popularity in Turkey. The purpose of this study was to examine the micro credit applications used as means of struggle for women poverty in Isparta Province, Turkey. For this purpose; the demographic properties of women micro-credit users were determined as well as the activities they used the micro-credit for, the changes that took place as a result of the credit in their income levels and social lives and whether they are willing to reuse the credit or not. In addition, issues related with the use of the micro-credit were determined as a result of which various suggestions were provided for making the application more effective.

MATERIAL AND METHOD

The main material of the study was comprised of original data acquired via face to face interviews with women micro-credit users in the city of Isparta. Moreover, similar studies carried out by related people and institutions have also been used. Questionnaire data covers 2017.

According to the Turkey Grameen Micro Finance Program Isparta Branch records, a total of 467 active members were determined who have used micro-credit in August 2017 when the sample group was calculated for the study. The study was based on Simple Random Sampling Method which is one of the Probability Based Sampling Methods (Altunışık R., *et al*, 2012). The aforementioned method was used with a margin for error of 5% and confidence interval of 95% for calculating the sample number as 212. Data acquired via questionnaire application were analyzed using MS Excel and SPSS software after which they were interpreted by tables.

RESULTS AND DISCUSSIONS

All women above the age of 18 experiencing economic difficulties and who have a goal and business idea to overcome these difficulties or those who are willing to start a business with a small capital can benefit from the micro-credit application. *Table 1* presents the age groups of women micro-credit users. According to the table, majority of the women were determined to be in the 40-49 (31.60%) and 30-39 (30.66%) age groups. The ratio of these two age groups among the total number of women micro-credit users was calculated as 62.26 %. The age group with the lowest percentage among women micro-credit users was the group of women aged 60 and above (9.43%). It can be observed from the table that women in the age intervals of 30-39 and 40-49

have used micro-credits the most. The reason for this can be indicated as the fact that majority of the women in these age groups are married and have children and thus need additional income for their families. Öz C.S. and Çolakoğlu C., (2014) carried out a study in which it was put forth that women in the age intervals of 18-25 and 56+ do not show much interest to the micro-credit application (7.82% and 14.4%), but on the contrary women in the age groups of 26-35 and 36-45 are more interested in micro-credits (34.4% and 27.8%) (Öz C.S. and Çolakoğlu C., 2014).

Table 1
Distribution of women by age groups

Age groups	n	%
18-29	24	11.32
30-39	65	30.66
40-49	67	31.60
50-59	36	16.98
60+	20	9.43
Total	212	100.00

Table 2 presents the educational status of women micro-credit users. It was determined that majority of the women micro-credit users were primary school graduates (54.25%). This was followed in order by high school graduates (31.60%), university graduates (8.02%), literates (5.66%) and illiterates (0.47%). Based on these results, it was determined that primary school and high school graduate women were among the highest women micro-credit users. It was observed that the micro-credit demand of university graduates was lower. Apaydın S. and Altunç Ö.F., (2015) carried out a study in which it was presented that primary school graduates were the highest women micro-credit users with a percentage of 40.5% and that the lowest percentage of women micro-credit users were those with bachelor's and graduate degrees (Apaydın S. and Altunç Ö.F., 2015).

Table 2
Educational status of women

Educational status	n	%
Literate	1	0.47
Illiterate	12	5.66
Primary school	115	54.25
High school	67	31.60
University	17	8.02
Total	212	100.00

Table 3 shows the marital status of women micro-credit users. It was determined that majority of the women micro-credit users were married (87.74%). We can state that married women use micro-credits more due to encouragement from

their spouses and for meeting the needs of their children. Tüzün Rad S. and Altıkulaç S., (2016) carried out a study in which it was concluded that married women used the highest number of micro-credits with a percentage of 78.4% which was followed by widowers with a percentage of 13.5% and single women with 8.1% (Tüzün Rad S. and Altıkulaç S., 2016).

Table 3

Marital status of women		
Marital status	n	%
Single	7	3.30
Married	186	87.74
Widow	15	7.08
Divorced	4	1.89
Total	212	100.00

The distribution of women according to the number of children is presented in *table 4*. Women with two children made up the group with the highest percentage (42.93%). This was followed by women with three children (31.13%). The total percentage of women with two and three children was 75.12%. Women with two and three children were determined as women with the highest percentage of micro-credit use among all other women. The percentages of women with 4 children and those with 5 children and above were determined to be low. This can be due to the fact that women with many children have to spare more time for their homes resulting in low demands for micro-credit applications. The average family size of women micro-credit users was determined as 3.76 in the present study.

It was determined that majority of the women micro-credit users (87.26%) have social security and that the percentage of women without social security was 12.74%.

Table 4

Number of children		
Number of children	n	%
No	8	3.90
1	33	16.10
2	88	42.93
3	66	32.19
4	6	2.93
5+	4	1.95
Total	205	100.00

Table 5 presents the previous jobs of women micro-credit users prior to using micro-credit. Accordingly, it was determined that majority of the women were housewives (49.53%) and self-employed (39.15%) before micro-credit use. Based on these results, it is observed that

housewives and self-employed women have more demand for micro-credit applications. It can be indicated that housewives use micro-credit for contributing to the family income and carrying out their hobbies while self-employed women use micro-credits for improving their existing jobs.

Table 5

Previous job before using micro-credit		
Previous job	n	%
Self-employed	83	39.15
Housewife	105	49.53
Worker	18	8.49
Officer	1	0.47
Retired	5	2.36
Total	212	100.00

Table 6 shows the family incomes of women before using micro-credit. The study results show that women with a monthly income of 1001-1500 TL were ranked first with a percentage of 40.09 %. It was determined that about 80% of women had a family income below 2000 TL before micro-credit use. This sets forth that micro-credit user women had low family incomes. Tüzün Rad S. and Altıkulaç S., (2016) carried out a study in which it was put forth that women with a family income of 1000-1500 TL made up the group with the highest micro-credit use percentage with 40.05 % (Tüzün Rad S. and Altıkulaç S., 2016).

Table 6

Family income before using micro-credit		
Income groups (TL)	n	%
0-500	7	3.30
501-1000	16	7.55
1001-1500	85	40.09
1501-2000	61	28.77
2001+	43	20.28
Total	212	100.00

TL: Turkish Lira; 1USD=3.65 TL in 2017 (average)

The sources used for reaching the micro-credit target groups are very important. It is required to select the tools to inform the target groups of the micro-credit and to ensure that these target groups have easy access to these sources. *Table 7* shows the information sources of micro-credit for women. Accordingly, it was determined that micro-credit user women were informed of micro-credits mostly from their friends and other people around them (91.98%), while mass communication tools such as television-newspaper had the lowest percentage (0.47%). It was concluded that micro-credit sources should use more effective tools to reach a greater number of people. For example, tools such as local newspapers, televisions, radio and internet can be

used for this purpose. Because, it is observed based on the findings that the percentages for both the credit offices and media such as TV, newspaper etc. are quite low. Aslan Ö.F. and Ekinçi E.D., (2015) carried out a study in which it was determined that 50% of the participants were informed of the credit from the people around them who have used micro-credits before, 46.7% were informed by their relatives-friends-close acquaintances, 2.5% from visual-printed media and 0.8% from other sources (associations, party, foundations, etc.) (Aslan Ö.F. and Ekinçi E.D., 2015).

Table 7

Information source of micro-credit		
Information source	n	%
TV, newspaper, etc.	1	0.47
Friends-other people	195	91.98
Credit office	16	7.55
Total	212	1.89

The purposes of using micro-credit for women are presented in *table 8*. Accordingly, it was determined that women use micro-credits mostly for improving their existing jobs (58.49%). This was followed by setting up a new business (28.77%). It can be observed that the purposes for majority of the micro-credit user women (87.26%) revolve around two purposes (improving the existing job and setting up a new business). Therefore, it can be put forth that women have used micro-credits either for improving their already existing jobs that they work at with their spouse or for setting up a new business with an entrepreneurial spirit.

Table 9 shows the number and amount of micro-credit used by women. According to the data presented in the table, it was observed that almost half of the women (48.58%) used 5 or more credits. Thus, the fact that 212 of the micro-credit user women have used 5 and more credits indicates their high demand for the credit system, that they have benefited from the credits they used and thus want to use credit again. In addition, it was determined as a result of the interviews carried out with the participant women that a total of 1 487 050 TL micro-credit have been used from 2009 to 2017. The average amount of credit per woman was determined as 7014 TL.

The production branches for which the credits have been used are given in *Table 10*. It was determined that 43.87% of the women used the credit in commerce activities. This was followed by handwork/embroidery (28.30%) and animal husbandry activities (19.34%). It was also observed that plant production (3.77%) is not

preferred by women as much as animal husbandry activities (19.34%) and that the animal husbandry activities are carried out by women in rural areas mostly as ovine production and trade.

Table 8

Purposes of using micro credit		
Purposes	n	%*
Set up a new business	61	28.77
Improving the existing job	124	58.49
To be partner for a job	3	1.42
Cash needs	28	13.21
Child expenses	7	3.30
Pay off credit debt	2	0.94
Other	1	0.47

*percentages are higher than 100 because of multiple choice

Table 9

Number and amount of micro-credit used		
Number and of micro credit	n	%
1	28	13.21
2	34	16.04
3	26	12.26
4	21	9.91
5+	103	48.58
Total	212	100.00
Total credit amount (TL)	1 487 050	
Credit amount (TL/Women)	7 014	

Table 10

Production branches using micro-credit		
Production branches	n	%*
Animal husbandry	41	19.34
Plant production	8	3.77
Commerce	93	43.87
Handwork/Embroidery	60	28.30
Haberdashery	12	5.66
Peddler	4	1.89

*percentages are higher than 100 because of multiple choice

Table 11 shows information on the status of employment in businesses started with the micro-credit. Accordingly, it was determined that majority of the women (81.13%) are working themselves at the business started or improved. The percentage of women working together with their husbands was determined as 12.74%. The percentage of worker women was determined to be very low (0.94%). This puts forth the fact that the businesses setup by the women with the micro-credits they used are not large enough to have other people work for them.

Table 11

Employment status		
Who is working?	n	%
Herself	172	81.13
Husband	7	3.30
Worker	2	0.94
She and her husband	27	12.74
She and her child	4	1.89
Total	212	100.00

Table 12 shows the out of purpose use for micro-credits. As can be seen from the table, 71.70% of the women have used the credit on purpose and that 28.30% have used the credit out of purpose. Thus, it was determined that more than half of the women have used the micro-credits to fulfill their purposes for applying to the credit. It was observed that more than half of the women who used the credit out of purpose (68.33%) used the credit for their home needs. The home needs were followed by child needs with a percentage of 30% and health expenditures with a percentage of 13.33%. Şengür M. and Taban S., (2011) carried out a study in which it was put forth that of the women who used the micro-credit out of purpose 50.3% used it for household expenses, 14.9% for other expenses, 10.1% for school expenses of children, 9.5 % for emergency situations, 2.4 % for health expenditures and 1.5 % for wedding-engagement expenses (Şengür M. and Taban S., 2011).

Of the interviewed women, 76.89% indicated that they experienced no problems when using the credit while 23.11 % indicated that they experienced some problems. Of the women who have experienced problems, 77.55 % stated that they had difficulties in paying credit installments while 20.41 % stated that they experienced problems in the group. Installments cannot be paid on time especially due to low sales amounts. It was determined that some group members did not participate in the weekly meetings carried out at homes and that they could not pay the weekly installments on time.

Table 13 shows the effect of micro-credit on family income. It is important to observe and evaluate the changes in family income in order to understand whether micro-credits are effective or not. As can be seen from the table, 71.70% of the women stated that there was a little increase in family income after micro-credit use, 8.96% indicated that there was a lot of increase while 19.34% indicated that the family income has not changed. In general, it was observed that women who have used the credit to set up a new business or improve their existing jobs have been able to

increase their incomes thereby contributing to their family income.

Table 12

Out of purpose of micro-credit use		
Out of purpose use	n	%
Out of purpose	60	28.30
For purpose	152	71.70
Total	212	100.00
Reasons for out of purpose use	n	%*
Home needs	41	68.33
Health expenditures	8	13.33
Child needs	18	30.00
Other	10	16.67

*percentages are higher than 100 because of multiple choice

Table 13

The effect of micro-credit on family income		
Change of family income	n	%
It has not changed	41	19.34
There was a little increase	152	71.70
There was a lot of increase	19	8.96
Total	212	100.00

Some women living in cities and in rural areas experience difficulties in having access to existing opportunities and resources. Providing them with these resources will enable them to develop or increase their expectations from life as well as their efforts. Women who reach their goals as a result of these efforts will also receive positive returns both financially and spiritually by establishing a place for themselves. Table 14 shows the effects of micro-credits on social relations. Accordingly, it was observed that 69.34% of the women had more friends after micro-credit use, 22.64% became more active, family relations of 11.79% improved and that people's behaviors were better towards 7.08%.

The satisfaction status of micro-credit user women is presented in Table 15. It was determined that majority of the interviewed women (93.40%) were satisfied of the credit they used. Bayraktutan Y. and Akatay M., (2012) carried out another study as a result of which it was presented that 82.4% of micro-credit user women were satisfied of using credit, 13.7% were moderately satisfied and 3.9% were not satisfied (Bayraktutan Y. and Akatay M., 2012).

Of the interviewed women, 89.62% stated that they want to use micro-credit again while 10.38% stated that they do not want to use micro-credit again. As a result, it is observed that majority of the micro-credit user women are

satisfied and that they want to use credit again. Bahar H.S. and Kurşunel F., (2014) carried out a study in which it was put forth that 83.5% of the women want to use micro-credit again (Bahar H.S. and Kurşunel F., 2014).

Table 14

The effect of micro-credit on social relations

Change of social relations	n	%*
People's behavior was better	15	7.08
My family relations improved	25	11.79
I had more friends	147	69.34
I became more active	48	22.64
Other	12	5.66

*percentages are higher than 100 because of multiple choice

Table 15

Women's satisfaction status

Satisfaction status	n	%*
Yes	198	93.40
Uncertain	8	3.77
No	6	2.83
Total	212	100.00

Table 16 shows the opinions of women on the negative aspects of the credit. Accordingly, more than half of the women (72.17%) stated that there were no negative aspects. Of the participants who indicated negative aspects, 16.98% pointed out weekly payments as a negative aspect, while 8.02% indicated purchase of compulsory goods from the credit office and 4.25% not being able to get credit when they want from the credit office as negative aspects. These results put forth that some of the credit user women experienced problems during the process of getting credit or after using credit. Required precautions should be taken by micro-credit providing institutions in order to provide better service with higher quality to micro-credit user women.

Recommendations of micro-credit user women for the application of micro-credit are given in table 17. Majority of the women (68.40%) stated that the amount of credit should be increased. This was followed in order by recommendations for longer payment periods between two installments (51.89%), support of authorities (governor, mayor etc.) (16.98%) and greater number of installments to be able to use more credit in a short amount of time (10.38%).

Table 16

Negative aspects of micro-credit

Negative aspects	n	%*
None	153	72.17
Weekly payment	36	16.98
We can't get credit when we want	9	4.25
Purchase of compulsory goods from credit office	17	8.02
Other	11	5.19

*percentages are higher than 100 because of multiple choice

Table 17

Recommendations for the application of micro-credit

Recommendations	n	%*
The amount of credit should be increased	145	68.40
Payment period between two installments must be longer	110	51.89
Authorities should support sale of products	36	16.98
Number of installments should be increased	22	10.38
Other	4	1.89

*percentages are higher than 100 because of multiple choice

CONCLUSIONS

It was determined that majority of the interviewed women were in the 30-39 and 40-age group, with low education levels, married and with two or three children. The results of the present study showed that the family income for 80% of the women was below 2000 TL before using micro-credit. It was put forth that women used micro-credit more for improving their already existing jobs. This was followed by setting up a new business. Half of the women used 5 and more credits since 2009. It was determined that the women use the credit mostly for commerce, handwork/embroidery and animal husbandry businesses. It was determined that 23.11% of the women experienced problems regarding the micro-credit and that the most important problem was related with the payment of installments. It was also determined that majority of the women recommended that the amount of credit should be increased and that there should be longer periods between the payment of installments. The following suggestions have been made based on the acquired results:

- Care should be given to give priority to women struggling with poverty followed by other women who want to carry out entrepreneurial activities in order to ensure that the micro-credit application does not stray from its original objective.
- Micro-credit user women should be supported by professionals with regard to the type of business they can start based on their skills and desires since majority of the micro-credit user women have low education levels.
- The efforts of women may sometimes be insufficient for selling their products. Required environment and marketing opportunities should be provided for this purpose.
- The amount of credit given should be increased.
- Weekly installment application for a period of 46 weeks is considered by the women as a negative aspect of the application. Hence, having installment payments every 2 weeks will ensure that the payments will be made more comfortably.
- Out of purpose use of micro-credits should be prevented.

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