



MICRO-CREDIT PRACTICES IN TURKEY AND TRADITIONAL ARTCRAFTS

GÜLGÜN KÜÇÜKÖREN

“Microcredit” concept was initiated by Ela Bhatt, founder of SEWA organization, in Gujarat India in the 70s and later by Muhammed Yunus, in Bangladesh. When Muhammed Yunus received 2006 Nobel Peace Prize for the Grameen Bank, microcredit has already been adopted by hundreds of NGOs in more than 100 developing countries. Microcredit as a project basically aims to provide financial services to the poor who generally have no access to formal bank credits because of legal restrictions. It assumes this provision of small amounts of credits to the poor who have business ideas in their minds, but do not have the enough capital to start; the creditors will be able to establish their own businesses. The priority has been given to women who form the poorest section of the population and show less participation in the labor force.

In Turkey, project was first adopted by KEDV in 2002 in Kocaeli after the earthquake disaster of 1999. Foundation has formed another unit called Maya Microcredits to put microcredit project in practice. Its target area has grown quickly. Now KEDV operates in İstanbul, Sakarya, Düzce and Kocaeli and reached 6912 creditors. More than 90% of their creditors are women. On the other hand, in 2003 in Diyarbakır, Turkish Foundation for Waste Reduction started to give microcredit under the name of Turkish Grameen Microcredit Project (TGMP) which replicates Bangladeshi model perfectly. They apply TGMP in 11 different cities; Diyarbakır, Batman, Gaziantep, Mardin, Adana, Kahramanmaraş, Ankara, Yozgat, Eskişehir, Zonguldak and Çankırı. Lastly in 2006 Community Volunteers Foundation (TOG) made an agreement with HSBC Bank and started to give microcredit in Samsun as a pilot area. Now Community Volunteers are working for the poor in Kütahya. The maximum amount of microcredit that the foundations provide is 700 YTL in the first application. When the creditor ends up paying back the credit, the amount may be greater for the second time. Interest rates are changing between %15 and %20, which is crucial to finance the operational expenses. Since KEDV and TGMP are working with professionals the compensation of operational expenses is significant for sustainability. Community Volunteers Foundation is the only NGO that put this project into practice with volunteers. Microcredit Projects are extending to other cities very quickly in Turkey, in 5 years time probably it will be accessible to all who is in need all around Turkey. The recent tendencies in civil society projects have also influenced this circulation. Neoliberal discourse gave weight to entrepreneurship and individual empowerment which are very parallel to the idea of microcredit.

The women who use microcredit engaged in several branches of business, mostly small trading activities, husbandry, handworks and traditional arts and crafts. This opportunity of using small amounts of microcredit is especially advantageous for women who want to earn money through their craft skills. Maybe it is not possible to establish big businesses that deserve larger amounts of capital, but microcredit provides enough capital to buy some basic inputs to start. It is a crucial threshold for most of the artisans, who have the ability but do not have enough capital to put their skills into practice. Another important point is the fact that you receive these credits with a group. Individual borrowing is not possible; you have to form a group of 3 to 5 to use microcredit. This rule encourage women to come together to share their experiences and skills. Microcredit projects in most cities create a huge network of women, which enable transfer of information about the subjects they are engaged in. It sometimes also solves the problem of market access that most of the small artisans are suffering from. On the other hand the access to markets is still a significant problem for

artisans. First of all, the local handicrafts are well-known in the community they are produced and therefore are not attractive for local people. For example in Kütahya, traditional pottery “çinicilik” is very common among the households. On the other hand, since Kutahya ceramics are currently mass produced by big firms, the markets are saturated with them. This mass production and cheap labor devalues Kutahya ceramics but also making it very difficult for individual artisans to market them whose hand-made production is more costly. So the artisans who are working individually have to create a difference in their products or find alternative ways to sell them in other localities. They need strong networks and channels to advertise their products, but it is not always very easy to catch up with new advertisement methods. The foundations that provide microcredit should also assist women in marketing their products. For example in Diyarbakır, TGMP in collaboration with the municipality opened a “Microcredit Market” in the center of the city to sell the products which are produced locally. An alternative way can be creating a website for online marketing, which will access to more people all around Turkey. Solutions can be expanded, but the foundations have to provide enough finance and workforce to marketing and advertising tasks to encourage the women. Otherwise, it doesn't seem possible to support local traditional artisans in their struggle. Another way to support the artisans is providing them trainings in business and quality standards. ANATOLIAN ARTISANS' MODEL

ANATOLIAN ARTISANS (AnARt), whose mission is to assist the low income artisans to earn their living through traditional skills, developed a unique way of providing micro credit. Inspired by the founder of SEWA organization's legendary founder and one of AnARt's international advisors Ela Bhatt, AnARt started its activities in 1999. Since there was no micro-finance institutions in Turkey until recently, AnARt incorporated micro lending into their product development projects.

Since its inception AnARt periodically organizes product development workshops in the least developed regions in Turkey. Turkish and international designers working with artisan groups develop new and trendy products using existing traditional skills. The tools and materials necessary for the workshop are provided by AnARt. Once the samples are created, AnARt obtains domestic and international orders on behalf of artisan groups. Artisans are also encouraged to engage in direct marketing. By adding a reasonable mark-up on artisans' selling price AnARt recovers the production costs that they provided initially.

Gülgün Küçükören

Bosphorus University, Sociology, M.A