

Rural Poverty Dynamics: An Evaluation on Agricultural Policies of Turkey

Ela ATAÇ^{1,✉}

¹Gazi University Faculty of Architecture Department of City and Regional Planning, Turkey

Received: 15.06.2010 Revised: 06.02.2011 Accepted: 29.03.2011

ABSTRACT

The meaning of rural areas started to change, due to both the inability in forming sufficient agricultural policies, and altering relationship between the urban and the rural. Yet it is argued in this paper that *the deepening rural poverty in Turkey is not shaped only in relation to the recent developments but, from the 1980s to today, changing rural policies, subsidies, and forms of production have prepared the dissociation in rural areas which had an impact on the changing interaction between the urban and the rural as well.* Therefore, this paper aims to analyze the dynamics that shape rural poverty in Turkey (regarding the new relations between the urban and the rural, as well) through agricultural statistics starting from the 1970s until today.

Key words: Rural poverty, Agricultural policies, Agricultural statistics of Turkey.

1. INTRODUCTION

The developing world is still more rural than urban, and as is known, the largest segment of the world's poor is the people who live in rural areas. To illustrate, according to World Bank annual reports [1], of the 1.2 billion poverty-stricken people in the world, 900 million (approximately 75 percent) live in rural areas and almost all of them make a living out of agriculture and agriculture-related fields. This state also applies to Turkey to a certain extent. Findings of major research and statistics on rural poverty in Turkey¹ show that there are more rural people (approximately 60 percent of the overall poor population as to 2009 poverty statistics of TurkStat represents) living in poverty than urban people. For instance, in accordance with a rural

poverty research on Turkey conducted by IFAD (The International Fund for Agricultural Development) [2], rural poverty has declined in Turkey over the past ten years but extreme disparities of income, and poverty levels still persist across the country. This case can be also supported by the national poverty statistics of TurkStat (2009) [3] and the World Bank (2008) [4]. Accordingly, the overall poverty rate in rural households is 35 percent as opposed to 22 percent in urban households. In addition to these rates, it is also known from the statistics that in poor rural areas of Turkey, household size is nearly twice the national average, adult literacy rates (especially women literacy rates) are far lower than the national average, agricultural production per capita is lower, and fewer women are among the employed.

Therefore today in Turkey, the causes and types of rural poverty became more complex and multidimensional than before. As Buğra and Keyder [5] demonstrates, the types of poverty observed in both rural and urban parts of the country show that assumptions based on the historical experience of Turkey's development are no

¹Major research and statistics which provides a coherent and comprehensive look at rural poverty, the consequences and the prospects for eradicating it are belong to; The International Fund for Agricultural Development – IFAD poverty reports, World Bank annual poverty reports, and TurkStat news bulletin of poverty statistics of Turkey.

*Corresponding author, e-mail: elaatac@gazi.edu.tr

longer valid. For instance, as a well-known assumption, the importance of the social protection provided to the individual by the extended family which makes crisis situations easily overcome, lost its validity and as Işık and Pınarcıoğlu [6] emphasizes, the conditions leading to poverty are no longer transitory as previously thought, but persistent. It is also known that, especially after the 1980's, the agricultural policies implemented, and the austerity programmes about the rural areas, failed to bring about the expected development in terms of social and economic structuring and governing of the rural areas. [7]. On the contrary, this failure changed the social and economic balances of urban and rural areas and when the poverty in urban and rural areas is put to question, it became obvious that the gap increased at the expense of rural areas. As such, one significant point that emerged from the said urban-rural interaction is that in the recent period, it is no longer possible to speak of a clear-cut distinction between the *urban* and the *rural* and new modes of communication and interaction have surfaced between urban and rural areas. Thereby, it can also be claimed that, the meaning of rural areas has changed, because of the incapability on the part of governments to formulate and implement sufficient agricultural policies on the one hand and the changing relationship between the urban and the rural and finally the concept of "*poverty*" has become inscribed in rural areas as well.

Yet it is argued in this paper that *the deepening rural poverty in Turkey is not shaped only in relation to the recent developments but, from the 1980s to today, changing rural policies, subsidies and forms of production have prepared the dissociation in rural areas which are also had an impact on the changing interaction between the urban and the rural*. For this reason, this paper aims to analyze the dynamics that shape rural poverty in Turkey (regarding the new relations between the urban and the rural, as well) through the agricultural statistics starting from the 1970s until today. To this end, the development of agricultural policies in Turkey will be dealt with on a periodical basis *in the first section* and *in the second section* development of the agricultural sector in Turkey on an annual basis will be handled in relation to the urban-rural population, sectoral distribution of employment and gross national products and unemployment rates. *In the following section*, agricultural production, agricultural subsidies, export-import data, migration data and rural poverty process of Turkey will be evaluated on an annual basis by regarding agricultural policies and significant periods. As such, *in the conclusion section*, the dynamics that have caused the deepening of rural poverty in Turkey will be reached and the influence of agricultural policies, agricultural production, distribution and support systems on the process will be identified.

2. AGRICULTURAL POLICIES IN TURKEY

When the agricultural policies in Turkey are considered in a historical perspective, it is obviously seen that the development in agricultural production is shaped under the effects of different policy approaches. Akder et al. [8] and Çakmak [9] noted that, although it is not the same effect on all sub-sectors and outputs, there are different policy approaches in agriculture contributed to

the rise in productions. For instance, cultivated lands increased in the early 60s, using chemical fertilizers were supported in late 60s, irrigated areas increased and mechanization was supported in 70s and high yielding seeds were supported with the new crop rotations in 80s and through all these periods, different kinds of products show different growth tendencies. To this end, summarizing the agricultural policies in some certain periods bears importance not only to analyze the main concepts under the inefficient agricultural policies, but also to understand the major dynamics that shaped rural poverty of Turkey in a historical perspective.

The evolution of agricultural policies in Turkey has been dealt with in relation to different eras as the *1923-1950 era* in which farmer-friendly policies were dominant; the *1950-1960 era* in which agricultural machinery was effective; the *1960-1980 era* in which mechanic technologies were related to agricultural production, and finally the *1980-2000 era* in which new rules were operative in the economy and major technological methods adopted in agricultural productions.

The era of 1920-1950 is called "farmer friendly" here because of several reasons. First of all, this is a period in which agricultural development gained significance with the foundation of the new Republic. In this period, farmer-friendly politics were dominant and with the cancellation of tax on crops in 1925, production was encouraged, leading to an increase in cultivated areas. Secondly, by the passing of the *Civil Law*, property was guaranteed and this increased the dependence on land and lastly in this period, *public organizations*² which are formed by the government caused agricultural subsidies to take a more organized form and to provide the sustainability of agricultural development of the period. Hence it is obvious that, in this period, the first traces of a transition from production for subsistence to market-oriented production were observed which also indicates that the period was shaped both by *farmer-friendly politics* and as *production-oriented*.

However as of the 1950s the share of agriculture sector in overall income declined sharply. In accordance with the Turkstat agriculture statistics of 1990 [10], the share of agriculture sector in GDP declines from almost 50 percent (1950) to approximately 20 percent (1990) in 40 years. Hence, in explaining this long-term decline, the era of 1950-1960 bears importance.

As a well-known definition, *the era of 1950-1960* is the period of *agricultural mechanization*. This is mainly due to the fact that 1950s demonstrate Turkey's adaptation process into the world trade and finance system, fabricated by the *Bretton Woods order* which is established after the Second World War. In this period, the *agricultural subsidies* initiated in the previous period and *conservative approaches* continued. Agricultural SEEs (non-financial state economic enterprises) established by the law passed in this period

² *Agriculture Bank* and *Turkish Grain Board* are the first agricultural public organizations of Turkey in the institution term of Turkish Republic.

that helped farmers acquire land both supported agriculture significantly and affected the appraisal of animal products [11]. Accordingly, the 1950-1960 era can be claimed to be the brightest period for the farmers in Turkey although they were slow to adopt modern techniques. However, the beginning of agricultural mechanization through the Marshall aid in the middle of the period caused new constructs to be formed in the rural areas. With mechanization, human-labor-based system came to an abrupt end and this caused many people in the rural areas to become unemployed and to migrate to urban areas. For this reason, this period may be also argued to initiate a new era in the urban-rural relationship.

As of the 1960s, the agriculture sector in Turkey proceeds in a new era of mechanic technologies which may be evaluated as the reflection of the *green revolution* in Turkey. In this way, while highly productive varieties and plant growing techniques were applied on the one hand, the production of which were increased such as; oilseeds, cereals, industrial crops, hazelnut, and silk worm, were subsidized on the other hand. This era also defines the period in which literature on development economics was widespread throughout the world and industry-oriented politics were becoming dominant. At this point, improvements in industry and services in Turkey in this period decreased the share of *agriculture* among all the sectors.

This era come to an end in 1980s in which *new rules of economy* come to foreground. The 1980s were shaped by the replacement of inward oriented policies in industry by liberal politics and *export-oriented development strategies*³. In Çakmak's words [12], "after the mid-1980s, Turkey may be considered as a perfect example of mismanagement of agricultural policies". The governments were unable to develop any policy to improve the productivity in the agriculture. In this period, controls over SEE products were removed and agricultural SEEs were privatized which were also responsible for implementing agricultural policies with Agricultural Sales Cooperatives Unions. This, in turn, led to a decrease in products supported through price.

On the other hand, the 1980 era provided a major development at the macro-economic level through outward and private sector-oriented growth strategies. In this period, export values increased and growth rates rose significantly [11]. Nevertheless this situation turned into an economy-based, solely profit-oriented development process, and consequently, forms of enrichment varied greatly from previous periods. This, in turn, deepened the distinction between *the rich* and *the poor*, and caused the concept of "poverty" to surface with a different dimension. Economy-based policies of the period also caused socio-cultural developments to remain in the background and the rural to become *passive*. This passivity can also be traced through the

³ For instance, in this term, agricultural exports are encouraged and by the early 1990s, agricultural exports had risen with the increase in textiles and clothing which depend on cotton production.

dense waves of migration to the urban and the recession of agriculture among all the sectors.⁴

It is also evident in this period that agricultural production was highly affected by the stabilization measures of 5 April 1994. According to these decisions, subsidized products were limited to three crops (cereals, sugar beet and tobacco) [11] and with the letter of intent from the IMF in 1999, it was decided that only *direct income subsidies* were to be applied as a support system. Turkey has embarked on an ongoing structural adjustment and stabilization program towards the end of 1999 in which agriculture has been selected to undergo heavy adjustment due to the ineffective set of policies and its increasing burden on government expenditures in the previous decades [12]. Nonetheless, the economical and social conditions changed after 2001 when the country suffered the most severe economic crisis it had witnessed in its modern history and this also affected agricultural production severely and no remarkable productive advance has been realized in the last decade that result a significance jump in agriculture productions or the share of agriculture sector in GDP.

Therefore, beginning in the 1950s and peaking in the 1980s, it is seen that a number of developments widely shaped Turkey's agricultural development and when the history of agriculture policies of Turkey is shortly analyzed, it is also obvious that, main features of Turkish agricultural policies are characterized by strong government involvement either directly or indirectly. This case indicated that agricultural policies have almost been shaped by the expected benefits of the governments [13] which tend to choose to use price supports, input subsidies, subsidized credits or deficiency payments [9] in order to make sudden jumps in agricultural productions and also to strengthen their political power. But it is also important to emphasize here that, from 1980s onward, these same events also transformed socio-economic dynamics of Turkish cities which result a confrontation between traditional-modern, and urban - rural cultures, new social classes, or new types of poverty. Consequently, in this case, to have a better understanding of the situation of Turkey in rural development, and rural poverty as well, the process should also be considered through *agricultural statistic*⁵.

3. AGRICULTURAL SECTOR IN TURKEY

The development of the agricultural sector in Turkey can be explained through the sectoral distribution of

⁴ The process of detachment from agriculture after the 1980s differs from the 1950s, and this period prepares the basis for the new era in which the agriculture sector started to decline. Privatizations are made in the field of agriculture, the narrowing of the scope of agricultural subsidies and industry-focused politics initiate the dissolution of the rural and deepen rural poverty. For instance, on the basis of liberal politics, the development of cities known as "*Anatolian Tigers*" (which answer Western countries' demand for cheap labor) coincides with this period as well. In these cities, particularly, the majority of those working in industry are from rural areas, and this marks the beginning of *rural dissociation*.

gross national product, urban-rural populations, and sectoral distribution of employment and unemployment rates. Accordingly, when the *sectoral distribution of gross national product from 1923 to 2006* is analyzed [14], it becomes evident that the agriculture sector dominated the Turkish economy from the early Republic to 1970s. However, with the founding of the Republic, policies towards industrialization were also

formed and especially in the 1960s, the worldwide development of the literature on “*development economics*” also influenced Turkey. As such, the proportion of agriculture in GNP decreased sharply in 1980. It is also observed that this decrease accelerated after the shift to planned development and in the years of 2000⁶ (Figure 3.1).

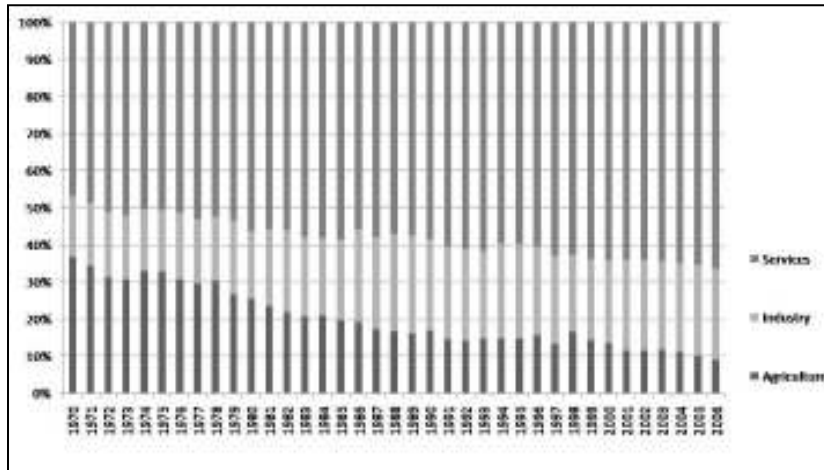


Figure 3.1. Sectoral distribution of gross national product by years (1970-2006) [14]

When the *total population (urban and rural) of Turkey between the years 1927 and 2000* is analyzed [15], it is realized that the population increased about 5 times in nearly 75 years. Moreover, while only one person out of 4 lived in the city in 1927, the proportion of Turkey's urban population in the overall population reached 60% in the year of 2000. The years 1950 and 1980 appear as significant as the two dates of change in the urban-rural population balance. At the beginning of the Republic, rural population which was at a level of 75%, remained

stable until the 1950s and afterwards started moving towards the cities and decreasing rapidly. After the 1980s, this movement turned into a wave of migration as the rural population displayed an absolute decline. When these data are considered, it can be claimed that rural population in Turkey started displaying an absolute decline firstly in the 1980-1985 period. According to the Figure 2.2, the 1990-2000 period is the era in which migration was the most dense in Turkey.

⁵dissolution of the rural and deepen rural poverty. For instance, on the basis of liberal politics, the development of cities known as “*Anatolian Tigers*” (which answer Western countries' demand for cheap labor) coincides with this period as well. In these cities, particularly, the majority of those working in industry are from rural areas, and this marks the beginning of *rural dissociation*.

⁶ As explained before, it is evident that the years 1950, 1980, 1994, and 2001 significantly affect every data. But the ways in which each of them affects the rural area and agricultural developments displays differences.

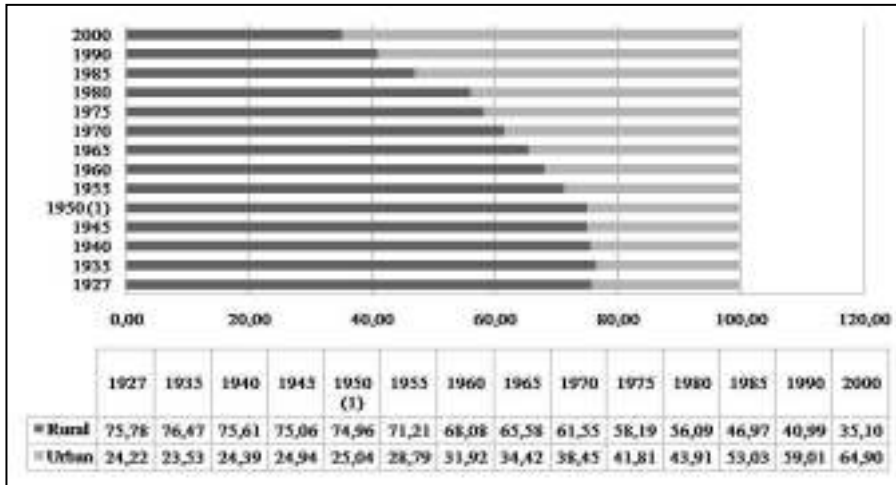


Figure 2.2 Urban-Rural population of Turkey by years (1927-2000) [15]

This era can be discussed through the wave of migration especially in the east of the country. For this reason, in this period, those who were employed

in agriculture show a continual decrease as Figure 2.3 shows [16].

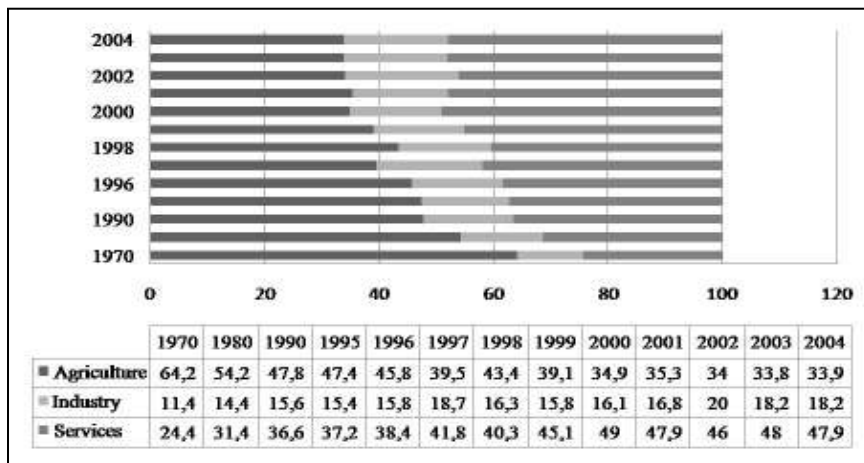


Figure 2.3 Sectoral distribution of employment by years (1970-2004)[16].

At this point, it can be argued that, with the effect of post-1980s, the new migration movements of the 1990s negatively affected rural development. From the same figure, it can also be inferred that the labor force shifted from agriculture to industry and services. For instance according to the 2004 survey of the Turkish Statistical Institute [17], *employment in agriculture* decreases by 1,5 million in one year. This decrease can be explained through the insufficiency in agricultural subsidies and through applications which are executed by the IMF and which aim to channel sources from agriculture to other sectors. Hence the gradual decline

of the share of agriculture in the national income over the years may be taken as an indicative of the accumulation of low-efficiency labor force in the agricultural sector and the problems of underemployment. *Urban and rural unemployment rates* in Figure 2.4 and 2.5 support this idea as well. According to the unemployment rates, rural unemployment increases at least as steadily as urban unemployment and especially after the economic crisis of 2001, they increase even more significantly.

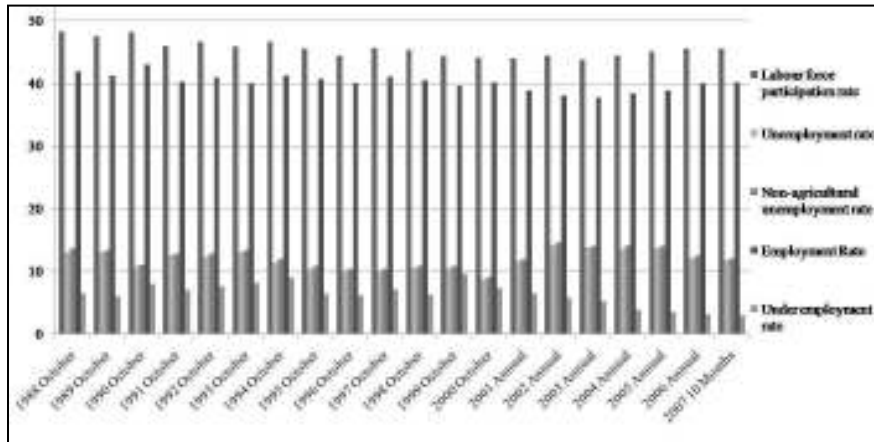


Figure 2.4 Labour force status of Turkey by years: Urban Rates (1988-2007)[17]

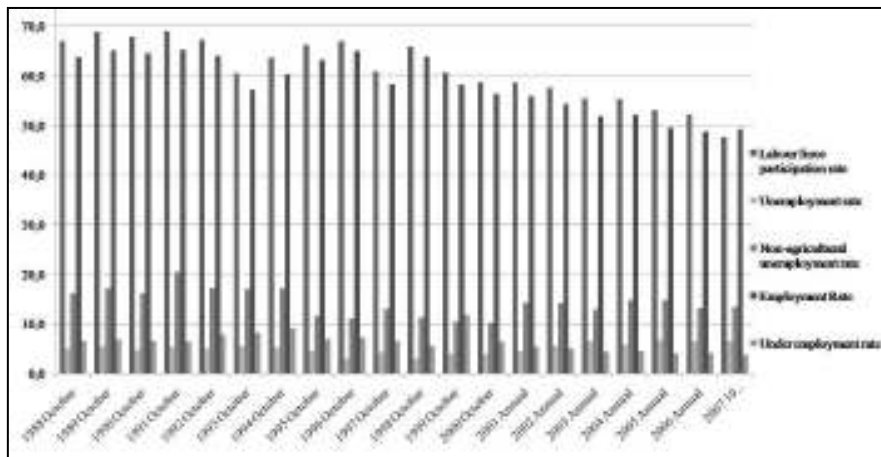


Figure 2.5 Labour force status of Turkey by years: Rural Rates (1988-2007)[17]

Figure 2.5. Labour force status of Turkey by years:

3. AGRICULTURAL DATA OF TURKEY

When *agricultural lands in Turkey* are analyzed [18, 19] on an annual basis, it is observed that cultivated areas decreased in periods when agricultural subsidies

were cut off, but it is also observed that, while cultivated fallow lands decreased in the 1980s, they significantly increased in 1994 (in line with the economic decisions) (Figure 3.1)

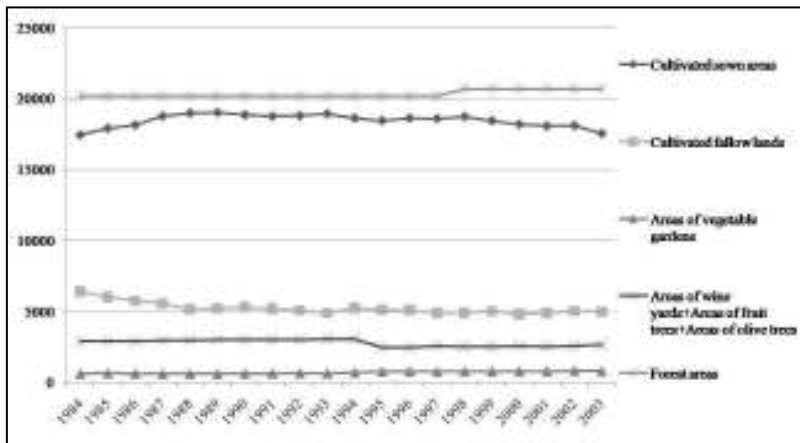


Figure 3.1 Agricultural land and forest areas by years (1984-2003)[18,19]

When *production of cultivated field areas by types and years* are studied [18, 19] it becomes evident that the production of each crop changed under the influence of specific periods. For instance, subsidies provided for tobacco in accordance with the 1994 economic decisions are continued and 1995 was the year when cotton was produced the most for the purpose of

exporting for textiles which cause industrial crops to display important production increase in these periods. However it is also realized that these production quantities decreased severely with the crisis (Figure 3.2). When all the data relating to production are studied, the decrease in production quantities can be mostly associated with *agricultural subsidies*.

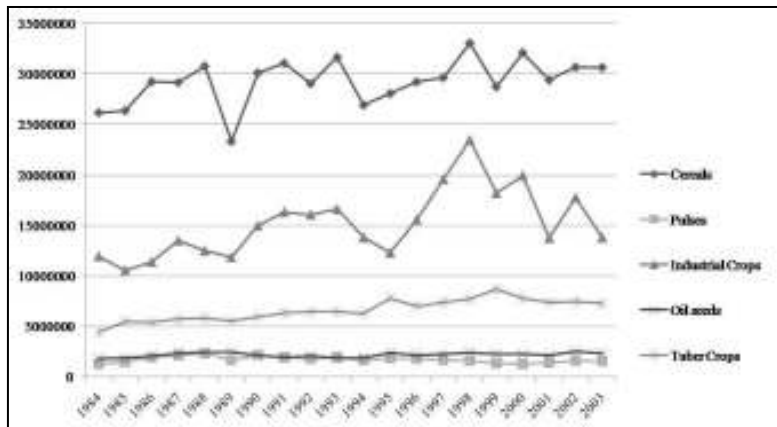


Figure 3.2 Production (tons) of cultivated field areas by types (selected) and years (1984-2003)[18,19]

The number and size of agricultural holdings in Turkey [20] appears to significantly decline from 1991 to 2001 (Figure 3.3). The components of agricultural production in these years indicate that in the years of 1991 and 2001, holdings engaged both in animal husbandry and crop

production made up 73% of all holdings. The same data point out that, holdings engaged solely in animal husbandry constituted 5% in 1991 but in 2001 such holdings hardly existed (Figure 3.4). This makes it evident that livestock in Turkey has declined severely.

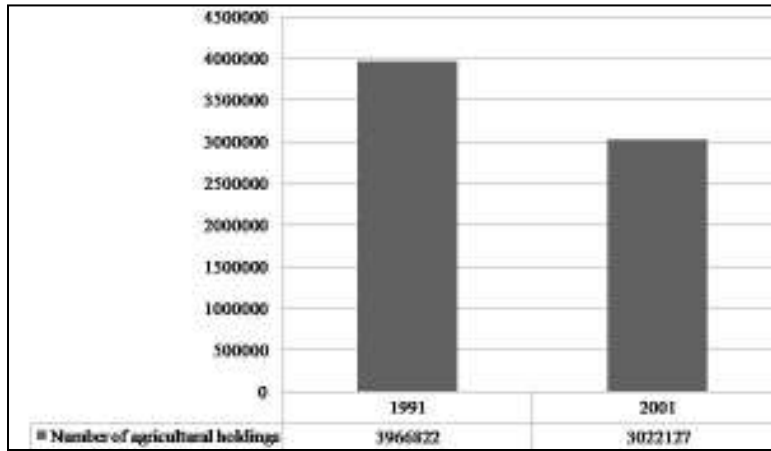


Figure 3.3 Number of agricultural holdings: 1991-2001 comparison[20]

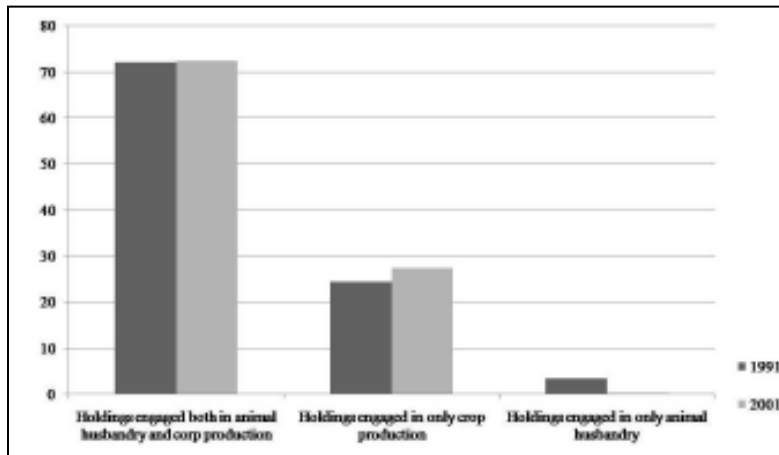


Figure 3.4 Proportion of agricultural holdings by types (1991-2001 comparison)[20]

This decline in livestock can be studied through the data related to *livestock and animal products by years* (Figure 3.5) [19]. The decrease in number of livestock, especially in the 1990-2000 era, can be explained

through the waves of migration from eastern cities, which are commonly engaged in livestock, to the west and through the insufficiency of government support provided for livestock throughout the country.

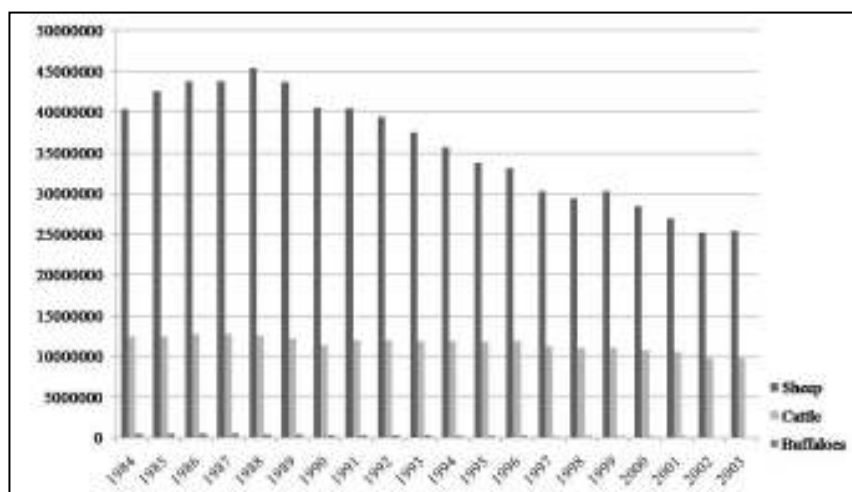


Figure 3.5 Number of livestock by type and races (1984-2003)[19]

Table 3.1 shows the size and number of agricultural holdings in 1991 and 2001 comparatively. Accordingly, in one decade, the number of holdings and agricultural land in Turkey decreased significantly. As the Table indicates, holdings smaller than 49 hectares constituted almost two thirds of all holdings. This group has also lost land in the ten years between

1991 and 2001. This, in turn, can be explained by the fact that owners of small holdings gave up agriculture and migrated. At the same time, this Table is an indication that the land ownership is considerably fragmented. In fragmented lands, production on small parcels decreases productivity, thereby directly making the rural population poor.

Table 3.1 Number and size of agricultural holdings (1991-2001 comparison)

		1991		2001	
Holdings (total)	Number of holding	3966822	100	3022127	100
	Size of holding	234510993	100	184348223	100
Lowest through 49 ha.	Number of holding	2659738	67,04	1959123	64,82
	Size of holding	51889612	22,12	39344099	21,34
50-99 ha.	Number of holding	713149	17,98	560049	18,53
	Size of holding	46750693	19,94	38127032	20,68
100-499 ha.	Number of holding	557097	14,04	481048	15,92
	Size of holding	95704065	40,81	85959892	46,63
500-2499 ha.	Number of holding	34467	0,87	21628	0,72
	Size of holding	28839114	12,3	16695484	9,06
2500 ha through highest	Number of holding	2371	0,06	279	0,01
	Size of holding	11327509	4,83	4221716	2,29

In tracing Turkey’s agricultural development, it is also necessary to analyze the changes in agricultural subsidies by years. Agricultural subsidies in Turkey consists of market price subsidies, input subsidies, agricultural incentives, agricultural indemnities, credit payments, prime payments, livestock incentives, direct revenue subsidies, and export subsidies.

When the development of all subsidies are studied from the 1980s until today [11], it appears that the

subsidies increased from the 80s to the 90s, then fluctuated in the 90s, and severely and rapidly decreased in the years of 2000. The reasons for the decrease in subsidies can be explained through the development politics of the 80s, the economic decisions of 1994, and the crisis of 2001 (Figure 3.6). The fact that the development of subsidies shows similar tendencies with both production quantities and foreign trade data (as will later be discussed) suggests

that *subsidies* hold a significant role in the formation of rural poverty.

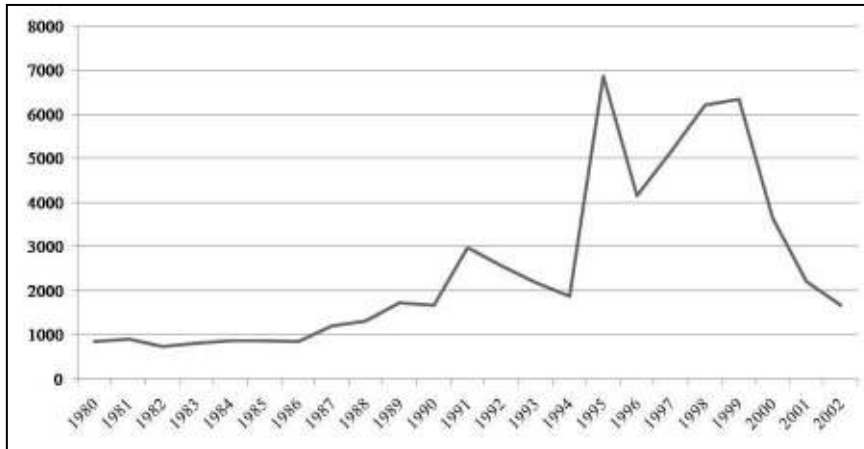


Figure 3.6 Agricultural subsidies (total; 1980-2002)[11]

Similarly, when *meat and milk incentives* are analyzed by years [11], it appears that one of the most important reasons for the recession in animal products is the insufficiency of incentives (Table 3.2). The *sectoral distribution of investment incentive certificates* [21]

given by the Treasury between 1980 and 2007 signifies that certificates granted for agriculture significantly declined after 1990 and that agriculture was replaced mostly by manufacturing due to government policies (Figure 3.7).

Table 3.2 Agricultural incentives (1980-2002)[11]

Type of subsidies	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
Incentives												
Milk incentive								21,4	15,5	20,9	40,6	27,6
Meat incentive											9,2	7,6
Total								21,4	15,5	20,9	49,8	35,2
Type of subsidies	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	
Incentives												
Milk incentive	22,7	13,6	20,5	43,6	61,3	39,4	30,6	23,8	19,2	9,8	11,1	
Meat incentive			2,8	3,2		0,1						
Total	22,7	13,6	23,3	46,8	61,3	39,5	30,6	23,8	19,2	9,8	11,1	

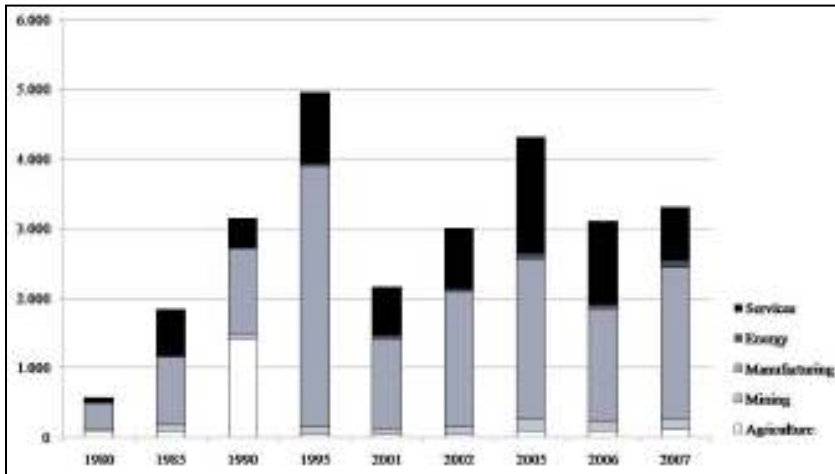


Figure 3.7. Sectoral classification of investment incentive certificates by years (1980-2007) [21]

Foreign trade data [22] by years put forth important information on the export and import of agricultural products. Accordingly, the *sectoral breakdown of exports* (Figure 3.8a) suggests that the proportion of agriculture among all export products kept decreasing,

while the *sectoral breakdown of imports* (Figure 3.8b) signifies that, from the year of 2000, the imports of agricultural products increased. This is also a proof of the agriculture sector is in a impasse recently

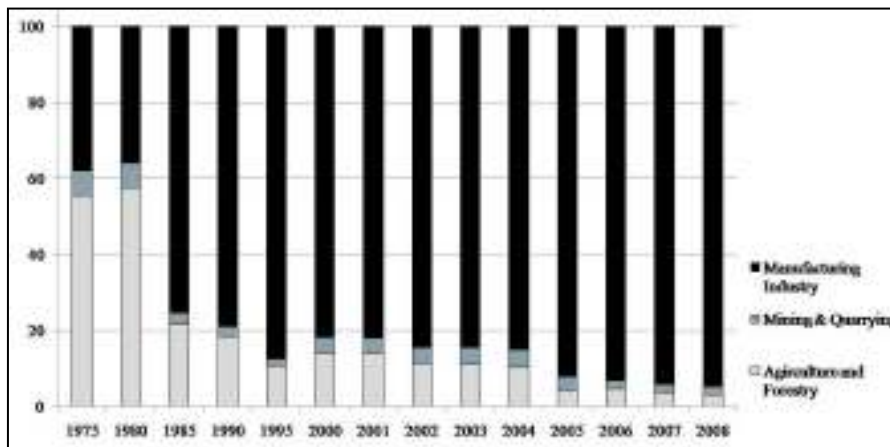


Figure 3.8a Sectoral Breakdown of Exports [22]

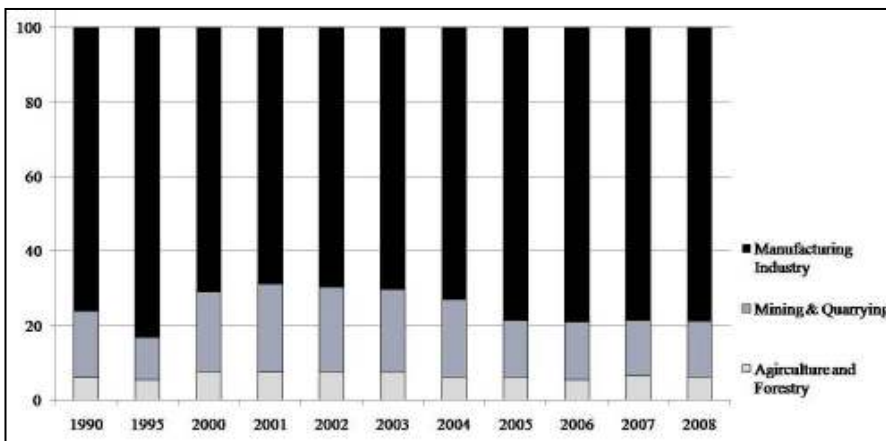


Figure 3.8b Sectoral Breakdown of Imports[23]

4. CONCLUSION: INFERENCES FOR THE DYNAMICS OF RURAL POVERTY IN TURKEY

When all the data relating to agriculture in Turkey are combined with the data of *migration* [24] and *poverty* [4], the development of rural poverty and on the changing urban-rural relationship gains meaning. To

illustrate, by looking at *migration data*, it can be said that waves of migration have slowed down in Turkey and that they have mostly changed form. As such, migration from the village to the city has been replaced in the recent era by migration from city to city and even from city to village (Figure 4.1). Thereby, *poverty data* become important at this point.

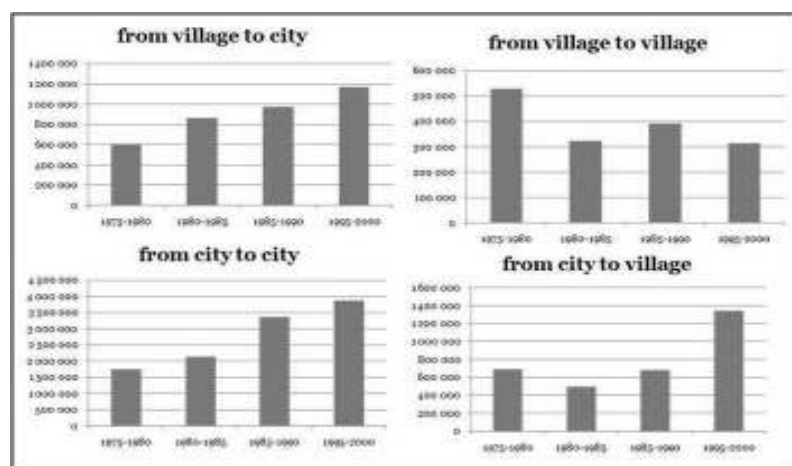


Figure 4.1. Migration Rates by Places of Residence [24]

According to the *World Bank's* [25] latest statistics about Turkey (Table 4.1), the absolute poverty line per person per day is \$4 in Turkey, and this line is \$14.4 in developed countries. Besides, according to the TurkStat poverty data [3, 16, 17], a total of 28% of the population is beneath the poverty line and the rural poverty rate is 35%, whereas urban poverty rate is 22.7%. The main point in these rates is that 85% of the

poor are the ones who work in the informal sector, or in agriculture. Moreover, Turkey's poverty assessments carried out by the *World Bank* lead to similar inferences. According to the Table below, population living in households with consumption or income per person below poverty line (column H in the table) was at its highest in 2005 and the *Gini coefficient* (signifying inequality), is 43,23%.

Table 4.1 Poverty measures of Turkey⁷ [25]

Year	PL	Mean(\$)	H(%)	PG(%)	SPG(%)	Watts	Gini(%)	MLD	Pop.(million)
1987	38.0	216.07	1.32	0.33	0.16	0.0037	43.57	0.3276	52.57
1994	38.0	203.80	2.10	0.50	0.22	0.0052	41.53	0.2994	59.71
2002	38.0	212.07	2.00	0.47	0.21	0.0049	42.71	0.3174	69.60
2005	38.0	234.60	2.72	0.88	0.53	0.0089	43.23	0.3320	72.07

To conclude; when all the data relating to *poverty*, *migration*, and *agriculture* are evaluated, it is possible to make inferences on the factors that define the development of the agricultural sector in Turkey. To

begin with, it is observed that the insufficiency of agricultural subsidies significantly affect the decrease

⁷**H(%)**: Headcount: Percent of population living in households with consumption or income per person below poverty line, **PG(%)**: Poverty Gap: mean distance below the poverty line as a proportion of the poverty line, **SPG(%)**: Squared poverty gap: mean of squared distance below the poverty line as a proportion of the poverty line, **Gini(%)**: Gini coefficient: A measure of inequality between 0 (everyone has the same income) and 100 (richest

person has all the income), **MLD**: Mean log deviation as an index of inequality, takes the degree of zero when every individual in society has the same income, and higher levels of the MLD index show higher inequality.

in rural production. In the period that has been analyzed, it has become evident that as long as

government subsidies existed, the rural population was high and production was abundant.

Secondly, the breaking up of lands, decrease productivity in agriculture, thereby causing the villagers to migrate. Additionally, agricultural data signifies that the rural population has greatly given up agriculture. *Lastly*, especially after the 1980s, the fact that government policies have been urban-oriented has caused rural progress to be pushed to the background and caused poverty to be effective in rural areas as well

As such, it is necessary, in the new era, to explore the rural areas again and find new fields of entrepreneurship in there. At this point, development should not be regarded as “growth” and rural potentials should contribute to urban life. To this end, *job creation*, which is a part of the definition of the *urban*, should also be provided for the *rural areas*. New development areas that are created may also be regarded as precautions against food crisis or urban famine. Additionally, in the new era in which the urban and the rural deny clear-cut definitions, new entrepreneurial fields in rural areas must constitute a new organization forms that combine the urban and the rural.

Consequently, defining a *transitive association between the urban and the rural* and creating new sectors from which both sides will benefit (as a win-win strategy between large scale organizations and rural entrepreneurs) will be effective in decreasing urban and rural poverty.

When it is considered that a significant proportion of Turkey’s population still lives a life based on agriculture, it is obvious that any venture in the field of agriculture will influence a large part of the population.

REFERENCES

- [1] World Bank annual report, 2008; <http://siteresources.worldbank.org> Accessed: 17.06.2009.
- [2] International Fund for Agricultural Development (IFAD), 2011, *Rural Poverty Report 2011*, November, Italy.
- [3] TurkStat, 2009, “The Results of Poverty Studies of the year 2009”, *TurkStat News Bulletin*, No.3, Ankara.
- [4] Poverty rates of Turkey according to World Bank Available at; <http://iresearch.worldbank.org/PovcalNet/povcalNet.html> Accessed: 19.06.2009
- [5] Buğra A., Keyder, Ç., 2003, “New Poverty and the Changing Welfare Regime of Turkey”, *Report of United Nations Development Programme*, Ankara.
- [6] Işık, O., Pınarcıoğlu, M.M., 2001, *Nöbetleşe Yoksulluk, İletişim*, İstanbul.
- [7] Öztürk, Ş., 2008, “Kırsal Yoksulluk ve Neo-Liberal Ekonomi Politikaları”, (Rural Poverty and Neo-Liberal Economy Policies), *The Journal of International Social Research*, Vol.1, No.5, Fall.

- [8] Akder, H, Kasnakoğlu, H., Çakmak, E.H., 2000, “Turkey Sources of Growth in Turkish Agriculture”, *Country Economic Memorandum, Structural Reforms for Sustainable Growth, Background Papers*, World Bank, Washington D.C.
- [9] Çakmak, E.H., “Evaluation of Past and Future Agricultural Policies in Turkey: Are They Capable to Achieve Sustainability?”, *Options Mediterraneennes*, Vol. A, N.52:155-165 (2003).
- [10] Prime Ministry Republic of Turkey Turkish Statistical Institute (TurkStat), *Summary of agricultural statistics*, 1990, Ankara
- [11] Agricultural Economics Research Institute (Tarımsal Ekonomi Araştırma Enstitüsü), “Tarımsal Destekleme Politikasında Süreçler ve Üretici Transferleri”, *Ministry of Agricultural and Rural Areas publishing*, ISBN 975-407-123-3, 2003, Ankara.
- [12] Çakmak, E.H., “Structural Change and Market Opening in Agriculture: Turkey Towards EU Accession”, *ERC Working Papers in Economics*, 04/10, September (2004).
- [13] Oskam, A., et all, Turkey in the European Union, Consequences for Agriculture, *Food, rural Areas and Structural Policy, Final Report, (Report Commissioned by the Dutch Ministry of Agriculture, Nature and Food Quality)*, *wageningen University*, Holland (2004)
- [14] Prime Ministry Republic of Turkey Turkish Statistical Institute (TurkStat), National Accounts Statistics, 1970-2006: <http://www.tuik.gov.tr> Accessed: 18.03.2009
- [15] Prime Ministry Republic of Turkey Turkish Statistical Institute (TurkStat), *Population and Demography Statistics*, 1927-2000: <http://www.tuik.gov.tr> Accessed: 18.03.2009
- [16] Prime Ministry Republic of Turkey Turkish Statistical Institute (TurkStat), *Employment, Non-Employment and Wages Statistics*: <http://www.tuik.gov.tr> Accessed: 18.03.2009
- [17] Prime Ministry Republic of Turkey Turkish Statistical Institute (TurkStat), *Labour Force Statistics*, 1970-2004: <http://www.tuik.gov.tr> Accessed: 18.03.2009
- [18] Prime Ministry Republic of Turkey Turkish Statistical Institute (TurkStat), Agricultural structure; Production, Price, Value, 2003. SIS, *Summary of agricultural statistics*, 1984-2003, Ankara.
- [19] Prime Ministry Republic of Turkey Turkish Statistical Institute (TurkStat), *Summary of agricultural statistics*, Ankara 1984-2003,
- [20] Prime Ministry Republic of Turkey Turkish Statistical Institute (TurkStat), Census of Agriculture, Ankara (2003).

- [21] Prime Ministry Republic of Turkey Undersecretariat of Treasury; **Investment Incentive Certificate Statistics**, Ankara. (2007)
- [22] I GEME-The Prime Ministry for Foreign Trade Export Promotion Centre, **Export-Inport Statistics**, Ankara (2009)
- [23] IGEME-The Prime Ministry for Foreign Trade Export Promotion Centre, **Employment Statistics**, Ankara, (2009)
- [24] Prime Ministry Republic of Turkey Turkish Statistical Institute (TurkStat), Migration Statistics: <http://www.tuik.gov.tr> Accessed: 18.03.2009
- [25] World Bank Poverty Rates of Turkey <http://econ.worldbank.org/povcalnet> Accessed: 18.03.2009