

A CLASS-BASED ANALYSIS OF POVERTY REDUCTION DISCUSSIONS
AND GLOBAL MIDDLE-CLASS ARGUMENT IN LIGHT OF ANTAGONISTIC
CHARACTER OF CAPITALISM: CASE STUDY OF TURKEY
BETWEEN 2000-2020

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ABSTRACT

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The discussions about poverty, which started in 1980 and peaked in the 2000s, shifted from production relations to consumption relations. This orientation has reduced poverty debates to consumption relations and purchasing power by defining the poor at their consumption and purchasing power levels. Thus, based on monadic explanations, concepts such as individual-based social exclusion, citizenship rights, absolute poverty, and capability approach have replaced the class-based approach. Some debates have gone even further, linking poverty directly with economic growth and generating arguments that purely economic growth and globalization create a global middle class. Against this approach based on non-relational and individual-based explanations that divert poverty debates from historical, material, and class-based contexts, this study, taking Turkey as a case study between 2000-2020,

explains poverty in line with the antagonistic character of capitalist accumulation. The study excludes 2021-2022 to subtract the Covid-19 pandemic's effects on the economy. It reviews the neoliberal policies, data, and articles on poverty reduction, global middle-class arguments, and the transformation of labor-capital relations through the Marxist understanding of the antagonistic character of capital accumulation and capital-labor relations in Turkey. By doing so, the study analyzes poverty with Marxist concepts of dispossession, depeasantization, and proletarianization, which serve the capital/wealth creation for the capitalist and poverty for the laboring classes. The study contends against the global middle-class argument and the poor being a separate group, not a part of the working class, and argues that the poor are part of the working class. It also focuses on an understanding of poverty which lies its roots in production relations and exploitation, not the market relations and consumption.

Keywords: Poverty, Poverty Reduction, Global Middle Class, Capital-Labor Relations, Neoliberalism

ÖZ

KAPİTALİZMİN ANTAGONİST KARAKTERİ İŞİĞİNDA YOKSULLUĞUN AZALTILMASI VE KÜRESEL ORTA SINIF TARTIŞMALARININ SINIF TEMELLİ BİR ANALİZİ: 2000-2020 YILLARI ARASI TÜRKİYE ÖRNEĞİ

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1980lerde başlayan ve 2000li yıllarda zirveye ulaşan yoksulluk tartışmaları, üretim ilişkilerinden tüketim ilişkilerine kaymıştır. Bu yönelim, yoksulları tüketim ve satın alma gücü seviyelerinde tanımlayarak yoksulluk tartışmalarını tüketim ilişkilerine ve satın alma gücüne indirgemıştır. Böylece, monadik açıklamalara dayalı olarak, sınıf temelli yaklaşımın yerini birey temelli sosyal dışlanma, vatandaşlık hakları, mutlak yoksulluk, yetkinlik yaklaşımı gibi kavramlar almıştır. Bazı tartışmalar daha da ileri giderek, yoksulluğu doğrudan ekonomik büyümeyle ilişkilendirdi ve salt ekonomik büyüme ve küreselleşmenin küresel bir orta sınıf yarattığına dair argümanlar üretti. Yoksulluk tartışmalarını tarihsel, maddi ve sınıfsal bağlamlardan uzaklaştıran ilişkisel olmayan ve bireysel temelli açıklamalara dayanan bu yaklaşıma karşı, bu çalışma 2000-2020 yılları arasında Türkiye’yi örnek olay olarak ele alarak, yoksulluğu kapitalist birikimin antagonistik karakteri doğrultusunda açıklamaktadır. Çalışma,

Covid-19 pandemisinin ekonomi üzerindeki etkilerini çıkarmak için 2021-2022yi hariç tutmaktadır. Çalışma yoksulluğun azaltılması, küresel orta sınıf argümanları ve emek-sermaye ilişkilerinin dönüşümüne ilişkin neoliberal politikaları, verileri ve makaleleri, Türkiye'deki sermaye birikiminin ve sermaye-emek ilişkilerinin antagonistik karakterine ilişkin Marksist anlayış üzerinden incelemektedir. Bunu yaparak, çalışma, yoksulluğu kapitalist için sermaye/servet ve emekçi sınıflar için yoksulluk yaratmaya hizmet eden Marksist mülksüzleştirme, köylüsüzleştirme ve proleterleşme kavramlarıyla analiz etmektedir. Çalışma, küresel orta sınıf ve yoksulların işçi sınıfının bir parçası değil, ayrı bir grup olduğu argümanına karşı çıkmakta ve yoksulların işçi sınıfının bir parçası olduğunu savunmaktadır. Aynı zamanda, piyasa ilişkileri ve tüketimden değil, üretim ilişkileri ve sömürden kaynaklanan bir yoksulluk anlayışına odaklanmaktadır.

Anahtar Kelimeler: Yoksulluk, Yoksulluğun Azaltılması, Küresel Orta Sınıf, Sermaye-Emek İlişkileri, Neoliberalizm

To my family



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LIST OF ABBREVIATIONS

AB-TESK	Women's Entrepreneurship Development Project
CCT	Conditional Cash Transfer
C-M-C	Commodities-Money-Commodities
EU	European Union
EUROSTAT	European Commission Statistical Office
GDP	Gross Domestic Product
GNI	Gross National Income
IMF	International Monetary Fund
ISKUR	Turkish Employment Agency
JDP	Justice and Development Party
KOSGEB	Small and Medium Enterprises Development Organization
M-C-M	Money-Commodities-Money
NEEO	Non-Exploitative Economic Oppression
OECD	Organization for Economic Co-operation and Development
PPP	Purchasing Power Parity
SAP	Structural Adjustment Policy
SOE	State Owned Enterprise
SSI	Social Security Institution of Turkey
SRM	Social Risk Mitigation
TEKEL	The State Monopoly of Tobacco and Alcoholic Beverages
TURKSTAT	Turkish Statistical Institute
UN	United Nations
UNDP	United Nations Development Program
WB	World Bank
WTO	World Trade Organization

CHAPTER 1

INTRODUCTION

The prevalent discussions of poverty ignore the structural causes of poverty and attempt to set themselves apart through various methods of measuring poverty. The main strategy is to identify those with deficits in consumption and income to establish poverty lines that help separate 'the poor' from 'the non-poor'. The extreme poverty line, which is the one that is most frequently used, is \$1.90. This method separates the so-called poor from their class position and lowers poverty to personal income distributions without considering social classes. Through this approach, poverty is decontextualized and shielded from the political and economic policies and class relations that cause it. This tendency is also seen in social exclusion, human development, and the capability approach.

By claiming that millions of people have been pulled out of poverty by exceeding the 1.90-dollar threshold or that millions of people are on track to join the global middle class, this measurement-focused approach justifies neoliberal/capitalist policies.

These ideas propose the incorporation of the so-called poor into capitalism's exploitative relations without comprehending the root causes of poverty and acting against them.

On the contrary, this study adheres to the traditional Marxist view that poverty is a byproduct of a historically determined mode of production. It is a fundamental and inherent characteristic of a society where the economic system is founded on

exploitation and classes. According to this perspective, the study has adopted Marx's argument about the antagonistic character of capitalism. This thesis demonstrates, by taking Turkey as a case study, how suggested and implemented industrial, agricultural, and poverty-reduction policies strengthen capitalist relations for the benefit of capitalists. Additionally, it makes the case that these policies accelerate the dispossession, proletarianization, and depeasantization for laboring classes. This thesis aims to bring back the class discussions to poverty and poverty reduction discussions. It illustrates the transformation of the working class, the so-called poor-through poverty policies by demonstrating the actual purposes of these policies. The thesis also contends against the idea that the poor are a separate homogenized social group with identity itself and argues that the so-called poor are laboring class with a class identity.

The thesis is organized in the following way: After the introduction, chapter two reviews the different conceptualizations of poverty, from absolute poverty (2.1) and relative poverty (2.2) to capability (2.3.), human development (2.4.), and social exclusion (2.5.) approaches. Then, in the following sub-section 2.6, the limitations of these mainstream approaches are discussed, and recentering poverty analysis on class relations and the antagonistic character of capitalism is proposed.

Chapter 3 elaborates on the root causes of poverty through a Marxist class-based approach and argues that the root causes of poverty lie in the production sphere, exploitation, and antagonistic character of capitalist accumulation, whereby wealth does not exist to meet the development needs of the worker; on the contrary, the worker exists to meet the needs of the capital. In the end, the capitalist relations produce wealth for the capitalists and poverty for workers. This section further

elaborates, in subsection 3.1 and 3.2, neo-Marxists approaches to poverty and criticize their approach as ahistorical. It argues that their conceptualization reduces poverty discussion to ownership of resources and skills and locates the poverty in market, distribution, and power relations rather than production relations as the classical Marxist understanding and this thesis suggests.

The study examines the poverty reduction strategies in chapter 4 and shows that market and market-mediated activities are the main arenas for poverty reduction. Inclusion of the 'outsiders' in the neoliberal system to deepen neoliberalism is the primary strategy. Moreover, poverty and poverty reduction discussions are used as legitimating tools. The chapter also focuses on global middle-class argument, which celebrates neoliberal policies and poverty reduction, is elaborated. In this section global middle-class argument is explained, and it is explained that through measurement-based global income distribution understanding, poverty thresholds are used and chosen arbitrarily. The role of China and India is highlighted in the decreased number of the poor and so-called increased number of the middle class. Almost no income gain between the 5 and 15 percentile of the global income distribution is highlighted as well. The homogenization of society by concealing the class identity is seen here. To overcome the overfocus on measurement-based non-relational explanations that divert poverty debates from historical and class-based contexts, the author questions the meaning of the "eradication of poverty" by questioning the concrete significance of getting "lifted" from \$1.9 to, say, \$3 per day. It also questions how this nominal rise in PPP income often hides historical capitalist accumulation processes (such as dispossession, proletarianization, and depeasantization), whose destabilizing social and economic consequences for households may outweigh the benefits of the formal change of category from

extreme poverty to poverty or middle class in the statistics of the mainstream approaches.

Chapter 5 addresses the above questioning with a Marxist lens by taking Turkey as a case study. It reviews the neoliberal economic-political policies, welfare policies, poverty, labor figures in industry and agriculture, and the transformation of labor-capital relations through the Marxist understanding of the antagonistic character of capital accumulation and capital-labor relations in Turkey. It discusses how the recommended and implemented policies enacted dispossession and proletarianization process along with increasing exploitation and depeasantization in Turkey. The study excludes 2021-2022 to subtract the Covid-19 pandemic's effects on the economy.

It is also shown that neoliberal programs and poverty policies strengthen capitalist hegemony by concealing class distinctions/relations and political-economic policies. It is argued that these policies lead to the subordination of labor to capital through legitimizing discussions on poverty alleviation and the global middle class. These policies also lead to dispossession, proletarianization, and depeasantization to facilitate capitalist accumulation, resulting in wealth for the capitalists and poverty for the working class.

CHAPTER 2

DIFFERENT CONCEPTUALIZATIONS OF POVERTY

2.1. Absolute Poverty

The absolute poverty approach is a monetary-based measurement of poverty based on the consumption or income level of an individual or/and household measured by purchasing power parity (PPP).

Seebohm Rowntree's works are acknowledged as the first to use this approach in defining and measuring poverty (Townsend, 1979, p.33). His study, which he conducted in 1899 in York, England, with wage-earning classes, as he terms, is seen as the pioneer of the absolute poverty approach. He created a poverty line to analyze poverty's depth and extent by using the average nutritional needs of adults and children and calculating their cash equivalents to add to the same calculations for clothing, fuel, household sundries, and minus rent. This total sum was defined as the "minimum sum necessary" for the "maintenance of physical efficiency," and poverty under this head/poverty line was described as "primary poverty" (Rowntree, 1901, p. x).

As it can be understood from the literature's first example, the absolute poverty concept is a way of defining the basic needs of individuals and their cash equivalents to calculate poverty lines. These poverty lines help to differentiate the poor from the non-poor by identifying the ones who shortfall in consumption and income level. It

requires the definition of the necessary subsistence of individuals for them to survive- as in the case of Rowntree's nutrition intake calculations- and aims to remove poverty by meeting individuals' basic needs.

Having given the first example of literature on absolute poverty, when we look at the 1990s, a relatively closer era, we see that the interest in the absolute poverty approach is increased significantly through International Financial Organizations such as World Bank (WB). World Bank, one of the leading supporters of this approach since the 1990s, especially under the rubric of extreme poverty calculations for 'undeveloped countries', used poverty thresholds to differentiate the poor from the non-poor with consumption-based analysis. The approach is based on defining individuals and households' absolute minimum needs to meet those needs to reduce consumption-based poverty.

Their absolute poverty line approach explained in their 1990 Development Report (World Bank, 1990), backed by the research of Ravallion, Datt & Van de Walle (1991), used 1 dollar threshold (using 1985 PPP) as the absolute poverty line for the poorest countries. This absolute poverty line, which is called the extreme poverty line, has changed through time – according to the changes in the cost of living throughout the world- to 1.08 (using 1993 PPP), 1.25 (using 2005 PPP), and 1.90 (using 2011 PPP) dollar in 1993, 2009 and 2015 respectively (Ferreira et al., 2015; World Bank, 2021). The individuals below these lines are named as living in extreme poverty. These measures are also used to reach Millennium Development and later called Sustainable Development Goals by United Nations (UN). These goals are halving the portion of people whose income is less than 1.25 dollars a day between

1990 and 2015 and eradicating extreme poverty of individuals whose income is less than 1.90 dollars a day by 2030 (Ferreira et al., 2015).

This approach is also used in Turkey, starting with the Social Risk Mitigation Project funded by World Bank. As a result, the first household income and consumption/expenditure survey are conducted in Turkey. It also introduced absolute and relative poverty measurements based on expenditure/consumption measurements (World Bank, 2000a).

Absolute poverty is defined by Turkish Statistical Institute (TURKSTAT) as "the inability of the household or individual to attain the minimum level of welfare that can sustain their lives" (TURKSTAT, 2012). Based on this definition, individuals' consumption needs are calculated through both food and non-food expenditure calculations. Because TURKSTAT stopped publishing data on absolute poverty in 2010, the data of studies on absolute poverty in Turkey mostly date back to pre-2010 as well (Gürses, 2009; Kabaş, 2013; Bayram, Aytaç, Aytaç, Sam & Bilgel, 2012; Tekgüç, 2018; Uğur, 2018).

As seen above, the absolute poverty line, although it can be determined with different PPPs over time, does not change according to the needs of different groups. Or it is set absolutely for some categories as in the case of developing or developed countries. It is absolute in these terms. Although this approach is used frequently in the literature (Ferreira et al, 2015; Kabaş, 2013; Bayram et al., 2012; Ravallion et al., 1991; Uğur, 2018; Umukoro, 2013) and allows cross-country comparisons and ease measurement of poverty, there are some important critics against it.

It oversees "socio-historical processes of class formation" (Knauss, 2019, p.196) and determines poverty lines arbitrarily (Jayadev, Lahoti, & Reddy, 2015a and 2015b). It

also rests its arguments solely on individualistic accounts without considering society's historical (political-economic) transformation and class/power relations (Harvey and Reed, 1992; Wright, 1994). Besides, it oversees the different dynamics of different groups and cultural differences- criticized mainly by the relativist approach holders- (Erdoğan, 2016; Farah and Sampath, 1995; Şenses, 2006; Townsend, 1979; United Nations Development Program [UNDP], 2019). It is also criticized that non-monetary measures should be considered for poverty and the other deprivations of human life (Sen, 1999; UNDP; 1990, 2018). Another critique is that the absolute poverty approach does not consider the subjective view of the poor, which is used in the culture of poverty discussions (albeit its main focus is to analyze whether there is a distinct culture of poverty) started by Oscar Lewis (1966)¹. Finally, an important point is this approach reduces poverty to personal income distribution tables and oversees the differences of 'poor' in class situations such as different needs of landless peasants, unemployed, low-paid retirees, etc. (Boratav, 2004). This is defined as “the poor detached from their societal identity” by Bahçe and Köse (2009, p.388), which abstracts the society by focusing on income distribution and poverty lines. As Bahçe and Köse (2009) stated, this approach hides the fact that social classes exist. They do this by homogenizing social classes at the income level (Bahçe and Köse, 2009).

¹ Lewis's culture of poverty approach is a highly debated approach. On the one side, it is debated that the theory is based on Marxist critique of capital and its contradictions and highlights the resilience and coping mechanisms of the poor (Harvey and Reed, 1996); on the other side it is argued that the culture of poverty 'blames the poor as victim' (Valentine, 1969) through their lack of ability and portrays them negatively (Stack, 1974, as cited in Harvey and Reed, 1996).

2.2. Relative Poverty

As a result of critiques of the absolute poverty approach (Bradshaw and Mayhew, 2011; Gustaffson and Lindblom, 1993; Laderchi, Saith, & Stewart, 2003; Townsend, 1979), the relative poverty approach considers cultural differences and comparisons of different individuals and groups, not only in terms of income and the maintenance of physical efficiency but also in terms of culturally specific activities and living patterns. Rather than an absolute line, it also focuses on distributional patterns and inequality by comparing different groups and individuals.

Townsend (1979), the first one who coined this term in 1979, starts his study by criticizing Rowntree's work. He criticizes Rowntree's absolute poverty approach by highlighting the lack of consideration of changing customs and needs over time and amongst social groups, the restriction of needs to a very narrow sense as in the case of necessary minimum nutritional intake. His work is groundbreaking in its influence on the later works of poverty, such as social exclusion, capability approach, multidimensional approaches, etc. His primary focuses are on society's role in creating and imposing different needs and want, the importance of different living styles, the relativity of the needs for accommodation, food, etc., and the importance of the deprivation approach, which is related to resources rather than income.

By coining the term "relative deprivation," he argues the need for a distinction between actual and socially perceived poverty, the role of society in imposing the expectations, needs, and desires, and poverty's relativity cross-nationally, cross-culturally, and through time (Townsend, 1979, p.46). This approach brings out the necessity to define the customs and activities that make up the "style of living" of

society and society's resources (Townsend, 1974, p.54). He proposes two measurement tools for assessing poverty. The first one is the definition of all resources, "cash income, capital assets, employment benefits in kind, public social services in kind, private income in kind," that determine the overall standard of living in society and rank them through individual and household units (Townsend, 1979, p.90). This measurement tool shows where the deprivations are realized and points to the distributional inequalities. The second tool is a creation of an index through everyday activities of people generally shared in a society which makes up the style of living and determines "a point... below which..., families find it particularly difficult to share in the customs, activities, and diets comprising their society's style of living" (Townsend, 1979, p.60).

Having analyzed the relativity of poverty, Townsend broadens the social indicators that indicate the style of living and deprivation through 60 indicators which lie under the general headlines of housing conditions and facilities, clothing, diet, condition at work, family, educational environment, etc. (Townsend, 1979, p.1173). Through this approach, he shows the different aspects of poverty that should be considered in relativist terms.

He also reconceptualizes poverty as a relative concept by considering the different people's experiences, the role of different cultures, etc. He also shifts focus from income to resources and relates poverty to distributional justice. As we saw in his tools for analyzing poverty, he takes up a stratification-based model and seems to aim that all individuals with a specific focus on minorities, children, and women – the most excluded ones from resources- catch up with each other in the style of living with equal consumptions, resources, activities, and customs. His definition of

poverty lays bare my point as well; “Poverty, I will argue, is the lack of the resources necessary to permit participation in the activities, customs and diets commonly approved by society” (Townsend, 1979, .88). Consequently, the aim seems to be the participation of all members in the current society which can be equal by introducing some policies. For example, “introduction of an equitable income structure, abolition of excessive wealth, and unemployment” (Townsend, 1979, p.926).

The relative poverty approach is used in Turkey as well. As in the case of absolute poverty, this approach started to be used after the Social Risk Mitigation Project, funded by the World Bank. Relative poverty is " the situation where individuals are below a certain rate of the average welfare level of the society" (TURKSTAT, 2012). The welfare level is the calculation of the average level of consumption and income level of society and the comparison of the individual or household with the average. The studies which use the relative poverty approach, as Townsend urges, also give importance to the objectivity of poverty, such as in the case of people’s understanding of poverty and try to calculate the style of living and quality of life. These aspects can be seen in several studies in Turkey as well. For example, Erdogan (2016), in his book called “Yoksulluk Halleri,” highlights the view of ‘poor people’ on poverty, and Bayram et al., (2012) measure the life satisfaction of individuals.

This subjectivity and multidimensionality of poverty create concern in measuring poverty's subjective indicators and determining the indicators themselves. Townsend also does not share the style of living indicators and points to the problem of finding "reliably represented... indicators" for the deprivation and 'style of living' approach (Townsend, 1979, p.60).

Another important critique of Townsend's relative poverty approach would be its effort to take poverty discussions from the production field to the distribution of resources. Even though its theoretical approach considers the class relations, no regard is given to exploitation and class antagonism both in the production field and in the social relations of classes weakens the power of his theoretical approach. We see the same tendency as we see amongst other social democrats, as Harvey also points out, even though they accept that "poverty originates in the class struggle but places the locus of the struggle in the domain of circulation, rather than production" (Harvey and Reed, p. 282). So, according to this view, poverty can be eliminated through distributional justice "without actually abandoning capitalist production," which this thesis doubts (Harvey and Reed, 1996, p.283). More detail will be given in the chapter three.

2.3. Capability Approach

As a development theory, Amartya Sen, in his capability approach, sees economic growth and individual income "as means to expanding freedoms" of members of society and defines development as a "process of expanding real freedoms" of individuals; as an end in itself (Sen, 1999, p.3). In this view, according to Sen, freedom includes 'capabilities' such as "avoiding starvation, premature mortality and freedoms associated with being literate, being able to participate in political and social life" (Sen, 1999, p.36). According to this, development assessment has to be done in light of the development of individual capabilities and the expansion of freedoms. Development also requires the removal of significant sources of unfreedom, such as poverty, according to Sen (1999).

Poverty, in this approach, is seen as the "deprivation of basic capabilities rather than merely lowness of incomes" (Sen, 1999, p.3). It requires analysis and development of basic capabilities such as literacy, having elementary healthcare, political and social participation in life, and analyzing the elements that prevent the development of these capabilities, such as gender bias, race, age, and disability. This view does not deny the importance of income in poverty but points out the significance of other constitutive elements of poverty: 'capabilities.' Sen also argues that income is only a means for achieving the real end which is freedom.

When we compare this approach with the absolute poverty approach, we see that it does not disregard it because it points to the "absoluteness of needs" (Sen, 1985, p.670). According to Sen, people's deprivations are judged absolutely, not in comparison with others in society (Sen, 1985, p.670). Townsend criticizes Sen's approach as Sen bases his arguments on individualism and roots in neoclassical economics since he does not consider that needs are "socially created and have to be identified and measured in that spirit" (Townsend, 1985, p.667). Townsend also rightly points out the lack of focus on "structural interrelationships" of capabilities and their roots (1985, p.668).

In addition to Townsend's critique, even a quick look in the 'Development as Freedom' book can show the lack of political context and over-explanatory role attained to individual causes in the capability approach. The most striking one is Sen's analysis of the success stories of Kerala in India, China, and Costa Rica, which he compares with countries such as Brazil and South Africa and African Americans in the USA. He found that individuals of Kerala, China, and Costa Rica live longer

and better lives than those in Brazil, South Africa and African Americans in the USA. These examples are spread throughout the book:

For example, the citizens of Gabon or South Africa or Namibia or Brazil may be much richer in terms of per capita GNP than the citizens of Sri Lanka or China or the state of Kerala in India, but the latter have very substantially higher life expectancies than do the former (Sen 1999, p.6).

For example, in the United States, African Americans as a group have no higher-indeed have a lower-chance of reaching advanced ages than do people born in the immensely poorer economies of China or the Indian state of Kerala (or in Sri Lanka, Jamaica or Costa Rica) ... The causal influences on these contrasts (that is, between living standards judged by income per head and those judged by the ability to survive to higher ages) include *social arrangements and community relations* [emphasis added] such as medical coverage, public health care, school education, law and order, prevalence of violence and so on (Sen 1999, p.21-22).

Here, Sen implies that the reason for the difference lies within “social arrangements and community relations”, and overlooks the more immediate distinction, which is of a political character, with crucial divergence in terms of welfare. Indeed, the first areas are governed either by socialist (in China and Kerala) or social democratic parties (in Costa Rica), which plays an essential role in the contrasting situation observed with 1990s Brazil or South Africa. However, Sen never even mentions these contrasting political situations, and the terms capitalism and socialism rarely ever appear in his book (Navarro, 2000).

Even though Sen's approach can seem like a good attempt to carry the focus from solely economic growth to non-monetary aspects of poverty in development discussions, its lack of political context, power, and class relations seriously damages its explanatory role. But this is a general approach in development and poverty discussions, as we saw in the absolute poverty concept and will see in other approaches. The economic and related poverty discussions and solutions are

decontextualized and purified from class relations and political context, as Navarro (2000), Saad-Filho (2007), and Yalman (2011) point out.

Another essential critique of Sen's approach, as Navarro (2000, p.664) points out, would be his focus on markets not only as the creator of economic growth and progress but also as the creator of fundamental liberties. Sen cites Adam Smith frequently, as in the case of "freedom of exchange and transaction is itself part and parcel of the basic liberties that people have reason to value" (Sen, 1999, p.6). For Sen, the freedom to enter markets significantly contributes to development.

Examining the deprivation of individuals in society excluded from the market is a task that sees inclusion in the market as the solution to poverty and the driving force of development. This approach is very in line with the social exclusion approach elaborated in the sub-section 2.5.

Harvey and Reed (1992) classify Sen's approach under the social democratic paradigm of poverty through Sen's points on the state's role in "creating more social entitlements for the population" (p.284). Having agreed on this, I also believe that we see both classical and neo-classical economics points in Sen's approach. As Navarro (2000, p.665) argues, Sen's stand-in taking the individual as "the subject and object of analysis," excluding collective agents, social classes, and exploitation in his analysis, along with lots of references to Adam Smith, shows that he moves in the classical economic tradition of Adam Smith. In addition to this, Harvey and Reed's (1992) definition of the neo-classical economic paradigm of poverty, which defines economic activity "through individuals and their subjective utilities rather than classes and their interaction" (p.279), is in line with Sen's approach. But this does not mean that Sen disregards the importance of economic activity; in contrast, he argues,

as in the case of neoclassical economics, the importance of capabilities in light of their utility in improving the productivity and employability of the people (Sen, 1999, p.260). To cite him, "but these capabilities are also associated with improving the productivity and employability of the people involved (expanding what is called their "human capital")" (Sen, 1999, p.260). While focusing on the importance of social choice and individual behavior, he regularly cites "Smith and Hayek" (see Sen, 1999, p.260).

The main point here is not to classify Sen under any economic theory but to show his main focuses, which bases its arguments on individual and market, far from any class and power discussion and related political context. This is done by both classical theory in the case of Adam Smith, as Navarro (2000) shows, and neo-classical economic theories, as Harvey and Reed (1992) show.

Another widely known approach that bases its argument on Sen's theory is United Nations Development Program's (UNDP) human development approach. Sen was also amongst the consultants of human development reports, aiming to bring back the "human dimension of development" to development and poverty discussions (UNDP, 1990, p.iii).

2.4. UNDP's Human Development Approach

As indicated on its website, as one of the UN agencies, UNDP's mission is the "eradication of poverty, and the reduction of inequalities and exclusion" ("About us | UNDP," 2022). In line with this aim, since the 1990s, UNDP has been publishing Human Development Reports to achieve this mission. The main point of human development reports is the same as Sen's as it points out the deficiency of development discussions which sees income and economic growth as an end. As

Sen, UNDP rejects that approach and sees it as a means to reach human well-being/human development, which is the aim of development (UNDP, 1990, P.iii). The human development reports, according to UNDP, aim to lay bare the relationship between economic growth and human development and how growth helps or fails to turn itself into human development (1990, p.iii). This view seems to criticize the absolute poverty approach and neoclassical theory of the 'trickle-down effect,' which argues that wealth accumulated at the top of the distribution will eventually benefit all segments of society and improve the living conditions of all individuals. In their 1990's human development report, they clearly express this in a country case study of Nigeria by saying that "rapid growth did not significantly improve the human condition" (1990, p.59). Also, human development is framed as to enlarge "people's choices," and these choices and capabilities are listed under a "human development index" (UNDP, 2019, P.31). Human development Index measures "the capability to live a long and healthy life, to acquire knowledge and to earn income for a basic standard of living" along with indicators such as "life expectancy at birth, means years of schooling, Gross National Income (GNI) per capita" etc. (UNDP, 2019, p.300). UNDP's approach and human development index is used not only by UNDP but by academia frequently as well (Buğra and Keyder, 2003; Doğan and Tatlı, 2014; Gürses, 2009; Herrero, Martinez, & Villar, 2012; Martinez, 2012).

The critics referred to Sen above can be directed to UNDP as well. To give some examples, when we analyze UNDP's approach to the market, which UNDP has a strategy called the "Inclusive Markets Development Approach," we see that markets are seen both as the driver of growth and creator of human capabilities (UNDP, 2010). The strategy to reduce poverty and accelerate development is the "pro-poor

market facilitation approach,” through which the poor’s inclusion in markets is seen as the solution (UNDP, 2010, Foreword). This inclusion is, so to say, the poor’s subjugation to market and market imperatives. Through this approach, the poverty reduction is reduced “to market mediated activities of buying and selling” (Harvey and Reed, 1992, p.279) and “asset levels and skills rather than exploitative social relations” (Campling, Miyamura, Pattenden, & Selywn, 2016, p.1747). The same approach is used in Sen and the absolute poverty approach. UNDP’s capability approach based on individual development and improvement of choices inspired by Sen and critics made in Sen’s section is relevant for UNDP. Another approach in line with deprivation and inclusion of people in society and the market is the European Union’s (EU) social exclusion approach, which will be elaborated on below sub-section 2.5.

2.5. Social Exclusion and Poverty Approach

The introduction of poverty and social exclusion to the EU’s Social Charter dates back to 1996, the revised version of the Social Charter of 1961, where “The right to protection against poverty and social exclusion” is added in article 30 (Council of Europe, 1996, p.14). In addition to this, in its Lisbon strategy, where the strategic goal for 2000-2010 is set, the EU aimed to combat social exclusion and poverty under its strategic goal of becoming “the most competitive and dynamic knowledge-based economy in the world” (European Council, 2000, p.2). In another statement, fighting against poverty and social exclusion accompanies the “modernization of the economy” (European Commission, 2004, p.5). Besides, the overall aim of fighting against poverty and social exclusion is described as the reinforcement of “inclusiveness and cohesion of European society” and enforcement of “all citizens to

enjoy equal access to opportunities and resources” (European Parliament, 2021, p.1). Poverty and social exclusion, under this statement, is seen as disruptive factor for social cohesion and to be eradicated for doing so. They are also considered the ‘social goals’ to accompany economic goals of competitiveness and growth. In addition, it seems to be the accompanier of the economy’s modernization without questioning its role in creating poverty. Instead, it is seen as the ‘supportive element of the transformation of the economy.’ As a part of the strategic goal, the year 2010 is assigned to be the “European Year for Combating Poverty and Social Exclusion” (European Parliament and European Council, 2008, p.22).

As indicated above, social exclusion and poverty go hand in hand in the EU’s approach. When we look at their definitions, we see that the EU uses the ‘relative definition of poverty,’ which was first indicated in 1975 (European Council, 1975, as cited in Eurostat, 2010, p.6);

... 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. Because of their poverty, they may experience multiple disadvantages through unemployment, low income, poor housing, inadequate health care, and barriers to lifelong learning, culture, sport, and recreation. They are often *excluded and marginalized* [emphasis added] from participating in activities (economic, social and cultural) that are the norm for other people, and their access to fundamental rights may be restricted.

As seen in this definition, poverty is argued to cause exclusion and marginalization from society, disrupting citizens' social cohesion and preventing them from accessing fundamental rights. When we look at the definition of social exclusion, which 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” (Eurostat, 2010, p.7), we observe a similar approach in which poverty is seen as excluding people from

participating in society along with other factors such as lack of basic skills, opportunities, and discrimination, etc.

In this context, the recommended solutions for poverty and exclusion lie in the “active inclusion” of people in the labor market and financial services (through training for skill formation, retraining, ongoing job search assistance, and access to financial services) along with income support/social protection services and better access to services (such as health, education) with a specific focus on “inclusion of vulnerable groups” (such as people with disabilities, multi-membered families, single parents, minorities, migrants) (Eurostat, 2010, p.9). All the solutions entail the inclusion of outsiders into the neoliberal economic system without questioning the system's role in creating poverty and social exclusion.

Material inequalities are considered, and importance is also given to income redistribution. Social protection systems are also seen as a distribution mechanism through “means-tested benefits, childcare, and tax credits” (Eurostat, 2010, p.96).

This focus on both material inequalities and social exclusion/inclusion discussion is considered by Atkinson (2000) as the reconciliation of social exclusion and poverty approach under the rubric of social cohesion and solidarity based on the “French ideology of construction of nation and citizenship” with “Anglo-Saxon tradition of income inequality and material exclusion” through the concept of citizenship rights (p.1040). This specific focus on citizenship-based rights, as in the case of minimum income schemes and aspired universal basic income schemes, bases their arguments on citizenship and universal income support to eradicate poverty. Although the EU does not have a universal basic income policy, these arguments, same as the EU, base their arguments on *social rights and citizenship*. Although there is nothing

wrong with supporting people through income schemes, the main problems lie in disregarding classes and conflicting class interests in society and capitalism's inner dynamics, which are based on exploitation and the constant chase of profits.

Consequently, this overlook of class relations and capitalism's dynamics causes to show that income support is a solution to poverty. But, in reality, it is only a palliative solution that would help people to be included/immersed in society and capitalism, in capitalist society. It will be more elaborated on in the chapter three.

Similar to other approaches, the social exclusion and poverty approach also suffers from a lack of consideration of politics and classes, acceptance of neoliberalism/political-economic system as it is, and separation of social from it. The effort to incorporate and embody individuals into the neoliberal system, division of economy and politics as if they are not related, over-focus on individual and individual rights, and disregarding classes are other problems. It also focuses on the symptoms of poverty, not the root causes found in the functioning of the capitalist system itself.

2.6 Limitations of Mainstream Poverty Approaches

There are different ways to conceptualize poverty. In the previous sections, this article has provided a review of the predominant approaches and they present many commonalities in terms of the central role they assign to the market, their tendency (not always explicitly acknowledged, i.e. with the EU approach) toward methodological individualism, their uncritical acceptance of the current neoliberal political-economic and social system without questioning its inner dynamics, and their endeavor to alleviate its negative effects among which is poverty. Given the

criticisms against poverty approaches reviewed above, we may draw the following conclusions.

Firstly, absolute poverty bases its arguments on societal average and personal income distribution calculations. As Köse and Bahçe point out, it is fair to say that this is nothing more than a “societal abstraction,” an abstraction through income levels. This abstraction posits the arguments of “orthodox welfare economics,” in which the subject is individual and conceptualizes society as a “homogenized society,” which is defined as the sum total of individuals (Köse and Bahçe, 2009). Although later approaches to poverty mainly criticize the absolute poverty approach and give more importance to the relativity of poverty along with differences in society, their very much focus on individual and individual differences, even though they claim to make relational explanations as in the case of the EU. It does not go beyond this abstraction; in their case, methodological individualism degrades the social phenomena to individuals alone (Hodgson, 2007).

As Wright rightly points out, all the theories mentioned above try to shift the focus to non-material aspects of poverty or/and merge both material and non-material elements of poverty. But a careful eye would spot one of the underlying assumptions for material welfare which bases its argument on the “achievement model of income determination” (Wright, 1994, p.26). Income acquisition is viewed as a *process of individual effort* by which individuals obtain money as a reward for their work. This understanding aligns with the capitalist ideology of working hard and earning more. And if someone earns less, they are achieving less or prevented from getting paid what they deserve. Here the antagonistic character of capitalism, exploitation, and classes are disregarded, and everything is reduced to individual effort. Even though

there is an important focus reserved to access to resources and distribution of resources, as in the case of Townsend's relative poverty and EU's social exclusion approach, the lack of focus on capitalism's inner dynamics, exploitation, class antagonism, and politics and a focus on individual's capabilities, skills, and successes propose this model. We see this in their specific focus on women, the disabled, and minority groups, where policies try to increase their skills and capabilities to achieve higher incomes. This is very in line with the shift from "how control over productive assets structure patterns of exploitation to how they shaped life chances" (Campling *et al.*, 2016, p.1747). It is also seen that their theories base their arguments on an understanding of 'freedom' -as Marx points out, which represents "present bourgeois conditions of production, free trade, free selling and buying" (Marx, 1978, p.486).

Another essential critique of the poverty theories mentioned above would be their tendency to ignore the causes and nature of poverty and jump directly into efforts to measure it with different indicators. This is where all these approaches try to differ and criticize each other. With this approach, as Novak rightly says;

"...The measurement itself becomes a substitute for definition: to be poor is to have less than a certain level of income. The poverty line, wherever it is drawn, thus defines what is poverty and who is poor" (Novak, 1995, p. 59). And this measurement-focused approach detaches poverty from the working class and proposes that poverty only means having a less than average or quantifiable income level (Novak, 1995).

To summarize all the critics, Harvey and Reed's points are critical. As they indicate, poverty discussions are held "in a "hegemonically safe" ideological space that

defines poverty in terms of temporarily impaired market mechanisms and ignores perspectives which would require large structural shifts in wealth and power and [the structure itself]” (Harvey and Reed, 1992, p.293).² As said before, although some of these approaches focus on shifts in wealth and power, overlooking exploitation and antagonistic class interests, it does not go beyond moving within the “hegemonically safe space” (Harvey and Reed, 1992). By trying to go out of the hegemonic ideological space, this study, as Marxists do, locates poverty’s root causes in “class-based contradictions of production itself” (Harvey and Reed, 1992, p.294). Below, this approach will be elaborated by unearthing Marx’s own approach to poverty.

² This also reminds us Marx’s proposal that “the ruling ideas of each age have ever been the ideas of its ruling class” (Marx, 1978, p.489).

CHAPTER 3

MARXIST APPROACH

As we saw, all the theories mentioned above of poverty (which are the predominant ones) run away from the structural causes of poverty, the antagonistic character of capitalist accumulation, which leads to poverty. As Novak says, they begin with efforts to measure and quantify poverty through income thresholds or living standards instead of understanding the nature and causes (Novak, 1995). By de-linking the economic and political background and antagonistic character of capitalist accumulation of poverty, they define the poor as a separate group and minority unrelated to the working class. And this approach results in policy suggestions that don't go far than an adjustment of the sick, older people, unable to work and less skilled to the exploitative nature of Capitalism and society³. They seem to wish for a bourgeoisie society with a proletariat that consumes more, integrates more into Capitalism, and immerses itself in capitalist relations through the market and market-mediated activities. They sometimes even seem to wish for a society where everyone is bourgeois because their redistribution dreams don't go far away from a romantic wish. After all, there cannot be bourgeoisie without wage

³ Here Novak's example is very interesting as he says "old age, sickness, large families, even lack of paid work, do not in themselves cause poverty, or else the Queen Mother would have to be counted as amongst the ranks of the poor" (Novak, 1995, p.70).

laborers; and wage laborers without bourgeoisie⁴ in a capitalist system (Marx, 1990).

It seems like a wish to benefit from Capitalism but without its struggles and resisting proletariat/wage laborers⁵ (Marx, 1978). Or else what all this inclusion discussion could serve. Maybe one of the critical questions to ask here is whether these consumption-oriented approaches help anything other than the workers' reproduction for the existence of capital and continuity of Capitalism?

What are the structural causes of poverty and Capitalism's inner dynamics that I have been referring to since the beginning of the thesis? To understand this, I will start by examining the opposite of poverty: wealth, which would allow us to explore Capitalism, its inner dynamics, its antagonistic character, and its result: poverty. I will do so, firstly through classical Marxist understandings of Marx. But before that, it is essential to understand the general approach of classical Marxist knowledge, which sees poverty as "the product of a historically specific mode of production" (Harvey and Reed, 1992, p.277). According to this view, poverty is "an inherent, and crucial, feature of society whose economic structure is grounded in class and exploitation where without poverty, "capitalist production could not take place" (Wright, 1994, p.37; Novak, 1996, p. 187).

Coming back to wealth, as we live in a capitalist world, to understand wealth and the creation of wealth, we should look at Capitalism's workings and understand Marx's

⁴ Capital 1 is established upon explaining this through relations of production/ capital-wage labor relation and exploitation. And an example can be given from Communist Manifesto as well "The essential condition for the existence, and for the sway of the bourgeois class, is the formation and augmentation of capital; the condition for capital is wage-labor" (Marx, 1978, p. 483).

⁵ Marx makes a similar point for socialistic bourgeoisie where he says, "The Socialistic bourgeois want all the advantages of modern social conditions without the struggles and dangers necessarily resulting therefrom" (Marx, 1978, p.496).

basic conceptualization of labor, value, classes, and capital accumulation. According to Marx, the defining goal of capitalist production is surplus-value production, and the criterion of wealth is not the product's absolute size but the surplus product's relative size (Marx, 1990). And the sum of value created through the surplus is used as capital in a system whose primary purpose is valorization of capital and swallowing as much a mass of surplus labor as possible (Marx, 1990). The labor process in which the value is produced is the purposeful change made on the labor object through human activity. The product obtained at the end of this process is a use-value; oriented to meet human needs (p.287). According to Marx, "A use-value, or useful article, therefore, has value only because abstract human labor is objectified [vergegenständlicht] or materialized in it,"⁶ and the measurement of this value is only possible through the "socially necessary labor time"⁷ (Marx, 1990, p.129).

But with the "subordination of labor to capital" (Marx, 1990, p.291), which happened through the "primitive-accumulation process," the labor process, contrary to its previous aim of creating use-value⁸ to meet human needs, turned to a sole objective of creating exchange value⁹ (Marx, 1990, p.714). The "primitive accumulation"

⁶ There are also critiques and objections to the labor theory of value which will be elaborated in the next section. But some examples would be Roemer (1982a, 1982b), Cohen (1979).

⁷ It is important here to not overlook the collectivity of the production process as surplus is jointly produced by workers through the socialization of labor.

⁸ As Marx states (1990), before capitalism, there was still exchange, of course, but it was predominantly for Commodities (C)-Money (M)-Commodities (C); not for surplus value which is the main aim of exchange. With the turn to exchange value, the formula became M-C-M' which its sole purpose is the creation of surplus value.

⁹ For Marx, "As exchange-values, all commodities are merely definite quantities of congealed labour-time"(1990, p.130). Here, this doesn't mean that in capitalism there is no use of use-value. For example, there are "flows of use-values between the different branches of production and between producers and consumers" but the aim

started with the closure of the lands and dissolution of the guild system in the "pre-history of capital" is nothing but the process of dispossession where the laborer is separated from the means of production. As a result, "the immediate producers are turned into wage-laborer" (Marx, 1990, p.874-875). That is proletarianization.

As explained in the primitive accumulation, the process that took place before the formation of the capital-labor relation – dispossession, appropriation, and proletarianization – brought out owners of the means of production "who are eager to valorize the sum of values they have appropriated by buying the labor-power of others; on the other hand, free workers, the sellers of their own labor-power" which represents capitalist and worker class respectively" (Marx, 1990,p.874). This primitive accumulation process which starts with the dispossession, is the process that also creates capital relations, classes, and exploitation. Even though Marx terms this process as primitive accumulation and refers to its pre-history of capital, he also points to the continuation and maintenance of this separation "on a constantly extending scale" (Marx, 1990, p.874). Later Harvey (2003) theorizes it as "accumulation by dispossession" by highlighting the continuity of the process. He also highlights the importance of co-optation in the appropriation process and the heterogeneity of the proletariat after proletarianization (Harvey, 2003). According to Marx, after the primitive accumulation, the labor process has two distinct features. First is that the worker/laborer works under the capitalist's command who owns their labor, and second, the product is owned by the capitalist, not the worker (its direct producer) (Marx, 1990). Because the capitalist seeks to create a commodity with a

becomes creating an exchange value which means the surplus value and valorization of capital (Savran and Tonak, 1999, p.142).

higher value than the commodities used to generate it, which are labor-power and means of production, they search for ways to increase the surplus-labor time. That is when the worker only works for the capitalist and does not create value for themselves¹⁰ (p.293). And this surplus product of labor is appropriated by the capitalists. This surplus appropriation by the capitalists in the production process is exploitation¹¹ in the Marxist sense. Exploitation means that the product produced in surplus labor-time by employing the working class, which is the owner of productive labor, beyond the necessary labor time, is appropriated by the capitalist class, which is the owner of unproductive labor¹², and used as capital, as a 'self-valorizing value' (Boratav, 1972; Marx, 1997; Reisnick and Wolff, 2003).

And this exploitation is the main reason for material inequalities and poverty as the source of the wealth of the capitalist class comes from the surplus labor produced by

¹⁰ In part of the working day/the labor process where the worker produces only the value of their own labor-power, that is, the value of the means of subsistence necessary for them, which is called wages, is named as “necessary labor-time” and the labor expended is the “necessary-labor”. Beyond the necessary labor-time, the worker does not create a value for themselves and works only for the capitalist who does not produce anything. This time beyond the necessary labor time is called surplus labor-time and the labor expended surplus labor by Marx (p.325)

¹¹ There are other debates on the definition of the exploitation. Some examples are, Wright (1988), and Roemer (1982a) which Wright uses the Roemer’s understanding of unequal distribution of skill and organizational assets as a cause of exploitation. Or some rejected the significance of the exploitation theory (Cohen,1994).

¹² The difference between productive-unproductive labor is crucial for the understanding of exploitation in terms of surplus value. For further information and different discussions, Boratav (1972), Savran and Tonak (1999), Resnick and Wolff (1987).

the working class, which creates wealth for the capitalist and poverty for itself¹³
(Marx, 1993).

Wealth, in capitalist production, is this accumulation of surplus value. And as Marx cites Hodgskin, labor is the only measure of value and the creator of wealth, not the commodity (1990, p.677). Accordingly, if wealth manifests itself as capital and wealth through the production of surplus value by the worker in the production process and its appropriation by the capitalist (which Marx shows us), then the cause of poverty is the exploitation through surplus appropriation.

The process that is the precondition for this exploitation and accompanying poverty is the separation of labor-power and the means of production/ the conditions that will enable it to fulfill itself. Here Palmer's point is important, which highlights the role of expropriation as a "prior (and always historically ongoing) process, on which all of this [value, extraction of surplus and regimes of accumulation] is premised" (Palmer, 2014, p.46). However, the critical point here is to remember that capitalists' appropriation of surplus-value is the source of exploitation. Many solutions offered alone as distribution ignore this and ignore the roles in production relations and the capitalist dynamics mentioned above in creating wealth and poverty. In a system based on surplus-value appropriation and the exploitation of the working class/labor-power, distribution is a solution that cannot go beyond simply improving the working class's living standards for a while. As Boratav (1972, p.16) stated,

¹³ As Boratav says, of course the means of production are not the only one who generates income. There is interest income which is generated through lending of cash money, rent from land and, there are different sectors of services such as advertisement, attorneyship which do not produce any commodity but employs increasing number of personnel. But "The gains from these unproductive activities can also be considered as a kind of surplus product transferred from the productive classes to the unproductive strata" (Boratav, 1972, p.32).

While the roles of classes in production are not changed, that is, when the production relations are fixed, attempting to arbitrarily change the amount of income (hence the distribution relations) either collapses the production or the basic economic laws on distribution render such measures ineffective. Old distribution relations prevail after an adjustment period.

Parallel to this, what is forgotten and ignored is the reproduction of Capitalism and the worker. The wage/capital invested in return for the labor power serves the worker to reproduce and produce new workers. In addition, the reproduction of the working class is also necessary for the reproduction of capital and capitalist relations.

According to Marx, it is the "absolutely necessary condition" in Capitalism that the worker produces "objective wealth" as capital and "as an alien power that dominates and exploits him," which also leads to the production and reproduction of the worker as a wage worker (Marx, 1990, p.716). It is important to consider that workers can only live if they can exchange their labor power "for that part of capital which forms the labor fund" as they are "merely a living labor capacity" (Marx, 1993, p.604).

When the capital doesn't need them for valorization, they have no use, and the only solution seems to be social assistance to reproduce themselves and buy the products. This is again where the worker is doomed to fall into poverty because of its sole role in valorizing capital, and when cannot only social assistance or credit help them. In the end, they become part of the surplus population. As Marx says, "To the development of surplus labor corresponds that of the surplus population," that is overpopulation in terms of the average valorization needs of capital (Marx, 1993, p. 604).

The most significant role of the surplus population is that it serves as "a disposable industrial reserve army, which belongs to capital" (Marx, 1993, p.784). It also serves as a labor power ready to be exploited. Here factors like technical progress through

the competition, centralization, concentration of capital in smaller numbers of capitalists, and dispossession of smaller capitalists by the bigger ones are great (Marx, 1993, p. 927). The pressure the reserve army exerts on the recruited laborers pushes the employed to work with lower wages. And this serves as "a means of enriching the individual capitalists" (Marx, 1993, p.789). For Marx, the reserve army "is a necessary product of accumulation and development of wealth on a capitalist basis (Marx, 1993, p.784). This can be seen in the largeness of informal workers and unemployed in Turkey, which is elaborated on chapter five.

According to Marx, the pauperism, which is "the hospital of the active labor-army and the dead weight of the industrial reserve army," together with the relative surplus population, constitutes a condition of existence for "capitalist production and capitalist development of wealth" (Marx, 1990, p.797). For Marx (1990, p.799), this is the "antagonistic character of capitalist accumulation," where it requires an accumulation of misery corresponding to capital accumulation. To cite from Marx (1990):

From day to day it thus becomes clearer that the relations of production in which the bourgeoisie moves do not have a simple, uniform character but rather a dual one ; that in the same relations in which wealth is produced, poverty is produced also ; that in the same relations in which there is a development of the forces of production, there is also the development of a repressive force ; that these relations produce bourgeois wealth, i.e. the wealth of the bourgeois class, only by continually annihilating the wealth of the individual members of this class and by producing an ever-growing proletariat.

In his analysis, Marx shows us that in the capitalist mode of production, wealth does not exist to meet the development needs of the worker; on the contrary, the worker exists to meet "the needs of the capital" (Marx, 1990, p.772). In addition, he shows that the industrial reserve army grows in proportion to the capitalist accumulation, capitalist development of wealth, and, therefore, the absolute number of the

proletariat and the productivity of its labor. He states, “the same causes which develop the expansive power of capital, also develop the labor-power at its disposal” (Marx, 1990, p.798). Consequently, the larger the surplus population, the larger the pauperized sections of the working class and the industrial reserve army. And for Marx, this is the “absolute general law of capitalist accumulation.”¹⁴

In line with this understanding, this thesis will examine poverty in the historical neoliberal transformation of Turkey against the global middle-class argument that poverty is reduced. It will explore capitalist accumulation through dispossession, proletarianization, depeasantization, and relative surplus population in Turkey as phenomenon that serve the dynamics of capitalist accumulation; that is, capital/wealth creation for the capitalist and poverty for the working class. The general framework of the study of poverty will also be around the antagonistic character of capitalist accumulation.

3.1 Neo-Marxist Approach to Poverty

As a 'school of thought' of Marxist theory, Analytical Marxism was established by a group of scholars, John Roemer, G.A. Cohen, John Elster, Adam Przeworski, and Erik Olin Wright in 1979 (Wright, 1985). As Tarrit explains, Analytical Marxists use

¹⁴ As Marx states in Capital 1 “The greater the social wealth, the functioning capital, the extent and energy of its growth, and therefore also the greater the absolute mass of the proletariat and the productivity of its labour, the greater is the industrial reserve army. The same causes which develop the expansive power of capital, also develop the labour power at its disposal. The relative mass of the industrial reserve army thus increases with the potential energy of wealth. But the greater this reserve army in proportion to the active labour-army, the greater is the mass of a consolidated surplus population, whose misery is in inverse ratio to the amount of torture it has to undergo in the form of labour. The more extensive, finally, the pauperized sections of the working class and the industrial reserve army, the greater is official pauperism. This is the absolute general law of capitalist accumulation” (Marx, 1990, p.798).

the Marxist theory as a "theoretical framework to be tested itself than as a tool for analyzing capitalism" (Tarrit, 2006, p. 596) which can be seen in Wright's (1994) explanation of four commitments of analytical Marxism. The first commitment criticizes Marxist scholars as hostile to traditional scientific methods or positivism and declares their adherence to scientific norms. The second one revolves around the critiques of acceptance of Marxist concepts blindfolded and urges the elaboration and reconstruction of the concepts. The third and the fourth one shows the commitment to using abstract models such as game theory and the rational choice model and their commitment to elaborating individual action. This approach and different explanations include the rejection of labor-theory of value by most group members, acceptance of formal logic over dialectics, and denial of any specific methodological tool in Marxism (Tarrit, 2006).

Concerning the denial of the labor theory of value and the usage of different methods in their approach, we can give the example of Wright on poverty and classes. Erik Olin Wright is the leading scholar of this group that spares a specific focus on poverty. In his "Interrogating inequality: essays on class analysis, socialism, and Marxism" book (Wright, 1994), he analyses poverty through a class exploitation approach, but he differs from the class exploitation understanding explained in the previous section/classical Marxist understanding. According to Wright, there are two other types of exploitation besides the capitalist exploitation¹⁵ defined by Marx. These are exploitation based on the control over organizational assets and

¹⁵ Albeit he does not accept the idea that laborer is the only source of value. To cite from him; "The expression 'appropriation of the fruits of labor' refers to the appropriation of that which labor produces. It does not imply that the value of those products is exclusively determined by labor effort, as claimed in the labor theory of value" (Wright, 1997, p.10 Footnote).

exploitation based on the ownership of monopolized skills" (Wright, 1988, p.92).

These two other exploitation models are influenced by Roemer's understanding of the inequitable distribution of property rights and endowments, including understanding the skill and organizational assets as productive assets to be considered in exploitation (Roemer, 1982a). These are also tools for determining class locations which Wright refers to as "contradictory class locations"¹⁶ (Wright, 1985, 1994, 1997). For Wright, skill and credential benefits potentially lead to lower exploitation and more appropriation of 'surplus labor' through "skill rent" and "loyalty rent" (Wright, 1997, p.22). Here another point from Wright is that owners of skills restrict the availability of certain skills, resulting in more payment than the value of their "marginal product." This, for Wright, lays the basis for exploitative appropriation¹⁷. Here some points deserve some criticism. One is that when we look at the approaches of Roemer for the labor theory of value, which Wright also refers to for the critiques of value, it is seen that in their view, "price precedes the value"

¹⁶ Taking Roemer's understanding of skill and credentials as the third productive asset Wright uses this ownership of third productive asset as the basis of analysis of middle class through his "contradictory class location analysis" (Wright, 1994, p. 4). According to Wright, the middle class have a contradictory place in class structure "as they are simultaneously exploited through capitalist mechanisms and exploiters through skill and other mechanisms" which includes the differentiation with domination and exploitation in his class structure analysis (Wright, 1994, p.46 and 1997).

¹⁷ As Wright says, "In effect, we can say that while the possessor of a credential is being paid a wage equal to the price of his or her marginal product, this price is above the 'value' of the marginal product... That difference is the exploitative transfer appropriated by the possessor of a credential. For this reason, possessors of credentials have interests in maintaining skill differentials as such, in maintaining the restrictions on the acquisition of credentials" (Wright, 1985, p.76). Then he continues, "If this reasoning is correct, then talents, like credentials, should simply be treated as a specific kind of mechanism for creating a stable scarcity of a given skill, which in turn is the basis for an exploitative appropriation" (Wright, 1985, p.77).

(Nadvi, 1985, p.1480). It is the same for Cohen's work as well. Cohen also confuses the value and price¹⁸ (Cohen, 1979). This approach contradicts the Marxist understanding of value, and Wright does the same via the equation of ownership of skills and credentials "with the exploitation of wage labor" (Meiksins, 1988, p.76).

In contrast to all of these, Wright continues his studies to explain that capitalist exploitation "depends on the appropriation of labor effort in ongoing social interactions" (Wright, 2002, p. 845). Rejection of labor theory of value and continuation of accepting the appropriation of labor effort as exploitation leaves a vital deficiency in Wright's analysis¹⁹ (Sakamoto and Liu, 2006). What is also overlooked in Wright's analysis is, as Meiksins (1988) highlights from Marx, the socialization of the labor process in which value and surplus-value are produced collectively. As Meiksins states, individuals in the labor process may be compensated differently; yet "it is the group, not the individual, that is exploited" (Meiksins, 1988, p.76).

Another two important critiques would be Wright's neglect of productive and unproductive labor, which forms the class structure in classical Marxist theory, and his proposition that exchange can be a possible foundation of exploitation (Resnick and Wolff, 1987; 2003). As Resnick and Wolf state, "exchange is a location in which

¹⁸ It can be seen in this statement taken from Cohen's book. "The labor theory of surplus value is, then, unnecessary to the moral claim Marxists make when they say that capitalism is exploitative. *It does not matter what explains the difference between the value the worker produces and the value he receives.*⁶ What matters is just that there is that difference". (Cohen, 1979, p.344; Italics made by me).

¹⁹ Wright points out to the deficiency of labor theory of value as the labor-power is seen as a homogeneous unit which he disregards and assert that labor-power is a heterogeneous unit which leads to the different incomes and exploitation (Wright, 1988, p.95).

value is realized, or already created value and surplus-value are redistributed but not created" (Resnick and Wolff, 2003, p.22).

3.1.1 Erik Olin Wright's Class Exploitation Analysis of Poverty

In line with the above conceptualization of exploitation, Wright conceptualizes poverty through three concepts: "economic oppression, economic exploitation, and class" and defines three principles of exploitation (Wright, 1994, p. 39). The first one is the "inverse interdependent welfare principle," which stands for the dependency of the welfare of the exploiter on the exploited, while the second one is the "exclusion principle," which refers to the exclusion of the exploited from productive resources in terms of both access and control over them and the last one is called "the appropriation principle" which refers to the appropriation of the labor of exploited (Wright, 1997, p.10; Wright, 1994). Here these three principles are essential for Wright as the first two principle serves to describe the "non-exploitative economic oppression" (NEEO), which he differs from exploitation (Wright, 1997). For Wright, the difference between non-exploitative economic oppression and exploitation is that in the first (NEEO), there is no transfer of 'fruits of labor' from oppressed to oppressor. In contrast, there is a transfer in exploitation, and the exploiter's welfare is dependent on the exploited and their labor effort' (Wright, 1997, p.11). The example he gives for NEEO is the European settlers in Native America, who displaced the natives from land but did not exploit them because they did not need their labor effort (Wright, 1997, p.12; 1994).

According to Wright, in this example, the oppressor's welfare mainly depends on the exclusion principle (exclusion from productive resources) but not on their laboring effort, which is the characterization of non-exploitative domination. As Novak

rightly points out, in most colonies, 'the excluded' is worked in mines, farms, etc. (Novak, 1996). And the question is, what about after they are excluded from land? Aren't they mostly proletarianized and worked in a firm or another's land? Will this not include 'the appropriation of the 'fruits of labor' and labor effort?'²⁰ Wright does not consider the 'potential' proletarianization of the 'excluded.'

As a result, for Wright, poverty can be analyzed in two dimensions; "poverty generated inside exploitative relation," which corresponds to the working poor, and "poverty generated by non-exploitative relations," which corresponds to an underclass. The way Wright conceptualizes the working poor is conditioned by the appropriation of the 'fruit of labor' and the three principles: the exclusion of exploited from resources and dependency of the welfare of exploited and exploiters. He reduces the causes of working poor into two "facts": low productivity of the firms and low-skill levels of the workers (Wright, 1994, p.46). This is in line with Roemer's exploitation approach and Wright's classification of different exploitations, which can be referred to as productive endowments such as skills and organizational assets, which basis its arguments on the "property-right model" rather than the "surplus labor model of exploitation" (Nadvi, 1985; Resnick and Wolff, 2003; Sakamoto and Liu, 2006). His focus on skills and low-level productivity, along with his view on skill endowments as a potential source of exploitation, as we showed before, and as Sakamoto and Liu point out, is in line with Weberian understanding of class according to the market situation, which also corresponds to "the market closure" (Sakamoto and Liu, 2006, p.217). In both class location and poverty analysis, Wright emphasizes exchange and market relations in contrast to Marxist

²⁰ And most importantly what is the theoretical importance of this distinction?

paradigms. It can also be seen in his solutions to the 'problem of working poor' which are "strong 'solidaristic' labor movement," "solidarity wage," and "active labor market policies," with lots of examples from Sweden (Wright, 1994, p.47). He even goes so far as to give an example of Sweden regarding its high inequality rates than the US but with lower poverty rates with the help of the abovementioned policies (Wright, 1994). This is a wrong approach where the role of inequality and poverty in capital accumulation and reproduction of the system are disregarded. This conceptualization of poverty theorizes poverty in an ahistorical way. It also reduces it to skill and productivity even though it defines it as poverty generated inside exploitation for working poor, without accepting the labor theory of value. And as Burris (1987, p. 85) states, for 'contemporary Marxists,' a greater concern is given to "the social relations of the marketplace," as in the case of Wright's analysis through his focus on skill and productivity. His poverty approach through 'working poor' does not differ from other perspectives mentioned before.

His classification of poverty under non-exploitative oppression through the underclass seems even more problematic. Aside from Wright's approach, the underclass discussion is also highly controversial. The underclass, most influentially used by William Julius Wilson, defines the underclass as the disadvantaged people living in inner cities/ghettos. The criteria for the underclass include social pathologies, crimes, welfare dependency, female-headed households, etc. (Wilson, 1987). Wilson sees poverty as the result of the transformation of economic structure and resolved through government programs, which increase people's "life chances" (Wilson, 1987, p.x). Although Wright does not clearly define who is included in the underclass, he describes the underclass as "social agents" who are not exploited but economically oppressed (Wright, 1994, p. 48). He theorizes the underclass in terms

of individuals (sometimes says inner-city youth) with outdated labor capacity, which resembles an "outmoded machine" (Wright, 1994, p.48). It calls this situation of having outdated labor oppression and not exploitation because they are excluded from access to resources, and their outdated labor force cannot be appropriated. He even says that "the pivotal resource which defines the underclass is land; people who are excluded from access to land constitute underclass" (Wright, 1994, p.48). A careful eye who knows a little about Marxist capital accumulation theory would recognize that what Wright describes is the relative surplus population/reserve army of labor. His specific focus on defining the underclass through access to land is the equivalent of the latent reserve army of labor (Marx, 1990, p.795-796). This is spotted by Novak as well (1996), and Wright's response was the denial of the members of the underclass to be part of the reserve army as they don't look for a job and "their presence does not generate downward pressure on wages" (Wright, 1996, p.374). But it is important to remember that "class position is not determined by whether someone is employed or unemployed, poor or poorer" (Novak, 1996, p.190). Wright overlooks the role of capital accumulation in necessitating unemployed workers, which are part of the relative surplus population²¹. But why and how Wright oversees this understanding of poverty is understandable from his stand-in placing "the problem of poverty on power and struggles over power at the center of the political agenda" with his suggestions of the social wage and solidaristic labor movement. Unfortunately, this approach to poverty is far from a Marxist

²¹ Marx explains this through the dynamics of capital accumulation where the centralization and concentration of capital and technical progress in constant capital through competition leads to periodic crisis and relative surplus population. For Marx relative surplus population "forms a condition of capitalist production, and of the capitalist development of wealth" (Marx, 1990, p. 797).

understanding of poverty which would locate the poverty in the development of capitalist accumulation and class antagonism rather than market relations and power.

After seeing the mainstream approaches to poverty and different Marxist approaches, in line with the research question, it is the time to look at the poverty reduction strategies and then have a Marxist critique of them. All of the approaches to poverty mentioned before except Marx unite in their poverty and poverty reduction understanding. It is elaborated on in the next chapter four.



CHAPTER 4

POVERTY REDUCTION STRATEGIES and GLOBAL MIDDLE-CLASS

When we look at the poverty reduction strategies and development discussions, we see the 1980s as a cornerstone that changed the approach to poverty and development. While the focus was mainly on "redistribution with growth" along with public investment and provision of basic needs before the 1980s, the 1980s saw a massive shift in this approach where poverty stopped being a concern, especially for international financial organizations' programs till the 1990s (Kircher, 2002; Senses, 2008). As Senses and Yalman points out (Senses, 2002; Yalman and Bedirhanoglu, 2010), in the 1980s, development discourse changed under the "so-called Washington Consensus," where neo-liberal policies were described. Poverty was put aside for a while to adjust the structure of countries that are not in line with neoliberal policies and capitalist interests. These policies, described in the Washington consensus²² and held strongly by the International Monetary Fund (IMF) and WB, were trade and financial liberalization, privatization, flexibilization,

²² To see the policies, see Williamson (2004)'s article. Even though he doesn't accept the imposition of these policies by IFI's in countries, his set of policies are the description of neoliberal policies implemented by these organizations. He is the pioneering scholar of Washington Consensus term and set of policies which was implemented in 1980s in Latin America. These policies are later implemented in other parts of the world through Structural Adjustment Programs as well.

deregulation, and promotion of the market economy, which serve to accumulate capital and create wealth for capitalists and exploitation for workers. This argument will be described later in detail in the chapter five.

As Fine (2014) argues, after the "shock therapy" period when these policies are imposed on countries through structural adjustment policies (SAPs) without paying attention to their consequences and effects on the 'poor' and working classes, poverty emerged as a problem to be dealt with. Indeed, this was also an attack against the working class through the abovementioned policies.

Here, besides the IMF as the owner of these SAPs, World Bank came to the scene to alleviate the 'negative effects' of SAPs. IMF and World Bank²³ also clearly express this complementary role as it is both founded in the Bretton Wood conference and "have complementary missions" (World Bank's view on the World Bank and IMF, n.a.). IMF's managing director in 2001 also mentioned the role of the World Bank as creating and implementing programs such as "cost-effective social safety nets" to "ease the burden of the adjustment on the poor" (Camdessus, 2000).

When we look at the missions of these two organizations, we see that World Bank's goals for 2030 are "eliminating extreme poverty" and "boosting shared prosperity" (World Bank, 2016, p.2). International Monetary Fund's goals are "economic surveillance, loan lending and capacity development (IMF, 2019, p.29). As the World Bank expresses, "the World Bank's adjustment loans are often provided to

²³ IMF and World Bank founded at the Bretton Wood conference in 1944. The first aims of their establishment were ensuring fixed exchange rates and providing financial assistance for IMF and providing loans for reconstruction after World War 2 (WW2) for the World Bank. These roles are evolved with time, as fixed rate is removed and time passed after WW2, and IMF took on a bigger role in supporting macroeconomic policies through lending loans to countries while WB took bigger role in 'development' assistance (Blackmon, 2008).

countries to reduce the impact of tough stabilization programs on society, and on the poor in particular" (World Bank, 2001a, p.2). This means that the loans and projects are being used to alleviate the 'negative' effects of IMF's structural adjustment programs, which impose neoliberal policies. This period is also the beginning of the "internationalization of policy regimes" (Jessop, 2002; Yalman, 2011). The hegemony of international financial organizations increased in the 'development' arena, and development was reduced to poverty reduction. This approach contrasts with the understanding of previous decades when development is seen and implemented through employment policies, public investment, and industrialization (Rowden, 2010).

When we look at the World Bank's approach to poverty reduction, we see a conceptualization of poverty reduction strategies through social protection and social policy tools under the "Social Risk Management" (Holzmann and Jorgensen, 1999, p.2). Social Risk Management (SRM) is defined as (Holzmann and Jorgensen, 1999, p.3);

SRM consists of public measures intended to assist individuals, households, and communities in managing income risks in order to reduce vulnerability, improve consumption smoothing, and enhance equity while contributing to economic development in a participatory manner.

Here, the approach is based on managing income risks to increase consumption and access to basic services. In addition to that, this discussion on consumption increase means an increase in demand and access to services should be done through market mechanisms. For World Bank, "markets [and market-friendly reforms] are central to the lives of poor people (World Bank, 2001b, p.38), and it is the main arena where poverty reduction through consumption smoothing and access to basic services and neoliberal reforms will be achieved. Here the marketization role of neoliberal

policies and their approach to the market as the creator of wealth, in contrast to the Marxist understanding, which shows that wealth is created in the production sphere through the exploitation of the laborer, is clear. As we showed before, this approach is also used by the UN, EU, and Amartya Sen in his capability approach.

While markets and market activities are the main arenas for poverty reduction, it is also acknowledged that the negative effects of the market reforms can be alleviated through social safety nets, which are the main tool of the fight against poverty (World Bank, 2001b). Besides this, in the 1990s, the most significant importance is given to economic growth and market-friendly reforms for poverty reduction through the definition of extreme poverty via the \$1.90 poverty line. Even though concepts such as inclusive growth, promotion of opportunity, and empowerment, in line with the UN's approach, seem to enter the discourse of the WB, these new elements are explained in their role to "stimulate overall growth" and consequently poverty reduction (World Bank, 2001b, p.8). When we also look at the UN's approach, which is highly affected by World Bank²⁴, we see the conceptualization of poverty reduction and development in the 1990s through access to services, micro-finance, promotion of free market, and economic growth. This strategy of the UN was decided at UN Summit for Social Development in 1995, where the UN included poverty reduction for the first time in its agenda. This summit was a victory of the World Bank in development and poverty reduction approaches (Felice, 1997).

At the beginning of the 2000s, there were small additions to World Bank's approach from the UN's human rights and development approach. This includes the expansion

²⁴ World Bank is also a member of United Nation system as a specialized agency (Blackmon, 2008; UN (n.d.).

of poverty definition from income and consumption to "low achievement in education, health, nutrition and other areas of human development" along with social inclusion discussions in line with the EU's approach (World Bank, 2001b, p.v). The World Bank's study of "Voices of the Poor" also affects this approach, where poverty is defined through powerlessness, vulnerability, voicelessness, fear, etc. (Narayan, Patel, Schafft, Rademacher, & Koch-Schulte, 2000; World Bank, 2001a). Even though there seems to be an expansion of poverty's definition, they use these dimensions to reach consumption smoothing and economic growth. Amartya Sen's capability approach highly affects this shift in the description of poverty, as the UN also accepts it (see Office of The United Nations High Commissioner for Human Rights [OHCHR], 2003). With this multidimensionality of poverty, poverty reduction programs also started to be defined as "community-based," "community-driven," and "bottom-up" development along with "inclusion and cohesion" discussions in line with European Union (World Bank, 2005a, p.124). Here I think looking at the historical developments is important as between 1988 and the 2000s; there were strong protests against World Bank, IMF, and WTO for SAPs, austerity measures, debt, and their policies in low-income countries. Before 1988, there were small protests, such as in the 1980s in Cuba, the first big one was held at the annual meetings of the World Bank and IMF in West Berlin in 1988 with a focus on austerity measures in developing countries and demand for debt cancellation (Soderlind, 1988). 1999 Seattle World Trade Organization (WTO) protests and Jubilee 2000 movement was another example of these protests which had an outstanding result as the Jubilee 2000 movement has had led to the "cancellation of more than \$100 billion of debt [because of SAPs] owned by 35 of the poorest countries" (Pettifor, 2000). After these protests in the IMF and World Bank, there

seems to be an emerging focus on community-based/driven interventions, country ownership, and working with civil society. It should not be a coincidence as IMF and WB started to publish papers on civil society after these protests. This shows that they felt the need to *co-opt* civil society by realizing the importance of "ownership" of their policies and programs. This can be seen in their statement about "how to make sure that governments and civil society groups in the countries themselves *buy into* [emphasis added] the reforms and develop a broad consensus on the actions that must be taken?" (World Bank, 2001b, p.4.). This period was also the beginning of second-generation reforms focused on institution building, country ownership, and civil society. In familiar lines, IMF also published reports such as *The IMF and Civil Society Organizations: Striking a Balance*", with a sub-headline "time for change" responding to the demands of civil society organizations (protests). The declaration was that the IMF would work with civil society organizations and focus on the "country ownership, transparency, accountability" (IMF, 2001), which seems this was the solution they find after protests.

Besides the role of civil society, when we look at the role given to the state by these organizations for poverty reduction, we see a focus on the state where its function is "facilitating the operations of market institutions" as a *complementary role* to market expansion and activities (Holzman and Jorgensen, 1999, p. 5). This is seen in their statements that public investment should complement private investment and increase the market's competitiveness with no need for redistribution by the state (World Bank, 2001b). Their approach to the complementary role of the state to the market is very in line with the neoliberal understanding. Contrary to the general belief that neoliberal policies and ideology reject the state's role totally and support Adam Smith's argument of the 'invisible hand,' the state, in their approach, is

"integral for the constitution and the reproduction of the market economy as a 'form' of the capitalist relations of production" (Bedirhanoglu and Yalman, 2010, p.108). This approach to state and institutions is also assisted by their goal of "institution building," where they also build institutions besides affecting states' policies through conditionality. This can be seen in the example of Turkey, where The Social Assistance and Solidarity Fund, which the World Bank had funded, is turned into the Directorate of Social Assistance and Solidarity (Bozkurt and Yalman, 2011). Here Cammack's point is very important. The aim of institution-building under the so-called goal of poverty reduction serves nothing but 'the creation of an institutional framework within which global capitalist accumulation can be sustained' (Cammack, 2004, p.190). These institutional frameworks and proposed economic and social policies also change "the relations between capital and labor" (Yalman and Bozkurt, 2011, p.3) in favor of capital.

In line with WB's approach, the UN's approach to poverty reduction, as we see in their "First, Second and Third United Nations Decade for the Eradication of Poverty" papers, includes promoting basic needs, access to credit, and training entrepreneurship, micro-finance, and Conditional Cash Transfers (CCTs) (United Nations [UN], 2001, 2011, 2018). Their approach to pro-poor growth is also in line with neoliberal fiscal policies that focus on raising productivity, integrating into the world economy, and globalization. Not to mention that they reference these poverty reduction strategies and policies through the documents of the World Bank. This is also the same for the EU, especially in their approach to candidate countries such as Turkey. We will see their approach in the chapter five in more detail.

Even though there is an extensive literature that supports these poverty reduction strategies (Hashemi, Schuler, 6 Riley, 1996; Morduch and Haley, 2002; Pitt and Khandker, 1998; Şengür and Taban, 2012) there are equivalent number of studies that criticize these programs and show their failures as well (Banerjee, Duflo, Glennerster, & Kinnan, 2015; Bateman and Chain, 2012; Byatt, 2018; Gupta, 2011; Pattenden, 2010). To understand the actual role of these programs in capitalism, it would be enough to look at the role of micro-finance programs.

Micro-finance is seen as the magical tool to fight against poverty, and in this regard, the UN declared the year 2005 as "the year of microcredit" in line with WB's policy recommendations (UNCDF, 2006). Besides the small programs, the best example of microcredit programs is the Nobel-prize winner World Bank-funded program of Muhammed Yunus for Grameen Bank. Most studies that praise micro-credit programs give Grameen Bank as an example and praise its success, especially with its emancipatory role attached when the target group is women²⁵. However, an important study lays clear the actual results of these programs. Bearing in mind that repayment is compulsory in these programs with interest rates applied, Byatt points out that these programs transform the recipients, primarily women, "into indentured laborers" (Byatt, 2018). As a result, "borrowers are forced to create surplus value which is exploited by the bank through its weekly installments" (Byatt, 2018, p.406). Even though with loans, the borrowers may pass the \$1.90 poverty line and have \$2, \$5, or more dollars per day, isn't this a strategy, a tool to supply an exploitable

²⁵ As a critique to that Byatt (2018) shows the falseness of emancipatory role attached to these programs and how it reinforces gender roles. For further discussion see; Roberts (2012). Roberts (2012) argues that the aim of choosing women as target group in the name of gender empowerment serves for the exploitation of women for profit for capital and for creation of new markets.

proletariat for the capitalists and consolidation of capitalist relations/hegemony, which is the core cause of poverty and inequalities? So maybe we should change our way of looking at poverty reduction programs by considering capitalism's antagonistic character and workings. If we don't do so, it does not go beyond alleviating the individuals suffering for a few days and worsens the actual conditions that cause poverty and inequalities. In addition, even though other social assistance programs such as CCTs and skill training don't entail a repayment, it is not hard to realize that those programs also serve the capitalist accumulation in favor of capital and capitalist. For example, skill training programs help create skilled laborers when needed or consolidate relative surplus labor ready to be exploited. When we look at the results of these skill training programs in Turkey, even from World Bank documents, we see that significant percentages of the borrowers failed and could not continue to their new jobs or find a job (World Bank, 2008). This will be explained in detail in the chapter five.

Though I will analyze these strategies in the chapter five through examples from Turkey, it is important to point here that micro-credit and micro-finance, rather than being a tool to reduce poverty, aim to include the 'excluded' in the financial system. And that serves the capitalists as an arena for increasing their capital/wealth and continuing capitalist relations.

The neoliberal policies advocated for poverty reduction, such as flexibilization of the labor market and privatization, are nothing but an attack against the working class. But this attack is very well legitimated under poverty reduction, which, in the end, consolidates the capitalist rule, power, and relations and leaves the working class with social assistance and credit. They also accept this through their concern of

“social unrest” and shape their discussion around the social exclusion and solidarity paradigm (UNDP, 2016; World Bank, 2001a). Through these paradigms and approaches, they hope to impede the possible protests and unrests that threaten capitalist hegemony, which is consolidated through their policies and poverty reduction strategies.

Even though they seem to expand their definition of poverty and approach to economic growth, their "pro-poor" or "inclusive-growth" understanding does not deny the primary importance of economic growth and neoliberal policies in poverty reduction. They only accept that "waiting for economic growth to lift everybody above the poverty line is insufficient" and suggest social assistance and current programs but continue to address economic growth as the main tool to lift the poor from poverty till today's documents (World Bank, 2001a, 2005a). In line with this, World Bank, in their recent reports, declares that "The bottom 40 benefited from solid economic growth in many countries in 2008– 2013," and the EU also argues that "economic growth is the main driver of poverty reduction" (Perez De la Fuente, 2016; World Bank, 2016, 2018, 2020). They continue to praise globalization and neoliberal policies, which lead to economic growth for poverty reduction. What is missing here is the realization that poverty results from the political and economic policies that align with the promotion of antagonistic capitalist accumulation strategies for the benefit of capitalists. But the strategy that helps them ignore this and consolidate capitalist hegemony is the measurement of poverty through poverty lines, where they can show off to the world and legitimate their program by arguing that millions of people are lifted from poverty through poverty reduction programs and capitalism. This also helps them to sell capitalism as a solution to poverty. To give some examples, they argue that around 1.1 billion people are lifted out of

extreme poverty, which means they have passed the \$1.90 poverty line²⁶ since the 1990s (World Bank, 2016, 2018, 2020). There are important critiques against this poverty line approach, primarily on the ignorance of the role of China and India in the reduction of 'poor's numbers (Jayedev et al., 2015), arbitrary choice, and usage of the poverty lines (Knauss, 2019), and easiness on the fallback and slightly pass the 1.90 line. This easiness of falling behind the 1.90 poverty threshold has even been accepted recently by the World Bank (2020).

However, these critiques don't dissuade the World Bank, UN, and EU organizations from praising their efforts, globalization, neoliberal policies, and economic growth for poverty reduction. As we said above, they even go far as to declare that solid economic growth and globalization led to poverty reduction and propose Milanovic's (2016) global middle-class argument to support their ideas and claim the success of poverty reduction, globalization, and economic growth.

Global middle-class literature, a relatively new concept, has started to be discussed in recent years by academia and policy institutions. Policy institutions (Brookings, 2010 and 2018; McKinsey, 2007) and institutions like World Bank (2018) and Organization for Economic Co-operation and Development (OECD, 2010) have taken a firm stand concerning the positive effects of globalization and economic growth in increasing and creating the 'global middle class' and reducing poverty. World Bank (2018b) claimed that the bottom 40 benefited from "solid economic growth" in many countries between 2008-2013 and set the way to be a part of the

²⁶ Even though they introduced new poverty lines for lower middle income and upper middle-income countries the approach is the same. The only additional difference is the introduction of societal poverty line in 2018 where individual's well-being measured in comparison to their society. It is like the relative poverty approach.

global middle class. OECD suggested that 1.6 billion people will be added to the global middle class by 2034 (Kharas, 2010).

When we look at the academic literature, there are different approaches ranging from seeing the emerging middle classes as entrepreneurs (Acemoglu et al., cited in Bardhan, 2007), and a force for democracy (Birdsall, 2016; Birdsall, Graham, & Pettinato, 2000; Chunlong Lu, 2005). In addition to this, different measurement tools are used to define the global middle class, such as ownership of automobiles and motorcycles (Dadush and Ali, 2012; Krishna and Bajpai, 2015). As can be seen from the last example, most discussions revolve around the income-based and consumption role of the middle class (Banerjee and Duflo, 2008; Derne, 2005) and refer to it as the natural result of globalization and its success story (see, Kharas, 2010; Hamel and Tong, 2019; Milanovic, 2016). As Koo (2016) states, the common side of all these discussions sees the global middle classes as individuals who have reached a certain level of economic security and consume, as well as wish to consume, in the manner of the middle classes of the western societies. An extreme example of this can be seen in a report of Economist (Parker, 2009), where the opening of a ski resort by a previous Chinese bureaucrat and the opening of an electronic store with a big crowd in front of it in a Brazil's slum praised as the living proof of global middle class. Moreover, these groups are named "burgeoning bourgeoisie" (Parker, 2009). Political legitimacy is created through the 'successes' of globalization and neoliberal policies on poverty reduction and creating a global middle class that reaches the standards of the West through familiar consumption and lifestyle (Sinha, 2012, p.4). This understanding bases its arguments on an understanding of linear history and takes the West as a prototype for all 'developing or underdeveloped countries'. As Krishna (2015) points out, the development

understanding of these scholars also proposes that the more societies are industrialized and capitalized through the liberal values of freedom of property, speech, association, and market-led reforms, the more democracy is consolidated, and wealth is increased. And the global middle-class argument is just proof of it and the success of West proto-type, liberal values, and capitalism.

The income and consumption-based approach is a common point of academia and policy institutions and used predominantly in the global middle-class argument. Moreover, the most renowned and owner of the global middle-class argument is Milanovic (2016). Milanovic's (2016) arguments have been widely used by the global middle-class argument supporters, as he is the pioneer of this discussion. By comparing the absolute and real income gains of the world population deciles, Milanovic argues the winners and losers of globalization. His famous "elephant curve table" is the starting point of all the above discussions. The figure 1, taken from Milanovic, is below.

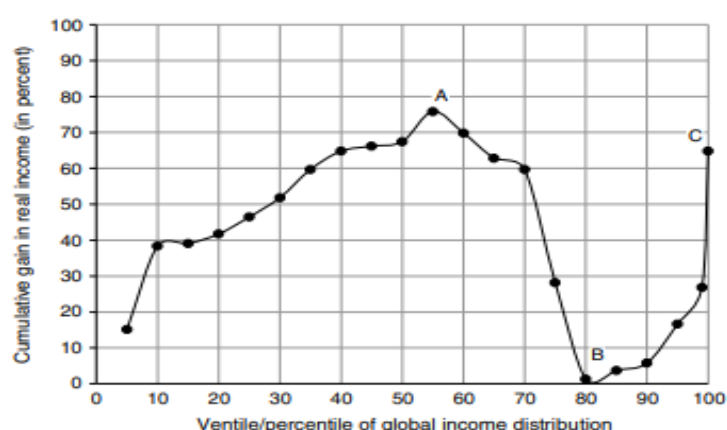


Figure 1. Relative Gain in Real Per Capita Income by Global Income Level, 1988-2008

Source: Taken from Milanovic (2016)

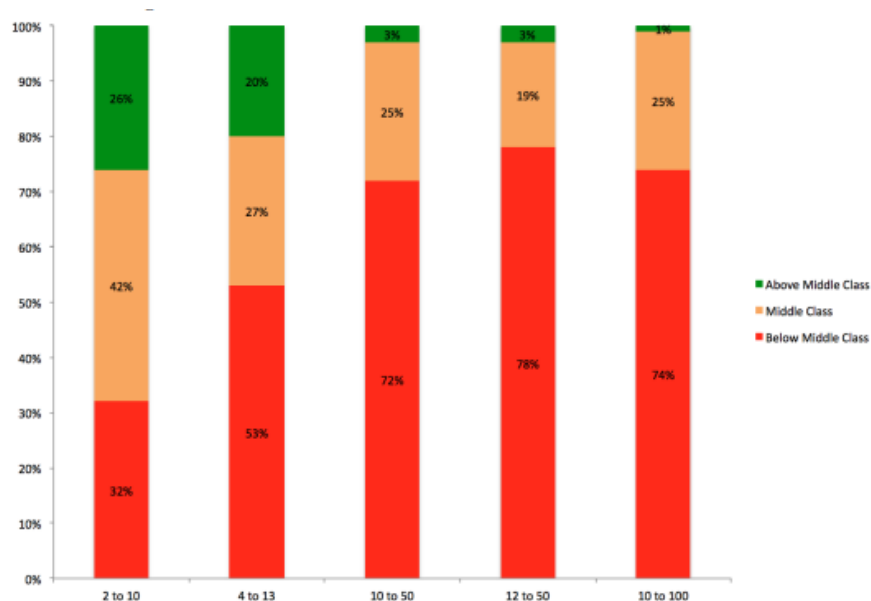
As seen in the above figure 1, Milanovic (2016, p.23) compares the relative income gains of world population deciles between 1988 and 2008. According to the table and Milanovic, the 50th percentile of the worldwide income distribution/ middle classes (Point A) and the wealthiest persons (the top 1 percentile, point C, capitalists) had the most significant gains in relative income. And the people around the 80th percentile globally (Point B) had the lowest increases, which Milanovic calls the rich world's middle-classes (Milanovic, 2016, p.11). He concludes with these data that the winners of globalization are the middle classes of developing countries, mainly Asian economies, predominantly China and India, and losers are the middle classes of old rich countries, primarily the USA and Western Europe (Milanovic, 2016). Milanovic also calls this era as “high globalization era” and emphasizes the importance of the inclusion of China, the Soviet Union, and Eastern European countries in the “ambit of the world economy,” which means to the capitalist system (Milanovic, 2016, p.11).

The reason for this highly globalized era and the emergence of the global middle class as a result of these most globalized years, for Milanovic, is the easiness provided to the firms for relocation to the newly opened peripheral countries (China, Soviet Countries, India, etc.,) in which “they could take advantage of cheap labor” (Milanovic, 2016, p.18). Here, exploitation of the laborers, creation of new consumer demand for world trade, and inclusion of more countries to capitalist exploitation for the benefit of western countries are celebrated and seen as the standard way to reach wealth. He also praises, for example, India's neoliberal policies, which increase capital accumulation, feed capitalists' interests, and attack labor (Milanovic, 2016).

Milanovic also accepts that financial crises were after the most globalized years but does not question the role of the most globalized years in creating the crisis. All these stems from the aversion to even usage and examining capitalism and the root causes of the emergence of the so-called global middle class, exploitation, how wealth and poverty are created, interlinked, etc. As I showed above, it is evident in his praising the exploitation of cheap labor in “peripheral countries” (Milanovic, 2016, p.18).

Milanovic also accepts that the so-called winners of globalization, the middle classes, are in “nine out of ten cases middle classes” from emerging Asian countries, “dominantly China, but this does not dissuade him from declaring that winners are the global middle classes. Several authors criticize and falsify Milanovic’s argument of winners of globalization on strong grounds. Before explaining this, an important thing needs to be explained. The core cause of these arguments’ falseness is the global income distribution approach and thresholds used to define and find who is part of the global middle class, namely, the measurement problem. This approach, as Knauss says, aims to place every individual on a “continuous income scale and find an appropriate dividing line to distinguish the middle from the rest” by using purchasing power parity in dollars (\$PPP), as in the case of poverty lines we talked before (Knauss, 2019, p.184). These thresholds are chosen arbitrarily and result in very different results in determining who is poor, middle class, how many people get out of poverty and enter the middle class, etc. To see it clearly, here is the different thresholds used to determine the global middle class: \$2 to \$10 PPP (Banerjee and Duflo, 2008), \$7.20 to \$21.60 PPP (2005 PPP terms) (Jayadev et al, 2015a), \$10 to \$50 PPP (in 2000 PPP terms) (Milanovic and Yitzhaki, 2002), and even a wide range of \$10 to \$100 PPP (2010 PPP terms) (Kharas and Gertz, 2010). Below these thresholds have also been defined as poverty or extreme poverty, according to the

author who calculates them. This shows us the arbitrariness of these thresholds. As expected, the above different approaches to poverty and the global middle class give rise to different estimates and understandings of the global middle class and poverty. The below figure 2 is taken from Jayadev et al. (2015b) to show the different results of different thresholds when estimating the global middle class.



2-10 (2005 PPP): Banerjee and Duflo (2008) cut offs based on 'Developing world Middle class'
 10-50 (2005 PPP): Lopez-Calva and Ortiz-Juarez (2014) cut offs based on 'Latin American Middle Class'
 12-50 (1993 PPP) Milanovic and Yitzhaki (2002) cut offs based on Brazil and Italy comparison
 10-100 (2005 PPP) Kharas (2010) definition based on 'Developing World Middle Class'

Figure 2: Different Estimates of the Size of the World Middle Class

Source : Jayadev et al., (2015b)

This figure 2 shows us that the global middle class could be 42% or as small as 19% in 2013, depending on the different thresholds used. More importantly, even though Milanovic accepts the role of China in the emergence of the global middle class, he does not see its importance. As Knauss shows (Table 1 and 2 below) the global income distribution when calculated without China shows very little increase in the number of middle classes, namely people who passed the 10dollar threshold. So, shouldn't this falsify the global middle-class argument? Or global only means China!

And doesn't the different economic and political governance of China, socialism, have a role in increasing the global income distribution and middle classes?

Table 1. Global Income Distribution, 1991-2011

Scores are percentages except where indicated	1991	2001	2011
PPP below \$2 ("poverty")	39.4	30.01	16.27
PPP \$2-4 ("vulnerable")	24.54	28.76	28.28
PPP \$4-10 ("strugglers")	15.29	20.51	27.8
PPP \$10-20 ("middle class")	7.4	7.36	11.94
PPP above \$25 ("secure")	11.36	11.47	13.11
50th percentile (in \$PPP per day)	2.56	3.13	4.61
75th percentile (in \$PPP per day)	7.37	7.65	11.26
90th percentile (in \$PPP per day)	29.05	29.74	33.78
Population (in millions)	4,715	5,536	6,235

Source: Taken from Knauss (2019)

Table 2. Global Income Distribution without China, 1991-2011

Scores are percentages except where indicated	1991	2001	2011
PPP below \$2 ("poverty")	29.84	26.86	16.03
PPP \$2-4 ("vulnerable")	24.22	26.92	28.45
PPP \$4-7 (low "strugglers")	12.12	13.69	17.04
PPP \$7-10 (high "strugglers")	6.41	6.48	7.85
PPP \$10-20 ("middle class")	9.73	8.79	11.54
PPP above \$25 ("secure")	15.02	14.87	16.16
50th percentile (in \$PPP per day)	3.45	3.55	4.66
75th percentile (in \$PPP per day)	11.62	10.68	13.53
90th percentile (in \$PPP per day)	38.26	39.07	41.97
Population (in millions)	3,564	4,264	4,890

Source: Taken from Knauss (2019)

Another critical point here is related to Milanovic's classification of the Asian poor as the winners of globalization which clearly shows the relation between the global middle class and poverty reduction discussions. It is an example of 'success' of linear development in which the poor in the next step (with the way of their determination, for instance, having not 2 dollars but 3 dollars) turns out to be a part of the middle class, and this is the aim of poverty reduction programs.

As it is known, the World Bank (2016, 2018, 2020) and most scholars (Banerjee and Duflo, 2008; Ferreira et al, 2015; Ravallion et al., 1991) use poverty lines as proof of poverty reduction. As we said before, the success of poverty reduction is declared to be in extreme poverty, where people passed the 1.90 dollars threshold and set the way to be part of the global middle-class. But when we look at the Jayadev's calculations on consumption poverty for different poverty lines with and without China included (Table 3 below), the triumphalist feeling on poverty reduction fades away. For example, in the \$1.25 threshold, even though it seems like a substantial decrease of 13% in the world between 1980 and 1990, it is only 4% without China. Same for the 1990s (between 1990 and 2000), which is 9% with China and 4% only without China. And as Jayadev et al. points out (2015a), the decrease in the \$4.16 threshold is insignificant, and "nearly 60% of the world's population are poor by this metric" (Jayadev et al., 2015a, p.14). When China is excluded from the estimations, and when we look at the 4.16 dollars threshold, there is no significant decrease in poverty. So as Jayadev et al., (2015a) says, we should be careful about the "triumphalist feeling" of poverty reduction and the emerging global middle class.

Table 3. Consumption Poverty Estimates for Different Poverty Lines

Year	World			World excluding China		
	\$1.25	\$2.50	\$4.16	\$1.25	\$2.50	\$4.16
1960	52	66	73	36	55	65
1970	49	64	71	32	52	61
1980	48	62	69	32	50	59
1990	35	59	69	28	50	60
2000	26	54	68	24	50	62
2005	20	47	62	21	46	60
2010	16	41	57	17	43	57

Source: Taken from Jayadev et al., (2015a)

Another important critique that we can direct to Milanovic, the global middle-class, and poverty reduction arguments is the difference between relative and absolute

income gains of the individuals and different deciles of the populations. It is essential not to oversee that the above conceptualization and measurements from Milanovic on winners and losers were based on relative gains, which means comparing real income gains of the different deciles. Still, it does not give us the information on how much is the incomes of these deciles. It shows us that their income gains in percentage are higher and lower when compared with other deciles. When we look at the absolute income gains, as Milanovic does, we see substantial income differences between different deciles. Even though the middle percentile of the population seems to have more significant gains in relative terms, the absolute gain is much lower than the losers or wealthiest. It can be seen in the figure 3 below, taken from Milanovic.

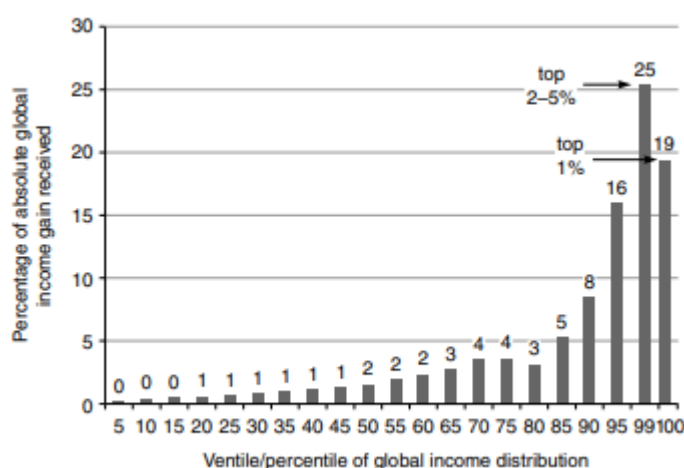


Figure 3. Percentage of Absolute Gain in Real Per Capita Income Received, by Global Income Level, 1988–2008

Source: Taken from Milanovic (2016)

When we look at figure 3 above, we see that 60% of absolute gain has gone to the top 10 of the population and 44% of it to the top 5 of the population, which are capitalists. And when we consider the middle class in terms of 40%-60% of the global income distribution, as Milanovic did in relative income gains, their gain is only 8% compared to 60% of the top 5 in absolute terms. The picture worsens when

we look at the ‘poor peoples,’ as they call/ low percentile of the population. Their gain is only about 4%- 5% (considering the 5-40 percentile of the global income distribution). Moreover, there is no absolute income gain between the bottom 5 and 15 percentile of the global income distribution; they don’t get anything from the “global pie.” Milanovic does not even give any attention to this. So what about all the triumphalist feelings on poverty reduction and the global middle class? This table shows us the immensity of global inequality and low gains of low percentiles of the population/working classes. Should not this invalidate the ‘winners and losers’ argument and success stories of poverty reduction and the global middle class? Milanovic's answer is ‘no’ because people look at their relative gains first for him! (Milanovic, 2016). Can this be a justification for the success story? The massive difference between absolute income gains of working-class and capitalist, or with their terms, between the top, median, and the bottom of the global income distribution is obvious, and it clearly shows us the winner of capitalist policies, ‘development’ discussions which are capitalists.

Another important detail that is overlooked, intentionally or not, as Knauss and Milanovic also show -please look at the table 1 and 2- is the substantial reduction in poverty below 2 dollars, with or without China, leads to an increase not in over 10-dollar threshold, as mostly seen as the middle-class threshold, but in \$2-\$6 income thresholds (Knauss, 2019). Milanovic also says they mostly moved on to \$4-\$6 income interval. This is a significant finding for poverty reduction discussions. All the success stories are primarily based on the decrease in extreme poverty, where the people living below the \$1.90 threshold decreased. This finding brings too many questions to mind. What does it mean to have below \$1.90 income or \$3 income? Does this slight increase in income take us out of poverty and make the middle class?

Away from this numerical view, what are the socio-historical-political and economic transformations behind these ‘decreases’ in poverty? Who are those poor who set the way for the middle class? What is the relation between poverty and poverty reduction with the working class and capital-labor relations? None of the mainstream discussions, which praise poverty reduction, neoliberal/capitalist policies, and the global middle class, dare to question these questions because the answers can turn the findings upside down and reveal the accurate picture.

In the next section, I will try to answer the above questions, with a Marxist lens, by taking Turkey as a case study. The following section and the study aim to reveal the broader picture and bring back the class discussions to poverty and poverty reduction discussions.

CHAPTER 5

BEHIND THE SCENES OF POVERTY REDUCTION AND GLOBAL MIDDLE-CLASS DISCUSSIONS DURING THE NEOLIBERAL TRANSFORMATION OF TURKEY

Poverty and socioeconomic inequalities have emerged as an issue to be targeted with Turkey's prolonged structural transformation and integration into the global economy with the neoliberal rules and adjustments since the 1980s. At the same time, the same policies are marketed as the solution to poverty. This does not mean poverty and inequalities were not there in Turkey pre-1980. In contrast, it was there, but the approach to poverty and strategies differed from the mainstream neoliberal discourse of international financial organizations and today's understanding. When we look at the 1963-1967 and 1973-1977 five-year development plans of Turkey, we see the focus on fair income distribution, industrialization, and public investment, which aimed to create jobs and destroy inequalities (State Planning Organization, 1963 and 1973). Here labor and trade unions' power were instrumental. This focus has shifted with the 1980s, and poverty, only poverty, not fair income distribution or job creation, started to be a concern and a problem to be targeted per se. This approach had entered the agenda when flexibilization of the labor market and attacks on trade unions started, and workers' rights that were won with long struggles in the past began to be taken back. The increasing effect of international organizations was instrumental in shifting the approach from fair income distribution, capital-labor

relations, and systemic questioning of poverty. The development of policies against laboring classes in favor of capitalist classes was also part of the effect of international organizations. This happened with the neoliberal globalization transformation of the world and Turkey with a specific focus on economic policies, which also affected the social policies, state-society, and capital-labor relations and transformed the state. Here World Bank and IMF's role is dominant as policies and programs on poverty are introduced in Turkey with World Bank's Social Risk Mitigation Project, which is in line with and complementary to IMF's Structural Adjustment programs (SAP) in Turkey. Because of this, even though this thesis is not only about analyzing World Bank's projects, most of Turkey's policy and project discussions will revolve around World Bank projects and policies. This process was called the internationalization of policy regimes (Jessop, 2002), and its effects on poverty discussions in Turkey will be elaborated on below.

5.1. Neoliberal Transformation of Turkey in 1980s

It is hard to say that poverty was the primary concern of the World Bank in the 1980s. The main concern was the global deepening of financialization and neoliberalism, as neoliberal transformation is based on a capitalist accumulation strategy through financialization.

When we take the classification of Fine (2014) about financialization on a global scale, which I think is suitable for Turkish financialization and neoliberal transformation process, between 1980 (which started with trade liberalization) and the mid-1990s (with acceleration in 1989 through capital account liberalization) can be considered as the process of "shock therapy" (Fine, 2014). In the shock therapy process, international financial organizations, mainly IMF and World Bank, promoted private and financial capital "without regard to the consequences" (Fine,

2014). This lack of attention to consequences and shock therapy technique (except for 1989-1993) resulted in speculation, and short-term money flows and culminated in the 1993-1994 and 2001-2002 crises under the IMF stand-by agreements in Turkey. Consequently, it had harsh effects on laboring classes- as it is called poor. It might be essential to highlight from the beginning that this thesis argues the idea of "poor" being laboring classes and proposes to be mindful while talking about "poor" to keep in mind that they are laboring classes. A critical study of Bağımsız Sosyal Bilimciler (BSB) that compiled Bahçe and Köse's findings (2009, 2011, 2017) shows that 9 out of 10 'poor people' are workers (BSB, 2015). This is done by defining and calculating the class breakdown of those below the daily income limit of \$4.3 per day and of the total household population for 2011. And when we look at the below table 4, as BSB (2015) states, the laboring classes (agricultural workers, rural and urban unemployed, laborers, propertyless workers, and skilled workers) constitute about 67% of the total "poor" population. This ratio rises to 91% when the share of classes destined to be part of laboring classes (i.e., landed and landless subsistence peasants and petty bourgeoisie) is added. Roughly 9 out of 10 poor people are laborers. Therefore, it is argued that 'the poor' has a class-based identity that precedes the identity of the poor (BSB, 2015; Bahçe and Köse, 2009). Through this critical finding, Bahçe and Köse (2009, 2017) brings back the forgotten class-based discussions. They show that income brackets have a class equivalent, and consequently, poverty has a class equivalent.

Table 4. The Share of Classes in the Poor and Total Population (%), 2011

The Share of Classes in the Poor and Total Population (%), 2011		
	The share in the poor	The share in the population
Rural Working Classes	8.9	1.8
Landless Subsistence Peasants	6.0	1.3
Rural Unemployed	7.8	1.7
Landed Subsistence Peasants	14.9	5.8
Urban Unemployed	9.1	3.7
Out of working population	3.0	2.3
Laborer	28.1	27.2
Petit Bourgeoisie	4.8	5.7
Propertyless Laborer	11.7	18.0
Urban Propertied Classes	3.3	11.4
Retirees	1.6	9.3
Skilled Laborer	0.7	8.9
Rural Propertied Classes	0.2	3.0

Source: Bahçe and Köse (2015), cited in BSB (2015)

Keeping in mind the above discussion, the second phase, which started in the mid-1990s and was predominant in the 2000s, can be characterized as a response to the first phase's (shock therapy) distortions (Fine, 2014). The distortions mostly affected laboring classes/ so-called poor and to be poor. The second phase consisted of state interventions and policies to 'alleviate' the adverse effects on society through social risk mitigation, management, and social assistance projects of the World Bank. This should not give the impression that international financial organizations left neoliberal doctrines and market-based interventions and policies. In contrast, the strategy was still predominantly focused on "sound macroeconomic policy, sound financial markets, enforcement of property rights... growth-oriented policies" (Holzmann and Jorgensen, 1999). If these cannot be achieved, if achieved households would manage the risks alone without the need to use social protection

measures, social protection, social risk management techniques, and state intervention was needed

Before explaining the second phase, which happened in the 2000s, it is important to look at 1980s and 1990s economic policies from a different angle: changing class dynamics and accompanying restructuring of the state.

5.1.1. Changing Class Dynamics and Restructuring of the State in the 1980s and 1990s

The direction towards the liberalization of the Turkish economy with an export-oriented capital accumulation strategy is taken with the 24 January 1980 decisions and Structural Adjustment Program by IMF. These decisions formulated the demands of international capital organizations such as the IMF, World Bank, and OECD from Turkey. These are flexibilization and deregulation of labor-capital relations, privatization, abolishment of import quotas, elimination of public investments in industry, removal of subsidies on basic goods, increasing foreign capital investments, and financialization. While the resolutions opened Turkey up to international capital, they aimed to strengthen domestic and international capital against labor in the name of the free market.

The financialization process, which started on 24 January 1980 Structural Adjustment Program (SAP) under IMF after a long term of the balance of payment crisis of the 1970s, can be characterized as an uneven process with ups and downs and frequent policy or decree changes. However, with an "ideological commitment to the orthodox recipes" (Boratav, 1992). Rather than seeing the neoliberal transformation of Turkey only in terms of economic parameters such as trade liberalization and liberalization of interest rates of the banking sector for the promotion of export-oriented trade, seeing it as a "hegemonic project" with

accompanying power relations (Yalman, 2018), would bring the political realm back. The political realm that neoliberal doctrines and accompanying poverty discussions try to disguise or overlook.

The structural adjustment period in Turkey occurred when the "political structure of the country" was changing (Yalman, 2018) because of the 1980s coup d'état and authoritarian ramifications accompanying it. Change in the political structure should be understood as a "change in the balance of class forces within the society" (Yalman, 2002), as neoliberalism creates the accumulation through the "reconstitution of capitalist class supremacy" (Saad-Filho, 2019). What was instrumental in establishing the bourgeoisie hegemony was Ozal's and continuing coalition's adoption of free-market and the availability of goods rhetoric via linking them to individual freedom (which is very in line with neoliberal doctrines and mainstream global middle class and poverty discussions). An important example of it is Ozal's rhetoric of "ortadirek (main pillar)" (Yalman, 2002), which blurred the class division of society while taking attention away from unequal income distribution and ongoing suppression of labor. This approach is also the core of the famous global middle-class discussions where class divisions are blurred through consumption discussions and poverty lines. Through global middle-class arguments, it is argued that most of the world is global middle class, which paves the way for discussions on classless societies.

This strategy and accompanying policies that gradually removed the state's developmental goals can be analyzed as the change in the "forms of intervention" and "the mode of integration" to the world economy with the accompanying infusion of market ideology (Yalman, 2002). As Yalman (2002, p.26) points out, these changes in the balance of class powers and accompanying "restructuring of the state"

can be seen as a part of a "new hegemonic strategy" that cannot be analyzed independently from the bourgeoisie and politics. This was instrumental in "putting an end to class-based politics" (Yalman, 2002, p.26), as we still see its ramifications and recurrences in the Justice and Development Party (JDP) term and 2022. This is very explicit in the 1980s and 1990s except for the 1989-1993 period, which Boratav, Köse, & Yeldan (2001) call the "populist phase." Flexibilization of the labor market along with suppression of collective action of trade unions and any labor mobilization as a way of creating capital accumulation and curtailing the domestic demand in line with the fiscal discipline are just a few signs to mention. This process has been accelerated in the crisis time of 1993-1994 and 2001-2002 with the coming to power of Justice and Development Party (JDP) with accelerated privatization program, labor shedding, low labor costs, and marginalization and flexibilization of labor market with a dual (formal/informal) character. Here, JDP's role and 'success' in "insulating the policies and institutional power from social and political dissent" (Bruff, 2014) along with characterizing the society "as consumers, credit users, and social assistance recipients" (Bozkurt-Gungen, 2018), as done in mainstream poverty discussions which were explained at the beginning of this thesis, is very instrumental. Exclusion of laboring classes from the policy-making process and disregarding class politics with severe suppression, which characterizes the JDP term, can be best seen in the declining level of unionization, from %59 to %9 between 2003 and 2014 and a slight increase from %9 to %14 between 2014 and 2021 (Please see table 5 below). The severity of the attack between 2009 and 2013 can best be seen in the significant drop-in unionization rates and the lack of data released between 2010 and 2013.

Table 5. Level of Unionization, 2003-2021

	Level of Unionization (%)
2003	%57.98
2004	%57.78
2005	%58.37
2006	%58.70
2007	%58.42
2008	%58.65
2009	%59.0
2010	No data available.
2011	No data available.
2012	No data available.
2013	%9.21
2014	%9.45
2015	%10.65
2016	%11.96
2017	%12.18
2018	%12.38
2019	%13.86
2020	%13.84
2021	%14.32

Source: Compiled from Ministry of Labor and Social Security Work Life-Trade Unions' Statistics.

According to Celik (2015), the de-unionization strategies included a wide range of 'unofficial' techniques such as preaching by Imams in mosques against unionization, creating blacklists, and changing the place of duties of unionized members along with many discouraging acts of overt oppression. This suppression of labor, characterization of the society "as consumers, credit users, and social assistance recipients" detached from class-based understanding along with the changes in the "forms of intervention" and "the mode of integration" to the global economy with accompanying infusion of market ideology is done through IMF's policies and World Bank's 'poverty' policies in the 2000s. As this is the aim of this thesis, by analyzing the policies on poverty, this thesis will try to unveil the actual purposes of poverty policies and contextualize them. It will highlight the

transformation of the working-class, the so-called poor- through poverty policies by showing what these policies on poverty serve. We will look at them below.

5.2. Poverty and Poverty Reduction in Neoliberal Accumulation/Globalization of Turkey in the 2000s

The above classification of neoliberal transformation and financialization of Turkey and its second phase is also the area of so-called "second-generation reforms," which is characterized by "institution-building" and the creation of framework and policies (Camdessuss, 1999) in which markets can operate. The declaration of the director of IMF in the Conference on Second Generation Reforms highlights the "complementarity of the missions of the World Bank and the IMF"(Camdessuss, 1999). It sets the poverty reduction as the "key objective of second-generation reforms" as an answer to the questions of "how can we resolve the tension between the individuality of each country's institutions and how can countries' "ownership of the reform policies be strengthened" (Camdessuss, 1999). This strategy shows the "capitalist concerns to protect their gains through institutional structures and constitutional guarantees" (Bedirhanoglu and Yalman, 2010) and the role of poverty reduction as a tool to reach these ends.

This second-generation and institutionalization process has been accelerated with the coming to power of JDP in October 2002 with its commitment to the Transition to Strong Economy Program and the 18th IMF stan-by agreement. The EU candidacy status, which was granted at the Helsinki summit in 1999, also played an essential role in the neoliberal transformation of Turkey and its poverty discussions with the EU's complementary role to IMF and World Bank, as can be seen in its accession criteria as (Council of Europe, 2001);

Ensure the implementation of the current disinflation and structural reform program agreed with the IMF and the World Bank, in particular, ensure the control of public expenditure; proceed with agricultural reforms; continue the privatization of State-owned entities, taking into account the social components.

The criteria also included employment and social policies on discrimination against women, occupational health, and safety with an employment strategy that again complemented the IMF and World Bank's program, as seen from the emphasis on privatization and structural adjustment. This caused many liberal academicians to name this period democratization (Öniş and Keyman, 2003). This thesis will not discuss the democratization discussions; for further discussions, see (Bozkurt-Güngen, 2018; Insel, 2003; Tansel, 2018; Öniş and Keyman, 2003; Yalman, 2016). An example of the employment strategy of the European Union (EU) in Turkey is the microcredit and small loan program for women, as in the case of "AB-TESK (Women's Entrepreneurship Development Project)" initiated by the EU in 2002 (Özar, 2016) which in line with World Bank's programs which I will examine below. These complementary roles of IMF and EU are characterized as "double external anchors" (Öniş and Bakır, 2007) should not mean that JDP was only doing what IMF and EU were recommending with no role and autonomy attained to it. In contrast, as Bedirhanoglu and Yalman point out, JDP used these "double anchors" to strengthen its rule "having felt its vulnerabilities" because of its Islamic orientation and harmonized its political projects with them (Bedirhanoglu and Yalman, 2010). The alignment of the conservative/Islamic approach with the so-called "double anchors" can be seen in their harmonization of charity-based, conservative-Islamic approach with poverty and social assistance policies and through the retrenchment of public provision of nursing homes and women-children services with "strong family" and "three-generational family" discourses (Yazıcı, 2012).

All the policies and structural transformation mentioned above had felt their impact mostly on labor classes and highlighted the need for compensatory social assistance and poverty strategies in the eyes of JDP and international financial organizations.

The first program to be implemented was the social risk management program.

5.2.1 Towards Social Risk Management

The Marmara Earthquake of August 1999 and the 2001 financial crisis were the seeming reasons for World Bank's entrance to Turkey to "mitigate the impact of the 2001 economic crisis on poor households and to improve their ability to cope with similar risks in the future" (World Bank, 2008). This program consisted of conditional cash transfers, in-kind social assistance, building up state institutions on social assistance and social services, and so-called "loans for income-generating activities"/microfinance programs and skills training (World Bank, 2008). Turkey's social assistance system, institutions, and social assistance policies that continue to operate today were established through the social risk management project. Here Bozkurt and Yalman's argument is critical in understanding this program's role in Turkey; "This strategy has not only entailed an attempt to redefine the concept of social policy and its tools, but also a restructuring of the institutional framework pertaining to the relations between capital and labor in the countries concerned"(Bozkurt and Yalman, 2011).

As benevolent as World Bank and its 'support' to the Turkish government with this program seems, it is essential to mention that the whole program and trench releases were conditional upon "satisfactory macroeconomic and sector policy indicators" of the IMF's SAP program (World Bank, 2000a). To analyze these conditions, the World Bank's Country Assistance Strategy of Turkey (World Bank, 2000a), which is very in line with IMF's structural adjustment program and EU programs, is

important. The main objectives of the Country Assistance Strategy (World Bank, 2000a) and accompanying Economic Reform Loan (World Bank, 2000b and 2005b) were the promotion of tight fiscal policies to reach macroeconomic stability and tame inflation through neoliberal strategies. These policies were reducing wage costs, flexibilization of the labor market, limiting public investment programs and government guarantees, and introducing private pension funds along with the increase in the retirement age. These policies were against labor rights and were an attack on laboring classes. Three other programs of country assistance strategy were the privatization social support project, the agricultural reform and investment project, and an energy project. These programs were also in line with financial deepening and neoliberal transformation with no good for laboring classes except social assistance programs as hush money. Even though calling it hush money can be too much for many and cannot be accepted, it is even acknowledged in World Bank's Turkey Country Assistance Report (2000). The report (World Bank, 2000a) argues the possibility of "social backlash from tough reform measures" and the necessity of safety net provisions to prevent these backlashes. Here it is clear that the policies mentioned above on flexibilization of the labor market, reducing government guarantees, and raising productivity with lessening labor wage share in Gross Domestic Product (GDP) (please see table 11) is nothing but the way to poverty for laboring classes. For example, when we look at the long-praised privatization policies of IMF and WB, which aimed increasing productivity and "prosperity," an important study shows that the "number of employees of 24 enterprises, which had 65,361 employees before the privatizations, decreased to 49,900 after the privatization (İnançlı and Yardımcıoğlu, 2010). Other research (Topal and Yalman, 2007) also shows that some privatized companies are shut down. Although some of

the workers relocated to other branches of the private companies, as in the case of TEKEL (The State Monopoly of Tobacco and Alcoholic Beverages), the declined number of workers in TEKEL's different units, from 30.124 to 15.628 between 2001 and 2009 shows us the increased unemployment after the privatizations (Özerman, 2009, cited in Topal and Yalman, 2017). Considering the jobless growth trend and augmented informal labor market of Turkey, which we will talk about later, the probability of these workers working in the informal sector or/and being a member of the reserve army of labor with lower wages seems more probabilistic. This is only one example of praised economic policies that paved the way for poverty while expected to fight poverty in Turkey. Seeing the possibility of backlash from laboring classes, safety net provisions, and social assistance as poverty reduction policies are suggested by WB and introduced by the JDP government.

When we also look at the objectives of the Social Risk Management project, as discussed in the poverty reduction section, it is clear that the usage of social risk management strategies and accompanying social assistance programs is a tool to reduce “the vulnerability” of individuals to ‘dysfunctional market mechanisms’ and improve consumption smoothing or increase demand with the ultimate goal for individuals "to optimize welfare through appropriate consumption choice" which "could potentially be addressed with market-based solutions" (Holzmann and Jorgensen, 1999; World Bank, 2008). But when it could not be addressed with market-based solutions, government intervention and social assistance that complement market interventions are used. Against neoliberal orthodoxy and in line with post-1990 conceptions, the poverty alleviation and social protection strategy of the World Bank implies a "market-friendly state involvement (Bozkurt and Yalman, 2011). Another component of the World Bank's approach includes social

inclusion/exclusion discussions, as in the case of the European Union's approach, which refers to the woman, ethnic groups, and socially disadvantaged who are excluded 'from the market' (World Bank, 2001a). This argument, as Saad-Filho says, postulates markets "as creators of wealth" and market integration as the main impetus for "economic growth and poverty reduction" (Saad-Filho, 2007).

As seen above, the focus on reducing vulnerability to shocks, consumption smoothing, markets as a tool for poverty reduction shows us, as Senses points out, the World Bank's approach to poverty as an "obstacle to the smooth transition to neoliberalism" (Şenses, 2008). Poverty is seen as the "subservient to the broader objective of deepening neoliberalism" (Şenses, 2008). As I elaborated on country strategy, it is important not to reach these conclusions via the social risk management program as it is only a fraction of a broader neoliberal deepening program. Below discussions on privatization and agriculture programs will elaborate above assertions.

5.2.2. Privatization Social Support Project and Job Loss Compensation in Light of Dispossession, Proletarianization and Exploitation

The 1997 Turkey Country Assistance Strategy of World Bank (1997) was spotted State-Owned Enterprises (SOEs) as "a major drain on the budget and a drag on the economy for years" and suggested privatization of SOEs with "supplementary initiatives," which are safety net provisions. The supplementary measure was materialized with the privatization social support project. "The Privatization Social Support Project" was designed in support of broader objectives of economic and development assistance and aimed to minimize the effects of privatization on 'displaced workers' and poor people (World Bank, 2006). The project included "job loss compensation, labor redeployment services," analysis of the social impact of the

economic reform program, and project management as its objectives (World Bank, 2006). The provisions of job loss compensation and labor redeployment services were conditional on 'not to take part in government-owned jobs,' which has encouraged the retirement of old age workers and so-called 'voluntary' departures. Labor redeployment services included "job counseling, on-the-job training, 'temporary community employment'" (World Bank, 2006). These policies show the incentive to encourage self-employment/ entrepreneurship, moving from government jobs to insecure-temporary jobs, and skill training with no guarantee of job placement. The report praises employment generation through Turkish Employment Agency (ISKUR) and Small and Medium Enterprises Development Organization of Turkey (KOSGEB) as a break in the jobless growth history of Turkey, but as Bozkurt and Yalman show, from 2000 to 2011, labor force participation and employment rate had decreased, and the unemployment rate in non-agricultural and youth had increased (Bozkurt and Yalman, 2011). Yeldan (2007) points out the post-2001 era with "sluggishly slow performance of employment generation capacity of the economy," which is characterized as jobless growth (Yeldan, 2007; BSB, 2011; Bedirhanoglu, Cömert, Eren, Erol, & Demiröz, 2013). Even though unemployment rates had started to go down in 2010, as Yeldan (2009, p.11) shows, the increase in employment was mostly in "informal/small scale services, rather than decent-paying, high-quality, productive jobs." Even though it is praised that privatization and employment through ISKUR and KOSGEB is a break in the jobless growth history of Turkey, and there has been a decrease in the informal employment rate, its number is always high and around 30 percent. This also represents the largeness of the

reserve army (stagnant reserve army²⁷) of labor in Turkey. Below is the figure (figure 4) compiled from Social Security Institution of Turkey (SSI).

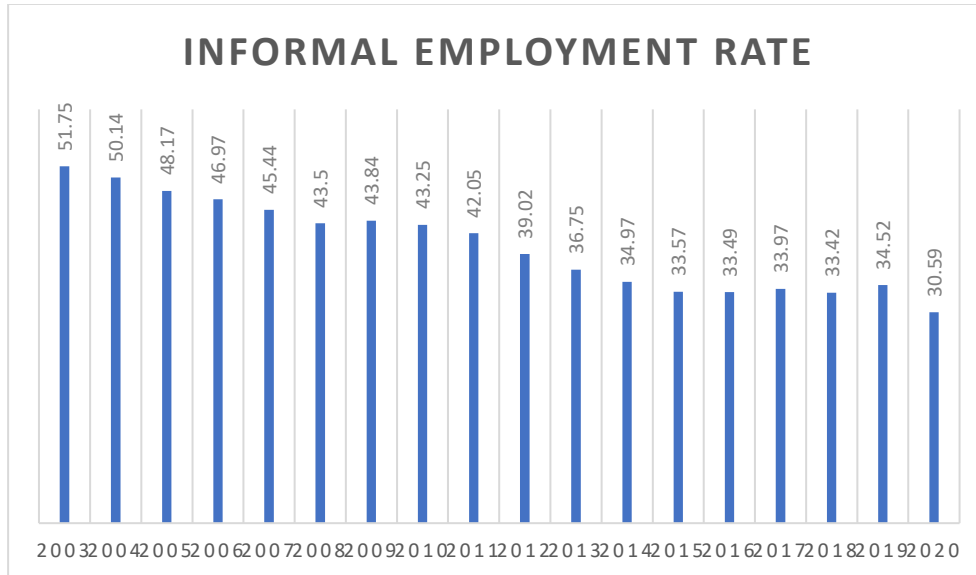


Figure 4. Informal Employment Rate, 2003-2020

Source: Compiled from the database of Social Security Institution of Turkey.

When we look at the share of wage earners in total employment below in table 6, we see Turkey's biggest dispossession and proletarianization period. The rate of wage laborers among employed individuals was 39% in 1990, which increased to 68.4% and %70 in 2019 and 2020, respectively.

²⁷ Marx defines stagnant reserve army of labor as “the stagnant, forms a part of the active labour army, but with extremely irregular employment. Hence it furnishes to capital an inexhaustible reservoir of disposable labour power. Its conditions of life sink below the average normal level of the working class; this makes it at once the broad basis of special branches of capitalist exploitation. It is characterised by maximum of working-time, and minimum of wages” (Marx, 1990). This represents the secondary labor market or informal sector.

Table 6. The Share of Regular Paid and Casual Employee, Self Employed and Employer and Unpaid Family Worker in Total Employment, 1990-2020

	Regular paid employee and casual employee (%)	Self Employed and Employer (%)	Unpaid Family Worker (%)	Total
1990	39	31	30	100
2000	48,6	29,8	21,6	100
2007	60,4	26,9	12,7	100
2008	61	26,3	12,7	100
2009	60	26,5	13,5	100
2010	60,9	25,5	13,6	100
2011	61,7	24,6	13,7	100
2012	62,9	23,9	13,2	100
2013	65,5	23,1	11,4	100
2014	66,0	21,8	12,2	100
2015	67,0	21,2	11,8	100
2016	67,6	21,2	11,2	100
2017	67,3	21,6	11,1	100
2018	68,0	21,5	10,5	100
2019	68,4	21,3	10,3	100
2020	69,8	21	9,2	100

Source: Compiled from Turkish Statistical Institute (TURKSTAT) Labor Force Statistics- Employment Status of Employees Database.

On the other hand, the working population in Turkey is not limited to the people included in the labor force study of TURKSTAT. According to TURKSTAT data, 103 thousand seasonal workers were not classified as "paid" in 2019. In addition, among the 11,359 million "housewives," many women are working. Since these people seem to work with an "exemption contract" according to Turkish laws and a significant part are unregistered, they are not included in TURKSTAT's data on wage earners. A portion of the 4.375 million students aged 15+ work informally in their workplaces. There are also workers among the retirees, whose number reaches 5 million (4,959,000). The employment of children under the age of 15 is prohibited, with some exceptions. However, child labor is a growing problem in Turkey. According to 2019 data, the number of working children between the ages of 5-17 in

Turkey is 720,000. When the groups mentioned above are included, the labor force participation rate of wage earners in Turkey in 2019 is around 75-80%. This is a significant indicator of proletarianization in Turkey.

In line with this increase in wage laborers/proletarianization, there is an accompanying decrease in the number of “self-employed and employer.” The self-employed and employers decreased from %31 to %21 between 1990 and 2020. This is a sign of dispossession and proletarianization, which is necessary for the subordination of labor to capital and capitalist accumulation. As Marx names this dispossession and proletarianization process primitive accumulation process which creates classes (capitalist and working-class), capitalist relations, and as a result, exploitation, which is explained in the Marxist section, he also points to the “continuation and maintenance of this separation” (Marx, 1990, p.874). This separation is the separation of owners of the means of production and the sellers of their own labor-power, which represents the capitalist and working-class, respectively. Harvey theorizes this as accumulation by dispossession (Harvey, 2003). This can be seen in Turkey's steadily increasing number of wage laborers, accompanying dispossession and the growing power of smaller numbers of capitalists. To further discuss the increasing power of the smaller number of capitalists, as seen in the declining number (%10 decreases between 1990 and 2020) of self-employed/employers in Turkey, it is essential to remember Marx's explanation of the antagonistic character of capitalist accumulation in the Poverty of Philosophy. The wealth of the capitalist class/bourgeoise is created through the annihilation of individual bourgeoisie and the growing number of the proletariat (Marx, 1963). In addition to the ever-increasing number of laboring classes in Turkey, another trend of the creation of capitalist wealth, which is the annihilation of

the individual bourgeoisie, can be seen in the distribution of national wealth in Turkey. Even though the national wealth has doubled in Turkey in the last 25 years, and this has always been seen and praised as the JDP government's success, the bottom 50 percent (half of the population) couldn't benefit from this increase. The bottom 50 percent only holds %4 of national wealth while the top %10 holds %67 of national wealth in 2021 (Chancel, Piketty, Saez, & Zucman, 2022). This trend is relevant globally as well. Global wealth inequality is even higher than this. The poorest half of the world's population owns only 2% of the world's total wealth. On the other hand, the wealthiest ten percent of the world's population had 76 percent of all wealth in 2021 (Chancel et al., 2022). The bottom and top percent of the population mean working class and capitalist, respectively. Here even though we explain the accumulation by dispossession through classes of capitalist and working class, the heterogeneity of the proletariat/working class and capitalists shouldn't be overlooked. The composition of the working class and capitalists and its segregation are subjects of another research and should be investigated.

Despite the increasing share of wage labor in employment, the wage share of labor in GDP didn't see a significant increase in the 2000s. Figure 5 shows that there is only 3% increase between 2009 and 2020 in the share of payment made to labor, and the ratio is around 26%-31%. This low percentage of wage share of labor in GDP is also a sign of increased exploitation.

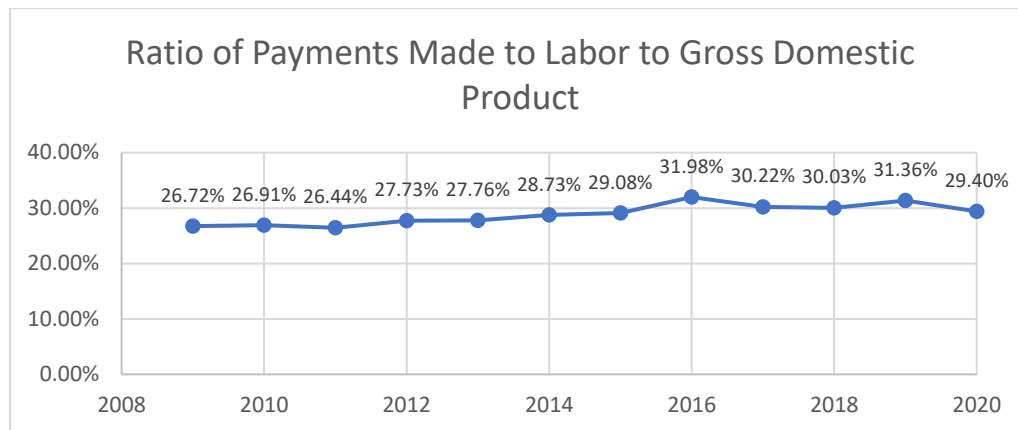


Figure 5. Ratio of Payments Made to Labor to Gross Domestic Product (GDP), 2009-2020

Source: Author's calculation from TURKSTAT's labor force statistics on gross domestic product by kind of economic activity, income approach, 2009-2020

Here another crucial historical development that shouldn't be overlooked is that this proletarianization process took place in the same period as the share of agriculture in total employment decreased from 25.5% to 16% between 2005 and 2020. Please see figure 6 below. For this reason, it would not be wrong to say that the majority of those working in agriculture became proletarians during this process.

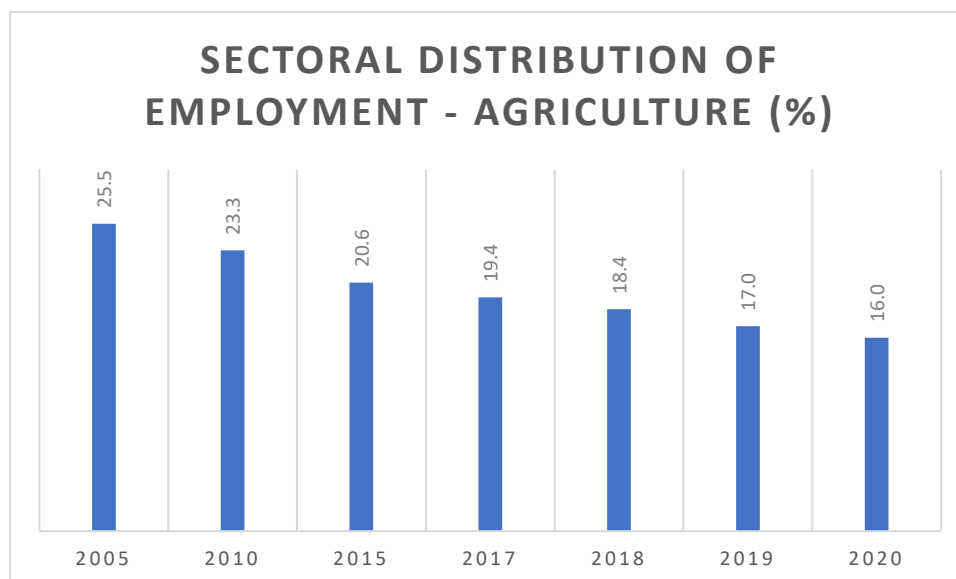


Figure 6. Sectoral Distribution of Employment – Agriculture, 2005-2020

Source: Compiled from TURKSTAT Labor Force Statistics on Economic Activity by Years

In addition, one of the most important reasons for the increase in wage and casual laborers can be seen in the decreased number of unpaid family workers primarily working in the agricultural sector (Please see figure 12). The number dropped from 30% in 1990 to 9% in 2020, increasing migration from rural to urban areas and proletarianization. Here is an issue that is overlooked in studies on poverty reduction. With this rural-urban migration and proletarianization, these individuals work in an income-generating jobs, reducing the poverty figures. However, considering there was a growth period without employment in Turkey during the same period, it should be taken into account that these groups primarily work in the informal sector for low wages and under poor conditions. In other words, even though these people have passed the 1.90\$ poverty threshold with this migration and proletarianization process, this historical process cannot go beyond eliminating poverty rather than nurturing the relationship between capital and labor, which causes poverty. These trends, increasing proletarianization, dispossession, accumulation of wealth in the hands of small numbers, and rising surplus value and decreasing wage share of labor in GDP, which is the sign of exploitation, show us the creation of wealth and poverty in a capitalist system. None of the poverty discussions refer to this. Against these historical economic and societal transformation which serves capital accumulation for capitalists and poverty for the working class, which is the result of the antagonistic character of capitalist accumulation and workings of the capitalist system, the enacted policies to respond to unemployment and poverty was temporary job placements, skill training courses, and microfinance programs. When we look at the results of small loans and microfinance, which they present as a substitution for losing government jobs and poverty, the results are very unsuccessful in generating

incomes as they claim. The small loans for rural areas include “dairy cattle, sheep-raising, and bee-keeping and agricultural activities such as gardening and orchards” (World Bank, 20008). The results show that 68% of person who took small loan for beekeeping “could not carry out the activities,” and around 45% percent of person who took loan for agricultural activities “did not gain any income from their project-supported income-generating activities” (World Bank, 2008). Moreover, %42 “did not have money to purchase the inputs necessary to continue operation” in urban areas (World Bank, 2008). In addition to these results and praised poverty reduction policies, when we look at the unemployment data, we see that the unemployment rate is always higher than before 2001 when World Bank and IMF’s policies aimed to decrease poverty and bring prosperity started to be enacted. As seen in the figure 7 below, the average unemployment rate between 1988 and 2001 was %7.64, while this rate was %10.94 between 2002 and 2019. 2020-2021 is not included to subtract the impact of pandemic on the economy.

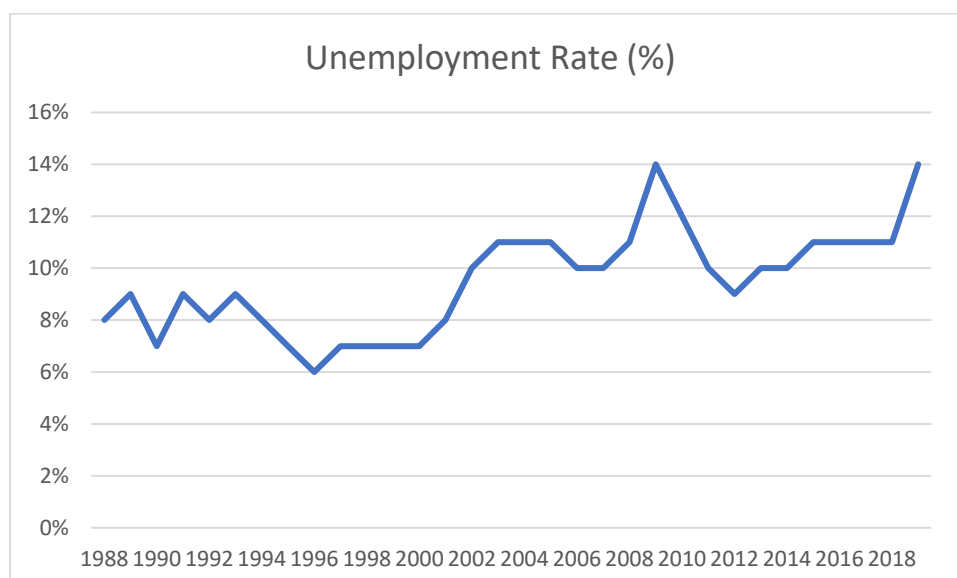


Figure 7. Unemployment Rate, 1988-2019.

Source: Compiled from TURKSTAT’s labor force statistics on main labor force indicators database

As Marx points out, “to the development of surplus labor corresponds that of the surplus population” (Marx, 1993, p.604), which “is a necessary product of accumulation and development of wealth on a capitalist basis” (Marx, 1993, p.784). Based on these results and the neoliberal policies recommended, such as the removal of government subsidies and privatization, these policies don’t seem even to create a regular income or an economic activity that is sustainable or challenges the causes of poverty. On the contrary, it deepens the relations which create poverty. For example, in the case of loans, even though the majority of the loans could not manage to create a work and a sustainable income, the receivers of the loan should repay it with interest rates applied too. This strategy is nothing but a technique of extortion of surplus value from workers/receivers of the loans through surplus labor and installments to the banks. The receivers of these loans / ‘the poor’-working class can pass the 1.90\$ poverty threshold through these loans and the income they bring to them. However, looking at this phenomenon from a class-based and exploitation angle show us that it serves to create the exploitation relation and consolidates capitalist relations and hegemony through interest rates and payment to the banks. As discussed in the Marxist section, isn’t this the core cause of poverty and inequalities? And this program, which serves as a solution to poverty, only helps to deepen the relations and dynamics that create poverty and capitalist accumulation in favor of capitalist and capitalist accumulation.

5.2.3. Agricultural Reform Implementation Project and Direct Income Support in Light of Dispossession, Depeasantization and Proletarianization

The 2001 Agricultural Reform Implementation Project’s (World Bank, 2001c) main aims were getting rid of public price and credit subsidies and support for agriculture and privatizing state-owned agricultural enterprises. Direct income support was

proposed “to mitigate potential short-term adverse impacts of subsidy removal and facilitate the transition to efficient production patterns” (World Bank, 2001c, p.1). The results were horrible for the labor and farmers as “subsidies and price supports have been nearly eliminated, Agriculture Sales Cooperative Unions transformed to an anonymous entity, tariffs on grains reduced, price support to sugar and tobacco phased out, “the state tobacco company was offered to sale” and SOE’s privatized and many more (World Bank, 2005b). To give an example, in line with World Bank’s recommendation and IMF’s conditionality, in 2002, the law no. 4733, which abolished state support in tobacco production and initiated contract tobacco farming and privatizations, was enacted. When we look at the result of this policy, which state-owned production of tobacco and tobacco production itself was seen as an obstacle to prosperity and wealth, “the number of tobacco producers, which was 405 thousand in 2002, decreased by 88% to 50 thousand in 2020, and tobacco production decreased by 50% from 159.521 tons in 2002 to 79.081 tons in 2020.” Details are below in figure 8.

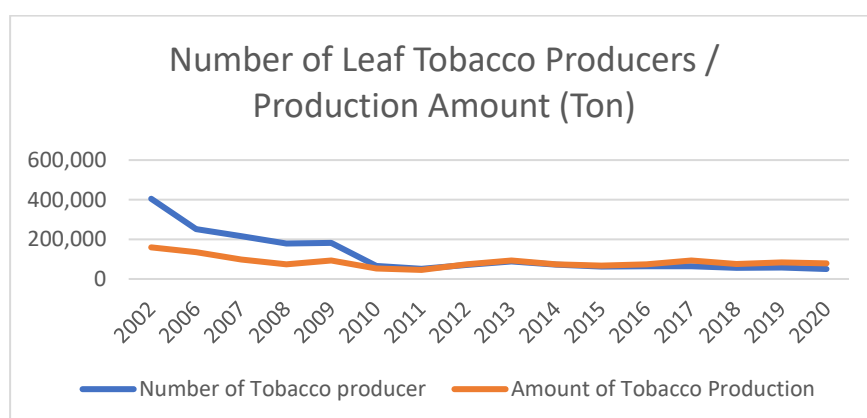


Figure 8. Number of Leaf Tobacco Producers / Production Amount (Ton), 2002-2020

Source: Compiled from Ministry of Agriculture and Forestry, Tobacco and Alcohol Department tobacco production database.

Additionally, when we look at the registered number of farmers with the neoliberal transformation of Turkey, we see around %55 decrease (Please see figure 9 below). So, this is not only dispossession but a sign of depeasantization as well.

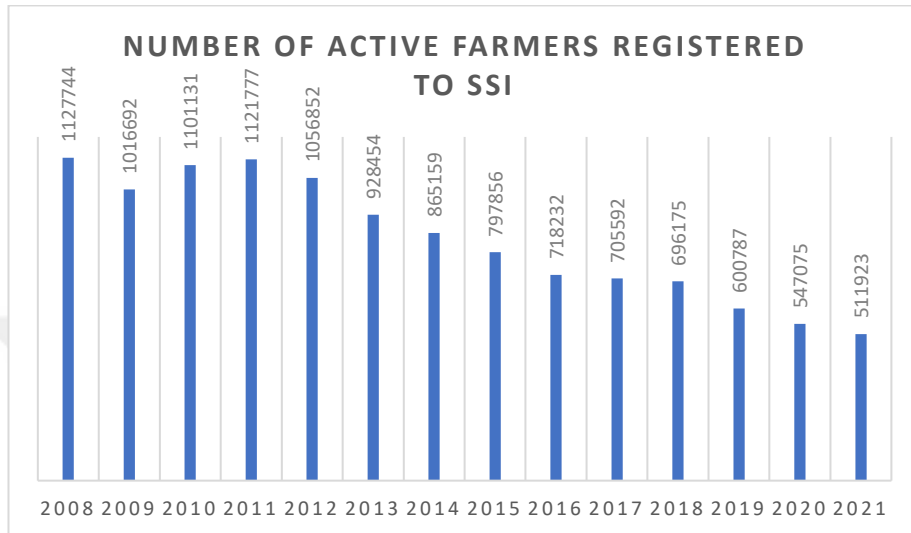


Figure 9. Number of Active Farmers Registered to Social Security Institution (SSI)

Source: Compiled by the author of this study from Social Security Institution Database

When we look at the size of the cultivated land and the number of people employed in agriculture (figure 10 and 11), we see an accompanying decrease as well.

Accordingly, the number of people employed in agriculture decreased by 34 percent in the last 19 years (2002-2021) and the cultivated land decreased by 17 percent between 1990 and 2020.

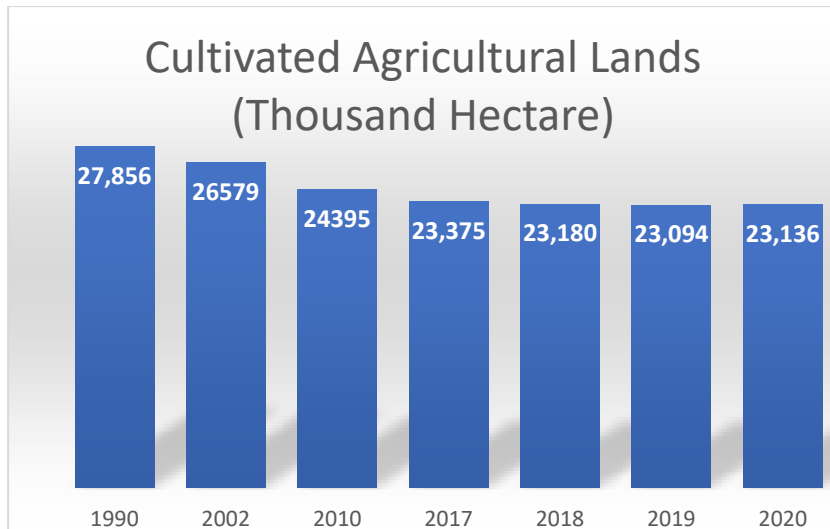


Figure 10. Cultivated Agricultural Lands (Thousand Hectare), 1990-2020

Source: Compiled from TURKSTAT and Ministry of Agriculture and Forestry Database

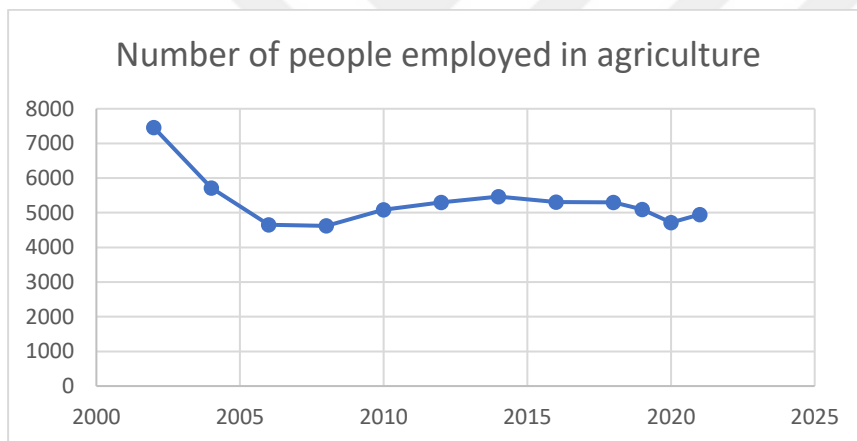


Figure 11. Number of People Employed in Agriculture, 2002-2021

Source: Compiled by the author of this study from TURKSTAT Labor Force Statistics.

Another trend that accompanies dispossession and depeasantization in the agricultural sector is proletarianization. The figure 12 below shows the decreased number of unpaid family workers in the agricultural sector, which also indicates the likelihood of their proletarianization.

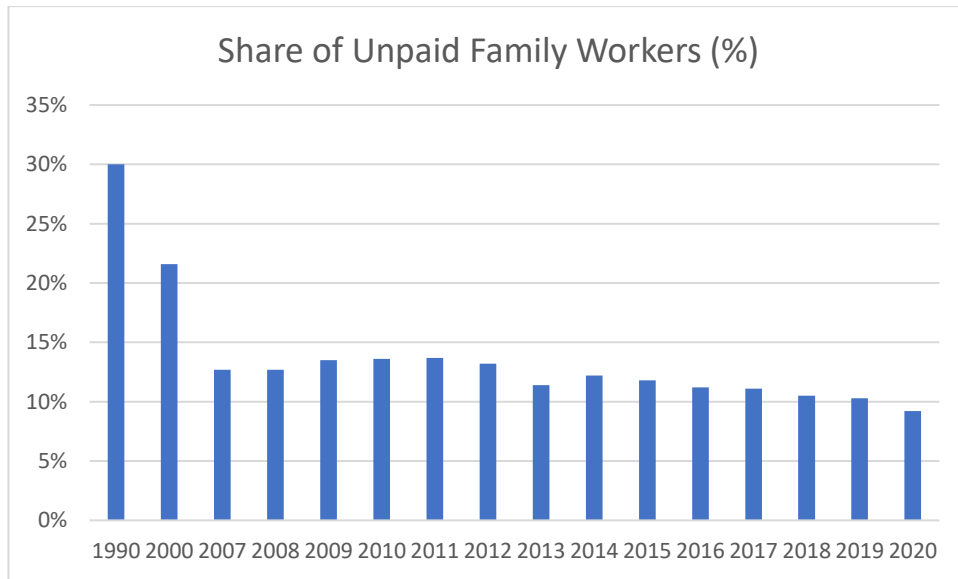


Figure 12. Share of Unpaid Family Workers in Total Employment, 1990-2020

Source: Compiled by the author of this study from Turkish Statistical Institute (TURKSTAT) Labor Force Statistics- Employment Status of Employees Database.

It is also important not to overlook the fact that this proletarianization mostly feeds the informal sector because of the jobless growth of the Turkish economy and the scarcity of jobs. When we look at the composition of agricultural employment, we see that percentage of the population working in agriculture informally/not registered was over 80% throughout the 2000s. Please see table 7 below.

Table 7. Informal Employment Rates in Agriculture, 2003-2020

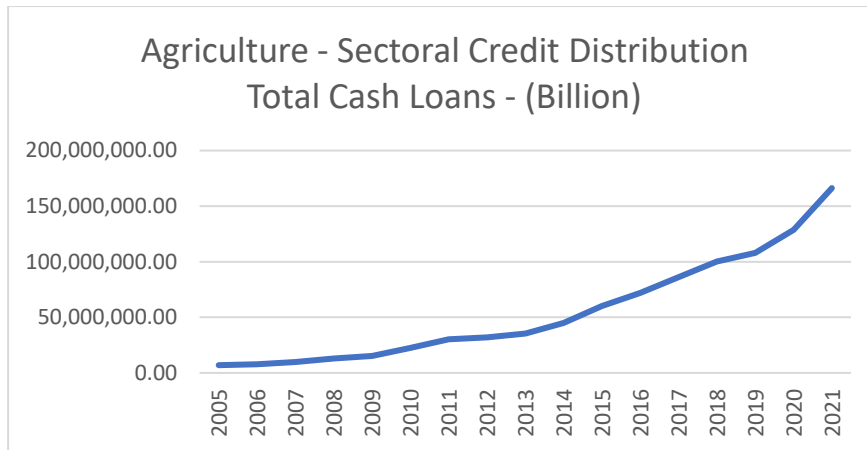
	Agriculture- Informal Employment Rates (%)
2003	91,15
2004	89,9
2005	88,22
2006	87,77
2007	88,14
2008	87,84
2009	85,84
2010	85,47
2011	83,85
2012	83,61
2013	83,28
2014	82,27

Table 7. (Continued)

2015	81,16
2016	82,09
2017	83,33
2018	82,73
2019	86,62
2020	83,46

Source: Compiled from TURKSTAT-Social Security Institution Database

But all the recommended solutions to poverty rounds around credit or social assistance. In fact, credit further helps the capital accumulation for capitalists as the more surplus labor production of workers to pay the interest rate is needed. Or less payment to the worker to pay the debt. When we look at credit usage in the agricultural sector, we see a tremendous increase in the use of credit; as a result, debt amongst agrarian producers. As seen in the figure 13 below, between 2004 and 2021, total cash loan utilization increased from 5.104.228,00 to 166.221.193,00 TL.

**Figure 13. Agriculture – Total Cash Loans (TL-Billion), 2004-2021**

Source: Compiled by the author of this study from the Banking Regulation and Supervising Agency Database

Parallel to this, when we look at the household indebtedness ratio in Turkey, we see a tremendous increase from 4.7% in 2002 to 52% in 2015, which is half of the population (Akçay and Güngen, 2019). Please see figure 14 below.

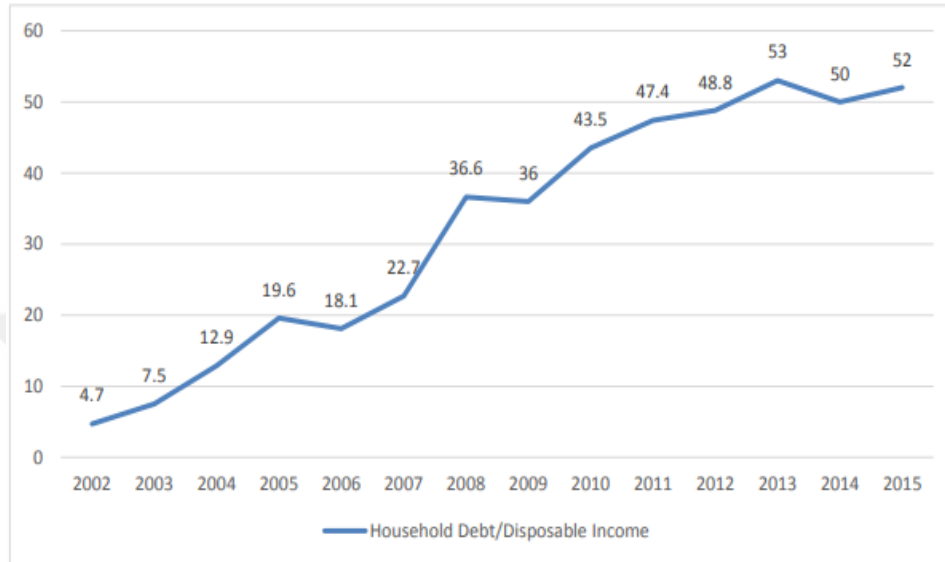


Figure 14. Household Indebtedness Ratio in Turkey, 2002-2015

Source: Akçay and Güngen (2019)

Another accompanying “poverty fighting-reducing” strategy is social assistance, as government expenditure on social funds has been increasing steadily since 2000. Please see table 8 below.

These poverty reduction strategies serve consumption smoothing and reproduction of capitalism and the worker because the credit and social assistance invested serves the worker to reproduce itself and produce new workers. Here the basic rule of the capitalist system is clear: the worker can only live if they can exchange their labor power with the capital that forms the labor fund. If not, they become part of the relative surplus population because, as Marx shows, discussed in the Marxist section, in the capitalist mode of production, wealth does not exist to meet the development

needs of the worker; on the contrary, the worker exists for the needs of capital. This is the antagonistic character of capitalist accumulation, where the capitalist relations produce wealth for the capitalists and poverty for workers.

Table 8. The Rates of Social Funds (as of GDP), 1999-2019

	The Rates of Social Funds (as of GDP)
1999	3,86
2000	4,24
2001	4,60
2002	4,64
2003	5,06
2004	5,17
2005	4,94
2006	5,58
2007	5,44
2008	6,13
2009	7,04
2010	7,67
2011	8,46
2012	8,38
2013	8,66
2014	8,71
2015	9,06
2016	9,46
2017	8,96
2018	9,01
2019	9,17

Source: The table is created by the author of this study from General Government Revenues and Expenditures (<http://www.sbb.gov.tr/yillar-bazinda-genel-devlet-istatistikleri/>.)

All the mentioned neoliberal policies and poverty reduction strategies, as we showed, facilitate dispossession, proletarianization, and depeasantization for capitalist accumulation and the creation of wealth for the capitalists. Capitalist hegemony is established by disguising the class relations and historical economic-political

transformations through legitimating poverty reduction schemes and global middle-class discussions. This process ultimately creates wealth for capitalists and poverty for the laboring classes.



CHAPTER 6

CONCLUSION

The prevailing approaches to poverty studied in this thesis avoid structural causes of poverty and try to differentiate from each other through different measurements of poverty. The primary approach is to determine poverty lines that help distinguish the poor from the non-poor by identifying those who have consumption and income deficits. The primarily used poverty line, which is the absolute poverty line, is 1.90 dollars. This approach reduces poverty to personal income distributions without considering classes in society and detaches the so-called poor from their societal identity and class position. They do this by decontextualizing the poverty discussions, insulating it from political and economic policies which cause poverty. This measurement-focused approach legitimizes neoliberal/capitalist policies by arguing that millions of people have been lifted from poverty by passing the 1.90 dollars threshold, or millions of people are set to be the global middle class. Without understanding the causes of poverty and fighting with them, these theories suggest the inclusion of the elderly, poor, less skilled, and unable to work into capitalism's exploitative relations.

Against this understanding, this study holds the classical Marxist understanding that poverty is a product of a historically defined mode of production. It is an intrinsic and essential feature of a society whose economic structure is based on class and

exploitation. Without it, the capitalist mode of production could not occur. In line with this understanding, the study has taken on Marx's antagonistic character of capitalism argument. This thesis shows how the suggested and implemented economic and political policies in industry and agriculture and poverty reduction strategies do not go far beyond deepening capitalist relations. It also argues that these policies create wealth for capitalists and poverty for laboring classes through dispossession, proletarianization, and depeasantization. Marx frames this approach as the antagonistic character of capitalist accumulation in which wealth does not exist to meet the needs of workers; in contrast, it exists for the needs of the capital and capitalist. In addition, capitalist relations produce wealth for the capitalists and poverty for workers.

The antagonistic character of capitalist accumulation is shown in the distribution of national wealth in Turkey, where the bottom 50% of the population own 4% of the national wealth. In contrast, the top 10% own 67%, which is consistent with the global trend. The bottom means workers and to be workers in the future/relative surplus population and people who are unable to work, while the top 10 means capitalists. Here, Bahce and Kose's study (cited in BSB, 2015) is critical in showing that 9 out of 10 "poor" are working class in Turkey.

This thesis argues that all the theories and policies suggested and implemented as creating wealth and fighting poverty are a strategy to deepen capitalist relations, increase capitalist accumulation for capitalists, and foster dispossession, proletarianization, and depeasantization, consequently poverty, for the working class. This is shown in this thesis by analyzing neoliberal policies that are expected to create wealth and fight poverty. It is argued that with the enactment of these policies, Turkey's biggest dispossession and proletarianization process had been enacted too.

The result of privatization policies in industry and agriculture is a decrease in the number of employees and feeding the jobless growth trend and the informal sector of Turkey. This result is shown, for example, in the decreased number of employees in the tobacco sector. Tobacco producers saw an 89% decrease and tobacco production a 50% decrease between 2002 and 2021. This is an open proof of dispossession.

In line with this dispossession, as expected, is proletarianization. The rate of wage laborers increased from 39% to 70% between 1990 and 2020. This rate is calculated through TUIK data, but when the numbers of child labor, seasonal workers, women working in the household chores (cleaning, babysitting, etc.), and working students and retirees are added, this percentage goes up to 75-80%. The increased number of wage laborers is also the result of decreased number of self-employed and employer and unpaid family workers, which dropped from 31% to 21% and 30% to 9% consecutively between 1990 and 2020.

Dispossession and proletarianization are the necessary conditions for the subordination of labor to capital, creating capital-labor relations through exploitation. Exploitation can be seen in the almost no increase in the wage share of labor in GDP in contrast to the increasing share of wage laborers in employment. The wage share of labor in GDP has only seen a 3% increase from 26% to 31% between 2009 and 2020. The dispossession and proletarianization occurred at the same time that agriculture's share in total employment fell from 25.5% to 16% between 2005 and 2020, which fed the proletarianization. The number of registered farmers had a 55% decrease between 2008 and 2021. This number would be higher if earlier data could be attained. As a result, as seen in the decreased number of farmers, the privatization policies and removal of government guarantees/subsidies accelerated the depeasantization as well.

Proletarianization, seen amongst the unpaid family workers, is an important example of the decrease in poverty. Through proletarianization and rural-urban migration, the unpaid family workers work in an income-generating job due to their rural-urban migration and proletarianization, which helps to lower poverty rates. However, given that Turkey experienced a period of economic expansion without employment during the same period, it is essential to remember that these people generally work in the informal sector for low pay and dire circumstances. As a result, these people pass the 1.90 dollars poverty threshold through the proletarianization process. This is nothing but the consolidation of the relationship between capital and labor rather than the elimination of poverty.

Overlooking these historical developments caused by neoliberal policies, the solutions for poverty do not go beyond loans, credit, and social assistance. As shown in the thesis, most loans could not sustain work and income. Moreover, interest rates applied to these loans create more burden than eliminating poverty—the interest rates are a way of extortion of surplus value from receivers of the loans. Even though receivers of these loans can pass the 1.90 dollars poverty threshold, looking at this phenomenon from a class-based perspective reveals that it contributes to generating exploitation relations and reinforcing capitalist relations and hegemony through interest rates and payments to banks. Although it is easy to argue that someone with an income of 1.90 dollars becomes part of the middle class when they have 3 or 5 dollars, ignoring the process of class transformation and capital accumulation, these arguments hide the fact that loans and credits create capital accumulation for capitalists and nurtures capitalist relations that cause poverty. As can be seen here, these debates hide this fact with the arguments of poverty reduction and the global middle class.

Credit further helps the capital accumulation for capitalists as the more surplus labor production of workers to pay the interest rate is needed. Alternatively, less payment is made to the worker to pay the debt. The thesis shows that the agricultural sector's credit usage has tremendously increased from 5,104,228 to 166,221,193 TL between 2004 and 2021. In line with this, the household indebtedness shows a significant increase between 2002 and 2015 from 4.7% to 52%.

These poverty reduction strategies support the consumption smoothing and reproduction of capitalist relations and workers. Credits and social assistance allow workers to reproduce themselves and produce new workers. This reproduction mechanism is the primary mechanism of capitalism, where the worker can only live if they can exchange their labor power for capital, which creates the labor fund. If they cannot, they become a member of the relative surplus population. The increasing rate of proletarianization, dispossession, accumulation of wealth in the hands of small numbers, and increasing surplus value, which is the sign of exploitation, and reproduction of capitalist relations through poverty reduction strategies, show us how wealth and poverty are created in the capitalist system. None of the poverty discussions refer to this. This thesis argued and demonstrated that neoliberal policies and poverty/poverty reduction policies consolidate capitalist hegemony by concealing class relations and historical political-economic developments. They promote the subordination of labor to capital through legitimizing poverty/poverty reduction and global middle-class discussions and promote dispossession, proletarianization, and depeasantization for capitalist accumulation, which creates wealth for capitalists and poverty for the working class. This is the antagonistic character of capitalism.

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APPENDICES

A. TURKISH SUMMARY / TRKE ZET

Yoksullukla ilgili yaygın tartıřmalar, yoksulluęun yapısal nedenlerini grmezden gelmekte ve eřitli yoksulluęu lme yntemleriyle kendilerini birbirlerinden ayırmaya alıřmaktadır. Ana strateji, 'yoksulları' 'yoksul olmayanlardan' ayırmaya yardımcı olan yoksulluk sınırlarını belirlemek iin tketim ve gelirden geride olanları belirlemektir. En sık kullanılan yoksulluk sınırı, ařırı yoksulluk sınırı olan 1,90 dolardır. Bu yntem, szde yoksulları sınıfsal konumlarından ayırmakta ve yoksulluęu sosyal sınıfları dikkate almadan kiřisel gelir daęılımlarına indirgemektedir. Bu yaklařım aracılıęıyla, yoksulluk siyasi ekonomik, toplumsal ve tarihi baęlamından ve yoksulluęa neden olan siyasi ve ekonomik politikalardan ve sınıf iliřkilerinden arındırılmaktadır. Bu eęilim yoksulluęu sosyal dıřlanma, insani geliřme ve yetkinlik baęlamında tartıřan yaklařımlarda da grlmektedir.

Milyonlarca insanın 1,90 dolar barajını ařarak yoksulluktan kurtarıldıęını veya milyonlarca insanın kresel orta sınıfa girme yolunda olduęunu iddia eden bu lm odaklı yaklařım, neoliberal/kapitalist politikaları haklı ıkarmayı hedeflemektedir. Bu tartıřmalar, yoksulluęun temel nedenlerini kavramadan ve bu nedenlere karřı hareket etmeden, szde yoksulların kapitalizmin smrc iliřkilerine dahil edilmesini nermektedir.

Bu yaklaşımın aksine, bu çalışma, yoksulluğun tarihsel olarak belirlenmiş bir üretim tarzının bir yan ürünü olduğu şeklindeki geleneksel Marksist görüşe bağlı kalmaktadır. Yoksulluk, ekonomik yapısı sınıf ve sömürü üzerine kurulu bir toplumun içsel ve temel bir özelliğidir. Çalışma yoksulluk olmadan, kapitalist üretim tarzının gerçekleşemeyeceğini tartışmaktadır. Bu bakış açısına göre çalışma, Marx'ın kapitalizmin antagonistik karakterine ilişkin argümanını benimsemiştir. Bu bağlamda bu tez, Türkiye'yi örnek olay olarak alarak, önerilen ve uygulanan sanayi, tarım ve yoksulluğu azaltma politikalarının kapitalist ilişkileri kapitalistler yararına nasıl güçlendirdiğini göstermektedir. Ek olarak, bu politikaların, emekçi sınıflar için mülksüzleştirmeyi, proleterleşmeyi ve köylüsüzleştirmeyi hızlandırdığını göstermektedir. Aynı zamanda bu politikaların mülksüzleştirme, proleterleşme ve köylüsüzleştirme yoluyla kapitalistler için zenginlik ve emekçi sınıflar için yoksulluk yarattığını savunmaktadır. Marx, bu yaklaşımı, sermayenin ve zenginliğin işçilerin ihtiyaçlarını karşılamak için var olmadığı, aksine sermayenin ve kapitalistlerin ihtiyaçları için var olduğu, kapitalist birikimin antagonistik karakteri olarak tanımlamaktadır. Çalışma, kapitalist ilişkilerin, kapitalistler için zenginlik ve işçiler için yoksulluk ürettiğini tartışmaktadır.

Bu tez, sınıf tartışmalarını yoksulluk ve yoksulluğun azaltılması tartışmalarına geri getirmeyi amaçlamaktadır. Yoksul denilen işçi sınıfının yoksulluk politikaları üzerinden dönüşümünü bu politikaların gerçek amaçlarını ortaya koyarak göstermektedir. Tez, aynı zamanda, yoksulların, ayrı bir yoksul kimliği ile homojenleştirilmiş bir toplumsal grup olduğu fikrine karşı çıkmakta ve sözde yoksulların, sınıf kimliğine sahip emekçi sınıflar olduğunu tartışmaktadır. Covid-19 pandemisinin ekonomi ve toplumsal dönüşüm üzerindeki etkisini çıkartmak için çalışmada çoğunlukla 2020 ve 2021 yılları dahil edilmemiştir.

Tez şu şekilde organize edilmiştir: Birinci bölüm, mutlak ve görelî yoksulluktan yetkinlik, insani gelişme ve sosyal dışlanma yaklaşımlarına kadar farklı yoksulluk tartışmalarını gözden geçirmektedir. Bu yaklaşımlara kısaca değinmek gerekirse; Mutlak yoksulluk yaklaşımı, satın alma gücü paritesi (PPP) ile ölçülen bir bireyin ve/veya hane halkının tüketim veya gelir düzeyine dayanan bir yoksulluk ölçümüdür. Yoksulluk sınırlarını hesaplamak için bireylerin temel ihtiyaçlarını ve nakit eşdeğerlerini tanımlamanın bir yoludur. Bu yoksulluk sınırları, tüketim ve gelir düzeyinde eksiklik olanları belirleyerek yoksulları yoksul olmayanlardan ayırmayı hedeflemektedir.

1990'lardan bu yana bu yaklaşımın önde gelen destekçilerinden biri olan Dünya Bankası, özellikle 'gelişmemiş ülkeler' için aşırı yoksulluk hesaplamaları başlığı altında, tüketime dayalı analizlerle yoksulları yoksul olmayanlardan ayırmak için yoksulluk eşiklerini kullanmıştır. 1.90 dolar eşiğini kullanarak yoksulluğun azaldığına yönelik çeşitli argümanlar üretilmiştir. Bu yaklaşım, yoksulluk sınırlarını keyfi olarak belirlemekte ve bu durum düşük tutulan yoksulluk sınırları ile yoksulluğun azaldığına yönelik argümanların kurulmasını kolaylaştırmaktadır. Ek olarak, bu argümanlar yapılırken toplumun tarihsel (politik-ekonomik) dönüşümü ve sınıf/iktidar ilişkileri dikkate almadan yalnızca bireyci açıklamalara dayandırılmakta, bu da argümanların geçerliliğini sorgulatmaktadır.

Mutlak yoksulluk tartışmaları, görelî yoksulluk yaklaşımı sahipleri tarafından farklı grup dinamikleri ve kültürel farklılıkları göz ardı etmesi bakımından eleştirilmektedir. Görelî yoksulluk yaklaşımı, kültürel farklılıkları ve farklı birey ve grupların karşılaştırmalarını, yalnızca gelir ve fiziksel verimliliğin korunması açısından değil, aynı zamanda kültürel olarak özgül faaliyetler ve yaşam biçimleri

açısından da dikkate almaktadır. Mutlak bir çizgiden ziyade, farklı grupları ve bireyleri karşılaştırarak gelir dağılımı ve eşitsizliğe de odaklanmaktadır. Ancak mutlak yoksulluk yaklaşımında olduğu gibi, bu yaklaşım da yoksulluk tartışmalarını üretim alanından kaynakların dağılımına taşımaktadır.

Yoksulluk, yetkinlik yaklaşımında, gelirlerin düşüklüğü olarak değil, temel yeteneklerden yoksunluk olarak tanımlanmaktadır. Bu yaklaşım, okuryazarlık, temel sağlık hizmetlerine sahip olma, politik ve sosyal katılım gibi temel yeteneklerin analizini ve geliştirilmesini ve bu yeteneklerin gelişmesini engelleyen toplumsal cinsiyet önyargısı, ırk, yaş ve engellilik gibi unsurların analiz edilmesini gerektirmektedir. Bu tartışmanın kurucusu Amartya Sen'dir.

Bu yaklaşımı mutlak yoksulluk yaklaşımıyla karşılaştırdığımızda ihtiyaçların mutlaklığına işaret ettiği görülmektedir. Sen'e göre insanların yoksunlukları toplumdaki diğerleriyle kıyaslanarak değil mutlak olarak yargılanmalıdır. Bu argüman göreceli yoksulluk tartışmalarını yürütenler tarafından bireyciliğe aşırı odaklandığı ve ihtiyaçların toplumsal olarak yaratıldığını ve bu ruhla tanımlanıp ölçülmesi gerektiğini göz ardı ettiği için eleştirilmektedir.

Bu yaklaşım yoksulluk tartışmalarında odağı yalnızca ekonomik büyümeden yoksulluğun parasal olmayan yönlerine taşımak için iyi bir girişim gibi görünse de siyasi bağlam, güç ve sınıf ilişkilerinden yoksun olması onun açıklayıcı rolüne ciddi şekilde zarar vermektedir. Ancak bu, mutlak yoksulluk kavramında gördüğümüz ve diğer yaklaşımlarda göreceğimiz gibi, kalkınma ve yoksulluk tartışmalarında genel bir yaklaşımdır. Ekonomik ve ilgili yoksulluk tartışmaları ve çözümleri bağlamından koparılıp sınıf ilişkilerinden ve siyasi bağlamdan arındırılmaktadır.

Birinci bölümde tartışılan ve yetkinlik teorisine dayanan yaygın olarak bilinen bir diğer yaklaşım insani gelişme yaklaşımıdır. İnsani gelişmenin temel noktası, gelir ve ekonomik büyümeyi bir amaç olarak gören kalkınma tartışmalarının eksik görülmesidir. Kapasite yaklaşımı olarak gelir, kalkınmanın amacı olan insan refahına/insan gelişimine ulaşmanın bir aracı olarak görülmektedir. Bu bağlamda insani gelişme ve yoksulluk insani gelişme indeksi kullanılarak ölçülmekte ve analiz edilmektedir. İnsani Gelişme İndeksi aracılığıyla yoksulluk uzun ve sağlıklı bir yaşam sürme, doğumda beklenen yaşam süresi, okullaşma süresi, Gayri Safi Milli Gelir (GNI) ve temel bir yaşam standardı için gelir elde etme kapasitesi gibi indikatörler aracılığıyla tartışılmaktadır. İnsani gelişme indeksi UNDP tarafından geliştirilmiş olmakla birlikte akademi tarafından da sıklıkla kullanılmaktadır.

Bu bölümde tartışılan son yaklaşım sosyal dışlanmadır. Burada yoksulluğun toplumdan dışlanmaya ve marjinalleşmeye neden olduğu, vatandaşların sosyal uyumunu bozduğu ve temel haklara erişimini engellediği tartışılmaktadır.

Sosyal dışlanmanın tanımı Avrupa Birliği tarafından, ki bu yaklaşımın önde gelenlerindendir, bireylerin yoksullukları ya da temel yetkinlik ve öğrenme olanaklarından yoksun olmaları nedeniyle toplumun dışına itilerek katılımlarının engellenmesi olarak tanımlanmaktadır. Bu bağlamda, yoksulluk ve dışlanma için önerilen çözümler, insanların işgücü piyasasına ve finansal hizmetlere beceri oluşturma eğitimleri, iş arama desteği ve finansal hizmetlere erişim yoluyla aktif olarak dahil edilmesidir. Buna ek olarak sosyal yardımlar, sosyal koruma hizmetleri ve sağlık eğitim gibi hizmetlere erişimde engelli bireyler, çok üyeli aileler, yek ebeveynler, azınlık ve göçmenler gibi 'korunmasız grupların dahil edilmesine' özel olarak odaklanılmaktadır. Tüm çözümler, sistemin yoksulluk ve sosyal dışlanma

yaratmadaki rolünü sorgulamadan, neoliberal ekonomik sisteme tam olarak dahil olamayanların dahil edilmesi çerçevesinde sunulmaktadır.

Bu yaklaşımlar, piyasaya atfettikleri merkezi rol, metodolojik bireycilik ve sosyal fenomeni bireye indirgeme eğilimleri, mevcut neoliberal politik-ekonomik ve sosyal sistemi sorgulamadan eleştirmeden kabul etmeleri ve ölçüm odaklı olmaları açısından birçok ortak noktaya sahiptir. Bu tartışmalar, yoksulluğu işçi sınıfından ayırmakta ve yoksulluğun yalnızca ortalamanın altında veya ölçülebilir bir gelir düzeyine sahip olmak veya toplumdaki diğer bireylerden görece olarak geri kalmak anlamına geldiğini öne sürmektedir. Buna ek olarak yoksulluk tartışmaları geçici olarak bozulan piyasa mekanizmaları açısından tanımlanmakta ve zenginlik, güç ve yoksulluğu yaratan sistemin kendisinde büyük yapısal değişimler gerektirecek perspektifleri göz ardı eden hegemonik olarak güvenli bir ideolojik alanda yapılmaktadır. Bu ana akım yaklaşımların sınırlamaları daha geniş bir şekilde tartışılmakta ve yoksulluk analizlerinin ve tartışmalarının sınıf ilişkileri ve kapitalizmin antagonistik karakteri bağlamında yapılması önerilmektedir.

Üçüncü bölüm, Marksist sınıf temelli yaklaşım aracılığıyla yoksulluğun temel nedenlerini ayrıntılarıyla ele almakta ve yoksulluğun temel nedenlerinin üretim alanında, sömürde ve kapitalist birikimin antagonistik karakterinde yattığını, bu sayede zenginliğin, toplumun kalkınma ihtiyaçlarını karşılamak için var olmadığını aksine işçi sınıfının ve zenginliğin sermayenin ve kapitalistlerin ihtiyaçlarını karşılamak için var olduğunu tartışmaktadır. Bu bağlamda sömür, üretken emeğin sahibi olan işçi sınıfının gerekli emek süresinin ötesinde çalıştırılmasıyla artı emek zamanında üretilen ürüne, üretken olmayan emeğin sahibi olan kapitalist sınıf tarafından el konulması ve sermaye olarak kullanılması olarak tanımlanmaktadır. Ve

bu sömürü, maddi eşitsizliklerin ve kapitalist sınıfın zenginliğinin kaynağı olarak yoksulluğun temel nedenidir. Zenginlik, işçi sınıfının ürettiği artı emekten gelmekte ve bu da kapitalist için zenginlik ve işçi sınıfı için yoksulluk yaratmaktadır. Buna göre, zenginlik, üretim sürecinde işçi tarafından artı değerin üretilmesi ve kapitalist tarafından el konulması yoluyla sermaye ve zenginlik olarak kendini gösteriyorsa, o zaman yoksulluğun nedeni, artı değere el konulması yoluyla sömürüdür.

Buna paralel olarak ana akım yoksulluk tartışmalarının önerdiği politikalar aracılığıyla işçilerin yeniden üretimi hedeflenerek kapitalist sistem ve ilişkileri yeniden üretilmektedir. Emek gücü karşılığında yatırılan ücret/sermaye ve sosyal yardımlar, işçinin yeniden üretmesine ve yeni işçi üretmesine hizmet etmektedir. İşçiler ancak emek güçlerini sermayenin emek fonunu oluşturan kısmıyla takas edebildikleri takdirde yaşamlarını sürdürebilmektedir. Bu gerçekleşmediğinde işçi yoksulluğa düşmeye ve görece artık nüfusun bir parçası olmaya mahkumdur.

Bu bölüm, neo-Marksistlerin yoksulluğa yaklaşımlarını da detaylandırmaktadır. Neo-Marksistler arasında yoksulluğa özellikle odaklanan kişi Erik Olin Wright'tır. Wright yoksulluğu sınıf sömürüsü yaklaşımıyla analiz etmekte, ancak klasik Marksist sınıf sömürüsü anlayışından uzaklaşmaktadır. Wright'a göre, Marx'ın tanımladığı kapitalist sömürünün yanında iki sömürü türü daha vardır. Bunlar, örgütsel varlıklar üzerindeki kontrole dayalı sömürü ve tekelleştirilmiş becerilere sahip olmaya dayalı sömürüdür. Sonuç olarak, Wright için yoksulluk iki boyutta analiz edilebilir; çalışan yoksullara tekabül eden sömürücü ilişki içinde üretilen yoksulluk ve bir alt sınıfa tekabül eden sömürücü olmayan ilişkiler tarafından üretilen yoksulluk. Bu bağlamda çalışan yoksulların nedenleri de iki "gerçeğe" indirgenmektedir: firmaların düşük üretkenliği ve işçilerin düşük beceri seviyeleri.

Bu bağlamda yoksulluk analizinde Wright, Marksist paradigmaların aksine mübadele ve piyasa ilişkilerini vurgulamakta ve yoksulluğun nedenini üretim ilişkilerinden sosyal ilişkilere kaydırarak üretkenlik ve beceri seviyelerine indirgenmektedir. Yoksulluğun bu kavramsallaştırılması, yoksulluğu tarihsel olmayan bir şekilde tartışmakta ve emek değer teorisini kabul etmeksizin, üretken ve üretken olmayan emek ayrımlarını da göz ardı ederek, mübadelenin, piyasa, ve güç ilişkilerinin sömürünün ve yoksulluğun olası bir temeli olabileceğinin tartışılması bu yaklaşımı zayıflatmaktadır.

Çalışma, dördüncü bölümde yoksulluğu azaltma stratejilerini incelemekte ve piyasa ve piyasa aracılı faaliyetlerin yoksulluğun azaltılması için ana alanlar olduğunu göstermektedir. Neoliberalizmi derinleştirmek için 'dışarıdakilerin' neoliberal sisteme dahil edilmesinin birincil strateji olduğu tartışılmaktadır. Ayrıca, yoksulluk ve yoksulluğun azaltılması tartışmaları sistemi meşrulaştırıcı araçlar olarak kullanılmaktadır.

Bu bölüm ayrıca neoliberal politikaları ve yoksulluğun azaltılmasını kutlayan küresel orta sınıf argümanına da odaklanmaktadır. Küresel orta sınıf tartışmaları bağlamında ekonomik büyümenin milyonlarca insanı orta sınıf olma yoluna soktuğu ve milyarlarca insanın küresel orta sınıfa ekleneceği tartışılmaktadır. Bu tartışmaların çoğu orta sınıfın gelir temelli ve tüketim rolü etrafında dönmekte ve yoksulluğun azalması ve sözde küresel orta sınıfın artmasının küreselleşmenin doğal sonucu ve başarı öyküsü olduğunu savunmaktadır. Bu bağlamda Milanovic tarafından dünya nüfusunun ondalık dilimlerinin mutlak ve göreceli gelir kazanımları ve tüketim oranları karşılaştırılmakta ve bunun sonucunda küreselleşmenin kazananları ve kaybedenleri tartışılmaktadır. Bu analiz sonucunda küreselleşmenin kazananlarının başta Asya

ekonomileri olmak üzere, Çin ve Hindistan ağırlıklı olmak üzere gelişmekte olan ülkelerin orta sınıfları, kaybedenlerin ise başta ABD ve Batı Avrupa olmak üzere eski zengin ülkelerin orta sınıfları olduğu sonucuna varılmaktadır.

Bu argümanların yanlışlığının temel nedeni, küresel orta sınıfı belirlemek için kullanılan küresel gelir dağılımı yaklaşımı ve kullanılan eşikler, yani ölçüm sorunudur. Bu yaklaşım, yoksulluk örneğinde olduğu gibi dolar cinsinden satın alma gücü paritesini (\$PPP) kullanarak her bireyi sürekli bir gelir ölçeğine yerleştirmek ve ortayı diğerlerinden ayırmak için uygun bir ayırım çizgisi bulmayı amaçlamaktadır.

Bu eşikler keyfi olarak seçilmekte ve kimin yoksul, orta sınıf, kaç kişinin yoksulluktan çıkıp orta sınıfa girdiği vb. belirlemede çok farklı sonuçlar doğurmaktadır. Beklendiği gibi, yoksulluk ve küresel orta sınıfa ilişkin yukarıdaki farklı yaklaşımlar, küresel orta sınıf ve yoksulluğa ilişkin farklı tahminlere ve anlayışlara yol açmaktadır.

Küresel orta sınıf argümanı verileri Çin olmadan hesaplandığında küresel gelir dağılımı, orta sınıfların, yani 10 dolar eşiğini geçenlerin sayısında, çok az bir artış olduğunu ve yoksulluk rakamlarında önemli bir azalma olmadığını göstermektedir.

Bu göz ardı edilmekte ve Çin'in farklı ekonomik ve siyasi yönetimi olan sosyalizmin küresel gelir dağılımını ve orta sınıfları artırmadaki rolü göz ardı edilmektedir.

Mutlak gelirlere bakıldığında ise mutlak kazancın %60'ının nüfusun ilk 10'una, %44'ünün de ilk 5'ine gittiğini görülmektedir. Nüfusun bu dilim aralıkları kapitalistleri oluşturmaktadır. Orta sınıf küresel gelir dağılımının %40-60'ı olarak ele alındığında, kazançlarının sadece %8 olduğu görülmektedir. Nüfusun en düşük yüzdelik dilimi olarak adlandırılan 'yoksullara' baktığımızda tablo daha da kötüleşmektedir. Kazançları sadece %4- %5 civarındadır (küresel gelir dağılımının

yüzde 5-40'ı dikkate alındığında). Ayrıca, küresel gelir dağılımının en alt yüzde 5 ile 15'lik dilimleri arasında mutlak bir gelir kazancı yoktur. Bu grup “küresel pastadan” hiçbir şey almaktadır. Burada nüfusun %5-15 ve taban %40'ı olarak belirtilen dilimleri işçi sınıfları ya da görece artık nüfusun parçası bireylerdir. Bu veriler ölçüm odaklı yoksulluk ve orta sınıf eşikleri belirleyen yaklaşımların argümanlarını çürütmektedir.

Bu bağlamda, yoksulluk tartışmalarını tarihsel ve sınıf temelli bağlamlardan uzaklaştıran, ölçüme dayalı ilişkisel olmayan açıklamalara aşırı odaklanmanın üstesinden gelmek için yazar, "yoksulluğun azaltılmasının" anlamını, bir başka deyişle 1,90 dolar yoksulluk sınırını geçerek diyelim ki 3 dolara (orta sınıfı temsil eden ölçüm sınırı) sahip olmanın sınıfsal ve tarihi bağlamda somut önemini sorgulayarak tartışmaktadır. Aynı zamanda, PPP gelirindeki bu nominal artışın, haneler için istikrarsızlaştırıcı sosyal ve ekonomik sonuçları, aşırı yoksulluktan yoksulluğa ya da sözde orta sınıfa doğru kategori değişikliğinin yararlarından daha ağır basan tarihsel kapitalist birikim süreçlerini (mülksüzleştirme, proleterleşme ve köylüsüzleştirme gibi) nasıl gizlediğini vurgulamaktadır. Bu bağlamda çalışmada aşağıdaki bulgulara ulaşılmıştır.

Kapitalist birikimin antagonistik karakteri, nüfusun en alttaki %50'sinin milli servetin %4'üne sahip olduğu Türkiye'de, milli servetin dağılımında kendini göstermektedir. Buna karşılık, en tepedeki %10, milli servetin %67'sine sahiptir. Nüfusun en alttaki %50'si işçiler ve gelecekte işçi olacak/görece artık nüfus ve çalışamayacak durumda olanlar, ilk %10'u ise kapitalistler anlamına gelmektedir. Bu rakamlar 2021 yılı içindir. Burada, Bahçe ve Köse'nin çalışması, Türkiye'de her 10 “yoksul”dan 9'unun işçi sınıfı olduğunu göstermesi açısından kritiktir.

Buna ek olarak, işsizlik verilerine baktığımızda, işsizlik oranının her zaman Dünya Bankası ve IMF'nin yoksulluğu azaltmayı ve refah getirmeyi hedefleyen politikalarının uygulanmaya başlandığı 2001 öncesine göre daha yüksek olduğu görülmektedir. 1988 ile 2001 yılları arasındaki ortalama işsizlik oranı %7,64 iken, 2002 ile 2019 yılları arasında bu oran %10,94'dır. Marx'ın işaret ettiği gibi, artı emeğin gelişimi, artı nüfusun gelişimine tekabül etmektedir. Bu da kapitalist temelde zenginliğin birikiminin ve gelişiminin gerekli bir ürünüdür.

Bu tez, zenginlik yaratmak ve yoksullukla mücadele etmek için önerilen ve uygulanan tüm teori ve politikaların, kapitalist ilişkileri derinleştirme, kapitalistler için kapitalist birikimi artırma ve işçi sınıfı için mülksüzleştirme, proleterleşme ve köylülüğü, dolayısıyla yoksulluğu teşvik eden bir strateji olduğunu tartışmaktadır. Bu durum zenginlik yaratması ve yoksullukla mücadele etmesi beklenen neoliberal politikalar analiz edilerek gösterilmiştir. Bu politikaların yürürlüğe koyulması ile birlikte Türkiye'nin en büyük mülksüzleştirme ve proleterleşme sürecinin de başladığı ileri sürülmektedir. Bu aşağıdaki bulgularla gösterilmiştir.

Sanayi ve tarımda özelleştirme politikalarının sonucu, çalışan sayısındaki azalma ve Türkiye'nin istihdamsız büyüme trendini ve kayıt dışı sektörü beslemesidir.

Yoksulluğu azaltması ve zenginlik yaratması beklenen 2002'de çıkarılan tütün üretiminde devlet desteğini kaldıran, sözleşmeli tütün tarımını ve özelleştirmeleri başlatan 4733 sayılı kanun sonucunda 2002 yılında 405 bin olan tütün üreticisi sayısı 2020 yılında yüzde 89 azalarak 50.000'e ve 2002 yılında 159.521 ton olan tütün üretimi 2020 yılında %50 azalarak 79.081 tona düşmüştür. Bu, mülksüzleştirmenin açık bir göstergesidir.

Bu mülksüzleştirmeye, beklendiği gibi, proleterleşme eşlik etmektedir. 1990-2020 yılları arasında ücretli işçi oranı %39'dan %70'e yükselmiştir. Bu oran TÜİK verileri üzerinden hesaplanmış ancak TÜİK tarafından bu istatistiğe dahil edilmeyen çocuk işçi, mevsimlik işçi, ev işlerinde çalışan (temizlik, bebek bakıcılığı vb.) kadınlar, çalışan öğrenciler ve emekliler eklendiğinde bu oran %75-80'e kadar çıkmaktadır. Ücretli işçi sayısındaki artış aynı zamanda 1990 ve 2020 yılları arasında %31'den %21'e düşen kendi hesabına çalışan ve işveren ve %30'dan %9'a düşen ücretsiz aile işçisi sayısının azalmasının bir sonucudur.

Mülksüzleştirme ve proleterleşme, emeğin sermayeye tabi kılınması, sömürü yoluyla sermaye-emek ilişkilerinin yaratılması için gerekli koşullardır. Sömürü, ücretli işçilerin istihdamdaki artan payının aksine, emeğin GSYİH içindeki ücret payında neredeyse hiç artış olmamasında görülebilir. 2009 ve 2020 yılları arasında emeğin GSYİH içindeki ücret payı %26'dan %31'e yalnızca %3'lük bir artış göstermiştir.

Mülksüzleştirme ve proleterleşme, tarımın toplam istihdamdaki payının 2005 ve 2020 yılları arasında %25,5'ten %16'ya düşmesiyle aynı zamanda gerçekleşmiştir. Bu süreçte tarımda ekili alan ise 1990-2020 yılları arasında yüzde 17 azalmıştır. Buna ek olarak, 2008-2021 yılları arasında kayıtlı çiftçi sayısında %55'lik bir azalma olmuştur. Daha önceki verilere ulaşılabilsen bu sayı daha yüksek olabilirdi.

Tarımda enformel/kayıtsız çalışma oranı 2003-2020 arasında her zaman %80 üzerindedir ve 2011 itibarıyla %83 civarındadır. Bu bize kayıtlı çiftçi sayısındaki düşmenin, kayıtsız çalışmada da artış olmadığını göz önünde bulundurunca, çiftçilerin tarım sektörünü bıraktığını göstermektedir. Sonuç olarak, azalan çiftçi sayısında görüldüğü gibi, özelleştirme politikaları ve devlet

garantilerinin/sübvansiyonlarının kaldırılması, köylülerin tasfiyesini/köylüsüzleştirme sürecine neden olmuştur.

Ücretsiz aile işçileri arasında görülen proleterleşme, yoksulluğun azalmasının önemli bir örneğidir. Proleterleşme ve kırdan kente göç yoluyla ücretsiz aile işçileri, gelir getirici bir işte çalışmakta ve bu da yoksulluk oranlarının düşmesine yardımcı olmaktadır. Ancak aynı dönemde Türkiye'nin istihdamsız bir ekonomik genişleme dönemi yaşadığı göz önünde bulundurularak, bu kişilerin genellikle kayıt dışı sektörde düşük ücretler ve zor koşullarda çalıştıkları unutulmamalıdır. Sonuç olarak bu insanlar proleterleşme sürecinden geçerek 1,90 dolarlık yoksulluk sınırını geçmektedir. Bu, yoksulluğun ortadan kaldırılmasından ziyade sermaye ve emek arasındaki sömür ilişkisinin sağlamlaştırılmasından başka bir şey değildir. Bu sınıfsal dönüşüm ve sermaye birikimi süreci göz ardı edilerek 1.90 dolardan 3 ya da 5 dolar gelire sahip olan birinin orta sınıfın parçası olduğunu tartışmak kolay olsa da bu yaklaşım kapitalistler için sermaye birikimini sağlamakta ve yoksulluğa neden olan süreçleri beslemektedir. Burada da görüldüğü gibi bu tartışmalar yoksulluğun azaltılması ve küresel orta sınıf argümanlarıyla bu gerçeği gizlemektedir.

Neoliberal politikaların yol açtığı bu tarihsel gelişmelere bakıldığında, yoksulluğa önerilen çözüm yolları kredi ve sosyal yardımdan öteye geçmemektedir. Verilen mikro-kredilerin, alıcıların işi ve geliri sürdürmelerine yardımcı olmadığı gösterilmiştir. Bu bağlamda Dünya Bankası'nın mikrokredi projelerinde kredi alanların %68'inin aktivitelerini sürdüremediği, %45'inin proje tarafından desteklenen tarım aktivitelerinden hiç gelir elde edemedikleri ve %42'sinin işlerini devam ettirmek için gerekli araçları almaya paralarının olmadığı gösterilmiştir. Ayrıca, bu kredilere uygulanan faiz oranları, yoksulluğu ortadan kaldırmaktan ziyade

daha fazla yük oluşturmaktadır—faiz oranları, kredi alan kişilerden artı değer gaspının bir yoludur. Bu kredileri alanlar 1,90 dolarlık yoksulluk sınırını geçebilse de bu olguya sınıfsal bir perspektiften bakıldığında, faiz oranları ve bankalara yapılan ödemeler yoluyla sömürü ilişkilerinin ve kapitalist ilişkilerin ve hegemonyanın pekiştirilmesine katkı sağladığı görülmektedir. Kredi, faiz oranını ödemek için işçilerin daha fazla artı emek üretimine neden olduğundan, kapitalistler için sermaye birikimini sağlamaktadır. Alternatif olarak, borcu ödemek için işçiye daha az ödeme yapılmaktadır.

Çalışma, tarım sektörünün kredi kullanımının 2004-2021 yılları arasında 5.104.228 TL'den 166.221.193 TL'ye büyük bir artış gösterdiğini göstermektedir. Buna paralel olarak, Akçay ve Güngen'in gösterdiği gibi, hane halkı borçluluğu 2002-2015 yılları arasında %4,7'den %52'ye önemli bir artış göstermektedir.

Bu yoksulluğu azaltma stratejileri, tüketimin kolaylaştırılması ve talebin artmasını ve kapitalist ilişkilerin ve işçilerin yeniden üretilmesini sağlamaktadır. Krediler ve sosyal yardımlar, işçilerin kendilerini yeniden üretmelerine ve yeni işçiler üretmelerine olanak tanımaktadır. Yeniden üretim mekanizması, kapitalizmde işçinin ancak emek gücünü sermaye ile takas ettiği sürece emek fonunun oluştuğu ve yaşamını sürdürebildiği kapitalizmin temel mekanizmasıdır. Bu gerçekleşmezse işçi görece artık nüfusun bir üyesi olmaktadır.

Artan proleterleşme hızı, mülksüzleştirme, servetin az sayıda kişinin elinde birikmesi ve sömürünün göstergesi olan artı değer artması ve yoksulluğu azaltma stratejileriyle kapitalist ilişkilerin yeniden üretilmesi, bize zenginlik ve yoksulluğun kapitalist sistemde nasıl yaratıldığını göstermektedir. Bu tezde analiz edilen ana akım yoksulluk tartışmalarının hiçbirisi buna değinmemektedir. Bu tez, neoliberal

politikaların ve yoksulluk/yoksulluğu azaltma politikalarının, sınıf ilişkilerini ve tarihsel politik-ekonomik gelişmeleri gizleyerek kapitalist hegemonyayı pekiştirdiğini tartışmakta ve göstermektedir. Yoksulluğun azaltılması ve küresel orta sınıf tartışmalarını meşrulaştırarak emeğin sermayeye tabi kılınmasına neden olmakta ve kapitalistler için zenginlik ve işçi sınıfı için yoksulluk yaratan kapitalist birikim için mülksüzleştirme, proleterleşme ve köylüsüzleştirmeye neden olmaktadır. Bu, kapitalizmin antagonistik karakteridir.



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