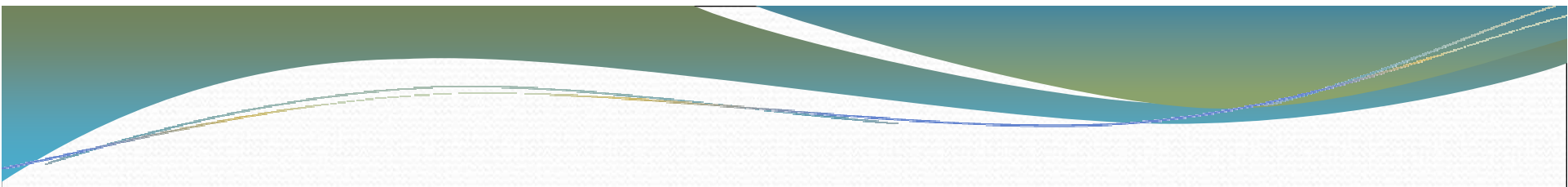




The Social Economy in Turkey

Safety net against crisis for millions of people

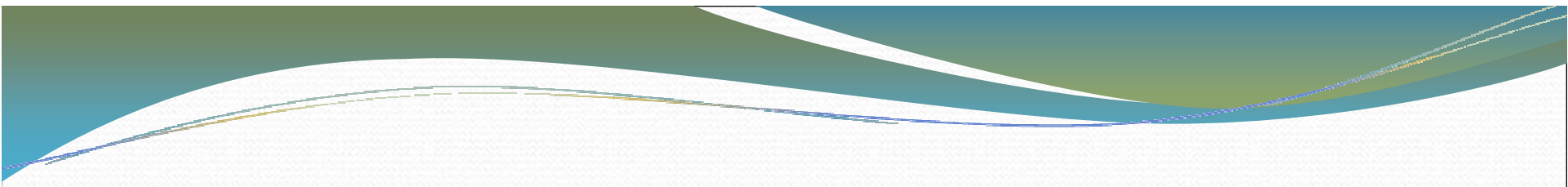
Hüseyin Polat
ILO Consultant



Social Economy: The Third Sector

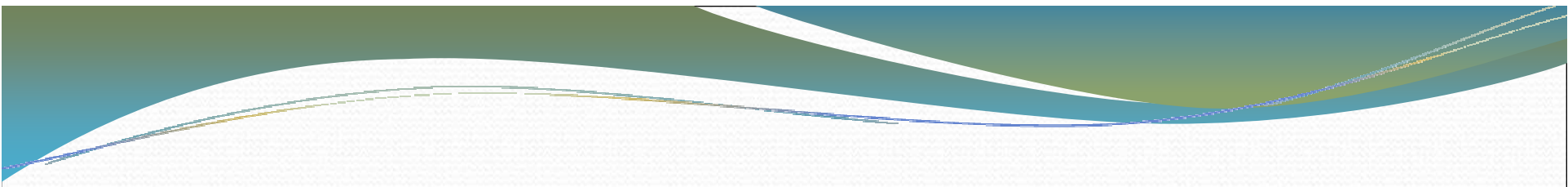
Common characteristics:

- ❖ Primary purpose is not to obtain a return on capital
- ❖ Contribute to a more efficient market competition
- ❖ Work on principles of solidarity and mutuality
- ❖ Managed by the members (one member-one vote)
- ❖ Flexible and innovative
- ❖ Based on active membership



SE categories in Turkey

- Cooperatives
- Foundations
- Associations and Mutual Assistance Funds
- Trade unions' socio-economic establishments



Scope of Social Economy

- 17 million direct beneficiaries (with families, serves more than half of Turkey's population)
- Creates more than 500,000 jobs (directly)
- Owns and runs 34 universities
- Primary source of funding for agriculture, SMEs, health care for disabled, child care and primary education of girls in rural areas, etc.
- Largest in volume of purchase and sale/export of main agricultural products and distribution of agric inputs

Co-ops in Nobel Economy Prize



President of Alanya Fishery Cooperative Mustafa Çakır, speaks about the study of Prof. Elinor Ostrom on which she earns the Nobel prize

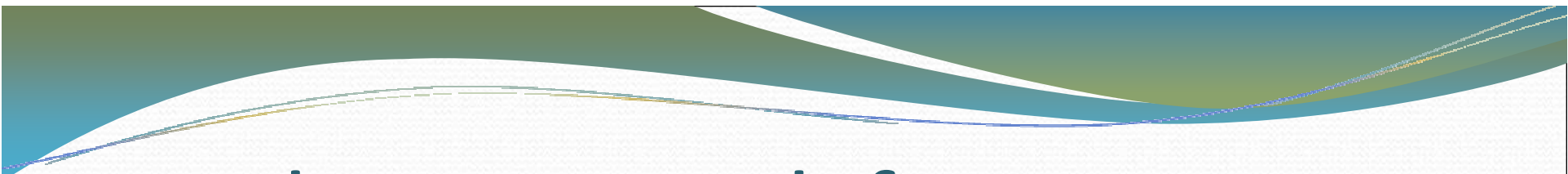
Nobel Prize in Economics to Elinor Ostrom “for her analysis of economic governance, especially the commons” that includes a case from fishery co-op in Alanya, Turkey

Co-ops as main pillars of SE

General picture

- **Number of co-ops:** **87.849**

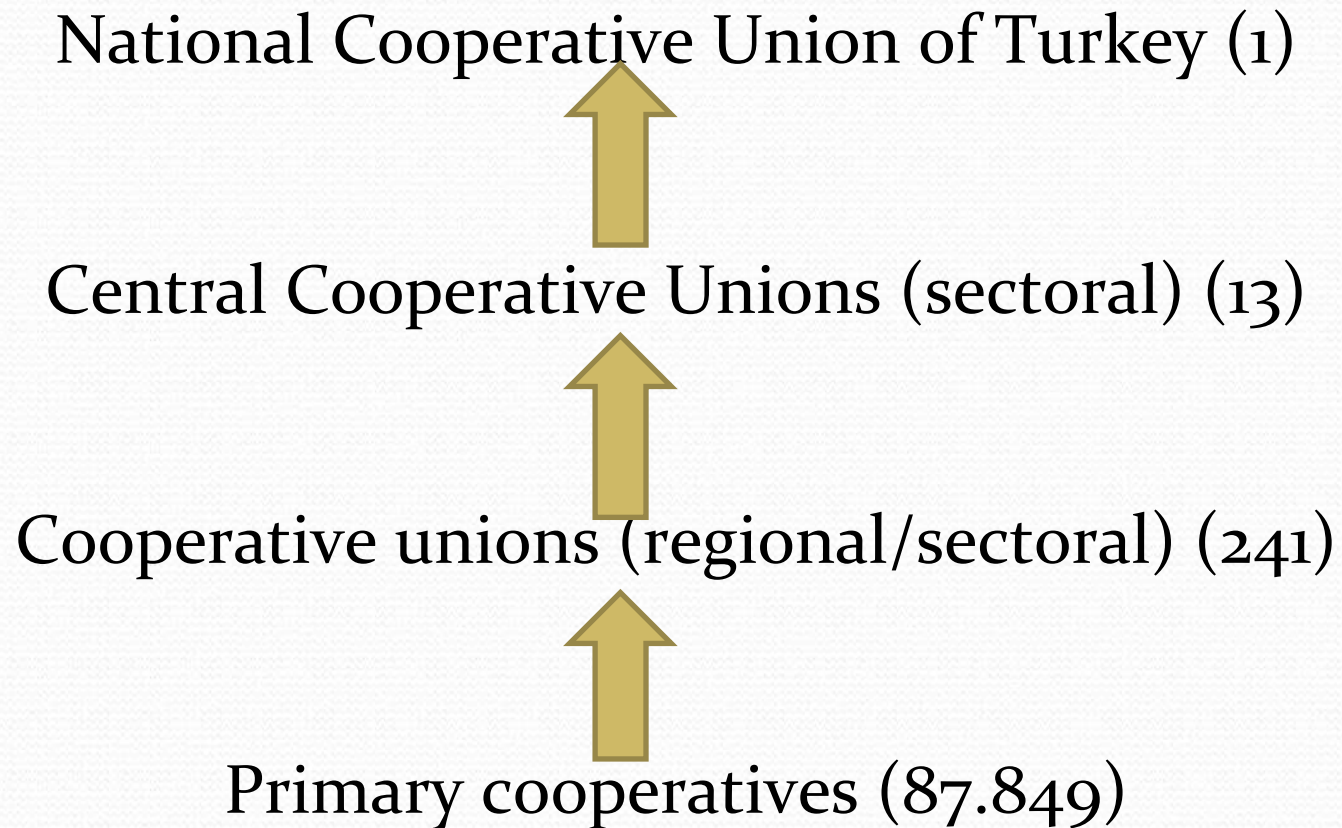
Rural: 13.329 (members: 4.650.000)
Urban: 74.520 (members: 3.796.469)
- **Number of members:** **8.446.469**
- **Number of jobs created:** **100.000**
- **Volume of business (est.):** **50-75 Billion TL**



Legal Framework for Co-ops

- General Cooperative Law (No. 1163) of 1969
(all cooperatives except ACCs and ASCs)
- Agricultural Credit Cooperatives' Law
(No. 1581) of 1972
- Agricultural Sales Cooperatives' Law
(No. 4572) of 2000

Organisational Structure of co-ops



Co-ops as main pillars of SE

Agricultural Credit Cooperatives (ACCs)

- 2nd largest agric. credit distributor (19 %)
- Largest fertilizer, seed.. distributor
- 1,3 million farmer-members and 7.000 staff
- 2009 volume of business exceeds 4.0 billion USD



Co-ops as main pillars of SE

Agricultural Sales Cooperatives (ASCs)

- More than 600,000 members
- 322 primary co-ops
- 17 product-based unions
- 100 % market share in many agricultural products and export marketing



Co-ops as main pillars of SE

Sugar Beet Producers' Co-ops

- 1,6 million members
- Own 7 sugar factories
- 42 % of sugar produc.
- 2,5 Billion USD volume of business



Artisanal Guarantee and Credit Co-ops

- 670,000 members
- Largest credit facility for small scale artisans & SMEs
- 3,5 billion USD loan distributed in 2009



Foundations



Social Investment :
Promoting Strategic
and Effective Giving



- 4,500 foundations (1,906 of them, 42 %, for social assistance, and 1,105 of them for education)
- 34 universities owned by the foundations
- The largest bank is owned by a foundation
- Several hundred thousand jobs created...

Associations

- 80,750 associations and mutual assistance funds
- 8,6 million members
- 250,000 jobs created
- 13,000 Mutual Assistance Funds mainly formed by workers and civil servants to access credit -work similar to SACCOs

TÜRK TELEKOM PERSONELİ
BİRİKTİRME ve YARDIM SANDIĞI



Trade Unions in SE



- Promotion of and support to consumer and housing co-ops
- Support to mutual assistance funds of workers
- Establish and run social service units for members and community

The impact of financial crisis

**Closed & liquidated SMEs and co-ops
due to financial crisis (Jan.-July 2009)**

