

Decent Work Country Report -Turkey*

by

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International Labour Office
Regional Office for Europe and Central Asia

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I. Introduction

Structural adjustment policies and export based growth strategies pursued since the 80s determine labour markets and sectoral composition of employment. Turkey has transformed from a state where agriculture dominated employment vis-à-vis industry and services to another state where the employment share of agriculture is much smaller while the share of services has grown and industry remains stagnant. Focusing on traditional labour intensive lines of production, export-based industrialisation, however, failed to create expected rise in demand for labour and growth in employment. Meanwhile, continuing population growth, albeit at slower rates, further expand working age population and thus labour supply. There is a significant gap between labour demand and supply and the process of “jobless growth” taking on after the 2000-2001 crisis enlarged this gap even further. In the post-crisis period, employment remained stagnant despite increasing productivity, suggesting that this productivity increase results mainly from longer working hours. In spite of various incentives and tax exemptions introduced in order to encourage both domestic and foreign investment, expected boom in investments did not happen at a level to satisfy earlier expectations. In the face of ever increasing labour supply, the absence of extremely high rates of unemployment can be explained by male employment in “own account” works or family based micro enterprises and the fact that females, constituting half of total population, largely remain out of labour force. Given traditional gender roles and patriarchal mentality, women are associated with household affairs and childcare and labour force inactivity of women is regarded only as normal. Jobless growth leads to expanding informal sector. Creation of decent jobs is the most important challenge that Turkey has to face.

The report seeks to highlight a set of issues including those sections of population who remain out of employment as a result of transformation in labour markets; who joins labour markets and under which conditions; how many of these find jobs and how many remain jobless; and working conditions of those who find jobs and changes taking place in these conditions. In the last section, the report presents specific suggestions for the creation of decent jobs. In this context, firstly changes in labour force and participation rates are examined comparatively for males and females and attention is drawn to the fact that there is striking decline in female employment. The main factor behind this is the dissolution of agriculture whereby women are ejected from this sector of employment. As a result of rural-to-urban migration women turn to be mere housewives while men seek jobs in the sectors of construction, industry and services and those failing to find waged jobs turn to own account working.

The most pressing problem facing working population is the expanding share of informal employment in all possible statuses. Half of all employed people are out of coverage of any security scheme. Two-thirds of women and 42% of males work informally. The fact that about one-fourth of wage earners in non-agricultural activities are unregistered is closely associated with sub-contracting relations. The way of reducing labour costs seems to be found in informal employment. Pervasiveness of informality is the basic cause of the crisis that social security institutions in Turkey are experiencing at present. However, legislative changes introduced in the name of reforming the system

targets reduction of costs by chopping the acquired rights of formal workers rather than transforming informality into formal sector.

High rates of unemployment force people to work in jobs without social security. The overall rate of open unemployment is around 10%. But the figure for excess labour is much above this when underemployed and those ready to work while not seeking jobs at a given time are added. Given these circumstances, Turkey's receipt of irregular inflow of migrants from neighbouring countries further boosts labour supply and exacerbates competition for unqualified jobs in the informal sector.

The existence of a large reserve of labour puts pressure on wages. Short-term improvements in real wages are followed by longer periods of contraction. On the other hand, there are productivity gains even when real wages are falling. Actual working hours in Turkey are much longer than what is provided for in legislation. This is related to low level of wages and incomes. Long working hours, however, particularly place women in stress when it comes to reconciling working life with family responsibilities. Limited availability of preschool childcare services and half day education in most schools force working women to seek individual solutions. If they fail, they have no other choice but withdrawing from labour force.

Long working hours have their negative consequences on health. The incidence of fatal work accidents is rather high in Turkey. Such accidents mostly take place in small-scale enterprises which do not or cannot adopt necessary measures for safety and health. Such risks become more common as large enterprises devolve some of their production on to such enterprises in the context of subcontracting.

In Turkey, wage earners who can benefit from organisation and collective bargaining rights make up a rather small part of all wage earners. Decline in public sector employment, sub-contracting practices in the private sector and rigid attitude of some employers against the presence of unions erode union membership and makes it more and more difficult for trade unions to gain new members. Turkey is now facing the challenge of creating decent jobs. Past failure in doing this does not truly emanate from rigidity of legislation as claimed on many occasions. Low level of domestic demand which in turn stems from low wages is a barrier in front of new investments. If macroeconomic policies are designed in a way to encourage investments, especially public investments in the fields of health and education, a very serious employment potential for all, including women in the first place, can be created.

The first objective of this report is to give comprehensive information on the trends in working and employment conditions in Turkey within the frame work of economic and social context. By identifying the main issues the linkages between different elements of working and employment conditions and the deficiencies with respect to decent work are elucidated. Policy recommendations are provided at the end.

II. The Economic and Social Context

After 1980, like many developing countries Turkey adapted to the export oriented growth model and economic liberalization, and an increase in the supply of export goods was made possible through a fall in domestic demand due to the lowering of real incomes. It had been assumed that due to investments in the export sector employment would rise. However, in the 1990s, the availability of speculative earnings within a financial accumulation model designed to meet the government's increasing net borrowing requirement forestalled investments in manufacturing industry. The real production circles preferred short-term financial investment to fixed capital investment. The same situation being prevalent in the banking sector, the level of credits made available by banks for real production investment declined, and when credit interest rates were increased unilaterally in the economic crises, small businesses, for which access to credit was already problematic, were left in dire straits.¹

The effects of the export-oriented growth model on the labour market have been flexibility and informality. Firms producing for the international market have resorted to lowering labour costs to keep up with the competitive process and large firms, finding it difficult to operate on an unregistered basis, have come up with the solution in breaking up the production and making use of small and medium-sized enterprises as subcontractors. The fact that these enterprises are in the informal sector or partake in informal employment has allowed the large firms to use informal labour. Small and very small firms – particularly those operating in small industry zones- compete on price to be able to work as subcontractors to larger firms, and the required lowering of labour costs is made possible by the employment of unregistered labour. Small enterprises taking in outsourcing and subcontracting jobs try to stay in business by relying on a workforce which works without insurance and at wages lower than the minimum wage.² External flexibility strategies which provide flexibility in the labour market through the lowering of labour costs have contributed to the growth of the informal sector and its employment in Turkey.

Economic growth in Turkey was oft interrupted by economic crises. After the 2001 economic crisis, which was one of the most severe in the country's history, Turkey has, with the support of the IMF, continued to implement programs aimed at ensuring macroeconomic stability, strong growth and improved governance. However, although GDP growth recovered well following the 2000-01 crisis and inflation fell to one-digit level for the first time in many years, Turkey has experienced "jobless growth". While

¹ Şenses F. (1996) Structural Adjustment Policies and Employment in Turkey, erc working paper no.96/01
Yeldan E. (2001) Küreselleşme Sürecinde Türkiye Ekonomisi (Turkish Economy in the Process of Globalization) , İletişim Yayınları, İstanbul.

² Suğur N. (1994) "Türkiye'de Esnek Üretim ve Küçük Sanayi:OSTİM Sanayi Bölgesi Esnek Uzmanlaşmanın Neresinde?" (Flexible Production in Turkey and Small Industry), Toplum ve Bilim, No.63
Türkün-Erendil (2000) "Mit ve Gerçeklik Olarak Denizli-Üretim ve İşgücünün Değişen Yapısı:Eleştirel Kuram Açısından Bir Değerlendirme" (Myth and Reality of Denizli: Changing Structure of Production and Labour) , Toplum ve Bilim, No.86
Güler-Müftüoğlu B. (2000) "İstanbul Gedikpaşa'da Ayakkabı Üretiminin Değişen Yapısı ve Farklılaşan İşgücü" (Changing Structure of Shoe Production and Labour in Istanbul Gedikpaşa) Toplum ve Bilim, no.86

the average rate of GDP growth in the period 2002-2006 was 7.1%, increase in employment remained at 1.1%.³ Thus, growth does not generate employment.

Concerning jobless growth in Turkey, it should be mentioned that this has become a phenomenon from the late 1990s. In the early 90s, growth still generated additional net employment. Values of employment elasticity for total employment in Turkey were estimated at 0.37, 0.06, and -0.16 for the periods 1991-95, 1995-99, and 1999-2003 respectively. For youth, the elasticity values were negative in ascending order (-0.24, -0.39, and -1.15) for all three sub-periods. The same could also be observed by females (0.15, -0.44, -0.84) for these sub-periods.⁴ Since the government sector has gradually been withdrawing from production since 1980 and since the share of public sector in total fixed capital investments has been falling, private sector almost fully accounts for fixed capital investments. While fixed capital investments by public sector significantly decrease, increase by private sector investments is behind the point that can compensate this gap and this is one of the factors explaining the shortage in demand for labour vis-à-vis its supply.

While setting its fiscal and monetary policies, Turkey acts in compliance with the IMF, WB and EU. The objectives of fiscal policy include the reduction of public deficit and proportion of public debt stock to national income, maintaining non-interest current surplus and supporting anti-inflationary moves. As a result of targeted 6.5% for the proportion of non-interest public surplus to GNP, public expenditure is constrained. Present taxation policies (reduction in rates of direct taxes, wide exemption for returns on capital, pardons, etc.) further narrowed the sources of public revenue and resulting financing deficit is tried to be covered by public borrowing. Swelling domestic and external debt placed bondage on the budget for necessary interest payments. This situation made it compulsory for the Government to stick to non-interest surplus. Ultimate outcome is the shrinking and commercialisation of public services.

Given limited resources for public investment, priority is given to education, healthcare, technological research, transportation, drinking water supply and e-State and the intention is to use public instrument as an effective means to reduce regional development disparities. However, considering that the GDP share of fixed investments by the public sector was only 3.9% in 2006, it is not possible to find this investment policy sufficient. Allocation of public investments in 2006 by sectors is as follows: Transportation-communication (31%); energy (14.2%); education (14%); agriculture (7.6%) and health (7.1%). It is stated that limited resources are not used efficiently. The size of younger population in particular requires much more resources allocated to education. It is presently envisaged that additional resources can be secured through the EU funds and project loans from external sources.⁵ This means further increase in external debt.

Export oriented growth strategies locked developing countries to specialisation in specific areas and the lead of private sector in investments led to concentration in cheaply

³ DPT 2007 Annual Programme, www.dpt.org

⁴ Kapsos, S. (2005) The employment intensity of growth: Trends and macro-economic determinants, Employment Strategy Paper No. 12/2005, ILO, Geneva, p.34-35.

⁵ DPT 2007 Annual Programme

produced and competitive goods. Competitiveness in the context of other countries exporting similar goods depends on lowering labour costs.⁶ In the period following the 2001 crisis, while there was increase in productivity per worker in manufacturing industry, there was no significant change in the number of people employed and rise in productivity derived mainly from longer working hours. Within the same period, real wage per hour worked fell. According to the WB report on the Turkish Labour Market, labour cost is low relative to productivity and wages are both flexible and competitive. Having no increase in employment despite falling real wages is attributed to the tightness of arrangements protecting employment.⁷ Various studies on labour market also reveal that labour cost flexibility of employment is quite limited.⁸ In other words, employment responds weakly to changes in wages and lower wages hardly induce any expansion in employment.

Until recently, policy makers in Turkey have not considered employment promotion as a priority target since they concentrated almost exclusively on anti-inflationary policies. Although the importance of employment promotion is now more widely stressed after having pulled inflation down to single digit figures, expansion of employment is regarded as an outcome of private sector investments in the context of free market economy. Governments have so far introduced many legislative arrangements to facilitate investments by nationals and foreigners and to remove some administrative barriers relating to establishment and operation of enterprises. These were accompanied by various incentives in taxation. It should be noted here that social parties have consensus on that presently high taxation on wages and social security contributions encourage informality and the Government, in response, says that they are seeking ways to mitigate this burden. Presently, there is also work for developing a national employment strategy with the participation of social parties.

Limited expansion of employment and especially insufficient growth of non-agricultural employment in the face of shrinking agricultural employment manifests itself in unequal distribution of income and rates of poverty. The phenomenon of poverty in Turkey, rapid growth of people at working age, dissolution of agricultural employment and its pressure on labour market all point out to the severity of the problem of employment and the need to create decent jobs.

⁶ BSB (2007) 2007 İlk yazında Dünya ve Türkiye Ekonomisine Bakış, (Look at the World's and Turkey's Economy in the Early Summer 2007) TMMOB, Ankara, p.44

⁷ WB (2006) Turkey Labour Market Study, p.15

⁸ BSB ibid., p.46

III. Trends in Working and Employment

1. Employment Status/Contracts of Employment⁹

1.1. Labour Force Participation and Employment Rates

Turkey is confronted with the problem of low and steadily falling labour force participation and employment rates. In 2006, the population at age 15 and above is 51,668,000 and the total labour force is 24,776,000 giving the labour force participation rate of 46.8%. In the same year the non-institutional civilian population amounts to 72,606,000. In 1995 labour force participation rate was 54.4%, non-institutional civilian population, population at age 15 and above and labour force amounting to 60,864,000, 41,455,000 and 22,567,000 respectively.

Of total labour force in 2006, 6,480,000 are females and 18,297,000 are males. One in every four in total labour force is a woman (26.1%). Labour force participation rate is 24.9% for females and 71.5% for males. These rates were 31% and 78.3% respectively in 1995. The number of women in labour force was 5,976,000 and men was 14,935,000 at that year.

In 2006, total employment is 22,330,000, giving the employment rate of 43.2%. This rate is 22.3% for females and 64.5% for males. In 1995 the rate was 28.6% and 72.8% respectively. In spite of the decrease there still is a significant difference between female and male rates. To understand the causes of the difference and falling levels of labour force participation and employment in Turkey it is necessary to look at the sectoral distribution of employment with respect to gender within the framework macroeconomic developments.

Agricultural policies pursued in Turkey lie behind the decline in rural employment and the falling rates of employment is closely associated with it. The 8th Five Year Development Plan envisaged adjustments in national agricultural policies in line with the policies of the WB, EU and WTO and set priority targets as reducing the number of people working in agriculture while boosting productivity and competition. Along these lines, the State curbed its support to domestic agricultural products, soft loans and subsidised inputs to farmers were abandoned, land under culture was reduced and supporting schemes were terminated. For example, setting the same floor price in sugar beet for the last two years and easing cotton import were factors influential in shrinking of land under culture. At present, there is the scheme of direct income support to farmers, but this scheme is to be terminated at some date even if that that is yet not declared openly. These policies have had their clear effects particularly on farmers engaged in sugar beet and tobacco farming. Upon the enactment of laws relating to the farming of these crops in 2001, there have been substantial decreases in terms of area

⁹ All the statistics given here are from TÜİK 's Household Labour Force Surveys. The surveys are designed according to the international standards in terms of definitions and concepts. Survey was reviewed in 2002 finally in terms of harmonization with Eurostat and a new questionnaire was developed to cover all variables requested by Eurostat.

under culture, output and employment.¹⁰ Culture of such crops as cotton, sugar beet, tea, cotton and hazel nut is labour intensive and females are largely involved in this culture. Transition to such practices as quota and/or pruning and to mechanical harvesting in cotton led to further decrease in female employment. In the direct income support scheme which was introduced in 2000 with the announcement that it would be a temporary scheme, farmers are paid per decare depending on the size of their holdings irrespective of output, input use or income level. Payment of this support not to those working on land but its holder further distorts income distribution and it is widely stated that at the end of this practice there will be substantial declines in output and emergence of unemployment in enterprises that will cease to be active.¹¹ Furthermore, considering the very limited status of proprietorship of females in agriculture, it is clear that this policy will also contribute to the maintenance of existing gender inequalities.

Since female employment mainly concentrates in agriculture, any shrink in this sector leaves women out of work. Meanwhile export oriented growth strategies especially in manufacturing industry have not brought along any significant growth in employment in spite of falling real wages and labour intensive nature of this sector. Associated with falling employment in agriculture, this situation leads to the shift of non-agricultural male labour force to informal sector or informal employment in the forms of waged work, own account working or small family enterprises. The females on the other hand leave labour force and become economically inactive.

Table 1: Distribution of Employed Persons by Economic Activity 1995-2006 (thousand)

	Total Employment		Females		Males	
	1995	2006	1995	2006	1995	2006
Total	20 912	22 330	5 976	5 810	14 935	16 520
Agriculture	9 205	6 088	4 255	2 816	4 950	3 272
Share(%)	44.0	27.3	71.2	48.5	33.1	19.8
Industry	4 600	5 674	572	872	4 027	4 802
Share(%)	22.0	25.4	9.6	15.0	27.0	29.1
Services	7 106	10 569	1 148	2 122	5 958	8 446
Share(%)	34.0	47.3	19.2	36.5	39.9	51.1

Source: TÜİK, HLFSS October 1995, 2006, www.tuik.gov.tr

According to the table above, total employment expanded only by 1,418,000 within the last 11-year period. In the same period, on the other hand, population at working age that is age 15 and over jumped from 41,455,000 to 51,668,000 (by 10,213,000). There is a decline in female employment by 166,000 while increase in male employment is by 1,585,000. As far as females are concerned, decline in agricultural employment corresponds to 1,439,000 persons. As a result the share of agriculture in total female employment fell from 71.2% to 48.5%. On the other hand there is an increase by 300,000 in industry and by 974,000 in services, making a total increase by 1,274,000,

¹⁰ While the area under sugar beet culture in 2000 was 423,393 hectares, this fell to 359,000 hectares in 2003 accompanied by fall in the number of sugar beet farmers from 500,000 to 410,000. In tobacco, total output fell from 216,000 tons to 149,846 tons with number of tobacco farmers falling 586,616 to 33,176. (Gülçubuk B., Şengül H., Aluftekin N., Kızılaslan N., Kılıç M. "Tarımda İstihdam, Sosyal Güvenlik Uygulamaları ve Kırsal Yoksulluk", 6th Technical Congress in Agricultural Engineering, ZMO, 3-7 January 2005, Ankara, p:1173-1197, 2.volume.

¹¹ Bor Ö. "DGD Sistemi Sonrasına Bir Bakış, Akdeniz İİBF Dergisi (9) 2005, s.33-51

which does not balance out the decline in agriculture. The share of services increased from 19.2% to 36.5% and of industry from 9.6% to 15%. For males, the employment decline in agriculture is by 1,678,000. The share of agriculture in total male employment dropped from 33.1% to 19.8%. Increase in male employment was by 775,000 in industry and by 2,488,000 in services. Deducting employment losses in agriculture net increase in male employment turns out as 1,585,000. While the share of services increased from 39.9% to 51.1%, increase in the share of industry is very limited (from 27% to 29.1%).

However, these assessments focus on internal changes within sectors in terms of employment. In the period concerned, there is a substantial increase in population at working age as well. Since increase in employment is not even at a level to compensate for decline in agriculture, this is a serious deterring factor for those who will make a fresh start in labour force. Consequently, in the period 1995-2006, while the number of women staying out of labour force increased by ca. 2 million in rural areas, this increase is ca. 1 million for males. In urban areas, on the other hand, increase in the number of females out of labour force is by 3 million while it is about 1.8 million for males. In rural areas the number of females leaving labour force is two times the number of males and in urban areas it is by 1.7. The reasons for remaining out of labour force are to be understood within the framework of socio-cultural factors, that is gender-based division of work and related gender roles, according to which women in Turkey are mainly assigned the task of household chores and childcare. Household responsibilities of especially married women largely prevent them to join the labour force and seek jobs. Especially in cases where the employment of unqualified women of low educational background is regarded as threat to the dominance of male household heads as “breadwinners”, women or young girls are not allowed to work out of their homes.

Household Labour Force Surveys reveals, in a rather striking way, differentiation of women’s labour force participation with respect to marital status. In 2006, while the labour force participation of married women was 19.8%, it was 32.4% among unmarried and 40.7% among divorced women. While bachelors’ share in female population over age 15 is 22.9%, these women make up 33.4% of total female labour force.¹²

It must be added, however, that economic factors as limited availability of jobs for women due to limited demand for female labour, heavy working conditions and low wages of existing jobs also contribute to females’ being out of labour force. No substantial increase in unemployment triggered by growth without employment is closely associated with large numbers of women at economically productive ages remaining out of labour force.

¹² TÜİK (2007) Household Labour Force Statistics 2006, p.105

1.2. Distribution of Employment by Status and Registry

Expansion of market economy in Turkey affects the structure of employment towards the commodification of labour. There is a steady increase in the share of regular employees in Turkey which was one third (33.0%) in 1995, it amounts to half (49.3%) of total employed in 2006. The share of other categories in 1995 and 2006 are respectively by casual employees 8.5% and 7.2%, by self-employed 24.9% and 23.5%, by unpaid family workers 27.9% and 14.6% and by employers 5.6% and 5.4%. Increase in the share of regular employees is mainly due to the decrease in the share of unpaid family workers. In spite of this development precarious forms of work are prevalent in Turkey as the earnings are very irregular and insecure by group of workers such as casual employees and self-employed or non-existent as by unpaid family workers. By casual employees they can only earn a living if they can find a job and by self-employed if they can sell their products and services. The latter are very sensitive towards economic recessions, not being able to sell anything for long periods.

Gender disaggregated data shows that this situation has more gravity for women as the change occurs more slowly. In the distribution of employed women by their status in employment, unpaid family workers have a very large share (39%), and regular wage workers took the lead for the first time in 2006 (41.1%). Women in employer status are very few (1.2%). 13.1 % are own account workers and 5.6% are casual workers. For males, more than half of working males receive regular wages (52.2%) and including daily paid casual employees (7.7%) their share reaches 60% in 2006. 27% of males are own account workers and 6% are unpaid family workers. The share of employers amounts to 6.8%.

Table 2: Employment by Status in Employment 1995-2006 (thousand)

	Total		Regular employee		Casual employee		Employer		Self employed		Unpaid family worker	
	1995	2006	1995	2006	1995	2006	1995	2006	1995	2006	1995	2006
Females	5976	5 810	1306	2 388	295	326	44	69	507	761	3824	2267
(%)	100.0	100.0	21.8	41.1	4.9	5.6	0.07	1.2	8.5	13.1	64.0	39.0
Males	14935	16 520	5601	8 629	1485	1274	1134	1132	4701	4485	2014	999
(%)	100.0	100.0	37.5	52.2	9.9	7.7	7.6	6.8	31.5	27.1	13.4	6.0

Source: TÜİK, HLFS October 1995, 2006, www.tuik.gov.tr

While persons with regular jobs indicate relations of regular employment, there is no information whether they work on without limit of time or time bound work contracts. Although the Labour Code dated 2003 allows for work contracts with specific time period, employers complain that they can use this possibility only in limited cases since such terms of employment may lead to court cases as a result of legally defined conditions of temporary/time bound work contracts.¹³ Hence there is no information as

¹³ Süral Nurhan (2007) 4857 Sayılı İş Kanunumuzda Esneklik Açılımları (Moves Ahead for Flexibility in the Labour Code no. 4857) İşveren Dergisi Özel Ek

to how common such contracts are. Information from HLFS shows only how many of wage earners are permanently and how many are temporarily (on daily basis) employed.

According to the Table, the proportion of males and females with regular employment rapidly increased from 1995 to 1996, while there is small increase in the rate of daily paid women and a slight decrease in the rate of males in this status. Of daily paid male workers, 26% are in agriculture and 74% in non-agricultural activities. Corresponding figures for daily paid female workers are 53.1% and 46.9%, respectively.

“Own account working” seems inevitable for many since wage-earning jobs are quite limited in non-agricultural sectors. In fact, according to the Informal Sector Survey conducted in 2000, 37.2% of own account workers had to choose this for not finding any other type of employment.¹⁴ From 1995 to 2006, while the share of own account male workers in total male labour force dropped from 31.5% to 27.1%, the share of women in the same status increased from 8.5% to 13.1%. However, it must be noted that these figures cover those who work on their own account in both agriculture and in non-agricultural activities. In Turkey, small-scale production and own account working is the most commonly observed status in agriculture. It is therefore necessary to focus on trends in own account working in sectors other than agriculture. The absolute number of workers in this status tends to increase over time, but their share in total employment is declining. While the share of males working on their own account in non-agricultural sectors was 17.2% in 1995, this share remained almost the same with 17.5% in 2006. In females, the share declined from 10.9% in 1995 to 7.8% in 2006. Although female entrepreneurship is recently being presented as the only way of increasing women’s labour force participation, the fact that there are only 234,000 own account female workers outside of agriculture indicates that incentives offered so far have not yielded desired outcomes.

The İŞKUR Law no. 4904 provides that the İŞKUR and private employment agencies should act as intermediaries in employment and job placement issues. However, there is yet no legislation arranging for temporary employment offices. Although the existence of some private agencies functioning as intermediary in the employment of national and migrant women in domestic services as well as child and elderly care particularly in large cities is known, there is no official information about these persons since they work informally. Private employment agencies which are active focus on qualified workers and act as intermediary in permanent job relations.

There is no information available on call contracts.

Another recent development pertaining to civil servants is the disappearance of job security through on-contract employment. Employment on contractual basis is becoming more and more common in most basic public services including education and health. Employment of teachers on contractual basis increases the number of teachers without job security. At present there are 575,000 permanent teachers working in institutions attached to the Ministry of National Education. Within the last 5 years 146,000 new teachers have been posted and 29,000 of these teachers are employed on contractual basis. Further, tens of thousands of teachers are employed temporarily and without job security while paid on the basis of hours. The recent decline by 10% in the

¹⁴ TÜİK News Bulletin 31.10.2001

number of permanently employed class teachers is tried to be covered by contractual and temporarily employed teachers. While permanent teachers are paid poorly, the increasing numbers of temporary teachers have to face insecurity in addition to low pay. This situation has its negative implications on the quality of education. Thus, teachers' unions stand for improvement in the status of teachers including pays and benefits and demand permanent employment rather than temporary recruitment without job security.¹⁵

In health sector, spreading practice of sub-contracting for the last 20 years is in effect tantamount to driving healthcare out from the scope of public service in its proper sense and force health workers to accept insecure status. The process which started with sub-contracting cleaning and cafeteria services in hospitals is now continuing with the inclusion of nurses, lab workers and health technicians, giving the message that physicians too may soon be employed through sub-contractors. In the draft law "Unions of Public Hospitals" (Companies) which is presently discussed in parliamentary commissions, there are plans for sub-contracting individual services and surgery units even in public hospitals, indicative of any future delivery of healthcare services including laboratory tests and x rays. It is interesting to note that sub-contracting all these units including their medical personnel to private firms can be matter of draft legislation. Considering that the issue at stake is a public service where continuity, integrity and stability are all essential, it is apparent that splitting the system in pieces to be sub-contracted is contrary to the very nature of healthcare and will have its negative implications on healthcare service delivery. Meanwhile, about 50,000 workers recruited by sub-contracting firms are employed as deprived of many basic rights and their inferior position vis-à-vis other personnel doing identical jobs at the same institution runs counter to the equality principle as enshrined in the Constitution. Hence, organisations of health workers and physicians demand for putting an end to sub-contracting practices and accordance of a single and equalitarian status covering all health sector workers.¹⁶

The leading problem in working life in Turkey is related to the fact that there are millions of people covered by informal employment that is, employment remaining out of legislative and institutional protective measures including social security. Looking at figures of registry with social security institutions in 2006, we find that there are 10,827,000 persons working informally against 11,503,000 persons in formal status. Accordingly, 48.5% of total employment, 66% of total female employment and 42.3% of total male employment is out of any system of social protection. Informal work is most common in agriculture; 98.7% of females and 77.6% of males have no social protection. In non-agricultural activities which comprise industry, trade and services, 35.2% of females and 33.6% of males are employed without any social security. Unregistered work, especially waged work has become the major form of flexibility in Turkey. (This problem is dealt in detail under the social protection section).

1.3. Unemployment and underemployment

¹⁵ Eğitim-Sen, "Nitelikli Eğitim Nitelikli Öğretmenle Mümkündür" (Quality Education Requires Quality Teachers) , November 2007, www.egitimsen.org.tr/index.php?yazi=1343

¹⁶ www.ttb.org.tr, Son Haberler: "İnsan İhale İle Çalıştırılmaz, Sağlıkta Taşeron Olmaz" (There should be no employment through bidding and no sub-contractor in health) , 7.11.2007

The overall rate of open unemployment is 9.9% in 2006 and there is no significant difference between male (9.7%) and female (10.3%) unemployment rates. The number of unemployed amounts to 670,000 by females and 1,777,000 by males. Looking at non-agricultural unemployment, we observe that the rate for women is quite higher than for males with 17.9% vs. 11.3%.¹⁷ In 1995 there were 512,000 unemployed women and 1,655,000 unemployed men. Overall rate of unemployment was 7.3%, 7.9% by females and 7.1% by males. Non-agricultural unemployment rates were 21.1% and 9.0% respectively. Most of unemployed women in urban areas move out of labour force after a while upon their “discouragement.”

The rate of long term unemployed, namely rate of persons whose duration of unemployment one year or more is 35.9%. The gender disparity shows itself not only by unemployment rates but also by the duration; 44.3% of females where as 32.6% of males are unemployed for one year or longer.

Youth unemployment rates are above overall unemployment rates. In 2006, for example, the rate of youth (15-24) non-agricultural unemployment was 22.8%, which is almost the double of overall non-agricultural unemployment rate (12.6%). In gender terms, the rate of unemployment among young females (28.3%) is well above that of males (20.6%). Unemployment spells are longer for young people and their likelihood of being employed informally is higher than adults.

Thus, to grasp the actual dimensions of excess labour force in Turkey, there is need to include those who are not seeking jobs while being ready to work and others who are still seeking jobs while being employed (underemployment).¹⁸ In 2006, the number of underemployed women was 119,000 and those who didn't seek jobs while being ready to work numbered 1,105,000. Recalculating with the inclusion of these groups we come up with quite a high rate of female excess labour force (24.5%). Doing the same with males (including 770,000 underemployed males and 984,000 others ready to work without looking for job) we get 17.6%. In sum, the problem of unemployment is much deeper than that which is reflected in the official rates of unemployment.

1.4. Irregular migration in conjunction with the informal economy

Although the existence of high unemployment rates and limited possibilities of employment in the formal economy in Turkey lead to a surplus labour force that is ready to take up any informal work despite unfavourable terms, the same situation also offers employment opportunities to irregular migrants. Comprehensive studies are needed,

¹⁷ This data is obtained from HLFS 2006. The number of people registered as unemployed by the Employment Office amounts to 279 201 by females and 782 652 by males in 2006. Not all of the unemployed people make use of the services of the Office as the job placement rates are usually very low. These rates amount to 5.7% by females and 10.5% by males in 2006 (İŞKUR Monthly Statistical Bulletin December 2006).

¹⁸ Among underemployed one group includes persons who work less than 40 hours because of economic reasons but able to work more and the other group is composed of persons who want to change his/her present job and seek further a job. In 2006 15.3% of underemployed belong to the former and 84.7% to the latter category. The main reason to seek a new job is the low level of the income in the present job (TÜİK, İşgücü, İstihdam ve İşsizlik İstatistikleri, (Labourforce, Employment and Unemployment Statistics) 2007, p.28)

however, to disclose the conditions in which irregular foreign migrants work in Turkey and the scale of this kind of employment. According to limited studies in this area and certain media items, foreigners who actually want to head to the EU countries (mostly from Iran, Iraq, Afghanistan, Pakistan and Bangladesh [Asia] and Somali, Sudan and Nigeria [Africa]) work in the informal sector, depending on their duration of stay in Turkey. Migrants from the former Eastern bloc countries (like Moldova, Ukraine, Russian Federation, Georgia, Azerbaijan, Turkmenistan) enter Turkey with tourist visas obtained at the border and find jobs in the informal sector. Upon the expiry of their visas, they either leave the country to re-enter or stay illegally. The latter have to pay a heavy fine, the amount depending on the duration of illegal stay when they formally leave the country. Although few in numbers, others apply for refugee status. In case their applications are rejected, these people move to informal employment for subsistence. Though there is no definitive data on the number of foreigners working informally in Turkey their number can be estimated as reaching several hundred thousands.

Similar to what is observed in southern European countries, irregular migrants in Turkey at least partly take up those jobs rejected by domestic labour. However, the high rates of unemployment and the abundance of unskilled labour in Turkey creates a large reserve of surplus labour ready to accept any job whatever its conditions may be. Therefore there is a kind of competition between domestic and migrant workers in the manufacturing, construction and agricultural sectors. In this rivalry employers may prefer foreign workers since they are ready to accept lower wages, are relatively more skilled and regarded as hard working and disciplined. A partial substitution occurs in the manufacturing, construction and agricultural sectors.

Substitution is relative seldom in domestic services as there is a supply that generates its own demand. Families from middle and high income groups prefer child care and especially nursing care by women, especially from Moldova, since they can deliver live-in care services, are usually trained in child/nursing care and are considered to be as industrious and disciplined as workers. As the state provides almost no child care or care of the elderly, these services are obtained through market mechanisms. However, it is quite exceptional for native females to give live-in services in others' homes since they have their own family responsibilities. In rare cases where they are ready to accept such jobs, they ask for much higher fees than those paid to foreigners.

Migrants do not need to resort to traffickers, thanks to the flexible visa system, but use intermediary agencies in their countries of origin and in Turkey, which offer job placement services. These private agencies charge high commissions for their services; some cause the job seekers to run into debt. Under the constant risk of being spotted and deported, those who remain in the country after the expiry of their visas are vulnerable to various forms of abuse and exploitation including threats from employers or security forces, bribery and non-payment for days worked. Female migrants may also face such adversities as sexual harassment and assault.

The Law no. 4817 on 'Work Permits of Foreigners' which took effect on 6 September 2003 allows foreigners to work in various areas by applying for a work permit. The granting of such permission is dependent on the needs of the specific job

market, which gives priority to the native workers. However, to be eligible for such application foreigners in the country are required to have a residence permit for at least six months or to have applied to the consulate in their countries before coming. Those coming in with tourist visas cannot apply for work permits in Turkey. Therefore the law has brought no advantage for those already working informally in the country.

Considering the fact that the numbers of both unemployed and underemployed persons are relatively high in Turkey, irregular migrants can be taken as a factor further contributing to high rates of unemployment. Nevertheless, this effect should be taken as limited since the number of irregular migrant workers is not too high compared with the total active population. Female migrants in the entertainment and domestic services in particular actually fill a gap.¹⁹

2. Wages²⁰

Growth rates follow an unstable trend in Turkey. Periods of expansion and contraction in economy follow each other in rather short intervals and short-term booms end up in short-term but severe contractions. In fact, economic crises experienced in 1994, 1999 and 2000-2001 had their negative implications on productivity and wages. In periods of economic growth, shrinking share of agriculture in employment versus expanding shares of both industry and services lead to increases in labour productivity. Productivity increases are also associated with technological improvements. Other factors include working hours per worker and ratio of employment to total population. In Turkey, employment/population ratio tends to fall especially as a result of women's declining labour force participation which stems from urbanisation. This has its negative effects on productivity increase.²¹

2.1. Trends in real wages

Statistics relating to manufacturing industry, where wage data can be readily obtained, show that there is no linear relationship between productivity increases and wages. Before the 2001 crisis real gross earnings have started to decline in the manufacturing industry. However after the crisis real gross earnings maintained their low level and could not recover. On the other side per capita productivity has been increasing even in the year of crisis. Gap between productivity and real earnings indices is growing.²²

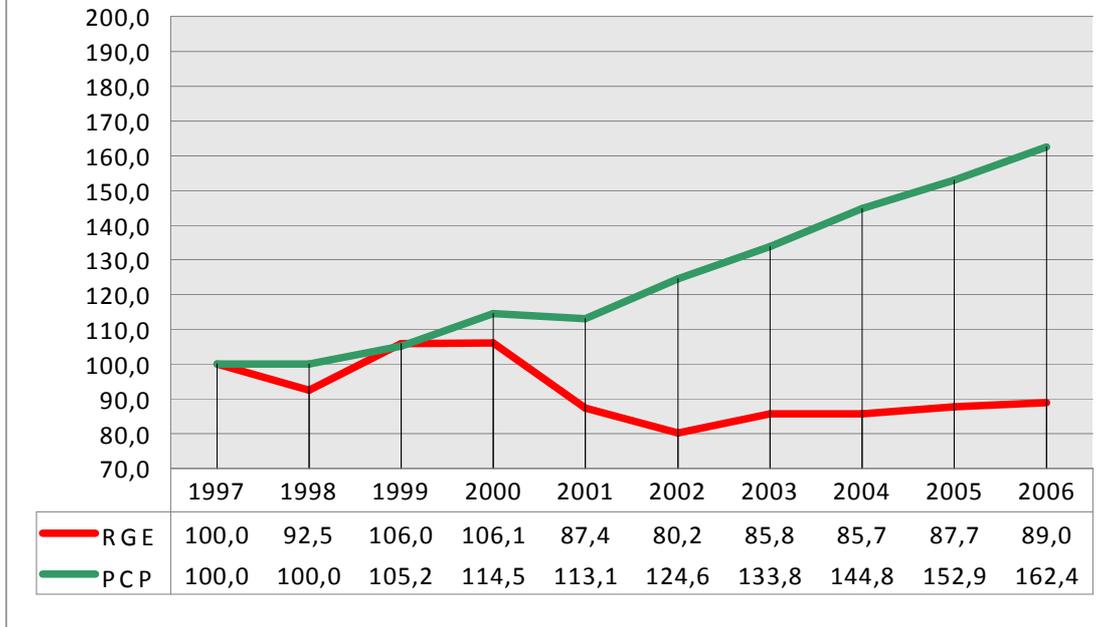
¹⁹ Toksöz Gülay (2007) "Informal Labour Markets and the Need for Migrant Workers: The Case of Turkey from a Comparative Perspective" in Berggren, Brboric, Toksöz, Trimikliniotis (eds) *Irregular Migration, Informal Labour and Community: A Challenge for Europe*, Shaker Publishing, Maastricht.

²⁰ Many thanks to Seyhan Erdoğan for her contributions in this section. Without her support it would not be possible to prepare and afterwards revise this section according to the requirements.

²¹ Taymaz E., Suiçmez H. (2005) *Türkiye'de Verimlilik, Büyüme ve Kriz*, (Productivity, Growth and Crisis in Turkey) MPM, Ankara, p.16

²² In this section, manufacturing industry wage data from TÜİK's Employment and Earning Surveys (1996-2002) and Quarterly Manufacturing Industry Employment Surveys (2003-2006) are used to assess trends in wages while observing the criteria of continuity and comparability (including international comparisons). This selection was made mainly upon the fact that both sets had the same variables. This made it possible to examine wage-related variables on the basis of public-private distinction, coverage of

Graphic 1: Index of Per Capita Average Monthly Real Gross Earnings-Per Capita Productivity in the Manufacturing Industry (1997=100)



The reason for taking 1997 as the base year in comparing earnings and productivity was the fact that indices related to workers in manufacturing industry, hours spent in processing and partial productivity were all taken as 1997=100.

Developments taking place in the manufacturing industry in the period 1997-2006 can be seen from the table below:

Table 3: General Performance Indicators of Manufacturing Industry (1997-2006)

Years	Index of Production	Index of employment	Index of per capita productivity	Index of productivity by actual hours worked
1997	100	100	100	100
1998	100,1	100,2	100	100,7
1999	95,9	91,2	105,2	107,5
2000	102,1	89,1	114,5	115,7

collective bargaining –including absence of any such bargaining- enterprise size and sub-sectors of manufacturing industry for a period of 10 years. 1996, as the starting date of data set, was a year in which the effects of the 1994 crisis were mitigated, this was helpful in ensuring the objectivity of the analysis. Annual averages of TÜİK's General Index of Consumer Prices were used in calculating real wages. Since wage worker employment in manufacturing industry is only one-third of total wage employment, this was a kind of disadvantage in using wage data; however, the availability of manufacturing industry data in the form of time series made this choice compulsory. All calculations and charts were made by Seyhan Erdoğan.

2001	92,4	81,7	113,1	116,9
2002	102,5	82,2	124,6	126,9
2003	112,0	83,7	133,8	136,1
2004	123,7	85,4	144,8	146,1
2005	129,6	84,8	152,9	154,8
2006	136,2	84,3	161,6	164,5
1997-2006 Average	109,45	88,26	125,05	126,92
1997-2006 Change %	36,2	-15,7	61,6	64,5

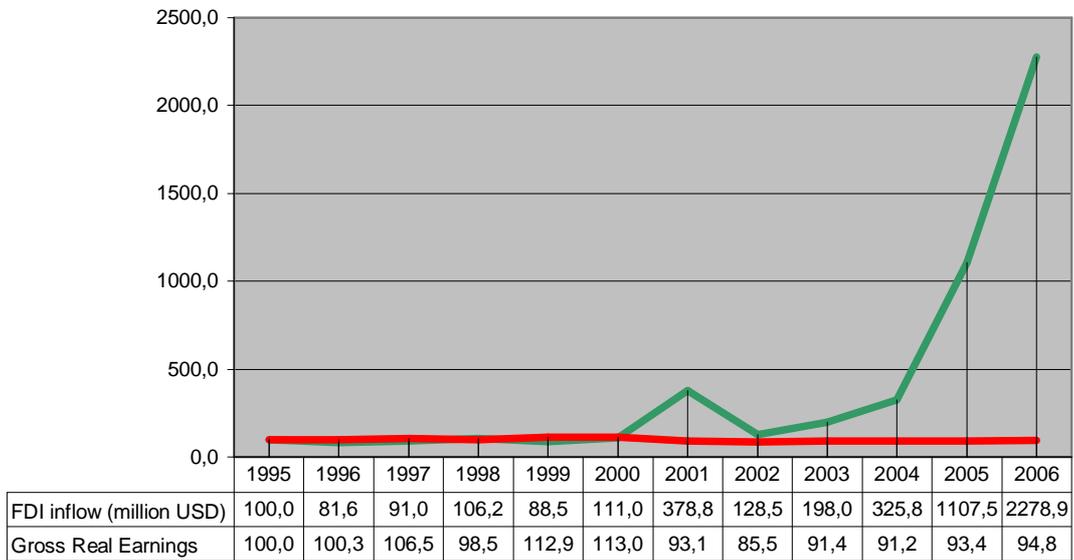
Source: Türkiye Kalkınma Bankası (2007), *Türkiye İmalat Sanayiinin Yapısal Analizi ve Sektörel Performans Değerlendirmesi, (22 Ana Sektör İtibariyle)*, (Structural Analysis of Manufacturing Industry and Assessment of Sectoral Performance), Ankara, s.4

In the decade of 1997-2006 index of production in manufacturing industry increased by 36.2%. Labour productivity slightly fell (by 1,4%) during the crisis year of 2001 and then increased steadily from 2002 and on. As a result a substantial increase of 61.6% took place in per capita productivity index. In the same period decline in employment index was 15.7%. With low real wages, less number of workers and high labour productivity the so-called achievement is reached with longer working hours. This is exactly what is referred to as “growth without employment.”

According to the Labour Market Study of the World Bank low wages have kept labour costs internationally competitive in Turkey. “Manufacturing labour cost per unit value added, a proxy measure of labour costs relative to productivity is less than the EU comparators. While unit labour cost in manufacturing has risen from 0.21 in 1995 to 0.27 in 2004, it is still lower than in Mexico and Korea. Analysis of the service sector shows that the same broad conclusion holds there as well- unit labour cost is lowest in Turkey relative to the comparator countries. While more refined measures of productivity will sharpen the conclusion, these data for Turkey suggest that the cost of labour in Turkey is not the critical factor in slowing job creation relative to other countries.”²³

²³ World Bank (2006) Turkey Labour Market Study, report No:33 254-TR, p.vi

Graphic 2: FDI INFLOW -PER CAPITA REAL GROSS EARNINGS



Within the last five years there has been a marked increase in direct foreign capital inflows. However, these inflows were not of “Greenfield investment” in nature but mostly purchases from the public sector through privatizations or purchases from or mergers in the private sector. Hence, they led to no positive outcome in terms of employment and/or wages.

2.2. Wage Share

The TÜİK first started its Household Income and Consumption Expenditures Survey in 1994 but afterwards not continued. It has been conducting Household Budget Surveys regularly since 2002. This survey provides information about shares of salaries and wages in total household income.

Table 4: Distribution of income sources of household members

Sources of Income	2002	2003	2004	2005
Total income	100.0	100.0	100.0	100.0
Salaries and wages	35.8	38.7	38.7	39.2
Daily wages	2.9	3.1	3.5	3.3
Returns to undertakings	34.5	32.0	31.8	28.8
Returns from real estate	4.1	3.6	2.7	2.9
Returns from securities	5.1	2.6	2.2	2.7
Unrequited transfers	17.5	20.0	21.2	23.0

Note: Total income excludes imputed rent.

Source: TÜİK Household Budget Survey, Income Distribution in Yükseler, Türkan 2007, s.17

The share of salary and wage earnings in total personal income is gradually increasing over years. This increase corresponds to a fall in the share of entrepreneurial earnings and returns to real estate and securities. There is also considerable increase in requited transfers. The bulk of these transfers consist mainly from those coming from the

State. This is given as the reason behind relative improvement in income distribution pattern.²⁴ “Raising the level of minimum income up by 27% in 2004 improved the income of both households and individuals particularly in the 2nd, 3rd and 4th quintiles and contributed to more equitable pattern of income distribution. This situation points out to the weight of minimum wage and retirement pensions in income distribution while also suggesting that income distribution can be made relatively more equitable even at low income levels.”²⁵

Due to some technical problems inherent in techniques used, conclusions about improvements in income distribution on the basis of household budget surveys are debated and criticised. It is stated that questionnaires are problematic in determining total disposable income: While the survey which could detect 84.3% of real disposable income in 1987, the one in 2003 could do this for less than 60% of disposable income, which concealed full picture of inequality between lower and higher income groups. While in the surveys of 2002 and 2003 the difference between real and stated incomes of wage earners was under 30%, it is seen that others earning profit, interest and rent do not state more than 60% of their actual earning. Given that higher income groups avoid stating their income fully, there emerges an artificial convergence between income quintiles that is, income differentials appear less than they actually are.²⁶

Thus, more reliable results can be obtained by looking at income distribution on the basis of disposable income from GDP (on income basis) calculation as well as share of wage earners in total employment. The most important trend observed in the functional distribution of income is the declining share of wages in GDP despite an increase in the share of wage earners in total employment. This situation is shown in the following table:

²⁴ Yükseler Z., Türkan E. 2007, Türkiye’de Hanehalkı:İşgücü, Gelir, Harcama ve Yoksulluk Açısından Analizi, (Analysis of Household with respect to Labourforce, Income, Expenditure and Poverty in Turkey) TEK Tartışma Metinleri 2007/4, p.18

²⁵ Ibid, p.28

²⁶ Aziz Çelik, “AB Ülkeleri ve Türkiye’de Gelir Eşitsizliği: Piyasa Dağılım-Yeniden Dağılım” (Income Inequality in EU Countries and Turkey: Market, Allocation, Reallocation), Çalışma ve Toplum 2004/3, p.70-71

Graphic 3: Share of Wage Bill in GDP and Share of Wage Earners in Total Employment



The relatively higher share of wages early in the 90s is associated with real increases at considerably high rates in the wages of both public and private sectors, salaries of civil servants and minimum wage marking the period 1989-1993. A relative improvement is also true for the year 1999. It must be mentioned here that general elections of 1991 and 1999 were influential in bringing about this relative improvement in wage levels. In general, governing parties increase wages of public servants prior to general elections and this wage increase in the public sector also finds reflection in wages in the private sector. This factor was influential in rising wages in years mentioned. Furthermore, the period 1989-91 witnessed active efforts by trade unions to compensate wage losses that workers had to suffer during the period following the military coup in 1980. However, economic crises that follow almost every period of relative improvement in wages keep the GDP share of wages low. This share was lowest at 22.2% in 1995, just after the crisis of 1994 while, later, improvement in 1999 was swept away by the 2001 crisis, pressing the share down to 26.7%. While the share of wage workers in total employment is increasing, stagnant share of wages in GDP shows that there is no change in income distribution to the advantage of wage earners. It is therefore necessary to assess the situation not for a relatively short time period as 2002-2005 but for longer terms and also together with trend in the share of wage earners in total employment.

2.4. Low Wages

In Turkey there is no data enabling a calculation of the share of low wage workers according to ILO definition as well as no research on the differentiation of poverty among workers with different type of work contracts. The only available information is related to workers' status provided by the Household Budget Survey since 2002.

Household Budget Surveys provide information about the employment status of people living under poverty line as well as sectors in which they are employed. Although no information concerning low wages can be extracted from this data, it is possible to have a picture of working people living under poverty line. At this point, it will be useful to have some idea about the absolute number and proportion of people living under food and non-food poverty lines.

Table 5: Number and rate of poor individuals according to poverty line methods

	2002		2003		2004		2005		2006	
	Number (thousand)	Rate %	Number (thousand)	Rate %	Number (thousand)	Rate %	Number (thousand)	Rate %	Number (thousand)	Rate %
Food poverty	926	1.35	894	1.29	909	1.29	623	0.87	539	0.74
Food and non-food poverty	18 441	27.0	19 458	28.1	17 991	25.6	14 681	20.5	12 930	17.8

Source: http://www.tuik.gov.tr/PreIstatistikTablo.do?istab_id=462

In Turkey, the number and proportion of persons living under line of hunger are both low. Although the number and proportion of individuals living under food and non-food poverty lines tend to decline, it is still a serious problem noting that in 2005 one-fifth of total population were below food and non-food poverty line.

Table 6: Poverty rates according to employment status of household members

Employment Status	Population Share (1)					Rate of poor individuals				
	2002	2003	2004	2005	2006	2002	2003	2004	2005	2006
Total	100.0	100.0	100.0	100.0	100.0	29.7	28.1	25.6	20.5	
Members aged 15 years and more										
Employed members										
-Regular employee	13.4	13.5	13.6	14.6	15.3	13.6	15.3	10.4	6.6	6.0
-Casual employee	2.6	2.4	3.0	2.9	3.2	45.0	43.1	37.5	32.1	28.6
-Employer	1.4	1.7	1.6	1.4	1.5	9.0	8.8	6.9	4.8	3.8
-Self employed	9.5	7.0	7.3	7.7	6.7	29.9	32.4	30.5	26.2	22.1
-Unpaid family workers	8.1	6.7	6.6	6.9	5.3	35.3	38.5	38.7	34.5	32.0
Unemployed	2.1	3.2	3.1	2.4	2.3	32.4	31.0	27.4	26.2	20.1
Economically inactive	34.5	36.7	36.1	36.0	36.8	22.4	22.8	21.0	15.9	13.6
Members younger than 15	28.5	28.8	28.7	28.2	28.8	34.6	37.0	34.0	27.7	25.2

(1) Calculated as the share of the specified groups in the total population

Source http://www.tuik.gov.tr/PreIstatistikTablo.do?istab_id=475

According to this table the proportion of people in Turkey living under the line of poverty considerably decreased from 2002 to 2006. This can be explained mainly by the falling rate of poverty among those subsisting on regular wage earnings. While the rate of poverty among regular wage earners was 13.6% in 2002, it dropped to 6.0% in 2006. Substantial fall observed in the period 2004-2006 can be attributed to substantial increase in minimum wage in 2004, which we mentioned earlier. On the other hand, the rate of poverty among casual workers, unpaid family workers and own account workers (although in a declining trend) varies from ¼ to 1/3. All of these represent unprotected forms of employment where people are either not paid at all or can live only on irregular

forms of income. The table also draws attention to the fact that poverty is marked among children under age 15.

While the rate of poverty is in decline in overall population, it tends to rise in agriculture from 2002 to 2004 to decline slightly in 2005 and 2006. In industry and services, on the other hand, there is considerable decline in rate of poverty. It seems that poverty is mainly the problem of agricultural sector and rural areas. Consequently working people with the highest risk of poverty are the people working in agriculture with a poverty rate of 33.9% in 2006.

Table 7: Poverty rates according to economic activity of the household members

Economic Activity	Rate of poor individuals				
	2002	2003	2004	2005	2006
Economic activity					
Total	27.0	28.1	25.6	20.5	17.8
Agriculture	36.4	39.9	40.9	37.2	33.9
Industry	21.0	21.3	15.6	9.9	10.1
Services	25.8	16.8	12.4	8.7	7.2

Source: http://www.tuik.gov.tr/PreIstatistikTablo.do?istab_id=478

Where as general poverty rate is 17.8 % in 2006 in Turkey, with the rate of rural poverty of 32.0% against 9.3% as the rate of urban poverty, it can be concluded that poverty is much deeper in rural areas. The 17.8% of population living under poverty line comprise 12,930,000 citizens of whom 4,225,000 (32.7%) live in urban and 8,706,000 (67.3%) in rural areas. While the poverty figure for urban areas receded from 21.9% in 2002 to 9.3% in 2006, this fall was quite limited in rural areas, from 34.5% to 32.0%. In Turkey as a whole, the rate of poverty is 17.3% among males and 18.3% among females.²⁷

2.4. Minimum wages

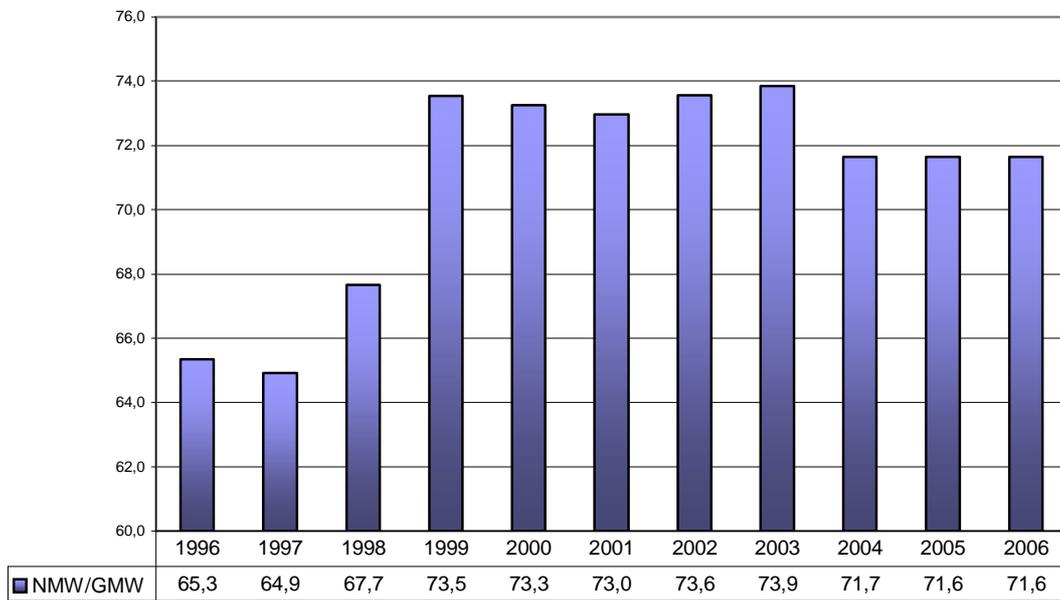
Minimum wage is the wage rate that allows a wage earner to lead a decent life with his/her family depending on given economic and social circumstances. In other words, minimum wage should, beyond paying labour as a factor in production, provide what is needed for subsistence and reproduction as well.

The Minimum Wage Regulation issued under the Labour Code no. 4857 defines minimum wage as “rate paid for daily work which is sufficient to provide for food, housing, clothing, health, transportation and culture needs at least at minimum level on the basis of current prices.” The Minimum Wage Commission applies to the TÜİK for calculations related to subsistence conditions and indices. However, minimum wage determined this way is bargained by the Government and employers and pulled down. For example, although the TÜİK declared, in January 2001, 153.44 YTL as net minimum wage, the Commission decided on 102.37 YTL. Again, in 2006, the rate 508.19 YTL suggested by the TÜİK was pulled down to 380.46 by the Government. Although the Regulation refers to “providing for basic necessities at least at minimum level on current

²⁷ TÜİK News Bulletin, December 2007, www.tuik.gov.tr/VeriBilgi.do

prices”, minimum wage calculated over retail prices is subject to deductions for income tax, worker’s contribution to social security, compulsory saving fund cut, etc. as a result, minimum wage is paid even lower at the outset. For example, gross minimum wage which was 531 YTL in 2006 was reduced by 28.6% as a result of these deductions.²⁸ This tax burden on minimum wage is the highest among all OECD countries. Taxes on gross minimum wage plus **employer and employee security contributions** together make up almost 70% of net minimum wage. High non-wage labour costs curb the expansion of employment while fuelling informal sector. Workers’ and employers’ organisations are in agreement that this heavy burden should be mitigated.²⁹

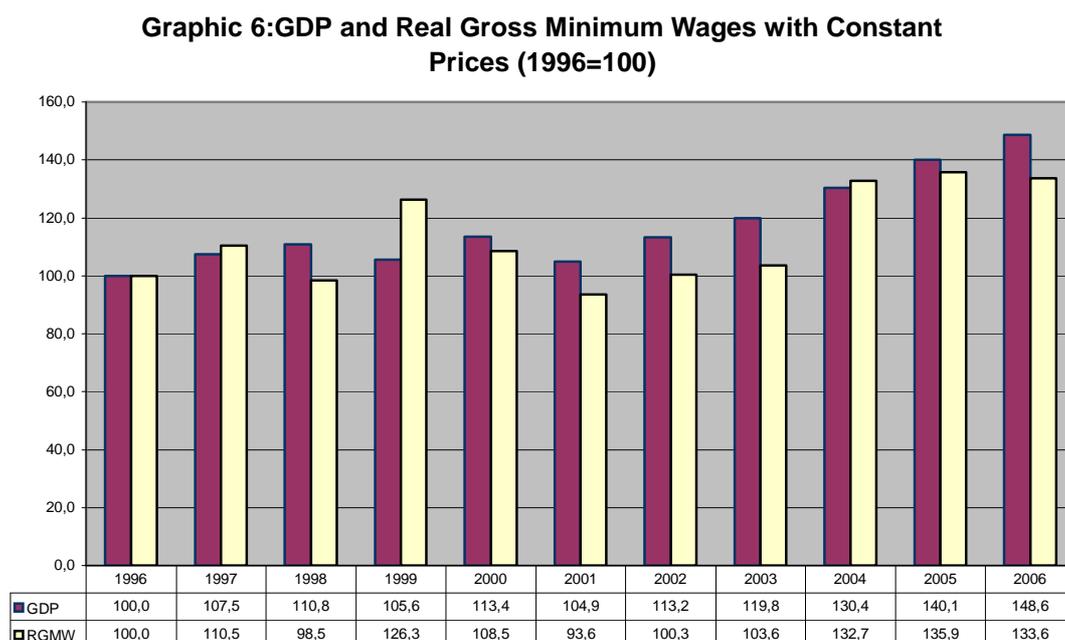
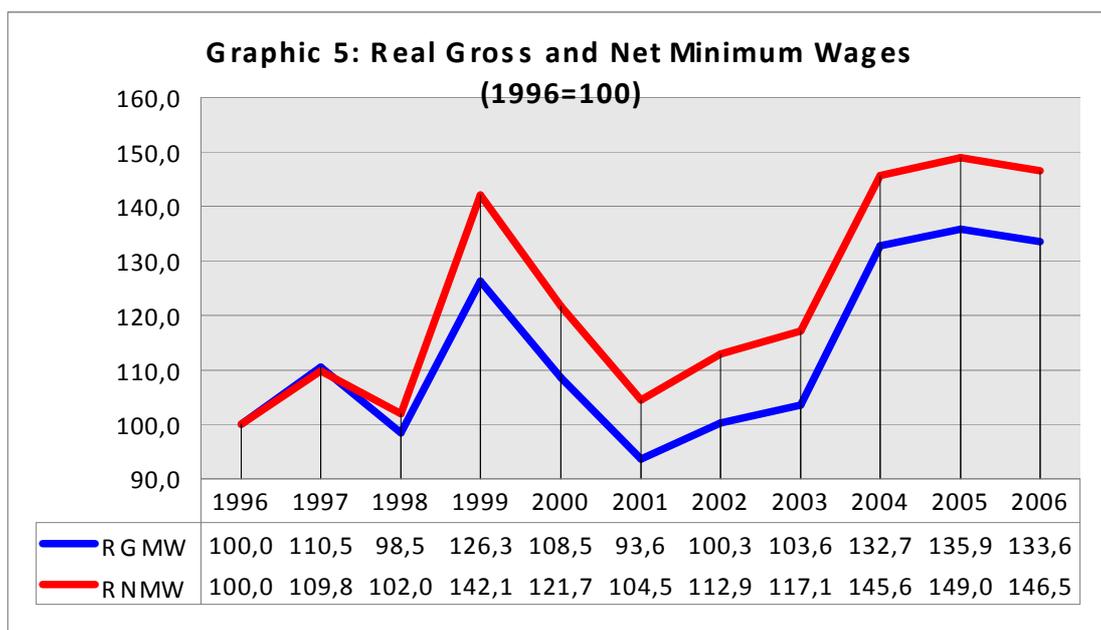
Graphic 4: Ratio of Net Minimum Wage to Gross Minimum Wage



According to the graphics below in the period of 1996-2006 real gross and net minimum wage reaches a peak in 1999 and this year rate of increase in gross minimum wage is higher than the rate of increase in GDP. In the period 2000-2003 minimum wage fell below this level and in the crisis year of 2001 gross minimum wage is even lower than the level of 1996. The increase in minimum wage in 2004 let it to recover and surpass the level of 1999 with a higher rate of growth compared to the growth rate of GDP.

²⁸ Türk-İş Minimum Wage 2007, Hazırlık Dosyası, November 2006

²⁹ DPT (2007) Dokuzuncu Kalkınma Planı İşgücü Piyasası Özel İhtisas Komisyonu Raporu, (9th Development Plan, Commission for Labour Market) Ankara, p.61



In spite of increased monetary and real minimum wage in the period 2004-2006, the amount of net minimum monthly wage still remains below the poverty line for a family of 4 members. Nevertheless, while minimum wage could make up about a half of monthly poverty payment, it started to cover about $\frac{3}{4}$ of this payment upon increase introduced in 2004. Given very low level of labour force participation by urban women, wage pair to male household head becomes especially important in terms of family subsistence.

Table 8: Monthly Poverty Line (household of 4 members) YTL

	2002	2003	2004	2005	2006
Monthly poverty line	310	417	429	487	549
Monthly net minimum wage	174	226	311	350	380
Monthly wage/poverty line	56.1	54.2	72.5	71.9	69.2

Source: Yükseler, Türkan 2007, p.27, 2006 is added by the author

Following the high rate devaluation introduced immediately after the economic crisis of 2000-2001, the exchange rate for TL was left to the market, which is followed by a period in which TL became overvalued. Consequently, there is significant increase in minimum wage in terms of US \$ and Euro.

Table 9: Gross Minimum Wage in US\$ and Euro

Years	Minimum Wage YTL/month	Minimum Wage \$/month	Minimum Wage €/month
1999	85.84	203.3	191.7
2000	114.30	182.4	198.2
2001	152.20	123.6	138.5
2002	236.44	156.0	164.6
2003	306.00	204.0	180.7
2004	433.58	303.4	244.1
2005	488.70	362.7	291.3
2006	531	369.3	293.6

Source: General Directorate of Labour, Minimum Wage Statistics

A ranking of EU candidate, accession, and member- countries for 2004 finds the minimum wage as a proportion of average wage varied between 34 and 50 percent. This rate was about 43.9% of the average monthly gross wages in manufacturing in 2004 in Turkey.³⁰

With its linkages to other fields of social policy, minimum wage has its implications that go beyond its status as a base for wage earnings.

- According to the Income Tax Legislation no.193, gross annual minimum wage in effect at the beginning of the calendar year and applicable to workers older than age 16 in industry is taken as a measure in calculating minimum subsistence allowance to be observed in taxing wages. The Council of Ministers is authorized to increase this minimum allowance by the amount of total annual gross minimum wage.
- According to the Law no. 4447, the amount of unemployment payment cannot exceed net minimum wage.
- According to the Social Security Law no. 506, minimum wage is used as a measure in calculating required contributions and benefits to be paid. According to the same legislation, minimum wage is also taken as base in determining contributions to be made under the health insurance scheme.
- Under the Law no. 5222, 1/3 of net minimum wage is taken as measure in determining persons whose medical treatment costs are to be covered by the State.

³⁰ WB, Ibid, p.vi

- Under the Law no. 506, minimum wage is also taken as base in calculating administrative fines payable by employers within the framework of Social Security and Unemployment Insurance schemes.

With minimum subsistence allowance taking effect starting from 1 January 2008, income tax burden on minimum wages is mitigated.

Current debates on minimum wages in Turkey focus on the non observance of international standards in minimum wage setting; high payroll taxes on minimum wages; the regional differentiation of minimum wages; the effects of minimum wages on employment and undeclared work; and the structure of the minimum wage commission.

2.5. Wage and Income Inequality

There is distorted pattern of income distribution in Turkey as suggested by the rather high Gini coefficient.

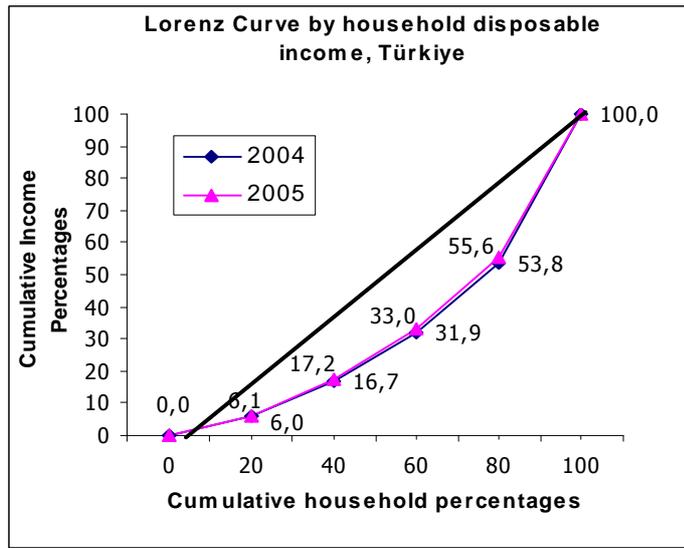
Table 10: Distribution of household annual disposable income by quintiles, Turkey

Quintiles	1994	2002	2003	2004	2005
1. 20%	4.9	5.3	6.0	6.0	6.1
2. 20%	8.6	9.8	10.3	10.7	11.1
3. 20%	12.6	14.0	14.5	15.2	15.8
4. 20%	19.0	20.8	20.9	21.9	22.6
5. 20%	54.9	50.1	48.3	46.2	44.4
Average household income (YTL)	165	8 742	10,768	12 795	14 567
Average individual income (YTL)	37	2 102	2 606	3 113	3 570
Gini coefficient	0.49	0.44	0.42	0.40	0.38

Source: TÜİK Hanehalkı Bütçe Anketi, Gelir Dağılımı Sonuçları, from Yükseler, Türkan 2007, p.15, (1994 added by the author)

As a measure of inequality in income distribution, the Gini coefficient tends to fall over years, from 0.49 in 1994 to 0.44 in 2002 and 0.38 in 2005. While the income share of the top quintile decreased as a result of the 2001 crisis, this fall led to the increase of the share of quintiles in-between rather than the bottom quintile. As a result, income differential between the first and the fifth quintiles which was 9.46 times in 2002 dropped to 7.35 times in 2005. It is possible to speak about a partial improvement in income distribution. Looking at total household incomes, we observe that this improvement is relatively more marked in urban areas. As a matter of fact, the Gini coefficient which was 0.44 for urban areas and 0.42 in rural areas in 2002, became 0.37 and 0.38 for urban and rural areas, respectively, in 2005.³¹

³¹ Yükseler Z., Türkan E. (2007) p.16,18



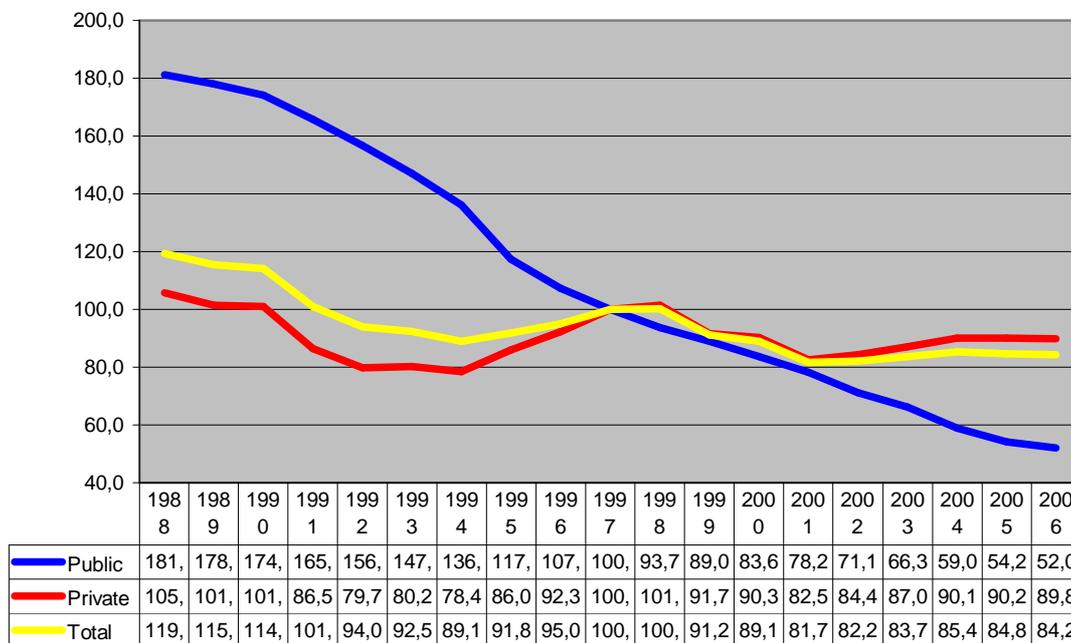
Graphic 7

There is no data on wage differentials. Data on income equality is not provided at provincial or regional level. Regular estimations of Gini coefficient are made since 2002 with Household Budget Surveys.

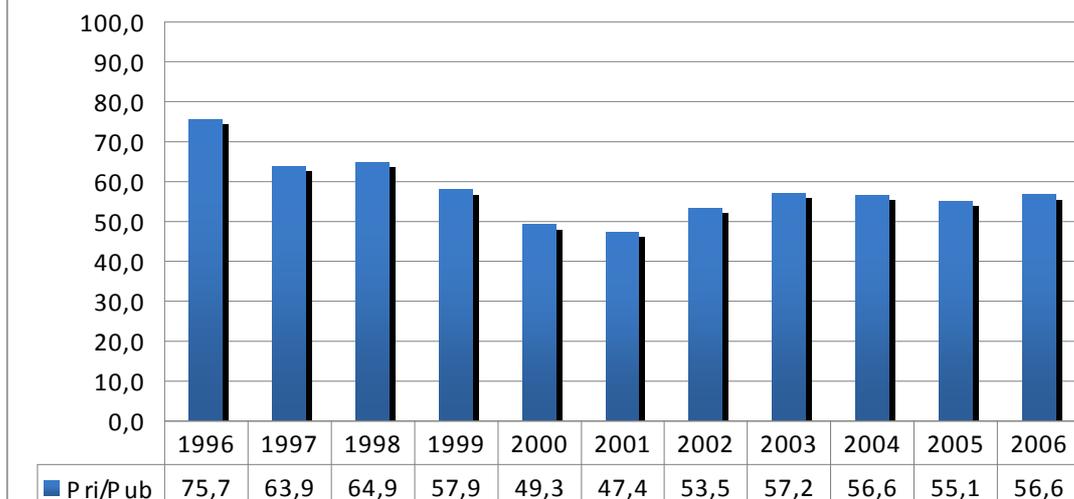
2.6. Wage Discrimination

Data we use make it possible only to calculate wage differentials among specific wage earning groups and do not allow any analysis of wage differentials on the basis of such variables as gender, age, level of education and experience. In this context, tables showing wage differentials on the basis of public/private sectors, collective bargaining coverage, enterprise size and sub-sectors in manufacturing industry are given below. The first point to be made here is that the number of workers in the public sector part of manufacturing industry, who enjoy more favourable working conditions, is rapidly decreasing.

Graphic 8: Manufacturing Industry Production Employment Index (1997=100)

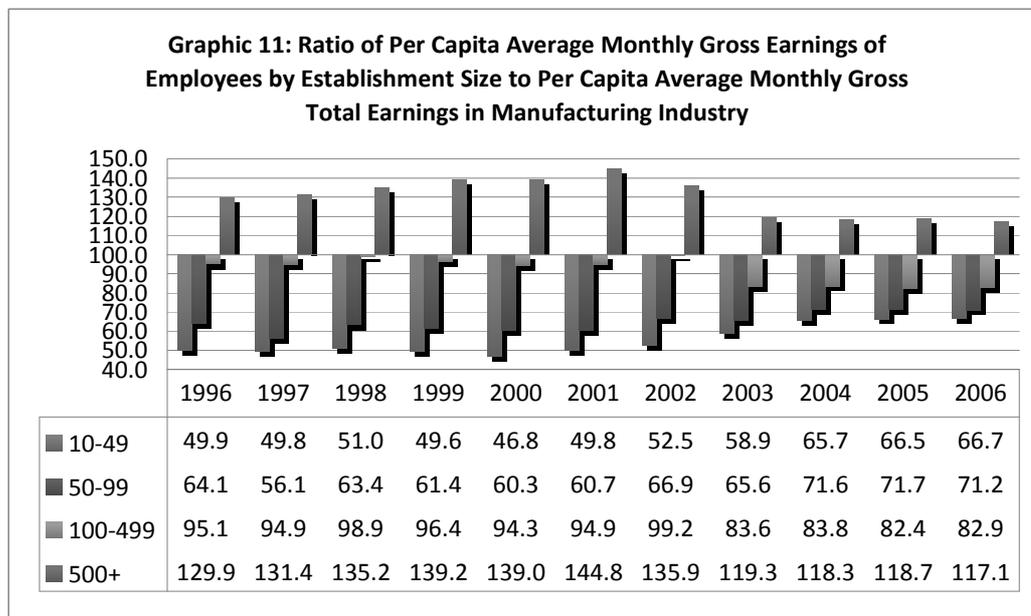
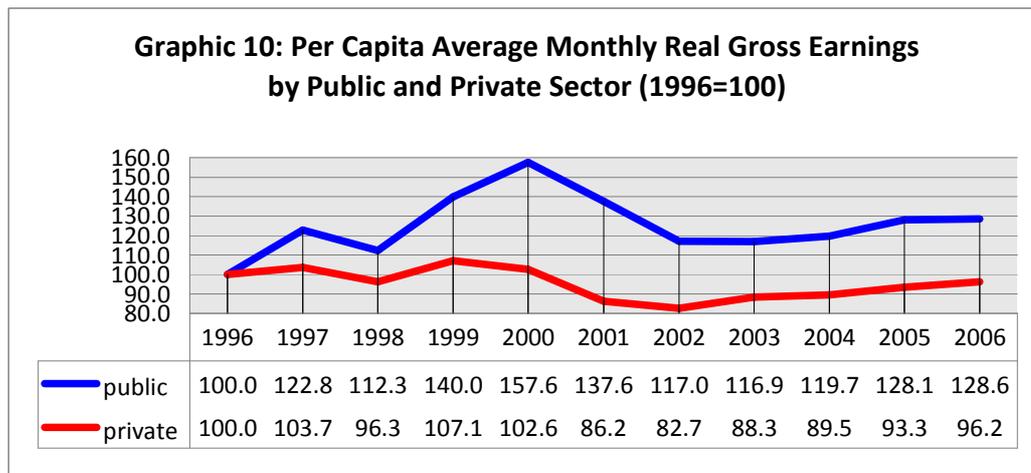


Graphic 9: Ratio of Per Capita Average Monthly Gross Wages and Earnings of Employees in Private Sector versus Public Sector (%)



In 1996, workers in the private sector earned 75.7% of what was earned by their counterparts in the public sector. Then, in 2001, this proportion hit its minimum with 47.4% only with a limited improvement to follow. One reason for this wage differential between the private and public sector is that the public sector is characterised by larger enterprises where wages are higher too. For instance, manufacture of coke and refined petroleum products where wages are highest remain in the public sector. Another reason is that all public enterprises are covered by collective bargaining.

The Chart 10 shows that real monthly earnings in the public sector did not fall below the level in 1996 in spite of the effects of the 2001 crisis whereas, as the same chart demonstrates, it did so in the private sector.



Enterprise size is a factor affecting the level of wage and earnings. Those working in small-scale enterprises employing 10 to 49 workers could, in 1996, get wages which

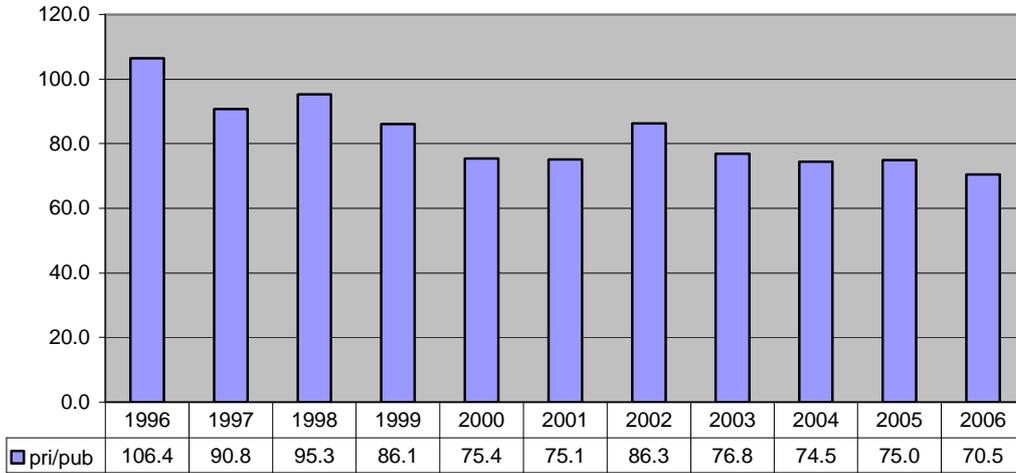
amounted only to a half of their average earnings; in the post-crisis period, on the other hand, their wage share grew and reached to two-thirds of average earnings. A similar case can also be observed in medium-size enterprises employing 50 to 99 workers. As for larger enterprises employing 100 to 499 workers, proportion of wages in average earnings fell. The situation is the same with enterprises employing more than 500 workers. Then, it is possible to conclude that relative improvement in smaller enterprises could be achieved due to lower level of average wages because of relative wage shrinking in large enterprises.

Still another factor affecting wages is whether any given enterprise is covered by collective bargaining or not. The most tangible and positive effect of collective bargaining on wages can be observed for public sector workers. The average wage of private sector workers covered by collective agreements is below that of public sector workers. Exhibiting a falling trend, the average wage in private sector was 70.5% of average wage in the public sector in 2006 as far as enterprises covered by collective bargaining are concerned. It must be noted, however, that the number of public sector workers covered by collective bargaining is rapidly declining.

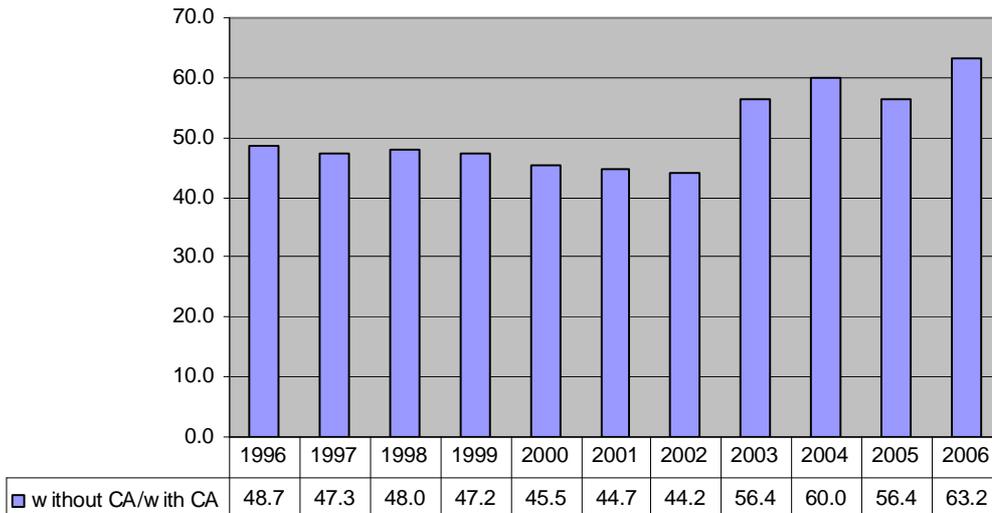
As stated in detail in the section on social dialogue the average number of workers benefiting from CA in 1996-97 was 1,319,563 and it dropped to 902,246 in 2005-2006 (31.6%). The bulk of this decline rests with public employees. While the average number of public sector workers benefiting from collective agreements in the period 2000-2001 was 612,543, this number steadily decreased in subsequent years to reach 502,689 in the period 2005-2006. This clearly indicates that unions organised in this sector have lost strength as a result of privatisations and closing down of some enterprises. In the private sector, on the other hand, the average number of workers benefiting from collective agreements followed a fluctuating trend, starting from 398,019 in 2000-2001 and becoming 399,655 in 2005-2006. The policy of some private sector employers including negative attitude towards unions, efforts to prevent unionisation, annulling the CA authority of unions, declining to attend collective bargaining sessions and measures to curb the functioning of arbitration and strikes all have their share in this fluctuating pattern and in the result that CA coverage in the sector is not large enough to compensate for shrinkage in the public sector.

Consequently, the proportion of workers benefiting from CA is no more than 10% of all wage earners.

Graphic 12: Ratio of Private Sector Wages to Public Sector Wages under Collective Agreement (%)



Graphic 13: Ratio of Average Wages Without Collective Agreement to Average Wages Under Collective Agreement in the Private Sector



In the private sector, wages of workers employed by enterprises not covered by collective bargaining are about the half of those covered by CB in the period 1996-2002. There is a relative improvement starting from 2003. However, there is need for more elaborate surveys and studies to disclose how much of this increase is associated with wage increases out of CB and with standstill of wages within the CB.

In Turkey there are no regular and sound statistics allowing comparison of levels of earning by males and females in various branches and professions. Employment and Earnings Survey (1996-2002) and Quarterly Industrial Employment Survey (2003-2006)

of TÜİK which have been used in the current analysis do not provide gender disaggregated data. There are statistics on average daily earnings of males and females registered with the Social Insurance Institution, but these statistics are still insufficient to allow comparisons. One reason for this insufficiency is that most enterprises state not real but minimum wages paid to their employees to lower their compulsory security contributions.

According to 1994 Income Distribution Survey in both public and private sectors monthly earnings of males are higher than those of females irrespective of educational status, professional group and economic branch of activity and this difference gets wider in private sector. Among university graduates, males working in public sector earn 1.3 times higher than females and males in private sector earn 1.5 times higher. Looking by individual sectors, we see the widest difference among agricultural workers in public sector. In this sector, males earn four times higher than females. In manufacturing industry, males earn twice that of females.³²

Basing on the 1987 Household Income and Consumption Expenditures Survey, a study was conducted to explore the causes of male-female wage differentials also paying attention to education, experience, occupation and status at work. According to the findings of this study, average monthly earning of females in various categories including wage worker, own account and employer is 48% of males in these categories. While 36% of this difference is explainable by such variables as education, experience, occupation, etc., 64% is attributed to gender-based discrimination which researchers denote as “market discrimination.”³³

According to another study based on the 1994 Survey of Employment and Wages, which investigated wage differentials in manufacturing industry, mining, electricity, gas and water works, wage differential between males and females amounts to 24% even when such factors as education and experience are excluded. Isolating other factors including occupation, branch of industry, collective agreement, etc. the remaining difference by 9% can be attributed solely to gender discrimination.³⁴

In the Turkish Labour Market Report of the World Bank too, it is stated that average earnings of male wage and salary earners have increased by 22% in the period 1988-2002, while this increase remained at 12% for females. According to this study, females earn 78-83% of what males earn.³⁵

In spite of the fact that various calculations differ from each other for using different databases, it is common to all that females earn substantially less than males.

³² Estimated by the Social Structure and Gender Statistics Division of DİE from 1994 Income Distribution Survey basic findings, www.die.gov.tr/tkba/t206.xls

³³ Dayıoğlu M., Kasnakoğlu Z., (1997) “Kentsel Kesimde Kadın ve Erkeklerin İşgücüne Katılımları ve Kazanç Farklılıkları” (Labour Force Participation Rates and Income Differences of Males and Females in Urban Areas), ODTÜ Gelişme Dergisi 24 (3).

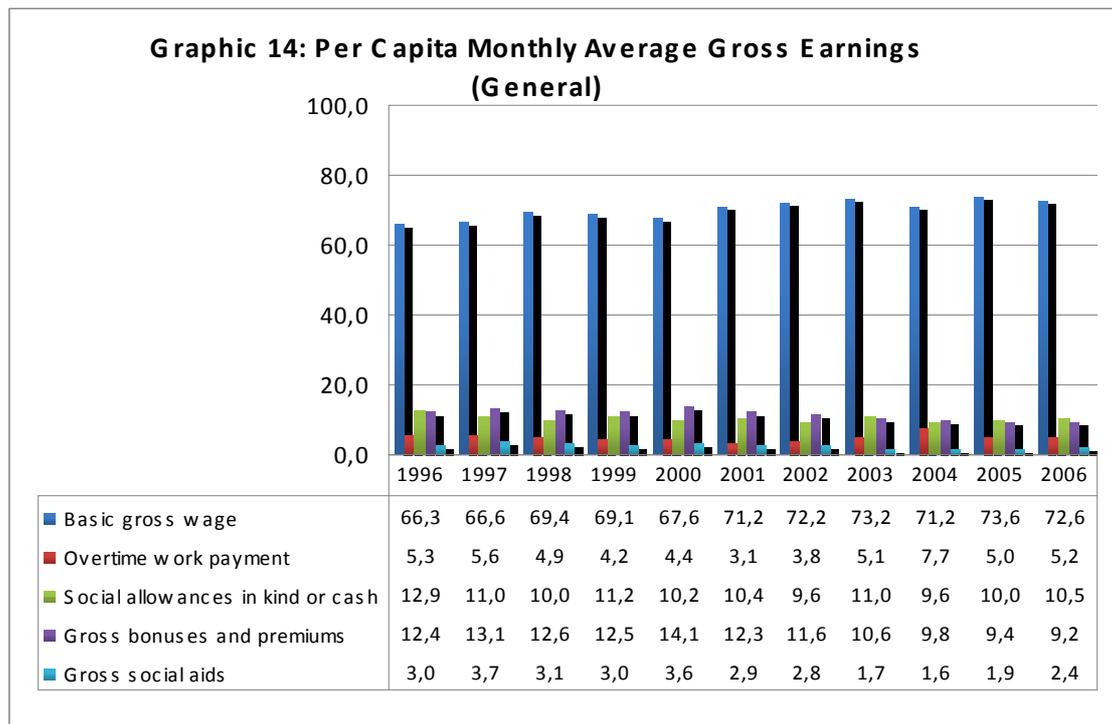
³⁴ İlkaracan İ, Selim R. (2007) “The Gender Wage Gap in the Turkish Labour Market”, Labour 21 (3), s.563-593.

³⁵ WB, 2006, p.54

There is still need to collect systematic data and conduct comprehensive studies in a way to cover all sectors and branches of economic activity.

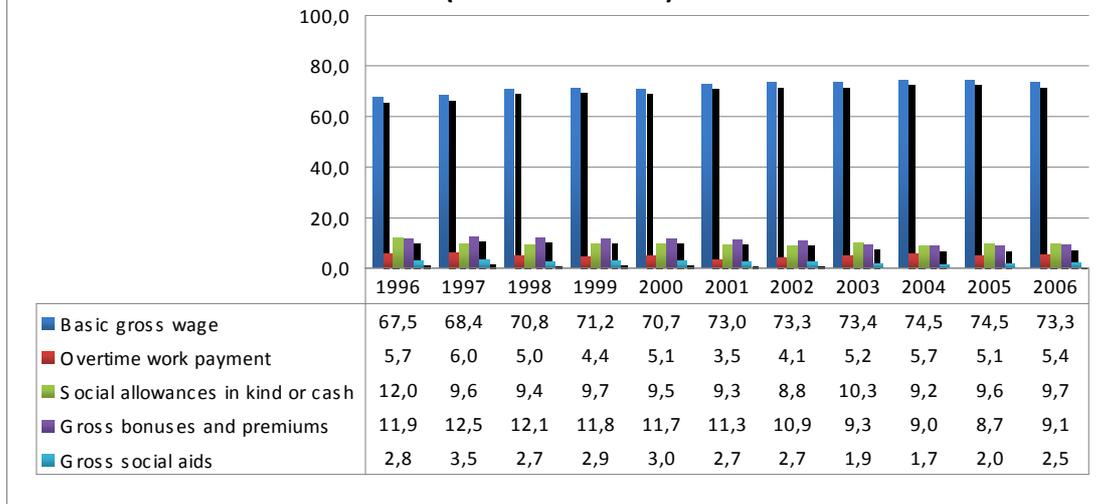
2.7. Wage structure

In Turkey basic wage in an increasing trend comprises the almost $\frac{3}{4}$ of the wage payments. This ratio being $\frac{2}{3}$ in 1996 has increased gradually meaning that the share of wage-like payments together with gross benefits and bonuses have decreased.

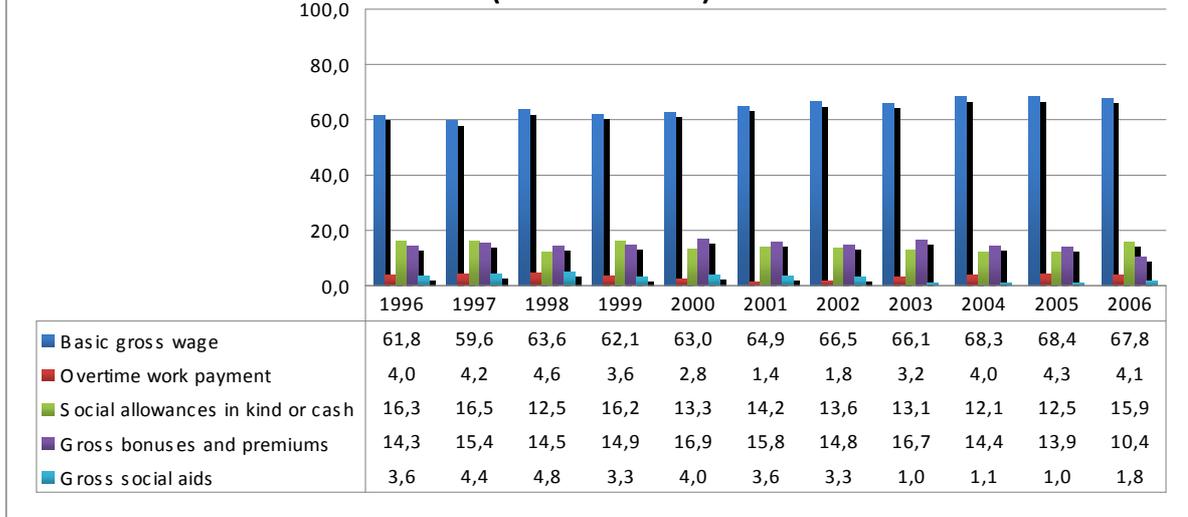


Having a large share in employment, wage payment in the private sector has a determining role in general wage levels and payments. As shown by charts below, while naked wage constituted 73.3% of private sector wages in 2006, this proportion was 67.8% in the public sector. In the public sector, wage-like payments together with gross benefits and bonuses still maintain their relatively higher share.

**Graphic 15: Per Capita Monthly Average Gross Earnings
(Private Sector)**



**Graphic 16: Per Capita Monthly Average Gross Earnings
(Public Sector)**



3. Working time and work organization

In Turkey, legally set working hours is 40 hours for public servants and 45 hours for workers. However, actual hours worked are much longer than these. The 2006 Household Labour Force Statistics does not categorize working hours so as to be in line with legislative arrangements. According to these statistics while 12.2% of total working population of 21,605,000 work for 40 hours a week, there is no detailed information regarding others who work for 45 hours except for the appearance of the category “41-49 hours.” It appears that 19.4% of total working people are in this category. 26.1% of working people work part-time and shorter than 40 hours a week whereas 51.6 % work

for 50 hours or longer a week. Those working part-time is one third (33.2%) by females and 10.7% by males. The higher percentage for females is associated with their employment in agriculture as unpaid family workers. 76.8% of all female part-time workers are in agriculture.

In Turkey, a half of all working people work longer than what is specified in relevant legislation. Considering low wages and income levels, these long hours of working are regarded as somewhat normal and social parties presently have no agenda on shortening working hours.

Looking at working hours with respect to leading economic activities, part-time work is observed most commonly in education and agriculture. Working hours in agriculture widely vary with respect to types of crops and seasons. 34% of males and 52.4% of females work less than 40 hours in agriculture. The actual work load of women is much higher as they produce a huge amount of subsistence goods; activities like food preparation, knitting and sewing for the needs of household members are part of their daily life. In education, while half of all education workers are in the status of government employee, 29.8% work part time. Share of part-time workers is 25.1% by males and 36.9% by females. The share of part-time work is very low in other sectors for both sexes. It is worth noting from the table that 50 or longer working hours are observed most commonly in wholesale and retail trade sectors. 38.3% of people working in agriculture, 58.8% in manufacturing industry, 63.9% in construction and 75.9% in trade work 50 hours or longer a week.

Labour Code No.4857 Article 13 defines an employment contract “as a part-time contract where the normal weekly working time of the employee has been fixed considerably shorter in relation to a comparable employee working full-time. An employee working under a part-time employment contract must not be subjected to differential treatment in comparison to a comparable full-time employee solely because his/her contract is part-time, unless there is a justifiable cause for differential treatment. The divisible benefits to be accorded to a part-time employee in relation to wages and other monetary benefits must be paid in accordance to the length of his working time proportionate to a comparable employee working full-time. The comparable employee is the one who is employed full-time in the same or a similar job in the establishment. In the event there is not such an employee in the establishment, an employee with a full-time contract performing the same or similar job in an appropriate establishment which falls into the same branch of activity will be considered as the comparable employee.” Part-time work is not widely practiced in manufacturing or services sectors as it brings no cost advantage to the employers.

Table 11: Employment by weekly actual hours worked in main economic activities

	Total	M	F	Agricul.	M	F	Manufa.	M	F	Constr	M	F	W/R trade	M	F	Educa.	M	F
Persons at work (000)	21 605	15 938	5 666	5 642	2 888	2 754	4 134	3 324	810	1 245	1 209	36	3 697	3 140	557	845	506	339
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1-16	3.7	2.0	8.3	10.1	7.0	13.3	1.0	0.4	3.5	1.7	1.7	0	1.4	0.9	4.1	1.8	1.2	2.7
17-35	11.9	7.8	23.6	30.8	24.7	37.2	3.0	1.2	10.2	9.1	9.2	5.5	4.0	3.2	8.4	27.3	23.1	33.6
36-39	10.5	0.9	1.3	2.1	2.3	1.9	0.3	0.3	0.5	1.0	1.1	0	0.9	0.9	0.9	0.7	0.8	0.6
40	12.2	11.7	13.7	3.1	3.3	2.9	5.9	5.7	6.5	6.7	6.5	11.1	3.3	2.9	5.7	50.8	53.4	46.9
41-49	19.4	19.5	19.3	15.7	15.9	15.4	31.1	30.9	31.7	17.6	16.9	38.9	14.5	13.3	21.4	7.8	7.9	7.7
50-59	15.2	15.6	14.1	14.8	16.8	12.6	22.9	22.2	25.6	19.7	19.7	19.4	14.2	13.9	15.8	5.0	5.7	3.8
60-71	23.0	26.3	13.9	16.7	20.8	12.4	24.7	26.7	16.5	32.5	32.9	16.7	37.2	38.7	28.4	4.7	5.7	3.2
72+	13.4	16.1	5.8	6.8	9.1	4.2	11.2	12.6	5.4	11.7	11.8	8.3	24.5	26.2	15.1	1.8	2.2	1.2

Source: TÜİK, Household Labour Force Statistics, 2006, p.60 (estimation of the author)

Table 12: Employment by weekly actual hours and status in employment

	Regular or casual employee	Male	Female	Employer	Male	Female	Self employed	Male	Female	Unpaid family worker	Male	Female
Persons at work (thousand)	12 432	9 786	2 646	1 164	1 102	62	4 744	4 051	692	3 266	999	2 267
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1-16	1.2	0.9	2.6	0.8	0.7	1.6	5.8	4.3	14.7	11.0	5.8	13.2
17-35	5.2	4.1	9.3	2.5	2.4	4.8	19.5	15.9	40.9	30.2	18.2	35.5
36-39	0.6	0.6	0.6	0.5	0.5	1.6	1.9	1.9	2.0	1.9	1.8	1.9
40	18.9	17.1	25.9	3.4	2.9	11.3	3.3	3.4	3.0	2.7	2.2	2.9
41-49	23.3	23.2	23.7	11.0	10.6	17.7	14.2	13.9	15.9	15.2	15.3	15.2
50-59	16.2	16.2	16.3	14.2	14.0	17.7	13.9	14.5	10.1	13.7	16.2	12.7
60-71	21.8	23.6	15.0	40.0	40.7	30.6	25.8	28.7	9.2	17.6	26.7	13.6
72+	12.7	14.3	6.7	27.6	28.2	16.1	15.6	17.6	4.0	7.7	13.7	5.0

Source: TÜİK, Household Labour Force Statistics, 2006, p.63 (estimation of the author)

Table 12 above shows working hours with respect to status in employment. Part-time work is observed as 27.2% among own account workers who enjoy more flexibility in managing working time and as 43.1% among unpaid family workers. In both of these groups more women than men work as part time. Among self employed 57.0% of females but 22.1% of males work as part time. In a similar manner 50.6% of females and 25.8% of males among unpaid family workers are working less than 40 hours. However this figure is very low among wage earners and employers. 5.6% of males and 12.5% of females are in part time employment. These figures show that this type of work is not much preferred by employers. On the other hand, 81.8% of employers, 55.3% of own account workers, 50.7% of wage earners and 39% of unpaid family workers work longer than limits set by the legislation. Overtime work is the fact which places its imprint on working life in Turkey.

Unpaid overtime work, which is quite common in the informal sector, has been arranged for formal sector by the Labour Code No.4857. In Article 63 regulating working time it is stated that “In general terms, working time is forty-five hours maximum weekly. Unless the contrary has been decided, working time shall be divided equally by the days of the week worked at the establishment. Provided that the parties have so agreed, working time may be divided by the days of the week worked in different forms on condition that the daily working time must not exceed eleven hours. In this case, within a time period of two months, the average weekly working time of the employee shall not exceed normal weekly working time. This balancing period may be increased up to four months by collective agreement.”

This Article allows for the prolongation of weekly working hours up to 66 hours without pay; under the condition that this overtime work should be compensated by according free time to workers for a period of 2 months following overtime work. This regulation of intensified working week can be concretized by the following example: In an enterprise where the workers work five days a week, they work for 55 hours a week for consecutive three weeks. Then in the following three weeks they work for 35 hours and the average weekly working time of 45 hours is not exceeded. The employer is exempted from overtime payment.³⁶ This regulation is intending to enable employers to reduce labour costs in the periods when they receive orders and have to complete them in a limited time. It can be assumed that employers in the formal sector widely make use of this provision.

Of working people, 58% of males are engaged in overtime work whereas this proportion is 33.8% for female workers. Considering their work burden at home, this is still too high for female workers. According to the results of the Time Use Survey 2006 conducted by the TÜİK, females at age 15 and above in Turkey spend 5 hours and 17 minutes daily for household and house care while it is only 51 minutes in males. For males not working, this time becomes 1 hour and 12 minutes and for females not working 5 hours and 43 minutes. Hence, this time does not change much if women are working out or not. On average, it is 4 hours and 3 minutes for females while it is only 43 minutes for men. This situation shows how heavy the burden of especially working females and it is the reason why many prefer to remain as housewives.³⁷

³⁶ TÜRK-İŞ (2003) Labour Code no.4857 and its statement of reasons

³⁷ TÜİK, News Bulletin No.119, July 2007

4. Working rhythms and stress at work

Periodic and consistent data providing information whether stress in working life is increasing or decreasing are lacking in Turkey. There are some individual studies trying to disclose states of job satisfaction, stress and mobbing in some occupations. It is observed that there are relatively more studies on the health sector where both work burden and stress are high due to insufficiency of personnel and working in shifts. According to these studies, the case of burnout which is defined as psychological withdrawal from work as a reaction to excessive stress and dissatisfaction is commonly observed among health workers, including nurses in the first place. The International Labour Organization defines the major sources of stress related to the working environment of nurses as follows: Clashes with supervisors and managers; role conflict or uncertainty; excessive work burden; emotional stress stemming from the problems of patients; working with patients under intensive care or about to die; clashes with patients and problems related to shifts.³⁸ In a study (1996) on 7255 health workers in 28 provinces, including specialists and practicing physicians, dentists, pharmacists, nurses and health technicians and midwives, Ergin found that although no significant differences existed over different groups, emotional burnout and insensitivity scores were higher among practicing physicians and nurses. In 2000, Gülseren et al conducted a study investigating levels of burnout syndrome and depression indicators among 51 nurses and 16 health technicians. According to the findings of this study, the lower scale score of emotional burnout in nurses is high up relative to health technicians and this difference in between is statistically significant.³⁹

Another survey was carried out in Diyarbakır (2004), covering 320 nurses working at hospitals and health centres in province centre. Focusing on job satisfaction levels of nurses, this survey found that 63% of nurses liked their job while having some complaints as well, including personnel shortage (26%), long working hours (18%), too frequent duty turns (23%) and adverse behaviour by patients and their relatives (%31). 20 % of respondents stated that they were physically or verbally bothered by their patients or their relatives within the last year. Only 30% of nurses said their working environments were protected well against infections. 45% of nurses have membership to a union and 31 % follow periodicals or other publications related to their profession.⁴⁰ Outcomes of these surveys suggest that there is urgent need to adopt measures to improve the working conditions of health workers, including nurses in the first place. Yet, the process of privatisation which also covers the health sector undermines job security while further deteriorating the working conditions of health personnel.

Intensive stress which is observed commonly among nurses can also be found in secretary status, which is also a female job. A study conducted in a public

³⁸ quoted in, Arcak R., Kasımoğlu E. “Diyarbakır Merkezdeki Hastane ve Sağlık Ocaklarında Çalışan Hemşirelerin Sağlık Hizmetlerindeki Rolü ve İş Memnuniyetleri” (Role and Job Satisfaction of Nurses Working in Hospitals and Health Centres of Diyarbakır Province Centre) Dicle Tıp Dergisi, 2006, Cilt 33, Sayı :1, s.23-30

³⁹ Aktaran: Kaçmaz N. “Tükenmişlik (Burnout) Sendromu” (Burnout Syndrome), İ.Ü. İstanbul Tıp Fakültesi Dergisi,2005, Cilt 68 Sayı 1, s.29-32

⁴⁰ Arcak R., Kasımoğlu E. ibid

university (2004) investigated sources of stress among secretaries with respect to the position of superiors they are working with. The survey covered 162 secretaries working with medium and high level post holders. Sources of stress appear to be pressures by superiors, doing jobs that are not a part of their regular work and not having any value attached to their ideas and suggestions during work. As to sources of stress relating to working environments, we find narrow and untidy spaces, poor illumination and too much noise. It appears that sources of stress deriving from working environments are associated with the position of the superior where secretaries of middle level post holders experience stress more than others working for higher level post holders. Among sources of stress related to time management, there is hurry to finish jobs at due time; little time they can spare for families, friends and themselves and rather constrained social life. Thinking that their daily working hours are too long, female secretaries say their daily work exhaust all their energy and time pressure comes to the fore as their main problem.⁴¹

Another survey, focusing on the phenomenon of mobbing in working life, applied a questionnaire to 189 persons working in the banking sector (two public and one private bank). According to the findings of this survey, victims of mobbing point out to organisational procedures and factors as the most apparent source of this phenomenon. Organisational factors include intensive work stress, pressures for performance, disloyalty to ethic principles and values and weak understanding of management and leadership. Among social factors fuelling mobbing, victims refer to socio-cultural environment that encourages egoism, greediness, social insensitivity and overly materialistic desires. The personal characteristics of the actors of mobbing include power-focused approaches while victims of mobbing mention honest and reliable personality as well as industriousness and desire for success as what makes them prone to mobbing. According to the scholar, those working in private banks are more likely to face mobbing than others in public banks. In private sector banks, social factors deriving from capitalistic mentality are more influential in bringing about mobbing attitudes. The study shows that mobbing as a problem is more relevant to women and lower status workers.⁴²

In manufacturing industry, a study was carried out on sources of stress in furniture sector. Under this study, a questionnaire was applied to 100 workers, mostly males, in two different enterprises. In this sector which mainly produces for domestic market and where traditional technologies are still persisting, low wages (80%), long working hours (73%) and time pressure (76%) are the leading causes of stress for workers.⁴³

⁴¹ Arpacı F. "Sekreterlerin Çalıştıkları Yöneticinin Kademesine göre Stres Kaynaklarının İncelenmesi" (Investigation of Stress Sources of Secretaries Working with Superiors in Different Positions) Gazi Üniversitesi Endüstriyel Sanatlar Eğitim Fakültesi Dergisi 2005, Sayı:17, s.1-17.

⁴² Bayrak Kök S. "İş Yaşamında Psiko-Şiddet Sarmalı Olarak Yıldırma (Mobbing) Olgusu ve Nedenleri" (The Phenomenon of Mobbing and its Causes in Working Life as a Psycho-Violence Spiral) , 2006, Selçuk Üniversitesi Sosyal Bilimler Enstitüsü Dergisi Sayı 15 http://www.sosyalbil.selcuk.edu.tr/sos_mak/makaleler/BAYRAK.pdf,

⁴³ Gökdeniz İ. "Üretim Sektöründeki İşletmelerin Örgüt İçi Stres Kaynakları ve Mobilyacılık Sektöründe Bir Uygulama" (Organisational Stress Sources in Production Sector Enterprises and a Survey in Furniture Sector), 2005, Selçuk Üniversitesi Sosyal Bilimler Enstitüsü Dergisi Sayı 13, www.sosyalbil.selcuk.edu.tr/sos_mak/makaleler/Gokdeniz.pdf

Given even longer working hours in recent times, there is need for more and wider scope studies on stress in working life.

5. Occupational Health and Safety ⁴⁴

Overall, working conditions in Turkey remain far from what can be considered as “desired” in terms of occupational health and safety (OHS). This situation mainly derives from the present status of national economy which tries to maintain its competitiveness over cheap labour and some essential characteristics of modes of employment associated with this. Lack of any imparted OHS culture at societal level is the main factor that hinders efforts for solution and improvement.

Table 13: Work Accidents and Occupational Diseases in Turkey- 1996-2006

Years	Accidents (Total)	Diseases (Total)	Deaths as a result of work accidents and occupational diseases
1996	86 807	1 115	1 492
1997	98 318	1 055	1 473
1998	91 815	1 400	1 252
1999	77 955	1 025	1 333
2000	74.847	803	1 713
2001	72.367	883	1 008
2002	72.344	601	878
2003	76.668	440	811
2004	83.830	384	843
2005	73.923	519	1 096
2006	79.027	314*	1 601

* With permanent disabilities

Source: SSK Statistical Yearbooks

Data given above in Table comprise only those accidents and diseases in the formal sector which have been recorded by the SSK (Social Security Institution). The SSK statistics are exclusively on work accidents and occupational diseases suffered by those in formal wage labour status. There is no legislative arrangement and hence any statistics related to occupational diseases that others, government employees for instance, may suffer. Given that one-fourth of total employment in Turkey is in the informal sector, one can conclude that official statistics give only a part of the total picture in this regard. Another point worth noting here is that accidents appearing in SSK statistics differ from corresponding definitions given by the EU. The EU defines work accident as any happening that leads to temporary inability to work for more than 3 days. No such criterion exists in Turkey. Hence, for any comparative study, it is necessary to take fatal accidents as criterion. Few incidents of occupational disease should not suggest that they are ignorable. The present situation is the outcome of the absence of any systematic inquiry and recording of occupational diseases and of the customary approach of diagnosing an overall health problem without associating it with occupation. Another contributing factor is the process by which SSK hospitals specializing in occupational diseases have been made functionless.⁴⁵ As for fatal work accidents, the incidence is quite above world averages. Although problematic in their

⁴⁴ Many thanks to Şenay Gökbayrak for her contributions to this part of the study.

⁴⁵ Fişek, A. G, Özşuca, Ş.T., Şuğle, M. A. (1996), *Sosyal Sigortalar Kurumu Tarihi (History of the Social Security Institution):1946-1996*, Türkiye Ekonomik ve Toplumsal Tarih Vakfı Yayını, Ankara.

quality, even present statistics⁴⁶ strongly suggest that the issue of OHS is not pair sufficient attention in Turkey.

Table 14: Incidence and weight rate of Occupational Accidents (2000-2006)*

Years	Total Number of Occupational Accidents	Incidence rate of Occupational Accidents**		Weight rate of employment Accidents***	
		per 1,000,000 work hours	per 100 person	Days	Hours
2000	74.847	5,92	1,33	1.180	0,94
2001	72.367	5,81	1,31	1.164	0,93
2002	72.344	5,56	1,25	1.023	0,82
2003	76.678	5,46	1,23	847	0,68
2004	83.830	5,52	1,24	791	0,63
2005	73.923	4,27	0,96	782	0,63
2006	79.027	4,03	0,91	961	0,77

Source: SSK Statistical Yearbooks

*Available data covers only 2000-2006 period.

**This rate is calculated by two different methods. First one represents the number of injuries per 1,000,000 working hours , the second one represents the number of injuries per 100 full-time workers. These rates cover total occupational accidents. There is no available rate for fatal occupational accidents.

*** This rate is calculated by two different methods. First one represents the number of lost workdays per 1,000,000 working hours. The second one represents the number of lost hours per 100 working hours because of occupational accidents. There is no available rate for fatal occupational accidents.

Looking at the distribution of fatal work accidents by sectors in the period 2000-2006, the construction sector leads the list with 150-160 as average annual number of fatal work accidents. This sector is followed by transportation and coal mining.⁴⁷

Table 15: Distribution of Work Accidents and Occupational Diseases by Gender, 1998-2006

Years	Work Accidents			Occupational Diseases			Fatal Work Accidents and Occupational Diseases*		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
1998	3103	88.792	91.815	20	1380	1400	-	-	-
1999	2.217	75.738	77.955	3	1022	1025	-	-	-
2000	2561	72.286	74.847	8	795	803	-	-	-
2001	2425	69.942	72.367	9	874	883	17	991	1008
2002	3051	69.293	72.344	3	598	601	-	-	-
2003	4464	72.204	76.668	3	437	440	15	796	811
2004	4327	79.503	83.830	4	380	384	11	832	843
2005	3384	70589	73923	6	513	519	15	1081	1096
2006**	55	1898	1953	2	312	314	14	1587	1601

* Data could not be found for the years 1998, 1999, 2000 and 2002.

** Work accident and occupational disease related data for 2006 as given in the SSK Statistical Yearbook exclusively cover cases of accident and disease that ended up in permanent disability.

Statistics on work accidents and occupational diseases for the period 1998-2006 suggest, at the first glance, that female workers are significantly less vulnerable than males to such accidents and diseases. This table, however, is thought to be

⁴⁶ Since SSK statistics on work accidents and occupational diseases are mostly arranged with respect to different variables, there is the problem of data regularity with respect to individual variables within a given period.

⁴⁷ SSK, Statistical Yearbooks, 2000-2006

misleading. Firstly, the SSK statistics mainly cover urban areas where formal employment and its monitoring are both much more common. Yet, in Turkey, women's participation to labour force in urban areas is quite limited and, although there are some changes, female employment still concentrates in rural areas and in the form of unpaid family labour. Hence, the table concerned needs to be addressed in conjunction with some structural problems of female employment in Turkey. Secondly, it is already known that many women working in urban areas are employed informally at small workshops or engaged in home based piece work. Hence, it can be assumed that work accidents suffered by women in their working life are more frequent than what is reflected in official statistics. In sum, there is need for detailed field studies to reveal the situation of rural and urban working women with respect to work accidents and occupational diseases.

As for the age factor in work accidents, it appears that these occur mostly in at ages 28-29 for women and 32-33 for men. For recorded occupational diseases, most relevant ages are 30 and 45, respectively, for women and men.⁴⁸ Despite apparent reduction in the number of working children, the problem of child labour still exists in Turkey. According to SSK data, in the period 1998-2005 there were 1.319 work accidents involving children under age 14. In the same period this number amounts to 20,820 by children in the age group 15-19.

It is considered that this picture in Turkey in the context of OHS derives from the weight of SMEs (small and medium size enterprises) in Turkish economy. It is known that there is inverse relationship between enterprise scale and work accidents. This holds true for Turkey as well. In 2005, of 73.923 work accidents officially recorded 19.519 took place in micro enterprises employing 1 to 3 workers.⁴⁹ Higher incidence of work accidents in SMEs and micro enterprises can be explained by several factors including the following: absence of any budget allocation for OHS given financial constraints and hot competition; absence or very low rates of unionisation in small enterprises; and the present occupational health and safety legislation in Turkey which imposes relevant institutions and units (i.e. workplace physician, OHS committees, etc.) only in enterprises employing more than 50 workers and resulting absence of auto-control mechanisms so essential in occupational health and safety.⁵⁰

In line with the process of EU accession, there is some surge in activities geared to building awareness in OHS issues. The Labour Code no. 4857 enacted in 2003, for example, introduces new arrangements in relation to OHS. While the deliberations of workplace health and safety committees were only advisory under the earlier legislation, the new one makes it obligatory for employers to act accordingly (Article 80). The new Labour Code also introduces workplace physician and health unit as well as employment of workplace health technician which were all absent under the previous Code. However all these mechanisms are envisaged for enterprises which permanently employ 50 or more workers and which are engaged in processes lasting longer than 6 months. This means, in practice, overwhelming majority of

⁴⁸ Calculated on the basis of data provided by SSK Statistical Yearbooks,2000-2006.

⁴⁹ SSK, Statistical Yearbook, 2005

⁵⁰ Gökbayrak, Ş. (2003).“Küçük ve Orta Ölçekli İşletmelerde Risk Gruplarına Yönelik Sosyal Politikalar”, (Social Policies Targeting Risk Groups in Small and Medium Size Enterprises) *Çalışma Ortamı*, No.:71: 11-13.

enterprises will remain fully or partly out of the coverage of compulsory OHS measures. OHS indicators seem to be further influenced negatively as a result of insecure modes of employment stemming from the informal and flexible labour markets and practices of outsourcing and sub-contracting in labour intensive sectors which require no advanced skills. Sub-contracting which has become common in the public sector, including local governments in the first place, is an indicator that working standards, including OHS, have suffered significantly.⁵¹ Once services are sub-contracted, contracted firms may choose to avoid safety measures to lower their costs and this may lead to fatal accidents and injuries as observed especially in the sector of shipbuilding. If workers are employed informally, information about fatal accidents can be obtained only from newspapers.

In Turkey, another problematic development in the context of informality is the growth of illicit migrant labour which derives from Turkey's location as a transit point in international migration. Miserable working conditions of such workers and absence of any sensitivity to their plight further aggravates problems of health and safety at work. This is another area requiring detailed studies.

Risk factors deriving from working environments are addressed in the context of physical, biological and chemical factors in Turkey. There are very few, if not absent at all, studies dealing with risk factors related to the organisation of work and psycho-social risk factors such as violence. Since physical inconveniences and shortcomings at workplaces dominate the realm at present, psycho-social risk factors are yet not well established in the agenda of researchers.

To conclude, even in the presence of legally recognised rights, widespread unemployment and informal employment in Turkey are the main factors that prevent both the exercise and full realisation of these rights. In spite of some gradual improvements in the field of OHS, there are still significant bottlenecks in such areas as research, awareness, institutionalisation, implementation and supervision. While labour inspection mechanism is the leading actor in supervising implementation, this mechanism cannot fully perform its functions due to various reasons including limited number of inspectors, very nature of the inspection mechanism itself and impositions brought along by changing methods of production.⁵² In Turkey, there are 270 technical inspectors working in the field of OHS. In addition there are 309 social inspectors dealing with employment issues. Due to limited number of inspectors, the majority of work places are not covered by inspection mechanism adequately.

Efforts in Turkey for the solution of OHS related problems should be a priority item in existing mechanisms for social dialogue.

⁵¹ Gökbayrak, Ş (2006). "Belediyelerde Farklı İşçi Statülerinin İş Sağlığı ve Güvenliği Açısından Değerlendirilmesi" (Assessment of Different Employment Statuses in Municipalities with Respect to Occupational Health and Safety), *Emek Araştırma Dergisi*, 2006/1: 61-77

⁵² Fişek, A.G, (2006), İş Sağlığı Güvenliği'nde Yeni Dönem: Çalışma ve Sosyal Güvenlik Bakanlığı'nın Kurumsal Yapısının Güçlendirilmesi (A New Phase in OHS: Strengthening the Institutional Structure of the Ministry of Labour and Social Security), *Çalışma Ortamı*, No: 84, 4-7

6. Access to training

In Turkey where the relative size of younger population is large, there is discrepancy between labour force supply as trained by the given education system and occupations demanded by the labour market. Hence, rates of unemployment among youth are quite high. Among the reasons of this discrepancy we can note the irrelevance of curricula applied in vocational schools, lack of communication and coordination between vocational schools and enterprises and poor achievement status of students which can be traced back to primary education.⁵³ To overcome these problems and to ensure students' practical training at enterprises, amendments were made in 2001 in the Apprenticeship and Vocational Training Law no. 3308, dated 1986. Under the new legislation, enterprises which employ 20 or more workers and operate in branches covered by the Law no. 3308 are obliged to provide internship for practical training to students in numbers corresponding to 5 to 10% of their total number of employees. Furthermore, enterprises employing more than 200 workers are required to set up a training unit and appoint trainers to these units.⁵⁴ There are, however, various problems faced in the implementation of this legislation. Many enterprises have yet not set up their training units. Besides, there are many enterprises avoid employing master trainers of required qualifications in charge of managing and training practicing students. Most enterprises plan for their production phases without taking account of education/training programmes and assign some routine jobs to interns thus dodging a large part of their training. It is also observed that suggestions by coordinating trainers who are assigned to guidance and cooperation work are not taken into account. To worsen the situation, some enterprises to which students are referred are too small to set up training units. Absence of sufficient equipment as well as qualified master trainers undermines the training programme even when it exists. In spite of the Law no.3308 some public enterprises don't offer training programs pointing out to the austerity measures. Some public enterprises which provide training to vocational high school students don't pay the legally set wages and ground it with not having sufficient allocation in the budget.⁵⁵

Meanwhile, there are public, private and non-governmental organisations offering vocational training opportunities capable of covering wide segments of population. However this supply of vocational and technical training takes place devoid of a comprehensive policy framework as well as institutional basis. Some of the vocational training projects developed by the private sector are financed through EU funds whereas others utilise the financial support provided by local industrial enterprises. Also, there are vocational-technical training programmes/projects offered by non-governmental organisations, in cooperation with workers' and employers' organisations or under private-public (vocational schools) cooperation or in the

⁵³ türkonfed, ERG (2006) Beceriler, Yeterlilikler ve Meslek Eğitimi:Politika Analizi ve Öneriler (Skills, Competencies and Vocational Training: Policy Analysis and Suggestions)

⁵⁴ Türkiye'de Mesleki Eğitim/Öğretim ve İstihdam'da Sosyal Diyalog, Avrupa Eğitim Vakfı Uluslararası Eş Uzman Değerlendirme Grubu Raporu, May 2004 (Social Dialogue in Vocational Training and Employment in Turkey, A report by the European Training Foundation Evaluation Group)

⁵⁵ Kaya Hüsamettin (Assistant Director General, Boys Technical Training) "Mesleki Eğitimde İşletmelerin ve Eğitim Kurumlarının Yaşadığı Sorunlar ve Çözüm Önerileri" (Problems Faced by Enterprises and Training Institutions in Vocational Training and Possible Solutions), İşveren, May 2004

context of local business development projects or offered as commercial activity by some private firms. According to available information, larger enterprises organise training activities for their staff and employees. These activities, however, are internal and financed through enterprises' own funds, which are therefore not reflected in official statistics.⁵⁶

The Turkish Employment Agency (İŞKUR) is the main public agency offering vocational training to unemployed people. The mission of the İŞKUR which has recently experienced a serious process of capacity building is defined as “creating an effective labour market information system, enhancing the employability of labour force and filling vacant jobs with qualified labour.”⁵⁷

To realize its mission the İŞKUR organizes labour force training courses to enhance the employability of such groups as youth, women, disabled persons, ex convicts, persons unemployed for long time and unemployed persons covered by unemployment insurance that are most hardly hit by unemployment due to their disadvantaged status. During 2002-2006 in 333 employment guaranteed training courses 6 655 persons participated. The course and participant numbers are respectively 129 and 2 215 by entrepreneurship courses, 197 and 5 562 by courses for disabled, 274 and 4 363 by courses for ex-convict, and 244 and 3 768 by courses for registered persons in unemployment insurance. Although the number of courses and participants shows an increasing trend it is yet far from being satisfactory. 12 426 persons (8 603 males and 3 823 females) participated to labour force training courses conducted in 2006 covering various occupations. Compared with 564 388 unemployed persons registered to the Agency in 2006, the share of those receiving training courses amounts to only 2.2%

Proportion of women in total participants was 31% in 2006.⁵⁸ Meanwhile occupations addressed in skill building courses are extremely gender-biased. For example, in courses with employment guarantee conducted in 2005 63% of participating women were trained as sewing machine operators. In “start your business” courses 46% of participating women were trained in kilim and carpet weaving, sewing and textiles.⁵⁹ This situation points out to need for diversification. At the same time there is a need for the impact assessment of the courses namely the extent to which these courses actually respond to needs. Answers to questions such as the number of jobless people employed after courses and whether there is some consistency between their training and jobs is unknown.

7. Social Protection Coverage

As stated earlier the leading problem in working life in Turkey is the prevalence of informal employment that is, employment remaining out of legislative and institutional protective measures including social security. Almost half of the total employment is of informal nature in Turkey, agriculture with wide-spread small production units being the main source of this type of employment. However in non-agricultural activities one third of the workers are also employed without social

⁵⁶ türkonfed, ERG (2006) Skills, Competencies and Vocational Training: Policy Analysis and Suggestions

⁵⁷ İŞKUR 2006 Progress Report, p.10, 2006ISKUR_faaliyet_raporu.pdf

⁵⁸ İŞKUR 2006 Progress Report, p.25

⁵⁹ İŞKUR 2005 Progress Report, <http://www.iskur.gov.tr/index2.html>, p.22-24

security. This high rate is related with the economic model of growth implemented in Turkey. These external flexibility strategies of the export oriented growth model which encourage the usage of unregistered labour combined with the distrust and dissatisfaction felt towards the social security system have lead to the avoidance of contributions and expansion of informal employment.

Export oriented industrialization is mainly based on textile, garment and automotive branches of manufacturing industry. In fact all of these sectors are based on a division of work, following a divided process of production whereby larger firms have outsourcing links with medium and small-size workplaces. Outsourcing enables large enterprises to pull down their costs including labour costs in the first place. Even in the same production unit of a large enterprise subcontracting of not only side services but also parts of main production process is widely practiced. This practice of outsourcing contributes to the expansion of informal economic activities and informal employment, which are already inherent in small traditional production units of manufacturing and services. This is actually the way in almost all of the branches of manufacturing industry Turkey finds herself a place in international markets on the basis of lower prices deriving from cheap labour. Employers of unregistered workers tend to be small sized enterprises producing labour intensive, low quality goods and services. For example in manufacturing industry the rate of unregistered work is in workplaces of 1-4 persons 66.5%, in workplaces of 5-9 persons 58.9%, in workplaces of 10-24 persons 45.1% and in workplaces of 25-49 persons 27.7%. Even in medium sized workplaces of 50+ persons 9.4% of the workers are unregistered.⁶⁰

Examining the incidence of the absence of social security coverage in terms of status in non-agricultural employment, we observe unpaid family workers, daily paid workers and own account workers dominating the top of the list. Unpaid family works, daily paid engagements and own account working for males and females mean, to a large extent, absence of any social security. 24.5% of females and 22.3% of males in wage earning status, 73.9% of females and 49.5% of males who work on their own account, and 22.4 % of females and 22.6% of males in employer status are out of any system of social security. In any given status in employment except for employers, non-coverage is higher for females than males.

⁶⁰ TÜİK (2007) Household Labour Force Statistics 2006, p.81

Table 16: Distribution of non-agricultural employment and informal non-agricultural employment by status in employment 2000-2006 (thousand)

	Regular employee		Casual employee		Employer		Self-employed		Unpaid family worker	
	2000	2006	2000	2006	2000	2006	2000	2006	2000	2006
Total employment	8 294	10 903	1 765	1 184	1 028	1 091	2 179	2 552	546	512
Total informal employment	1 224	2 483	1 390	1 048	115	246	901	1 320	408	412
Share of inf. employment	14.8	22.8	78.7	88.5	11.1	22.5	41.3	51.7	74.7	80.5
Male employ.	6 515	8 525	1 616	1 031	989	1 033	2 004	2 318	395	340
Male informal employment	957	1 901	1 272	908	111	233	768	1 147	292	265
Share of inf. employment	14.7	22.3	78.7	88.1	11.2	22.6	38.3	49.5	73.9	77.9
Female employment	1 779	2 378	149	153	39	58	175	234	151	172
Female informal emp.	268	582	118	140	4	13	133	173	116	146
Share of inf. employment	15.1	24.5	79.2	91.5	10.3	22.4	76	73.9	76.8	84.9

Source: TÜİK, HLFS 2000, 2006, www.tuik.gov.tr

According to the table in almost all categories of employment the share of males and females working informally has increased during the period of 2000-2006. Despite the general trend of growing numbers in both forms of employment, by casual employees total employment and total informal employment have decreased mainly because of the changes in the number of male casual employees who form the majority of this group. The doubling (102.8%) of the amount of informally working regular male employees can be taken as an indicator of the transition from casual to regular status.

This development is closely related with the informal character of the newly created jobs in Turkey. Attention should be paid to the fact that the rate of growth of informal works out of agriculture in the period 2000-2006 is the double of the rate of growth in non-agricultural employment. In the period mentioned, non-agricultural male employment grew by 15% from 11,519,000 to 13,248,000. In the same time period non-agricultural informal employment of males grew by 31% from 3,399,000 to 4,454,000. As a result, 61% of newly created 1,792,000 jobs are of informal nature. Exploring the same for females we observe that while non-agricultural employment grew by 30.6% from 2,292,000 to 2,994,000, informal non-agricultural employment grew by 64.9% from 639,000 to 996,000. Informal works account for 59.2% of this growth in employment. This situation reveals once more that efforts to boost employment in general and female employment in particular should focus on the creation of decent jobs in the formal sector.

7.1. The Social Security System in Turkey

The social security system in Turkey, overall, reflects the characteristics of the Bismarckian model which is based on insurance. Some of its characteristics also recall the welfare system in Southern Europe. The family based traditional mode of protection is still maintained. Within the system of social protection, persons are offered social security in connection with their working status. Some social assistance and services are also delivered to those who remain out of the system and whose income is below a specific level.

Before 2006, when the social security institutions were brought under one roof, the Government Employees' Retirement Fund (Emekli Sandığı), the Social Security Institution (- SSK - for waged workers) and the Self Employed Institution (- Bağ-Kur - for self-employed, artisans and small tradesmen) were the three pillars of the social security system in Turkey. Whereas Bağ-Kur under Law no.1479 is covering people in non-agricultural economic activities, Bağ-Kur under Law no. 2926 covers agricultural activities. These institutions were developed in the light of special needs and circumstances of their respective clients. In principle, it was envisaged to ensure the financing of each institution through employers and employees covered. Although there were significant differences in terms of benefits they provided and contributions, the service they provided was essentially based on pensions and health care. Social security programs managed by these three institutions steadily focused mainly on wage earners and/or those in regular employment.

Looking at the issue in pure legislative terms, informal sector employees in Turkey have generally been covered by social security. Since 1971, even workplaces with only one employee are covered by social security. In 1972 self-employed, in 1977 permanent wage workers in domestic services and in 1984 independent workers in agriculture were covered by compulsory security schemes. As for those working in agriculture temporarily on work contracts, their participation in social security was voluntary. Furthermore, although quite insufficient and incompatible with international norms, there is also a mechanism envisaging social assistance to the poor in Turkey. So, in spite of the fact that legal social security system in Turkey is arranged in a manner so as to cover almost all labour force whether compulsorily or on voluntary terms, the problem still remains since actual coverage is seriously below what is envisaged by relevant legislation.

Table18 gives the security coverage by years under active, inactive and dependant categories with respect to three different institutions (SSK, Retirement Fund, Bağ-Kur). It is observed that 80% of population is covered as of 2006. Wage workers outweigh others and the high number of dependants is remarkable. This is a primary factor explaining the financial crisis that the system is facing. The same factor also triggers informal employment. Further, distortion in active/inactive balance over years is the leading cause of financial bottlenecks that institutions run into.

Table 17: Social Security Coverage

	2001	2002	2003	2004	2005	2006
SSK*						
Active	6.136.107	6.563.187	6.750.460	6.952.848	7.651.705	8.582.395
Inactive	3.560.638	3.747.573	3.935.523	4.120.866	4.308.186	4.510.701
Dependant	21.592.466	22.993.730	24.610.697	26.771.763	29.447.871	18.040.101**
Total	31.289.211	33.304.490	35.296.680	37.845.477	41.407.762	31.133.197
Share in Pop.	45.60%	47.83%	49.92%	52.72%	57.46%	42.66%
Retirement Fund						
Active	2.236.050	2.372.777	2.508.741	2.404.091	2.402.409	2.420.897
Inactive	2.375.893	2.470.896	2.567.057	2.679.679	2.695.426	2.945.421
Dependant	9.602.328	5.283.320***	5.580.871	5.444.240	5.456.397	5.446.158
Total	14.214.271	10.126.993	10.656.669	10.528.010	10.554.232	10.812.476
Share in Pop.	20.72%	14.54%	15.07%	14.67%	14.65%	14.82%
Bağ-Kur*						
Active	3.336.655	3.321.332	3.383.849	3.448.549	3.354.372	3.375.629
Inactive	1.343.840	1.393.670	1.446.804	1.519.190	1.600.294	1.753.025
Dependant	10.584.115	10.832.989	11.052.596	11.266.245	11.035.587	11.254.936
Total	15.264.610	15.547.991	15.883.249	16.233.984	15.990.253	16.383.590
Share in Pop.	22.25%	22.33%	22.46%	22.61%	22.19%	22.45 %

Source: www.ssk.gov.tr, www.emekli.gov.tr, www.bagkur.gov.tr

* Including those covered in agricultural sector.

** Rapid decline in the number of dependants under the SSK derives from change in calculation method. Since the SSK lacked reliable information on the number of spouses-children and fathers-mothers (as family members) calculations were based on coefficients identified on the basis of surveys. The SSK, however, gave the number of health card holders in 2006.

*** Rapid decline in the number of dependants under the Retirement Fund derives from change in calculation method. While the number of family members under this scheme used to be calculated on the basis of coefficients, after this year the number of health card holders was used.

Gender distribution of workers covered by social security institutions is shown below.

Table 18: Distribution of Registered Workers by Institutions of Social Security 2006

	Total	Share(%)	Females	Share(%)	Males	Share(%)
SSK*	7 818 642	53.3	1 627 333	56.1	6 191 309	52.5
Retirement Fund	2 420 897	16.5	797 702	27.5	1 623 195	13.8
Bağ-Kur (Law no.1479)	2 312 256	15.7	387 424	13.4	1 924 832	16.3
Bağ-Kur (Law no.2926)	1 063 373	7.2	42 758	1.5	1 020 615	8.7
Total	13 615 168	100.0	2 855 217	100.0	10 759 951	100.0

Source: www.bagkur.gov.tr, www.emekli.gov.tr, www.ssk.gov.tr

* compulsory insured workers

Both, for women and men, more than half of the active members of institutions are to be found in SSK. For women Retirement Fund comes in the second place where as Bağ-Kur for men. Gender distribution within respective institutions is as follows: 32.9% of the members of the Retirement Fund, 20.8% of Social Security Institution (SSK), 16.7% of Self-Employment Institution (Bağ-Kur under Law no. 1479) and 4.0% of Self-Employment Institution (Bağ-Kur under Law no. 2926) are females.

7.1.1. Social Protection Schemes

Risks for which protection is provided under the social security scheme are divided in two main groups as short-term risks (work accident, occupational disease, ill health, maternity, etc.) and long-term risks (old age, disability and demise). In 1999 the legislation no. 4447 imparted unemployment insurance too to the system. Family assistance is subject to the condition of security coverage and there is no separate system for such assistance. The type of assistance differs from institution to institution. The social security reform intended to bring common norms and standardization, but only to bring uniformity at minimum level. Enacted in 2001 and taking effect in 2003, Turkey also has an individual retirement scheme complementing the formal scheme. Despite some funds accumulating over years, the system yet cannot be said to have reached a stage of maturity.

Among risks for which protection is provided under the existing social security scheme, aging and illness come to the fore. As of 2005, relevant SSK benefits provided in that year were as follows: Old age pension for 213 379 persons; disability benefits for 4 591 persons; benefits upon demise accorded to 99 371 persons; work accident or occupational disease benefits to 2 267 persons and benefits of demise resulting from occupational disease or work accident to 3 837 persons, making a total of 323.805 persons.⁶¹ Corresponding benefits provided by the Retirement Fund are as follows (2006): Retirement pensions (69,617); disability (1,220); disability as a result of duty performance (118) and pensions to dependants of demised persons (39,439) adding up to 110,415.⁶² Under the law no. 1479, Bağ-Kur benefits are (2006): old age pensions (107,328); disability (587); and demise (39,888). Under Bağ-Kur scheme for agriculture: old age (43,818); disability (184); and demise (13,371).⁶³ The total amount of retirement benefits provided in 2005 is as follows for respective social security institutions: SSK: 21.9 billion YTL; Retirement Fund: 14.0 billion YTL and Bağ-Kur (Law no. 1479): 6.5 billion YTL and Bağ-Kur (Law no.2926): 0.7 billion YTL.⁶⁴

Health spending constitutes the largest share in total social security spending of institutions. The table below gives totals for treatment, medicine and other health-related expenditures of institutions and their respective GDP shares for the period 1995-2005. The table suggests that although health spending by social security institutions remains much lower than that in industrialized countries, there is still a

⁶¹ www.ssk.gov.tr

⁶² www.emekli.gov.tr

⁶³ www.bagkur.gov.tr

⁶⁴ Here it should be mentioned that there is a serious problem of data inconsistency in the sources of all institutions with respect to various variables like the amount of payments and number of people benefiting from payments within the years. Therefore data for only one year is provided.

rising trend as a result of technological innovations. One important reason for rise in expenditures related to drugs in particular is the factor of corruption as a phenomenon widely known by the public. Rise in expenditures related to curative services, on the other hand, can be attributed to policies not giving due emphasis to preventive services.

Table 19: Health Expenditures by Social Security Institutions (000 YTL)

Institutions	1995	2000	2004	2005
SSK(Total)	44,755	1,280,189	6,205,528	7,457,106
Retirement Fund (Total)	17,858	623,073	2,795,696	2,917,046
Bağkur (Total)	8,045	730,291	3,719,300	3,625,815
Total Expenditure/ GDP (%)	0,90	2,10	2,97	2,89

Source: 9th Five Year Development Plan, Report by Special Commission on Social Security, 2007, p:18.

Despite its absolute amount greater than others, per capita health expenditure is lowest in SSK. The Retirement Fund leads the list in terms of per capita health expenditure.

Table 20: Per capita health expenditure (2002)

	No, of Persons	Spending (Billion TL)	Spending (000 \$) *	Per capita Spending (TL)	Per capita Spending (\$)
Public Sector (Civil Servant + Retired)	9,283,596	4,527,259	3,373,265	487,662,216	363
SSK	27,795,128	6,405,528	4,772,765	230,455,064	172
Bağ-Kur	9,780,672	3,660,100	2,727,144	374,217,641	279

* Exchange rate for US Dollar= 1,342,10-TL.

Source: www.emekli.gov.tr/saglik_mali_istatistik_htm

Protection for unemployment is a relatively new social security branch in Turkey. In 1999, the first step in this direction was taken with the enactment of the law no 4447 and the first payment in unemployment insurance was made in 2002. Since qualifications are rather tight, beneficiaries are too limited in numbers. In November 2006, the number of unemployed persons benefiting from the scheme was 94,956 and the total payment made was 26 million YTL. There is a continuous surplus in the fund. Unemployment insurance payments can be made for a period changing from 6 to 10 months depending on contributions made earlier. The daily rate is calculated on the basis of a person's earnings during the last four months before losing job and by taking 50% of average daily earning. The total amount can in no case be higher than net minimum wage. It is clear that this amount cannot be an incentive for persons to remain unemployed. Besides monthly payment, health and maternity contributions of unemployed persons are maintained. Further services include vocational training and re-training, job counselling and assistance in seeking job.⁶⁵

As for those out of security coverage and whose income is below a specific level, social assistance is provided publicly either from general budget or public funds allocated to specific purposes. Nevertheless, at present there is an overly fragmented structure in Turkey when social assistance and services are concerned. The latest

⁶⁵ www.iskur.gov.tr

reform and the draft law on payment without contributions in fact target to eliminate this fragmented structure. As a result of the present structure the number of persons benefiting from social assistance cannot be identified accurately. It is observed that recently there is an increase in local government spending in this area.

As far as social assistance is concerned, the largest share belongs to monthly cash payments made to poor, elderly and disabled persons over age 65 under the “Age 65 Law” no. 2022. Benefits provided under this legislation as of 2005 are: 180.5 million YTL old age pensions to 933,043 persons; 32.2 million YTL disability benefits to 83,201 persons and 93.1 million YTL physical handicap benefits to 240,734 persons. Upon a legislative change introduced in July 2005, monthly payment of 64.48 YTL was doubled for the disabled and tripled for persons with physical handicaps.⁶⁶ It is clear that even after increase, these are not enough for living in reasonable standards.

The second important component of social assistance in Turkey is the Green Card scheme devised to cover health expenses of poor people which is managed by the Ministry of Health. Covered by the Law no. 3816, there were 10,811,554 green card holders as of the end of 2005 and corresponding expenditure is 1.7 billion YTL. This system will come to an end when the Social Security and General Health Insurance Legislation takes effect.

The Directorate General of Social Assistance and Solidarity operating under Prime Ministry is another agency involved in social assistance. Major activities of this agency include monthly assistance through foundations at province and district level, health assistance, specific aid, provision of coal for heating and income/employment generating projects. As of April 2004, the fund transferred 47.2 million YTL to local foundations. As of the same date, 121 million YTL was transferred for health expenditures and 1,950,000 persons benefited. The office mentioned above is also conducting the Social Risk Mitigation Project supported by World Bank loan. Under this project, conditional cash transfers are made to poor families on the condition that they get their health examinations. Monthly payments are too low. In May 2004, the fund transferred 3.3 million YTL and the number of beneficiaries was 85,076. The number of people benefiting from education/training assistance under the same scheme was 246,460 in May 2004.

Also operating within the framework of social assistance is the Directorate General of Foundations. As of 2005, this institution is making monthly payments to 3,000 persons. The monthly allowance for the deprived and disabled persons and orphans is 194.40 YTL for 2005.⁶⁷

In Turkey, social services for the protection of children without parental care and elderly people are delivered by the Social Services and Child Protection Agency, which are presently insufficient. Quantitative information about facilities for children and elderly people is given in the section ‘Work and Family.’ Civil society organizations are also involved in social services.

⁶⁶ SPO, Report by Special Commission on Social Security, 2007:42

⁶⁷ *ibid*: 43-45

7.1.2. Financial Structure of the Social Insurance System

Social security institutions constitute the bulk of social protection system in effect in Turkey. The system is financed through mandatory contributions by employers and employees and revenues obtained from the investment of funds pooled this way. With the exception of unemployment insurance introduced in 1999, the State has no part in financing social security. It only makes transfers from the Treasury in case these institutions run into deficit. As can be seen from the tables below there are serious deficits between the revenues and expenditures of the institutions.

Table 21: Balance of Revenues and Expenditures by SSK (billion TL)

Years	Total of Revenues	Total of Expenditures
1996	342.436,0	486.819,0
1997	724.389,0	1.060.389,0
1998	1.550.018,0	1.997.018,0
1999	2.494.835,0	3.605.835,0
2000	4.894.718,0	5.294.718,0
2001	7.698.531,0	8.806.531,0
2002	11.132.049,0	13.518.049,0
2003	15.450.060,0	20.258.677,0
2004	19.417.958,0	25.174.958,0
2005	22.739.769,0	30.151.436,0
2006(expected)	29.064.366,0	38.293.722,0

Source: www.ssk.gov.tr

Table 22: Balance of Revenues and Expenditures by Retirement Fund (YTL)

Years	Total of Revenues	Total of Expenditures
1997	465.317.434	573.548.058
1998	914.083.750	1.109.524.985
1999	1.508.714.904	2.016.291.584
2000	2.138.765.110	2.976.238.608
2001	3.217.177.726	4.800.176.358
2002	4.981.388.344	7.629.741.972
2003	6.814.266.712	10.346.934.283
2004	7.780.452.224	12.245.126.168
2005	10.098.998.052	14.085.992.348
2006	9.834.582.411	15.233.823.935

Source: www.emekli.gov.tr

Table 23: Balance of Revenues and Expenditures by Bağ-Kur (000 YTL)

Years	Income	Expense
1997	130.042	307.274
1998	220.140	650.473
1999	414.138	1.309.599
2000	725.913	1.899.118
2001	1.280.348	3.059.214
2002	2.101.540	5.032.115
2003	2.982.986	8.061.199
2004	4.241.518	9.953.538
2005	3.726.768	11.020.036
2006	8.515.186	13.515.400

Source: www.bagkur.gov.tr

Ignorance of actuarial balances as well as populist practices, combined with such structural features as unemployment and informality have led these systems into huge deficits, making it necessary for the State to transfer more. The table below shows treasury transfers to social security institutions by years.

Table 24: Budget Transfers to Social Security Institutions (Million YTL)

Years	Retirement Fund	SSK	Bağ-Kur	Total
2000	945	400	1,051	2,396
2001	1,701	730	1,437	3,868
2002	2,976	3,180	2,943	9,099
2003	3,885	4,505	4,922	13,312
2004	4,994	5,757	5,336	16,087
2005	5,549	7,507	6,863	19,919
2006	5,696	8,526	4,330	18,552
Total	25.746	30.605	26.882	83.233
Share in Total Transfers (%)	30.9	36.8	32.3	100

Source: 9th Five Year Development Plan, Report by Special Commission on Social Security, 2007, p:18.

In the occurrence of deficits, low level of compliance with relevant rules and obligations also have an impact besides structural problems like unregistered work and unemployment. In 2004, the rate of collected contributions by the SSK was 80.5 %. This rate is even lower for those registered on voluntary terms.⁶⁸ In Bağ-Kur (2006) there were 2,328,841 active participants under the Law no. 1479. Of this total, 469 395 (20.2%) make no contribution at all, 1 501 675 (64.5%) participants have deficit in their contributions and the number of participants having no due contribution is only 827 166 (35.5%). This means that participants regularly and fully paying their contributions make up only one third of total participants. These rates are 25.6%, 40.9% and 33.5% respectively for the participants under the Law no.2926. As of 2006, contributions collected could cover only 24.5% of total monthly pensions paid by Bağ-Kur under Law no. 1479 and 44% Bağ-Kur under law no. 2926.⁶⁹ These figures clearly show the dimensions which evasion has assumed and how serious the problem is.

This situation of non-compliance in Turkey has many reasons. As to wage earners, the primary reason is the limited employment generation capacity of formal sector which nourishes informal economic activities and informal employment making unemployed ready to accept work under precarious conditions. They can not risk losing their jobs even when they know that social security premiums are not paid regularly by their employers. Second reason for non-coverage or failure in making contributions is the big difference between the cost of labour and net wage accruing to the worker. According to WB Turkey Labour Market Study for singles and families with children, Turkey's taxes on labour are among the highest in OECD. "This is particularly relevant for low-wage workers (both singles and families) with two children. For example, for a low-earner single parent with two children (earning 67 percent of the average wage), income taxes and combined social insurance charges in Turkey account for 41.8 percent of total labour compensation: 5.9 percentage points higher than in Sweden and 6.4 percentage points higher than in Poland, the next two countries with highest taxes on labour. For couples with two children (both

⁶⁸ www.ssk.gov.tr/sgk/istatistik.html

⁶⁹ www.bagkur.gov.tr/finansman/bulten.html

single-earner at average wage, and one earner at average wage and the other earner at 33 percent of average wage), Turkey also has the highest labour taxes in the OECD-30, as well as the OECD-9 middle-income subgroup.⁷⁰

Weakening belief of income earners that taxes are collected and allocated fairly leads to unwillingness to let a substantial part of income earned go away as taxes or other legally compulsory deductions. Consequently, special agreements are phased in to share the difference between gross and net wage by employers and their employees.⁷¹ Inadequate auditing of workplaces, due to the under-resourcing of inspection services further encourages this tendency. As far as small artisans and tradesmen under Bağ-Kur are concerned, irregularity of income flows depending on the overall status of the economy and unsatisfactory level of health and retirement benefits are both influential in bringing along non-payment or irregular payment of contributions. In agriculture, low and irregular incomes of small landholders create problems in paying their contributions regularly and many members cannot benefit from available services as a result of their debts to the system.

7.2. Social Security Reform

As the social security system is facing substantial financing problems and runs deficits since the 1990s social security reform as an important component of the structural adjustment program has been one of the pre-conditions of the 19th Stand by Agreement with IMF in 2005. In 2006, the Laws no. 5502 on Social Security Institution and no. 5510 on Social Insurance and General Health Insurance were legislated. The changes introduced in 2006, as the last link of the chain of gradual transformation of the system going on since 1999, represented a radical rupture from a 60 years old system. Along this line, several existing social security institutions were brought under the roof of a single scheme. The basic objective of reform efforts is stated as bringing in a fair, easily accessible and financially sustainable social protection system which is also capable of providing better protection against poverty.

The Government rationalised the need for reform in social security scheme on the basis of the effects of Turkey's aging population⁷², the failures of the existing schemes to fully cover the population and to provide protection from poverty, and on the basis of the sustained financial deficit of the existing system. However, for the IMF, which is the insistent party on this reform, the real drive behind is to reduce the financing deficit of the social security scheme from its existing level of 5% of GNP to 1% and to maintain the proportion of public debt stock to national income, namely 6.5% for the proportion of non-interest public surplus to GNP as committed to the IMF.⁷³

⁷⁰ p.72

⁷¹ SPO (2001) 8th Five Year Development Plan, Report by the Special Commission on Informal Economy, p.46

⁷² According to population projections, the population of Turkey will continue growing until 2050 and stabilize around 99 million in 2050. In this process, the population share of the age group 65+ which was 5.8% in 2000 will reach 17.9% in 2050. Aging of population is a process which will manifest itself in longer term in Turkey (UN World Population Prospects, 2001:442)

⁷³ Erdoğan Seyhan (2006), Sosyal Politikada Değişim ve Sosyal Güvenlik Reformu (Social Policy Change and Reform in Social Security), *Mülkiye*, Fall Volume:XXX No. 252, p. 211-236.

The basic aim of social security reform is, therefore, to increase revenues and decrease spending. In this context, some parametric changes are sought in essence as it was done in 1999. These include tightening eligibility conditions, reduction in payments, higher retirement age, lower ratios in determining retirement pensions and changes in methods of updating monthly payments. The most striking feature of the reform is its part related to retirement. Here, the age of retirement is increased gradually and determined as 65 for both men and women. The number of contribution days which is presently 7,000 is raised to 9,000. In determining old age pensions, not the latest earning but the average of earnings throughout working life will be taken as basis. The ratio in determining monthly payments will be applied as 2.5% for each 360 days of the time period in which a person is covered by disability, old age and demise insurance until the end of 2015 and as 2% starting from 2016. With this new arrangement the ratio of benefits which is presently 65% will be pulled down to 50% as minimum threshold.

Hence the system falls short of its initial claim of covering full population in social protection. The new Social Security Law envisages, in principle, compulsory security coverage of working people, but introduces voluntary membership for own account workers whose incomes remain below a certain level. Failure in making contribution for a specified period of time terminates membership. This arrangement does not bring any solution to the problem of social security coverage in very small enterprises in both agriculture and in other sectors by excluding such workers from the system. While some problems are indeed solved in regard to fundamental principles of any insurance system, unprotected employment status of some groups remains the same.⁷⁴ Besides low-income own account workers, other groups of low status which need social protection most include: women of low economic status working in domestic services; landless peasants or small holders having occasional works in agriculture and/or forestry; and the urban poor engaged in daily paid casual jobs. Yet, these are exactly the groups that are excluded from the system of compulsory social security. Although a voluntary security scheme is introduced for these groups, it does not seem possible for these groups to actually benefit from the scheme given rather high rate of necessary contributions.

Another debated feature of the reform process is its General Health Insurance component. With new arrangements, the right to health care is made subject to paying contributions. For those sections of population whose incomes remain below a specific level the State pays for their contributions. It is not clear however how the sections of population whose income is above this specific level but below the minimum wage level manage to pay the contributions. In this respect a rather important change in terms of coverage is of special interest to women. In the new legislation, unmarried, divorced or widowed females are not considered as dependents no matter what their ages are and they are only accorded 25% of what their deceased husbands/fathers/mothers used to receive. While excluded from the category of “dependents”, these females still have their obligation to make contributions as they remain within the scope of general health insurance. In Turkey, where women’s participation to employment is rather limited, it is apparent that many women will be excluded from this scheme for failing to pay their contributions.

⁷⁴ Özşuca Ş.T., Toksöz G. (2006) Small Enterprises, Informal Employment and the Current Social Security Reform In Turkey, unpublished article

In general, the social security reform presents a quite complicated arrangement which is lamed with some internal contradictions and which fails to respond to genuine problems of the system presently in effect. It is however clear that the new arrangement largely curbs public dimension in social security. In delivering health services, the dominant trend now is to purchase these services from the private sector. The new legislation introduces no arrangement with respect to high level of contributions which is one of the leading factors triggering informality. Nevertheless, the Government promised to reduce compulsory contributions by 5% in 2008.

The law no. 5510 was carried to the Constitutional Court separately by the President and the main opposition party on the ground of diversion from the principle of Social State and the Court annulled some articles of the draft law. Thus the taking effect was postponed until 1 January 2008 and then to 1 July 2008 and it is presently in the agenda of the Grand National Assembly (TBBM) to introduce some new arrangements to the draft bill. However the new draft bill which is presently in the agenda of the parliament is criticised by many including trade unions in the first place as well as employers and professional organisations even to deteriorate conditions brought by the former bill. Employers, on their part, argue that the burden of covering the gaps of the social security system is shifted to employers and employees in the formal sector and that the Government has failed to provide for lower contributions that it once promised. They further argue that the state contribution to cover financial deficit should be made permanent. Criticism by trade unions, on the other hand, focus on such points in the draft law as extension of the number of contributed days required for retirement from 7,000 to 9,000 days, introduction of lower rates in determining retirement pensions for workers and self employed and reductions in nursing and disability benefits. Unions of Government employees resent the draft bill on the ground that it runs contrary to the Constitutional principle of equality since it introduces arrangements to the disadvantage of those becoming public servant after the taking effect of the new legislation relative to those who joined the ranks of Government employees before.⁷⁵

In conclusion it can be said that parallel to the process of globalisation, change in the composition of employment as well as increase in unemployment, poverty and social exclusion give rise to different social policy needs and demands in the field of social policies. In this context there is apparent need for a social security reform that is capable of filling in the gaps of the existing system and responding to newly emerging needs. Yet, looking at arrangements introduced in 2006, and further arrangements under discussion we see no reform that can improve the situation of low income status groups that need social security most. Quite to the contrary, the poor are further driven away from the coverage of social security as possible social risks are addressed in narrower sense, level of protection is pulled down and conditions of benefits are made even stricter. While social security is left to the market, public safeguards and incentives are phased in to protect relatively higher income groups from social and economic risks and distortions already existing in income distribution are further deepened.⁷⁶

⁷⁵ *Radikal* Daily, 20-22 November 2007.

⁷⁶ Erdođdu Seyhan (2006), *Ibid.* p. 211-236.

8. Social Dialogue and Worker's Participation

In the process of EU accession Turkey is expected to bring her legislation and regulations in line with the *acquis communautaire* including its part "Social Policy and Employment." This rather wide area covers many headings including social security, social dialogue, trade unions, collective bargaining and other issues of the labour law. In this context, although limited to formal terms, a series of legislation was enacted in the field of trade unions and collective bargaining which are accepted by the EU as among political criteria. These include the "Unemployment Insurance Legislation" and "Job Security Legislation" in the area of individual labour law. In the field of social dialogue and trade unions, enacted laws include those on the "Unions of Government Employees", on the "Establishment and Working Procedures of Economic and Social Council", and on "Private Security Services." Yet, trade unionists as well as academics maintain that it is essential firstly to ensure compliance, in the field of trade union rights, with ILO Conventions nos. 87 and 89 since as far as trade union rights are concerned, EU alignment should first start with ILO alignment with respect to mentioned Conventions. It is further stressed that reservations placed on Article 5 (trade union rights) and Article 6 (collective bargaining rights) of the European Social Charter should be withdrawn.⁷⁷

8.1. Employers' and Workers' Organizations

Labour market in Turkey displays a fragmented character: Besides unionised workers of large private and public enterprises in urban areas, we observe non-unionised and unprotected workers of small enterprises of the informal sector as well as own account workers running their micro enterprises. Firstly, this state of affairs makes unionisation quite difficult. Moreover, along with declining public investments and privatisation of public enterprises, unions organised in the public sector suffered losses in terms of both influence and membership. Meanwhile, through more flexible organisation of production processes, some enterprises covered by collective agreement scheme (CAS) were divided in smaller units to remain out of this scheme and practice sub-contracting. As a result, there is decline in the number of enterprises covered by CAS, trade union membership, union density and the number of workers who can benefit from collective agreements. High rates of unemployment, weight of informal sector and poverty all force individuals to enter whatever job they can and fear of losing job deter many workers from joining trade unions.

In addition to structural constraints in labour markets, The Trade Union Law enacted in 1983 introduced various barriers to unionisation. Barriers include the compulsory provision that any union has to organise at least 10% workers in a specific branch in order to achieve the status of eligibility for collective bargaining, ban on enterprise and occupation level unionisation and compulsory notary verification in both membership and ceasing membership. The threshold of 10% is a serious barrier also in reaching correct figures as to union members. In order to preserve their eligibility for collective bargaining, trade unions mostly declare their

⁷⁷ Şafak C. "Türkiye'de Toplu Pazarlığın Değişen Çizgisi (1980-2005)" (Changing Line of Collective Agreement in Turkey), Çalışma ve Toplum, 2006/3
Türk-İş (2006) Avrupa Birliği-Türkiye
Müzakere Sürecinde Sendikal Hak ve Özgürlükler (Rights and Freedoms of Unionisation in the EU-Turkey Accession Process)

membership higher than it actually is. Meanwhile, employers declare to the MoLSS fewer employees than they actually employ. In the face of this situation, of 5,154,948 workers employed by 581,655 enterprises in 2006, 3,001,027 appear as union members, giving the rate of unionisation as 58.2%.⁷⁸ Since these figures do not reflect the real situation, it is more appropriate to take the number of workers benefiting from collective agreements as criterion in reaching the number of unionised workers and rate of unionisation. Using this method and given that collective agreements are mostly for 2 years, we reach the average number 902,246 as number of workers whose collective agreements took effect in the years 2005 and 2006. This figure can also be taken as the number of union members. According to the Household Labour Force Survey 2006, there are 11,017,000 wage/salary earners. Deducing from this 1,568,000 as government employees, the remaining 9,449,000 are theoretically eligible for union membership. Considering, however, the number of workers actually covered by collective agreements, we get the rate of unionisation as 9.5%, which is very low. There is no information as to gender distribution of workers covered by collective agreements; still, it is estimated that 10% of union members are females.

In 2006, there are 94 trade unions, 3 trade union confederations, 52 employers' associations and 1 employers' confederation in Turkey. According to MoLSS statistics (2006) 69.7% of unionized workers are Türk-İş members, while the shares of DİSK, Hak-İş and other independent unions are, respectively, 13.7%, 12.4% and 3.9%.⁷⁹ Leaving aside split at confederation level, cases where there are 2 authorised unions in the same branch and in the same confederation indicates an overly fractured and weak trade union movement.

Members have rather weak trust in their unions since, in present circumstances, unions can but adopt a rather limited line of activity merely consisting of defending the most basic interests of their members and preserving the present state of affairs at least. Also, the centralistic structure of trade unions which bar internal democracy has its share in the present situation. Meanwhile as the gap between CA covered workers and large masses remaining out of this system widen, many workers tend to think that trade unions are not strong enough or committed to promoting the rights and interests of workers.⁸⁰

In spite of some adversities faced after the 80s, struggles of public employees for their union rights point out to one of the most important pushes for organisation in recent decades. Public employees could get their rights to organise only upon the enactment of the Law no. 4688 on the Unions of Government Employees in 2001. However, this new legislation too denies rights to collective bargaining and strike. In fact there is some form of collective bargaining for public employees as well, but outcomes of these negotiations are not binding. The movement of public employees was split from the outset with respect to political orientations and upper

⁷⁸ ÇSGB (2007) Çalışma Hayatı İstatistikleri (Working Life Statistics), p.133

⁷⁹ ÇSGB (2007) Çalışma Hayatı İstatistikleri (Working Life Statistics), p.115

⁸⁰ Urhan B. "Türkiye'de Sendikal Örgütlenmede Yaşanan Güven ve Dayanışma Sorunları" (Problems of Confidence and Solidarity in Union Organization in Turkey), Çalışma ve Toplum, 2005/1.

confederations were established upon these splits, which eventually weakened the movement as a whole.⁸¹

It is generally accepted that the figures of the MoLSS regarding membership to the unions of public employees more or less reflect the real situation. However, there is some doubt that the figures of public employees may be somewhat lower than what they really are. Consequently, the rate of unionisation appears to be high.⁸² In 2006, of a total of 1,568,324 public employees 779,399 were union members, giving the rate as 49.7%. 218,660 (28.1%) of union members are females. In Turkey there are three major confederations under which public employees are organised and their membership shares are as follows: Kamu-Sen 42.0%, KESK 30.1% and Memur-Sen 26.2%.⁸³

The Public Employees' Trade Unions Act denies several categories of public servants the right to organise. Section 15 lists a number of employees (such as lawyers, civilian civil servants at the Ministry of National Defence and the Turkish Armed Forces, employees at penal institutions, police force, special security personnel, public employees "in position of trust" etc.) who are prohibited from joining trade unions. This affects more than 450 000 public employees.⁸⁴

8.2. Collective Bargaining

The Collective Bargaining, Strike and Lock-out Legislation no. 2822, dated 1983 which is still in effect is the product of the military regime that followed the coup of September 12th 1980. The legislation puts limits to the right to collective bargaining, determines the level of collective agreements as work place and enterprise, confines the right to strike to material interest oriented strikes and introduces a system of double threshold judiciary supervised authorisation in the name of "strong trade unions." To prevent fraudulent practices, the legislation envisages checks such as double threshold and notary verification, etc. Yet, as mentioned above, the gap between the numbers of CA covered workers and the number of union members remained as a result of misstatements by both employers' and workers' organisations and shortfalls in the supervision capacity of the Ministry.

For a trade union to be authorised to engage in collective agreement, it must have enlisted at least 10% of all workers in its specific branch and more than half of all workers in enterprises covered by CA. The law designates the Ministry of Labour and Social Security (MoLSS) as the authorised agency to determine whether any union is eligible for engaging in collective bargaining. In this process, both a rival union and employer may apply to the court. Unions mostly manage to get their authorities approved by courts despite an elapse of long time such as 1.5-2 years. At the end they may find themselves as authorised but without members since their

⁸¹ Yorgun S. "Küreselleşme Sürecinde Türk Sendikacılığında Yeni Yönelimler ve Alternatif Öneriler" (New Tendencies in Turkish Unionism in the Process of Globalization and Alternative Suggestions) Çalışma ve Toplum, 2005/3

⁸² Çelik A., Lordoğlu K. "Türkiye'de Resmi Sendikalaşma İstatistiklerinin Sorunları Üzerine" (On the Problems of Official Trade Union Statistics in Turkey), Çalışma ve Toplum, 2006/2

⁸³ ÇSGB (2007) Çalışma Hayatı İstatistikleri 2006, Ankara, p.221-225.

⁸⁴ ITUC CSI IGB, 2007 Annual Survey of violations of trade union rights, <http://survey07.ituc-csi.org/getcountry.php?IDCountry=TUR&IDL...>

members may have been laid off or forced to quit their unions during this process. Indeed, a trade union whose authorisation status was referred to courts in the period 1990-1998 states that they have won 90% of all such cases, but they could act collective bargaining in only 2% of these cases for having no members left within the period of court proceedings. This forces trade unions to carry out their membership activities in a somewhat covert manner.⁸⁵ Consequently, the proportion of workers benefiting from CA is no more than 10% of all wage earners.

Table 25: Number of Workers Covered by Collective Agreements (CA)

Year	CA Coverage	As 2-year Cumulative	As 2-year Averages
1995	765,928		-
1996	515,840	1,281,768	-
1997	841,518	1,357,358	1,319,563
1998	219,434	1,060,952	1,209,155
1999	828,458	1,047,892	1,054,422
2000	208,595	1,037,053	1,042,473
2001	775,478	984,073	1,010,563
2002	255,059	1,030,537	1,007,305
2003	629,240	884,299	957,418
2004	325,189	954,429	919,364
2005	587 456	912 645	933 537
2006	304 392	891 848	902 246

Method: Two-year cumulative means the addition of two consecutive years starting from 1995 (i.e. 1995+1996=1995, 1996+1997=1996, and so on). The average figure is obtained by dividing any 2-year cumulative into 2. Simple sums of two years do not give satisfactory results since collective bargaining processes may be left over the other year.

Source: Çelik A., Lordoğlu K. (2006)

The Table shows that while the average number of workers benefiting from CA in 1996-97 was 1,319,563, it dropped to 902,246 in 2005-2006 with a decrease by 31.6%. The table below which gives information about collective agreements and workers covered in the period 1999-2006 indicates the bulk of this decline rests with public employees.

While the average number of public sector workers benefiting from collective agreements in the period 2000-2001 was 612,543, this number steadily decreased in subsequent years to reach 502,689 in the period 2005-2006. This clearly indicates that unions organised in this sector have lost strength as a result of privatisations and closing down of some enterprises. In the private sector, on the other hand, the average number of workers benefiting from collective agreements followed a fluctuating trend, starting from 398,019 in 2000-2001 and becoming 399,655 in 2005-2006. The policy of some private sector employers including negative attitude towards unions, efforts to prevent unionisation, annulling the CA authority of unions, declining to attend collective bargaining sessions and measures to curb the functioning of

⁸⁵ Özveri M. "Toplu Sözleşme Yetkisinin Belirlenmesindeki Açmazlar ve 2822 Sayılı TİS, Grev ve Lokavt Yasası" (Dilemmas in Clarifying Eligibility for Collective Bargaining and Law No.2822 on Collective Bargaining, Strike and Lock-out), Çalışma ve Toplum, 2004/2.

arbitration and strikes all have their share in this fluctuating pattern and in the result that CA coverage in the sector is not large enough to compensate for shrinkage in the public sector.

Table 26: Collective Agreements Concluded by Years

Years	Sector	Number of workers comprised	According to two years total	According to two years average
1999	Public	544 995	-	-
	Private	283 463		
	Total	828 458		
2000	Public	103 124	648 118 388 934 1 037 053	-
	Private	105 471		
	Total	208 595		
2001	Public	473 845	576 969 407 104 984 073	612 543 398 019 1 010 563
	Private	301 633		
	Total	775 478		
2002	Public	131 852	605 697 424 840 1 030 537	591 333 415 972 1 007 305
	Private	123 207		
	Total	255 059		
2003	Public	391 526	523 378 360 921 884 299	564 537 392 880 957 418
	Private	237 714		
	Total	629 240		
2004	Public	122 018	513 544 441 082 954 429	518 461 401 001 919 364
	Private	203 368		
	Total	325 386		
2005	Public	382 992	505 010 407 832 912 645	509 277 424 457 933 537
	Private	204 464		
	Total	587 456		
2006	Public	117 377	500 369 391 479 891 848	502 689 399 655 902 246
	Private	187 015		
	Total	304 392		

Source: ÇSGB ibid s.41-42, estimated by the author

Apart from union members, those who pay their solidarity dues can also benefit from collective agreements. Accordingly, the total number of workers covered by all collective agreements that were in effect as of 30 May 2007 was 1,367,578, of whom 861,573 were union members whereas the remaining 149,793 (10.9%) were those who paid solidarity dues. Of the last category, 51,967 are in the public and 97,836 are in the private sector.⁸⁶ According to MoLSS authorities, expansion of coverage through official decisions is very limited and would result in some marginal changes even when adopted.⁸⁷

Within the framework of legislation in effect, trade unions which can be established only on branch basis cannot, however, engage in collective bargaining at branch level; they can do this only at enterprise level. In the course of time and in both public and private sectors, “group bargaining” taking place in specific branches such as metal works, textiles or foodstuffs have somewhat assumed a unique character as “sector level bargaining” and replaced enterprise level bargaining. The “framework agreement” reached in the public sector between the Türk-İş and Government *de*

⁸⁶ ÇSGB (2007) Çalışma Hayatı İstatistikleri 2006, s.43

⁸⁷ TÜSİAD (2004) Türkiye’de İşgücü Piyasasının Kurumsal Yapısı ve İşsizlik (Institutional Structure of Labour Market in Turkey and Unemployment), p.127

facto, although not *de jure* eliminated and replaced workplace-enterprise level collective bargaining.⁸⁸

According to the Kensworthy index which measures the level of centralisation and coordination of wage setting mechanisms in various countries, Turkey is one of the countries with very low index value, partly as a result of lower number of CA beneficiaries. In international comparisons, furthermore, with the system of wage setting presently in effect in Turkey, the country stands near the US, Canada and UK which adhere to full competition conditions rather than EU countries which have a more centralised and coordinated system.⁸⁹

One of the most pronounced and unchanged characteristics of collective agreements in Turkey are the existence of rather elaborate social benefits and this is still maintained despite strong resentment by employers. According to data pertaining to collective agreements made in the context of TİSK as of July 2005, these benefits constitute almost 42% of total wage bill as average of various branches. In the face of melting wages as a result of high inflation and in cases where average wages fall and naked wage drops even to the level of minimum wage as a result of new recruitments, these social benefits serve as a practical solution. While naked wage may depreciate down to minimum wage level, total earnings including social benefits and especially bonuses may well remain much above it.⁹⁰

8.3. Social dialogue machinery

The Social and Economic Council in Turkey was first established upon a Prime Ministerial Circular issued in 1995 in the context of EU alignment and to give effect to the Ankara Treaty while, at the same time, as a requirement following the ratification of the ILO Convention no. 144. The approach of the Government to use the Council as an instrument to convince and win to its side various segments of society invited the reaction of the labour side in particular and the dialogue eventually ceased. Used to be managed through official circulars starting from 1995, the ESC was finally given a legal status upon the taking effect of the law no. 4641 on the “Foundation and Working Procedures of Economic and Social Council” on 21 April 2001. According to this legislation, the ESC is formed to seek social consensus and cooperation in the formulation of economic and social policies and to act as an advisory body on the basis of sustained environment of peace among parties.

Under the new legislation the ESC has 40 members; 16 Government representatives, 12 members from trade unions, 6 members from employers’ organisations and 6 members representing the organisations of farmers and artisans/tradesmen. With an additional article introduced later, the confederation with highest membership among public employees was also included in membership. However, council meetings held so far have not gone beyond forums through which the Government informs participants about its planned policies and programmes, seeking their approval and support. The present Government weight in the Council is also criticised in EU progress reports. The present situation indeed makes it more difficult for the Council to perform its basic functions of counselling, advising and

⁸⁸ Şafak C. “Türkiye’de Toplu Pazarlığın Değişen Çizgisi (1980-2005)”, Çalışma ve Toplum, 2006/3

⁸⁹ TÜSİAD ibid , s.137-141

⁹⁰ Şafak C. “Türkiye’de Toplu Pazarlığın Değişen Çizgisi (1980-2005)”, Çalışma ve Toplum, 2006/3

opinion forming. Finally, the present shortcomings of the ESC in Turkey are listed, including its incapacity to address social and economic issues on its own initiative; having Prime Minister as the President; failure to gather in specified intervals and absence of a budget of its own, a separate building and a special secretariat.⁹¹

Following the legislation no. 4641 providing for ESC, the “Tripartite Advisory Board” (TAB) was provided for by Article 114 in the new Labour Code no. 4857 as envisaged by the ILO Convention no. 144. Envisaged here is an advisory board of tripartite composition, involving the Government, employers’ and workers’ organisations, which is supposed to build an effective cooperation among the parties while observing legislative actions, developments and practices relating to working life so as to ensure peace in and further develop industrial relations. After having been defined in the Labour Code, details relating to the working principles and procedures of this board were laid down by a Regulation issued on 4 April 2004.

The duties and authorities of this Board are similar to those of the ESC. Nevertheless the area of interest of the Board is not as wide as that of the Council and rather limited to working life. However, since it is not obligatory to solicit the opinion of TAB in policies and decisions relating to working life, the work of this board is prone to domination by the arbitrary acts of Governments.⁹²

On 29 May 2006, the Governing Body of DİSK made a public statement that it would suspend its participation in social dialogue mechanisms including ESC and Mixed Advisory Committee and that this decision would be valid until parties could take joint decisions and specific progress was made in the field of trade union rights including the implementation of provisions enshrined in international instruments including those of the ILO.⁹³

Following evaluation has taken place on social dialogue in the Turkey 2007 Progress Report of COM: “As regards social dialogue, there is limited progress. The requirement to have worked for at least ten years in order to be elected to the management bodies of trade unions has been lifted. However the draft legislation aimed at bringing the currently applicable Trade Union and Collective Bargaining, Strike and Lockout Laws into line with ILO and EU standards is still pending. Full trade union rights have to be established in Turkey. There is some progress regarding bipartite social dialogue in certain sectors; however overall social dialogue is weak and tripartite social dialogue mechanisms, in particular the Economic and Social Council remain ineffective. The number of workers covered by collective agreements is still low and further decreasing”.⁹⁴

9. Work and Family

In Turkey due to strict gender based division of labour child care and elderly care are seen as the main responsibilities of women and relevant public services are very insufficient. Lack of public services is one of the main reasons for married

⁹¹ Görmüş A. “Türkiye’de Sosyal Diyalogun Gelişimi” (Development of Social Dialogue in Turkey), Çalışma ve Toplum, 2007/3

⁹² Görmüş A. ibid

⁹³ DİSK Basın Açıklamaları, <http://www.disk.org.tr/default.asp?Page=ContentList&CatId=5>

⁹⁴ P.53

women to leave the labour market when they become mothers. As mentioned before time spent for household and care work on average, is 4 hours and 3 minutes for employed females while it is only 43 minutes for men. The working women have to carry a double burden. In Turkey part time work is not wide spread except agricultural activities. It is rare among wage earners due to the low level of wages. Therefore women delivering children withdraw from labour force if they can not manage to find a solution for the care of the children. Whereas labour force participation rate 34.3% by single women, it is 23.1% by married women.⁹⁵ Among urban working women with children the distribution of care responsibilities is as follows: 34% on their own, 29.9% by grandmothers, 7.4% by older daughters, 7.4% by paid domestic workers and only 8.9% by kindergartens.⁹⁶ The low share of kindergartens is a manifestation of insufficient level of institutional care services.

In Turkey public child care services are focused in pre-primary education within the activities of Ministry of National Education as can be seen from the table below. Pre-primary education consists of mainly from nursery classes (%84.4) in the body of primary schools attended by children of 4 and 5 years. By many of the schools education is only half days.

Table 27: Number of school, enrollment, teacher, classroom and trainer by level of education in pre-primary institutions 2006-2007

	School	Enrollment
Pre-primary education	20 675	640 849
Total number of kindergartens (Public+ private)	1 369	100 168
- Independent kindergartens	786	80 767
- Private kindergartens	583	19 401
Nursery class (Public+ private)	19 306	540 861
-public nursery class	17 273	499 569
- according to law 657	481	8 956
-nursery class in private schools	661	16 999
SHÇEK	1 372	24 113

Source: MEB İstatistikleri Örgün Eğitim 2006, 2007, p.43, www.meb.gov.tr/istatistik/

In the school year 2004-2005, the number of children benefiting from preschool education was 435,000 and the rate of enrolment at this level was 15.2%. The target in the 8th Five Year Development, which was 25% coverage in preschool education, could be attained with a rapid increase in the school year 2006-2007.⁹⁷ However this rate is far from being satisfactory. It is a must that preschool education, which is critical in terms of both child development and female employment, is expanded to whole day and delivered as a public service. This requires increase in the budget of the Ministry of National Education and the share of preschool education in this budget.

⁹⁵ TÜİK Household Labour Force Statistics 2006, p.36.

⁹⁶ Hacettepe Üniversitesi Nüfus Etüdüleri Enstitüsü, Nüfus ve Sağlık Araştırması 2003, quoted in Türkönfed (2007) İş Dünyasında Kadın, p.32

⁹⁷ DPT, The 2006 Programme, p.137

The number of crèches, nurseries and childcare centres for children in the age group 0-3 is extremely limited at present. We can assume that some of the private kindergartens and SHÇEK (Social Services and Child Protection Institution) kindergartens accept children below 3. The independent kindergartens that are belonging to MoNE only accepts children aged 3 to 5.

Regulation no. 25522 on nursing rooms and childcare centres, issued under Article 88 of the Labour Law introduces detailed arrangements of nursing rooms in enterprises employing 100 to 150 female workers while obligation to have childcare centres is valid for enterprises employing at least 150 females. While there is no information as to how many enterprises in Turkey do fulfill this obligation, there are many employers who either deliberately keep the number of their female employees below these thresholds or just do not comply with paying the fine concerned. The fine is app. 170 Euros, which has no dissuasiveness compared with the costs of a care institution. In general there is widespread tolerance for the behaviour of enterprise managements from the government and trade unions. Basing the availability of rooms and care centres only upon the number of female workers is a manifestation of traditional patriarchal mentality which regards childcare as an obligation relevant only to women. This mentality is largely shared by all of the social parties.

In this context, there may be various agreements addressing child care as a social responsibility. For example, one way could be associating the need for rooms and childcare centres with the number of both male and female workers and, when the number of workers is below a specific level, bringing enterprises together to start joint crèches and centres in organised industrial districts. As a matter of fact, according to Article 15 in the Regulation, “Employers may come together to provide centres and crèches or fulfil their obligation in this regard by contracting with private facilities satisfying required specifications”. However there are various explanations from the government that they plan to set free employers from these responsibilities.

Deliberate limitation of the number of female workers employed by employers who want to avoid their obligations as well as the fact that most female workers are either in small-medium scale or informal enterprises suggests that it may be an alternative solution to share childcare responsibilities. Just as education and training is mainly entrusted to the Government, preschool education and childcare should be considered as a basic public service and delivered by the MoNE, Social Services and Child Protection Institution (SHÇEK) and local governments jointly. The SHÇEK Law no. 2828 mandates the Institution to provide services by establishing and managing crèches and childcare centres. For childcare services to further expand there is need to reach a model fitting Turkey with the participation of all relevant parties and in the light of existing models in the EU countries. What matters here is the will and commitment to deliver an important service. Otherwise, childcare will be considered as a problem which must be solved by women in their individual capacities and commitment to promote women’s employment will remain only on paper. Currently there is a discussion on this topic, and an explanation from the government that the foundation of a “Motherhood Fund” is planned. Employers, trade unions, state as well as the benefiting mothers’ contribution to the budget of the fund is foreseen for enabling them to buy child care services from private institutions. Although the details are not yet developed, it seems to be a part of market based provision of services instead of public services.

In Turkey institutions for the care of elderly are also very limited in number. The majority of older people are cared in the families mostly by female members. In 2007 there are 236 old people's home with 19 450 inhabitants. 40% of these homes and 61% of inhabitants are by public institutions.⁹⁸ The private institutions are very expensive and only affordable by people with high incomes. There are no care centres for the daily care of old dependents of working women. The phenomenon of "aging population" being observed also in Turkey increases the need for the care services of elderly. However there is almost no debate on this issue.

Article 74 in the Labour Law no. 4857 arranges for care and nursing leaves in cases of maternity. According to this arrangement, female workers cannot be employed for 8 weeks prior to birth and another 8 weeks after delivery, thus making a leave of 16 weeks in total. During this period female workers are paid 2/3 of their wages from the Social Security Institution. After the completion of 16 weeks a female worker can get a unpaid maternity leave till to 6 months. This period is one year by public employees. However no data is available on number or percentage of female workers or public employees with children in the age of 0-1 years taking maternity leaves. Currently no parental leave or any other family/reconciliation-related benefits are available to employees.

The Directorate General for the Status of Women prepared a draft law for common childcare responsibilities of working parents. The draft envisages 6 months of unpaid parental leave after childbirth for working parents subject to the Labour Code and up to 12 months unpaid parental leave in two consecutive periods for working parents subject to the Law on Government Employees. The same right is also granted to parents adopting children. This draft, however, is still waiting in the agenda of the Grand National Assembly for years now.⁹⁹ The Employers Trade Union Confederation is against to this draft proposal with the argumentation that it will increase the costs of enterprises by obliging the employers to hire new workers during parental leave.

10. Child Labour and Forced Labour

10.1. Child Labour¹⁰⁰

In Turkey child labour has always been a component of production processes. Apparently associated with poverty, this situation has its negative implications on social and economic development. Although there is a significant decline still almost one million children are part of working life.

The Turkish Government's commitment to the elimination of child labour can be seen through its positive responses in bringing national legislation into line with international conventions. Turkey has ratified the UN Convention on the Rights of the Child (CRC), and European Social Charter (1989)¹⁰¹, and the ILO Convention no. 138 Concerning Minimum Age for Admission to Employment in 1998 and the ILO

⁹⁸ SHÇEK, quoted in Türkonfed (2007) İş Dünyasında Kadın, p.32

⁹⁹ KSGM; CEDAW Draft Report 2007

¹⁰⁰ Thanks to Nejat Kocabay, ILO Child Labour National Project Manager in Turkey for his contribution to this section.

¹⁰¹ The Turkish Parliament placed reservations on some articles of both the Convention and the Charter.

Convention no. 182 Concerning the Prohibition and the Immediate Action for the Elimination of the Worst Forms of Child Labour in 2001.

Turkey was one of the initial six countries to undertake direct action to combat child labour in co-operation with ILO/IPEC. In the frame work of comprehensive long-term Technical Cooperation (1992-2007) between ILO/IPEC and Turkey, the Government has developed a wide-ranging policy and program framework, clearly identifying national priorities and objectives for the elimination of child labour in Turkey. Policies and programs related to child labour are grounded in Turkish national legislation. The constitution clearly stipulates that “no one shall be employed in work that is unsuitable for their age, gender or capabilities”. In addition to rights laid out in the Turkish Constitution, there are integral basic laws relating to the employment of children. First of all, Labour Law No. 4857¹⁰², prohibits employing children under age of 15, and foresees penalties for effective implementation of the provisions therein. Secondly, Vocational Training Law No. 3308, which was amended by Law No 4702¹⁰³, requires that all children be trained in order to develop their knowledge and skills prior to employment, and further stipulates that apprenticeship training is mandatory for children who have completed their compulsory education and starting working at a work place. Thirdly, Basic Education and Training Law No. 222 allow employment of children of primary-school age during off-school hours only if they document their school enrolment. Fourthly, Education Law No. 4306, which extended compulsory education from five to eight years, is a major effort towards keeping children under 15 in school. Law on Municipalities; and Law on General Directorate for Social Services and Child Protection also include measures regarding child labour issues.

10.2. Recent Trends

National visions, policies, strategies, program frameworks and legislation have created a tremendous amount of policy support and child labour issues have been mainstreamed into the following national policies; 9th Five-Year Development Plan, Government’s Urgent Action Plan, European Union Regular Progress Report towards Accession, The Southeastern Anatolia Regional Development Administration’s (GAP-RDA) regional development activities, The Master Plan of Action (MPA) agreed with UNICEF, Basic Education Program and Government’s Follow up Plan to “A World Fit for Children”.

In 2003, the Child Labour Unit of the Ministry of Labour and Social Security has developed a draft policy and program based on the findings of a diagnostic study of the country’s child labour situation and they were discussed in various platforms in which government authorities, NGOs, workers’ and employers’ organisations and UN agencies in Turkey were also represented. As a result of these consultative meetings, the Government adopted a Time-Bound Policy and Program Framework (TBPPF) adopting a basic target of eliminating the worst forms of child labour within a period of 10 years (2004-2014).

9th Development Plan for the period 2007-2013 prepared by the State Planning Organization gives considerable importance to the fight against the child labour. Child

¹⁰² Law no 4857 replaced the former Labour Law No 1475 with the exception of article 14.

¹⁰³ Law no 4702 was enacted on June 10, 2001 and amended various laws relating education and training.

labour is also included as a priority indicator in the UNDAF and the Joint Inclusion Memorandum (JIM) which outlines Turkey's EU accession process.

A decree for the implementation of protection and supportive measures under the child protection law was circulated on 24.12.2006 and it clarified the responsibilities of child police and social workers and their relations with the child law courts. This would allow to materialize necessary sanctions to the families who neglect and exploit their children.

Labour Inspection Board has prepared sectoral guidelines to combat child labour in furniture sector which provides necessary information on risks and hazards at the working environment and necessary occupational safety and health measures together with the legislation. This user friendly publication is beneficial both for the labour inspectors and employers in improving the working conditions of workplaces.

According to the Social Insurance and General Health Insurance Law legislated in 2006 the children under 18 are benefiting from the public health services free of charge. This would enable to extend the reach out services provided by national institutions as the health services are one of the most important tools in identification of working children and convincing of their families for not sending them to work. However as the Constitutional Court annulled some articles of this law a new draft bill is in the agenda of Grand National Assembly which will probably be legislated till the end of January 2008.

One indicator of positive developments with respect to child labour is the Child Labour Force Survey that the TÜİK conducted, in cooperation with the ILO, together with the Household Labour Force Survey in October, November and December 2006. The Child Labour Survey covered children in the age group 6-17 and interviewed 28,979 children in total. In the 4th quarter of 2006, the child population in the age group 6-17 was 16,264,000. Of these children 60.9% live in urban and 39.1% in rural areas. While 84.7% of these children attend school, the remaining 15.3% are out of school. Girls make up 58.8% of the latter group.

Of 16,264,000 children in the age group 6-17, 958,000 (5.9%) are economically active, that is they are employed in some way. Back in 1999, working children in the age group 6-17 had numbered 1,635,000, corresponding to 10.2% of total population in this age group. Extension of compulsory education from 5 to 8 years in 1997 was a factor contributing to this decline. However, the positive contribution by relevant IPEC activities should also be noted.

Of children in the age group 6-17 employed in Turkey, 47.7% live in urban and 52.4% in rural areas. 66% of these children are males and 34% are females. While 31.5% of working children attend school at the same time 68.5% are out of school. Of children in the age group 6-17 who attend school 2.2% are employed in economic activities and 26.3% of children out of school are economically active.

In 2006, 40.9% of working children (392,000) were in agriculture and 59.1% (566,000) were in non-agricultural employment. Of these children, 53% work for daily or monthly wages, 2.7% work on their own account or are at employer status and 48.3% are unpaid family workers.

Table 28: Basic Indicators on Child Labour (in thousands)

	October 1994	October 1999	4 th Quartal 2006
Non-institutional civilian population	59 736	65 422	72 957
Population aged 0-5	8 469	7 930	8 479
Population aged 6-17	14 968	15 821	16 264
Employment (6 and older ages)	20 984	22 124	22 963
Employment (6-17 ages)	2 269	1 630	958
Employment rate (6-17 ages)	15,2	10,3	5,9
-Urban	611	478	457
-Rural	1 659	1 151	502
-Male	1 372	955	632
-Female	898	675	326
- Agricultural	1 510	990	392
-Non-agricultural	759	640	566
-Regular or casual employee	648	617	513
-Self employed or employer	52	28	26
-Unpaid family worker	1 570	985	420

Source: TÜİK Child Labour Force Survey

10.3. Good practices

The Child Labour Unit of MOLSS established a national child labour monitoring and reporting mechanism. New service models for children living and working on the streets have been developed by the General Directorate of Social Services and Child Protection Agency (SHÇEK) in collaboration with 5 respective ministries. Respectively, Provincial Action Plans for the provision of these services have been formulated in 11 provinces. The Ministry of National Education has included the issue of Child Labour into their training programs for teachers and the Ministry of Interior organizes trainings for high level local Government Officials (Governors and District Governors) each year.

Trade unions and employers organizations have concentrated their efforts on children working in the industry, in street trades and in seasonal agriculture work. They have set up child labour bureau in Adana through which they have undertaken various activities and collected information on working children in the industrial sectors they represent or involved. 345 of the above children were withdrawn from work and enrolled to relevant educational institution. Close linkages is established and being maintained with all the educational institutions to regularly monitor the attendance and progress of these children.

IPEC supported the Ministry of National Education in Adana to tackle the problem of rural child labour. A model was developed and many children were withdrawn from work and placed into an educating system. This model involved: a multi-sectoral approach involving coordinated action by local governors and directorates of education, health and social welfare to create broad-based social support, which in turn led to successful mobilization of local financial and human resources; a contextual approach, by which the problem of rural child labour was not addressed in isolation, but through families, schools and rehabilitation centers established within program frameworks; a focus on education as an alternative to work, including multi-level activities to ensure the school attendance of children ; linking micro-level activities to macro-level policymaking to ensure regular

information gathering and widespread dissemination of data, experience and lessons learnt to both local and national authorities.

10.4. Forced Labour ¹⁰⁴

Turkey is both a destination and a corridor in terms of irregular migration flows. From the 90s on, women from the countries of the former eastern bloc have been vulnerable to human trafficking mainly for employment in the sex sector. Turkey is the destination country for this kind of trafficking mainly from Azerbaijan, Georgia, Moldova, Russian Federation and Ukraine.¹⁰⁵ According to the 2007 US report on human trafficking, in 2006, Kenya, the Philippines and Nigeria joined to earlier countries as origins of human trafficking heading for Turkey.¹⁰⁶ There are some victims transferred to Cyprus from Turkey. According to information provided by the Security General Directorate, female victims of human trafficking are deceived by some intermediaries in their countries who promise them jobs as domestic servants, waiters, baby sitting, sales, etc. but then forced to prostitution.¹⁰⁷ However, there is yet no reliable statistics to give an idea about the dimensions of this type of human trafficking in Turkey.

In 2000, Turkey signed the UN Palermo “Convention against Transnational Organised Crime” and its two supplementing instruments, namely “Protocol against the Smuggling of Migrants by Land, Sea and Air” and “Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children.” Following the process of ratification which has been completed, there is now more sensitive legislative approach to the issue.¹⁰⁸ Recent legislative reforms in this respect include the incorporation of prohibitive articles on human trafficking to the Turkish Penal Code; introduction of strict and heavier imprisonment sentences to such deeds; steps adopted to firm up border policies which used to be more lenient than that of western European countries and introduction of legislative arrangements to prevent phoney marriages. Turkey’s accession to the ILO Convention no. 29 Concerning Forced Labour on 23 January 1998 is also an important step in placing in necessary legislative framework in this respect.

Apart from legislative arrangements, Turkey is improving in her combat against illicit migrant transport and human trafficking by taking some initiatives in cooperation with relevant international organisations and agencies. These include support to international activities organised by the OSCE (Organization for Security & Cooperation in Europe), European Union, European Council, NATO and Stability Pact; process of accession to the IOM and other activities including those carried out with OSCE Budapest Group International Border Police Conferences. Finally there are Security Cooperation Treaties with several other countries¹⁰⁹.

Turkey ranks in the second category among four categories in the ranking of countries by their level of fulfilment of commitments according to the 2007 US

¹⁰⁴ I want to thank Aslıcan Kalfa for her contribution in the preparation of this section.

¹⁰⁵ Erder S., Kaşka S. (2003) Irregular Migration and Trafficking in Women: Case of Turkey, IOM, p.13

¹⁰⁶ USA Department of State, “Trafficking in Persons Report 2007”, p.201,
<http://www.state.gov/documents/organization/82902.pdf>

¹⁰⁷ Erder, Kaşka ibid p.50

¹⁰⁸ Firat, Ahmet, <http://www.taa.gov.tr/dersnotlari/GocmenKacakciligiveInsanTicareti.doc>.

¹⁰⁹ Firat, Ahmet, <http://www.taa.gov.tr/dersnotlari/GocmenKacakciligiveInsanTicareti.doc>.

Report on Human Trafficking. Being in this category means that although not fulfilling the minimum standards with respect to the Act on the Protection of Victims of Human Trafficking, Turkey has already taken significant steps in bringing its domestic legislation in line with the provisions of this law.¹¹⁰ This category also led Turkey to set up a “Task Force for Combating Human Trafficking” which brings together all relevant ministries and governmental agencies under the coordination of the Ministry of Foreign Affairs.

According to the report, in Turkey 192 suspects were prosecuted, 36 perpetrators were court sentenced, 29 persons were sentenced to imprisonment varying from one month to six year and 6 perpetrators were fined in 2006. Through the Government supported hotline 157, 109 victims were given help in the same year. Further, 1,150 security personnel were given training in combat against human trafficking.¹¹¹

In order to improve cooperation between governmental and civil society organisations in relation to victims, the Istanbul Greater Municipality and Human Resources Development Fund worked together to launch and operate a shelter in Istanbul. Apart from this facility in Istanbul, the Women’s Solidarity Foundation which effectively combats human trafficking and carries out joint activities with the Security Department also has a shelter for rehabilitating victims. Other organisations engaged in activities in this field include the Solidarity Association for Migrants and Refugees and Women’s Right Centre of Istanbul Bar Association.¹¹²

IV. Linkages, trade-ins and trade-offs between different elements of working and employment conditions

Structural features yield fragmented and segmented labour markets in Turkey. On the one hand, there is agriculture which, while declining rapidly, still has its large share in total employment. In urban areas, on the other hand, we have the small and micro enterprises of ever expanding informal sector accompanied by medium and large scale enterprises of public and private sectors.¹¹³ In Turkey, legislative and institutional arrangements in labour market apply mainly to formal sector enterprises; yet, only a minority for formal sector enterprises have their workers organised in trade unions. Larger enterprises differentiate their employees through sub-contracting and, as a result, workers with different status, remuneration and rights work for the same enterprise, which fuel competition and diminish solidarity.

Labour market is under pressure from the supply side. Although the rate of population growth is falling, the population at working ages will keep increasing until 2025 since this population group constitutes the cohort of a period of relatively higher fertility rates. This means an increasing labour supply for some time. Shrinking agricultural employment means rural to urban migration and swelling labour supply in urban centres.¹¹⁴ Meanwhile, Turkey receives irregular migration from other countries

¹¹⁰ USA Department of State, *ibid* p. 29

¹¹¹ USA Department of State, *ibid* p. 201

¹¹² Erder, Kaşka, *ibid* p. 58

¹¹³ Şenses F. (1995) “İşgücü Piyasalarında Esneklik Türkiye İçin Geçerli Bir Kavram mıdır?”, Petrol-İş Yıllığı 95-96, İstanbul.

¹¹⁴ Two projects to support the infrastructure of villages and small municipalities have been conducted by the Ministry of Interior since 2005. Money is allocated for road construction and provision of clean

in the region, which creates an informal supply of labour where people are ready to take jobs under any condition whatsoever. Absence of demand sufficient to absorb this labour force supply is the most important problem that Turkey is facing at present. This situation manifesting itself with high rates of unemployment, large numbers of people withdrawing from labour force and working poor is an obstacle in following a fair, equitable and equalitarian process of development.

In Turkey, shortfall of jobs created in the formal sector in the face of increasing labour supply and low demand for labour force give rise to falling rates of labour force participation and employment while boosting informal works. Taking a closer look at labour force participation rates, we find that the low figure of 46.8% (2006) derives mainly from the very low participation by women (24.9%). To compare, this rate is 71.5% for males. Similarly, rates of employment are 22.3% and 64.5% for females and males, respectively. This situation is the outcome of various factors including macroeconomic policies adopted, changes in the sectoral composition of employment and socio-cultural tendencies. Driven by mechanisation and changes in agricultural policies, employment in agriculture is rapidly declining. Consequently, women who constitute a large component of employment as unpaid family labour in small family enterprises withdraw from employment. Along with rural to urban migration, while males move to construction sector as waged workers or to services as self employed, women undertake household affairs and remain out of labour markets. Since employment creation in urban services or industrial sectors lags behind the decline in agricultural employment, female employment declines in absolute terms. On the contrary, there is increase in male employment since increase in male employment in services, construction and industrial sectors compensates decline in males' agricultural employment. Since, at the same time, population at working ages is increasing, males other than those who continue their education join the labour market, while females other than those who are enrolled to schools largely remain out of labour market. In the period 1995-2006, the number of women remaining out of labour force increased by 5,150,000. The relevant figure for males, on the other hand, is 2,854,000. Dominant patriarchal mentalities and gender-based division of labour both have their shares in this presence of women remaining out of labour force in numbers doubling those of males. Women are regarded as primarily in charge of domestic affairs, especially those in lower income brackets cannot benefit from education opportunities and their involvement in income generating activities takes place only when material constraints make it necessary. On daily basis, women spend six times more hours than males in household and childcare activities. Even when they work, domestic responsibilities still fully fall on their shoulders. While in many developing countries there is an increase in demand for female labour, especially in manufacturing industry, along with the process of export oriented industrialisation, no such case can be observed in Turkey as a result of economic growth without employment. Since the existing demand is for low wage and heavy works, women are discouraged. Another factor which keeps women out of labour force is the deficiency of public services in such fields as child, sick and elderly care; even when they want to work, women are expected to give this care as a part of their responsibilities. At present, there are no public policies and targets to expand the scope of care services and to reconcile family and working life. In Turkey, growth

drinking water in villages and building networks of water lines in municipalities. However the impact assessment of these projects to fulfill the expectation of slowing internal migration have not been made.

without employment means a place out of labour force for women and informal employment for men.

Categories other than wage labour still have a large share in employment in Turkey; own account works and unpaid family labour are still common forms.

Still, the employment share of regular wage earners increased from 1/3 to 1/2 within the last 11 years. This development was triggered particularly by the fall in the number and share of unpaid family labourers. The employment share of own account workers remain as 1/4. The share of daily wage earners and employers decreased slightly. Although declining, female unpaid family labour still has a large share and is valid particularly for women in agricultural employment. Unpaid family labour is a rare event for males whose dominant form of employment is wage labour. Own account working still keeps its place. This form of employment refers to all kinds of income generating activities that males and females are engaged for subsistence when they cannot find regular jobs for wage. Since there is no information as to durations specified in work contracts of wage labourers, it is possible to make an assessment of casual, time-bound and seasonal works only by looking at the specific characteristics of individual sectors. Seasonal employment is quite common in the tourism sector which seems to have an ever expanding employment potential. Seasonal employment is also common in agricultural enterprises that employ wage labour.

Very limited growth in employment as well as the informal nature of many jobs created together constitutes the most important problem in the Turkish labour market.

In the period 2000-2006, since the rate of growth of non-agricultural informal jobs is twice the rate of growth of overall non-agricultural employment, 60% of jobs created are of informal nature. Consequently, the proportion of those working without being covered by any security scheme no matter what the status has considerably increased in the period 2000-2006. This increase was from 14.8% to 22.8% in wage workers, from 78.7% to 88.5% in daily paid workers, from 11.1% to 22.5% in employers, from 41.3% to 51.7% in own account workers and from 74.4% to 80.5% in unpaid family workers. For all statuses, informal work is more common among females than males. These jobs which remain out of the coverage of any legislative or institutional arrangement as well as security are also far from what is considered as “decent job” by the ILO. Increase in informal work among wage earners is also associated with cheap labour requirements of export-based industrialisation policies. When employers outsource or sub-contract, they are well aware that the lowest bid they receive is based on nothing else but reduced labour costs, which means employing people at very low wages and for long working hours without meeting even most basic requirements in terms of work safety and health. 59-66% of those working in micro enterprises, 27-45% of those in small enterprises and 9% of those in medium scale enterprises work informally. A half or even two-thirds of those working in their own account micro enterprises either alone or with other family members are informal workers. This is associated with the irregularity and low level of income earned which does not allow for social security contributions once they are registered.

It is the problem of widespread unemployment that drives people to informal works. For some years now the overall rate of unemployment has been around 10%, but it is much higher around 18% for urban women. Together with 2.5 million unemployed people, underemployed and reserve labour who is ready to work

even if not seeking job make up 5.5 million people as surplus labour in Turkey. This is a situation which makes those finding jobs feel themselves lucky and take up any job without any consideration of social security coverage. As a result of tight requirements few people can benefit from unemployment insurance and, in any case, this scheme does not cover new labour market entrants.

Irregular migration and illicit migrants compete with domestic labour force in informal works and pull wages further down. Although no definitive figure is available, it is estimated that there are about some hundreds of thousands of such people in Turkey. They work in labour-intensive branches of manufacturing industry, in construction works and in small scale enterprises for very low wages. In times they are not remunerated and they can not seek their rights since their status is illegal. Migrant women who are engaged in child, elderly and sick care and in domestic services offer their services through the market which should normally be delivered publicly. They fill a niche for which native female labour supply is limited. There is also human trafficking through which women from the countries of the former Soviet bloc are brought in to be employed in sex industry. Some of these women who enter Turkey legally as a result of flexible visa system are deceived with promises of domestic work but with the confiscation of their passports they are forced to prostitution. Turkey modified her legislation to bring it in line with international instruments on human trafficking and presently cooperates with international organisations working on this field.

Wages are generally too low to explain stagnant employment. Economic crises that frequently occur in Turkey sweep away gains in real wages. While production and productivity recover after crises, real wages keep falling. Falling real wages indicate that whether unionised or not workers are ready to dispense with wage increases just for keeping their enterprises operating. Minimum wage which is set at the beginning of each year is of interest to both those who work on this wage and others whose wage increases are determined with reference to minimum wage. High payroll taxes on minimum wage encourages informal employment and both workers and employers agree that this burden should be mitigated. However, governments abstain from this since income taxes collected over wages constitute a significant part of overall tax revenues and a large part of working people pay their taxes again over minimum wage. Social parties, however, seriously disagree on severance pay which constitutes a part of overall labour cost. According to the labour code in effect, employers are obliged to effect severance pay over 30 days of gross wage for each year worked, given that the payee has worked at least for one year and whose work contract is terminated as specified in legislation. Employers argue that these arrangements should be repealed or at least mitigated since they make dismissals too difficult and bring extra burden, besides encouraging informal employment. Trade unions, on their part, state they will accept no new arrangement which erodes their acquired rights.

As a result of low wage and income levels, about a half of all employed people work longer than 50 hours a week. Again a half of wage labourers are involved in overtime work. With the exception of agriculture, part-time working is very limited in Turkey. Wages considerably differ on gender basis, favouring males.

Poverty is a serious problem in Turkey. About one-fifth of population live below the line of food and non-food poverty. In the period 2002-2005, while the proportion of poor among those with regular wage earnings has fallen, the proportion of the poor among casual workers, unpaid family workers and own account workers varies from ¼ to 1/3. The last category comprises unprotected forms of employment where income is quite irregular or totally absent. Poverty is experienced more sharply in rural areas than urban. Child labour is an important phenomenon involving poor households. Although there has been significant decrease in the number of child workers in Turkey, about 1 million children in the age group 6-17 were working in urban and rural areas in 2006. 1/3 of working children attend school at the same time and the rest do not. Missing education opportunities at younger ages creates a vicious circle of unqualified jobs and poverty. Despite partial improvement in income distribution observed in the period 2002-2005, the pattern still embodies serious distortions and inequalities.

The incidence of fatal work accidents is relatively high in Turkey. This situation is closely associated with industrial competition waged over low wages, abundance of small and medium size enterprises, sub-contracting practices that put pressure on wage levels and consequent absence of safety and health measures. Protective mechanisms envisaged by legislation apply only for those enterprises employing more than 50 workers and operate for works that last longer than 6 months. In practice, an overwhelming majority of enterprises remain out of the reach of this legislation. As far as fatal accidents are concerned, the construction sector leads the list followed by transportation and coal mining sectors.

The overall level of education is low and there is a gap between labour supply and demand in terms of qualifications offered and sought. Having a very large young population, low rates of schooling after primary education and insufficient emphasis given to vocational education and training contribute to the present high rates of youth unemployment in Turkey. In addition to insufficiency of formal vocational training in imparting qualifications needed in labour markets, there are also various problems in on-the-job training that must be delivered by enterprises in the context of apprenticeship and vocational training. Vocational training programmes offered by various professional and civil society organisations lack comprehensive and holistic policy framework and coordination. The İŞKUR offers various types of training courses to jobless persons registered with the agency, those benefiting from unemployment insurance and others who constitute the disadvantaged groups of the labour market. However, the number of persons taking part in these training courses is largely behind the number of those who are registered as jobless. Unqualified workers without any vocational training have meagre chances of finding job and even when they do these are mostly informal in nature. Unless a comprehensive reform geared to improving the quality of labour force in Turkey is undertaken, it would be impossible to increase productive and decent jobs. Presently, the huge amount in unemployment insurance fund provides means to launch a comprehensive labour force training that would benefit the large mass of unemployed persons as well as the beneficiaries of the insurance scheme. Initiatives in the field of vocational training need to be gender sensitive and clearly set the target of enhancing women's employment.

Reform in social security is a focus of serious debates. The present situation leaving about a half of all working people out of any social security scheme also creates problems in regard to the sustainability of social security institutions. Reforming this sector has been one of the fundamental requirements cited in agreements made with the IMF and the process continued after legislative change introduced firstly in 1999 and then in 2006. Some of its articles having been annulled by the Constitutional Court, the draft law is still in the agenda of the Grand National Assembly (TBMM) and it is expected that enactment will take place within this month. Although the overall purpose of the new draft is declared as introducing a fair, accessible and financially sustainable social security system also providing basic protection against poverty, financial sustainability weight more than others. To ensure sustainability, various limitations are envisaged in retirement payments and utilisation of healthcare services. Yet, from the stance of those who are totally excluded from any protection system as well as others who fail to fulfil their obligations despite being covered by this or that scheme, there are some other facts which the new draft has nothing to handle. As stated earlier, high rates of income tax and social security contributions applied on minimum wage encourage informality. The new draft envisages no change in contributions. Increased number of days with social security contributions required for retirement benefits virtually makes it impossible especially for temporal/seasonal workers to make it up to that threshold. This is an arrangement that prevent such workers from joining the scheme. Meanwhile, deficiencies in health and retirement services also have their effect of leaving working people out of the system. Reduction in retirement benefits, which are already found insufficient, will further fuel reluctance to become a part of the system. As for own account workers, low and irregular income is a factor that makes security contributions also irregular. The new arrangement classifies those whose income is below a specific threshold as optional clients and deletes the registration of others who fail to make their contributions for a specific period of time. Hence, the absence of social protection for very small entrepreneurs in informal sector as well as own account workers remains the same. Similarly, groups such as female domestic workers and those temporarily employed in agriculture and forestry will remain out of the coverage of social protection since they are in no position to fulfil their obligations under the voluntary system. The envisaged contribution of the State to the scheme is much short of providing social protection to all citizens and social security to working people. Hence, in spite of these new arrangements, protected work which is one of the fundamental components of decent work will not be available for all working people, meaning that there will be no check to informal sector.

Union density is very low in Turkey; collective bargaining as the basis of decent work has very limited coverage. In her process of alignment with EU, Turkey is presently engaged in broad rearrangements in social policies. However, present legislation pertaining to trade union and collective bargaining rights is still far from being in line with ILO Conventions 87 and 98. In addition to restrictive provisions existing in current legislation, abundance of small scale enterprises in the private sector and larger companies' strategy of sub-contracting with smaller firms pose further barriers to unionisation. As a result of the process of privatisation and closing down of public enterprises, unions in this sector are getting weaker and weaker. In Turkey about 10% of working people are estimated to be benefiting from union membership and collective agreements. In the private sector there are employers adopting adverse attitude against unions and try to prevent unionisation

through various means including threats of dismissal and objections to collective bargaining eligibility of unions. Once these happen, court action taken by workers or unions takes years to be finalised and it is often too late when it is even in cases where the court decision is in favour of workers and/or unions. This weak position of trade unions is a serious handicap in combating informal employment since no such employment can be possible where trade unions exist.

Public employees wrestled out their right to unionisation in 2001 after struggling for long years. But they are still deprived of rights to collective bargaining and strike. Presently, their gathering with the Government is only of advisory nature. Half of all public employees in Turkey are union members.

Mechanisms of social dialogue are rather new and yet not working effectively. Upon the enactment of a new law in 2001 as a part of the process of EU accession, the Economic and Social Council (ESC) was set up and later in 2003 the law was modified to provide for a Tripartite Advisory Board. The ESC, however, is dominated by Government representatives and as such this council is presently no more than a forum where the Government just informs others about its policies and programmes and seek their approval and support. The Board has only limited influence since it is not compulsory to solicit the views of the Board in decisions relating to working life.

Workers at the lower end of the labour market. Given the fragmented and multi-layered character of labour market, the most unprotected groups comprise those in informal employment whether in agriculture or in other sectors. Since these people are preoccupied with their daily subsistence they have no such long-term plans as retirement and they seek solution to health problems only when such problems occur. No matter what their working status is, wage labourers, unpaid family workers, own account workers or small employers forego income when they are too ill to work and their situation gets even worse since they have to pay for healthcare costs. For their elderly years, only guarantee is their children's support. These are the groups that experience poverty in its most abject forms.

There is gender based discrimination and segmentation in labour market. Women are kept out of labour force and those who join mostly work in agriculture, in very small enterprises as unpaid family workers. This is a mode of work which is not valued or respected in society. The rates of girls' school enrolment lags behind those of boys in every level of education. Even in compulsory primary education, 12.1% of girls versus 7.7% of boys were out of schools in 2006.¹¹⁵ Reserving for poverty as one factor impeding school enrolment, gender based division of labour and patriarchal mentality play their role in keeping girls away from school. Missed education opportunities also influence lower labour force participation by females since this participation is positively correlated with level of education. Indeed, labour force participation is as high as 70% for women with higher education.

Jobless growth has its primary bearing on women. While agricultural employment shrinks rapidly, urban employment still remains limited. With meagre employment opportunities, especially young urban women stay out of labour force

¹¹⁵ TÜİK, Turkey's Statistical Year Book 2006, p.106.

having lost their hopes for decent employment. For those who join and remain in labour force, informal employment in any status is more common than males. Women are paid less than males whatever they do and in which status they work. Long working hours combined with childcare and domestic chores wear women out. Employers behave quite reluctant in including women in their training schemes on the ground that they would quit anyway once they get married and have children. Reflecting the present make up of the formal sector, women constitute one-tenth of total trade union membership, which rises to one-third in the unions of public employees. Forming a minority their specific problems are not well reflected in trade union policies. Their membership in management bodies is either totally absent or very limited.

At present, although gender equality is recognised in legislation, it is still not possible to speak about an express public policy agenda focusing on women's employment in Turkey. The approach dominant in general in reports that are prepared or commissioned by national and international organisations can be summarized as follows: Emphasis on the fact that very low levels of female employment is a problem indeed while addressing the solution not in the context of major headings related to employment but of social inclusion and poverty alleviation with focus on two major package of measures. The first is the promotion of flexible forms of employment and the second consists of encouraging women to such forms of employment and supporting women's entrepreneurial initiatives.

Considering flexible employment as the same with women's employment is nothing less than asking women to remain satisfied with presently insufficient levels of participation rather than providing women, whose participation is already too low, equal opportunities with men. Furthermore, flexible employment manifests itself mostly in informal forms of employment remaining out of social security coverage. Unless the social target of expanding full time, security covered and unionized job opportunities with equal access and participation by women is adopted, the coming period will be characterised by women's engagement in specific types of jobs that will further consolidate existing inequalities in labour markets.

The same can be said about the promotion of female entrepreneurship. Encouraging women to own account works is seen as way of avoiding task of creating wage employment in both private and public sectors and ensuring the equal distribution of these job among men and women. Own account working constitutes only one form of employment and it is also one of those forms which entails lower wages, absence of social protection and uncertainty. This can of course be recommended in conditions where no adequate and new jobs can be created in industry and services, but promotion of women's employment can in no way be reduced to this alone.¹¹⁶

Besides women, youth constitute another unprotected group. Their situation points out to the need for special active labour market policies geared to the enhancement of the employability of young people. At the same time reforming the vocational training system to equip young people with the skills demanded in the labour market seems to be of utmost importance.

¹¹⁶ Toksöz G. (2007) Draft Report on Female Employment Situation in Turkey, ILO

Continuing with most unprotected groups, we have migrant workers who stay in the country legally or illegally and work in the informal sector. These people work for lower wages and also longer hours than native citizens of Turkey; while there are cases where they are not paid at all, they also receive reactions from native workers. Risks of work accident are higher and their utilisation of health services is left to the mercy of their employers.

In addition to groups that are unprotected by definition, there are also other groups that have lost their protected status in the process of flexibility. An example is on-contract works in the public sector as an alternative to traditional and well secured jobs. Despite low pay, many people prefer to work in the public sector for this job security. However, this seems to be disappearing for many with the start of on-contract personnel recruitment in education and health sectors. In education sector in particular, the number of those recruited on the basis of 10 months long contracts is increasing, while there are tens of thousands of teachers employed temporarily on the basis of payment per hour. This practice affects the quality of education negatively while introducing inequalities. A similar situation is also valid for the health sector. It is now in agenda in hospitals to recruit physicians through sub-contractors in addition to nurses, lab workers and technicians. This mode of recruitment and employment undermines constancy which is essential in health services, reduce the quality of service provided and creates further inequalities among health workers.

A similar situation can also be seen among unionised workers in public or private sector enterprises. Unionised workers are employed only in some essential processes while other works are entirely assigned to sub-contracting firms. Under the existing legislation, it is not possible for a union to organise the workers of a sub-contracting firm from a different branch. In other cases, in the face of a unionisation activity by a trade union, sub-contracting firms respond by closing down only to re-emerge after a while under a different name.

V. Conclusions and Policy Recommendations

In the 80s Turkey opted for the strategy of export oriented industrialisation and, as the first stage in this strategy, started to specialise in labour-intensive branches such as textile-garments where competitiveness was largely determined by low labour costs. In this process, growth in exports was based more on the utilisation of capacities already established before 1980 than new investments. While the public sector almost fully withdrew from manufacturing industry, private sector and foreign investments could not fill the emerging gap. Given the shrinking role of the State in economy and absence of any viable suggestion to fill the gap, Turkey could not continue with the second stage of her export oriented industrialisation strategy where industrial relations and human capital policies need to be based on productivity increases and acquisition of new skills. The passage to this second stage requires a structural change, also with the contribution of the State, heading for advanced industrial branches, accompanied by a comprehensive investment and industrialisation surge, which is in turn characterised by new labour processes of qualified jobs and labour. As long as Turkey remains at the first stage, increasing foreign competition in international markets will but necessitate declines in real wages and further “flexibility” in terms of easing some legislative and institutional arrangements. Yet, labour markets in Turkey are already flexible deriving from the excess supply of

labour and presence of people ready to work no matter under what conditions. As put by Şenses, this excess supply of labour in Turkey has its implications on productivity, level of earnings, poverty and income distribution while making it more difficult for workers to get organised. The reserve which is made up of those working at low productivity and earning level in agriculture and urban informal sector, makes it more difficult to sustain any improvement in real wages which is usually hardly achieved. Unless this rather large reserve is provided opportunities of formal employment, flexibility discussions relevant to industrialised countries turn to be irrelevant under much different conditions. The flexibility argument in Turkey can be relevant only for a niche constituted by large-scale public and private enterprises and the tendency in this niche is already towards flexibility. On the other hand, it is not flexibility that can be expected to promote employment in the formal sector.¹¹⁷

The rationale behind the Labour Code enacted in 2003 was to introduce flexibility to industrial relations on the ground that the former legislation was too rigid to respond to new developments taking place in working life. This new legislation responded to the demands of employers in such fields as non-standard work contracts, redefinition of working hours and wages and bringing flexibility to wages (i.e. payment according to hours worked).¹¹⁸ However, employers found flexibility brought along with the new legislation not sufficient. Employers maintain that even the new legislation is too rigid to promote employment and any surge in employment thus takes place mostly in informal sector, and ask for new arrangements to bring in further flexibility.¹¹⁹ Trade unions, on their part, draw attention to very limited growth in employment despite falling real wages and stand against further flexibility.

As far as Turkey is concerned, the reason for economic growth without employment is not the rigidity of the labour code and related regulations but structural constraints of the economy. Neither export oriented industrialisation strategy adopted since the 80s nor structural adjustment policies could bring along envisaged growth in employment. This can be explained by referring to various facts including: “Contraction of the process of industrialisation without deepening into intermediary and investment goods; curtailed support to agricultural sector which served a serious blow to this sector under; deliberately planned withdrawal of the public sector from industrial investments and its failure in launching investment leaps in other sectors while using “public financing deficits” as a pretext. The vacuum left over by the public sector could not be filled with domestic or foreign investors in a milieu in which private sector investments were increasingly lured by the services sector. It can also be observed large industrial enterprises move to the sector financial securities instead of real sector given the high returns to the former.”¹²⁰

Taking stage in international markets with cheap and low quality goods and keeping domestic wages as low as possible in the face of international competition curtail domestic demand and therefore hinder employment promotion through new

¹¹⁷ Şenses F. (2003) “Neoliberal Ekonomi Politikaları, İşgücü Piyasaları ve İstihdam” (Neoliberal Economy Policies, Labour Markets and Employment), Petrol-İş Yılıığı 2000-2003.

¹¹⁸ Özsuca Ş.T. (2003) Türkiye Emek Piyasası (Turkey’s Labour Market), İmaj Yayınları, Ankara, p.107

¹¹⁹ Süral Nurhan , “4857 Sayılı İş Kanunumuzda Esneklik Açılımları” (Flexibility Openings in the Labour Code No. 4857), İşveren Dergisi , Eylül 2007.

¹²⁰ Şenses F. (2003) *ibid*, p.156

investments. Given continuous increase in labour supply while demand remains short of it, employment in the informal sector is the solution that unemployed people found to their unemployment problem. However, continuing dissolution in agriculture as well as swelling working age population will inevitably limit the employment capacity of this sector as well.

Increase in public investments, on the other hand, not only generate employment but also stimulate the private sector to invest. By investing more in education and health as the two fundamental areas of social progress and welfare, the State can improve labour productivity as well as creating employment. In the context of industrialisation preferences and as a part of policies for technological progress investments can be made in selected sectors. In trying to solve the problem of unemployment, there is need to place emphasis not only to supply side but also to demand side.¹²¹ At this point, it may be asked where the public can find sources of funding for new investments. It is beyond doubt that there is need for radical changes in monetary and fiscal policies and to rearrange these areas so as to generate new sources of funding. However, it is also clear that economic policies presently under the close scrutiny of the IMF leave no ground for such radical changes. Indeed, during their annual negotiations with the IMF, Governments are turned back when they ask for a mere one point reduction in non-interest surplus to allow for a limited increase in public spending.

In Turkey, all social parties agree payroll taxes are presently too high and they should be reduced in order to combat unemployment and create formal employment. However, further steps in this direction are stopped by ambiguities as to the level of losses that public finance will suffer as a result of reduced taxes and contributions and how these can be remedied for. According to a study on the impact of reduced payroll taxes on employment, the rate of unemployment which is to be pulled down to 8% in 2010 may well be reduced to 7.2% in case payroll taxes are reduced by 5%. Yet achievement of this will require significant reductions in other spending since tax revenues will drop and the Government is committed to creating non-interest surplus of 6.5% in national income as envisaged by the IMF. In such a case, the share of public investments in national income will shrink to less than 2%, accompanied by further declines in education, health and social services. An alternative would be to reduce by half the non-interest surplus target of the IMF to give effect to raise the national income share of public investments from 3.9% (2006) to 7%. Reduction in payroll taxes can be compensated by expanding the scope of direct income taxation. According to the outcomes of the model discussed here, reduction by half in non-interest surplus would not aggravate the problem of sustaining existing debt stock; to the contrary, the debt burden could be managed alongside with higher revenues from direct income taxation in a growing economy.¹²²

In trying to solve the problems of unemployment and informal employment by creating decent jobs, macro-level policies are essential. Still, there is room for

¹²¹ Onaran, Ö., ve Yentürk, N. (2001) Do low wages stimulate investments? an analysis of the relationship between wages and investments in Turkish private manufacturing industry, *International Review of Applied Economics*, 15(4), pp. 359-374

¹²² Telli Ç., Voyvoda E., Yeldan E. (2006) Modeling General Equilibrium for Socially Responsible Macroeconomics: Seeking for the Alternatives to Fight Jobless Growth in Turkey, www.bagimsizsosyalbilimciler.org

progress in labour market too given the cooperation of social parties. These parties may be involved in joint efforts particularly to reduce unemployment and informal employment.

“Social Dialogue as a Tool to Address Unregistered Employment in Turkey” ILO Project conducted in three provinces of Turkey during 2005-2007 is a successful example of this cooperation. The comprehensive recommendations developed at the end of the project report can be very useful for the Decent Work Country Report and be cited totally.¹²³

1. Social dialogue as a method

1. The legal framework concerning the freedom of association and the right to bargain collectively in Turkey should be aligned with ILO standards and with current European practice. Laws on trade unions and on collective bargaining should be amended in order to remove obstacles to trade union membership and to the implementation of the right to bargain collectively both at the enterprise and the sectoral levels. In addition, enforcement mechanisms should be strengthened in this area.

2. The institutional framework of social dialogue should be updated and modernized. National and local tripartite institutions, such as the Economic and Social Council, the Tripartite Advisory Board and the Provincial Employment Boards should be further strengthened and their role in formulating national and local employment and social policies enhanced.

3. The political will of all involved is a key precondition for effective social dialogue. To bolster the exchange of information between the government and the social partners, a system of regular consultations and negotiations should be set up.

4. The government should take appropriate measures to facilitate sectoral social dialogue and collective bargaining. Sectoral social dialogue should be utilized to address unregistered work in the textiles, manufacturing and construction industries.

5. While dialogue between the government and employers’ and workers’ organizations remains the basis of industrial relations, in the informal economy other actors should be included in this process, such as chambers of commerce and industry, associations of craftsmen, municipalities, universities and vocational training schools, women’s associations, etc. The tripartite partners should agree on how to involve the stakeholders.

6. As stated in the Tripartite Declaration of 5 March 2006, the social partners should be involved in formulating and implementing government strategies and policies addressing unregistered work, as well as implement their own appropriate measures.

7. In particular, the social partners should design strategies to address the informal economy, including the means to gain better understanding of the needs of informal

¹²³ Heyes J. (2007) Tackling Unregistered Work Through Social Dialogue: Final Report of the 2005-2007 EU-ILO Project, ILO Dialogue Paper No.14, p.39-42

economy actors, representing their interests vis-à-vis the government and other institutions, as well as developing relevant services for them.

8. Employers' organizations, in cooperation with other institutions, should develop specific services for informal economy employers to help them make the transition from the informal to the formal economy, such as: training on productivity improvement, facilitating access to finance, market information, technology and social security, advice on good practices in occupational health and safety; assistance in establishing links with formal economy enterprises, promoting women's entrepreneurship; lobbying for a better regulatory environment for small businesses; and assisting small businesses in complying with existing regulations and procedures.

9. Trade unions can set up programs to sensitize both formal and informal workers on the risks and disadvantages of unregistered work for workers and the economy. They should develop policy proposals aimed at mainstreaming the informal into the formal economy; develop internal trade union reforms and policies aiming at representing the interests of unprotected workers; devise policies for organizing informal workers; consider the possibility of extending collective bargaining to all categories of workers; pay special attention to youth and women's workers representation; provide legal information and services to informal workers; combat all forms of discrimination at the workplace.

II. Creating decent job opportunities

10. Creating decent job opportunities is a key economic pre-condition for combating informal and unregistered employment. In compliance with ILO Employment Policy Convention, (No. 122), ratified by Turkey, it is essential to declare and pursue, as a major goal, an active policy to promote full, productive and freely chosen employment. This policy should be developed through a process of consultation with representatives of those who will be affected by the measures to be taken, and in particular representatives of employers and workers. The objective should be to take fully into account their experience and views, securing their full cooperation in formulating the policy, and enlisting their support for the policy once it has been implemented. To this purpose, national and local tripartite institutions should be revitalized, as suggested above.

11. Local governments, the social partners and other players at the local (provincial) level should cooperate in elaborating and implementing local economic and social development plans. The Provincial Employment Boards (PEBs) should be used as an institutional framework for this. To this end, the ISKUR law could be amended to increase the PEBs' competency, to strengthen their tripartite structure and to make their work more efficient. The government should also revise its regional development policy in order to promote employment in underdeveloped areas. Government incentive programs and policies should be targeted, with the objective of encouraging registration and reducing unregistered employment.

12. As stated in the ILO Recommendation Concerning General Conditions to Stimulate Job Creation in Small and Medium-Sized Enterprises, (No. 189), the Government – in consultation with the social partners – should systematically build an environment conducive to the growth and development of small and medium-sized

enterprises. This would include adopting and pursuing appropriate fiscal and monetary policies, establishing appropriate legal provisions and improving the attractiveness of entrepreneurship.

13. To assist highly educated young people who have difficulty in finding employment in Turkey, the Government, together with social partners, should review the education and vocational training systems in order to better match the needs of the labour market with education provided. Active labour market policies can play a significant role in enhancing the job-placement and job-matching capacities of public employment services. However, job-matching will have little impact without the creation of jobs appropriate for the level of workers' education and skills. Programs promoting improvements in small enterprise development and management should be considered, so that businesses can take advantage of state of the art management, production and marketing techniques, moving themselves up the value chain and generating demand for a better-skilled workforce.

III. Improving governance

14. The Government should endeavour to gain the trust of its target clients for its policies, specifically as regards the quality and reliability of services provided by the labour administration system. This concerns the Ministry of Labour and Social Security and its affiliated institutions, as well as the finance, industry, and education ministries and others whose policies have a significant bearing on the labour market and the way it functions. In this context, it is important to link and harmonize economic policies, both macro and micro, with labour and employment policies and wider social development strategies. Policy coherence and coordination between the different ministries and other public agencies both at the national and local levels is essential for success in effectively mainstreaming the informal into the formal economy.

15. The Turkish Employment Agency (ISKUR) should be given sufficient resources to effectively implement active and passive employment policies and to provide advisory services to both employers and workers. The administrative capacity of labour inspection services should be strengthened.

16. Labour legislation should be reviewed in consultation with the social partners.

17. Attention should be given to private employment agencies and informal job-brokering activities to ensure that they are governed by appropriate and enforceable rules.

IV. Promoting entrepreneurship and fair competition

18. Non-wage labour costs should be progressively reduced and tax reforms implemented.

19. Registration and licensing procedures for new enterprises should be simplified and facilitated by appropriate administrative measures, including the creation of one-stop shops for new entrepreneurs. Awareness-raising and educational activities should

target small informal entrepreneurs, so that they fully understand how to register a business, and the benefits of doing so.

20. Corporate social responsibility should be promoted throughout the production chain. Formal employers should act to promote decent working conditions in their sub-contracting enterprises.

V. Combating poverty

21. Social protection should be extended to employees in the informal sector.

22. Specific policies should be developed to address vulnerable groups (migrants, youth, women, the disabled and children).

23. An efficient policy on immigration and internal migration, accompanied by integration measures, should be elaborated and implemented.

VI. Raising awareness and understanding

24. As in many Mediterranean countries, undeclared work in Turkey is widespread and generally accepted as part of social practice and culture. It is therefore vital to ensure the broadest possible dissemination of information about its risks and disadvantages. Awareness should be raised among both formal and informal workers and employers.

25. The national and local media should be regularly informed about the causes and consequences of unregistered work, new research and data, and national and local policies. The government and the social partners should share new research findings with the media so as to gain their understanding and support.

26. Research on the economic and social aspects of unregistered work should be promoted and partnership with research and educational institutions established. The research should include issues related to quality, productivity and the competitiveness of enterprises.

27. Brochures, posters and other public relations materials should be developed and made available to local governments, social partners, NGOs and other stakeholders in the informal economy. These materials should provide practical information on the importance of formalization of employment and businesses.

28. Good policies, practices and approaches to unregistered work (both Turkish and international) should be identified and disseminated. Cooperation with countries in South-Eastern Europe, as well as with EU Member States and candidate countries should be encouraged.

29. Given that the size of the informal economy cannot be reduced without changing the behaviour of a large section of the population, the government and social partners should work systematically with individuals and groups that have moral authority in Turkish society, including politicians, academics, teachers and imams, to raise awareness of the risks and disadvantages of operating informally. “

The problem of low employment rate that Turkey is facing at present is essentially a problem related to women's low levels of employment. For promoting women's employment in both qualitative and quantitative terms, the Government must adopt the approach of mainstreaming gender issues in development plans as well as in annual plans and programmes. Further, in order to enable women to benefit from these plans and programmes, employment agencies must develop positive actions in cooperation with women's organisations and allocate funds in their budgets for such actions and initiatives.

Suggestions listed below are taken from the draft report of the study on female employment in Turkey prepared for ILO by the author and capitalise on collective suggestions raised with the participation of women's organisations working on female employment and labour, academics and representatives of trade unions, professional organisations and governmental agencies.¹²⁴

“1- The National Strategy for Women's Employment should be developed in 2008 under the leadership of the MoLSS with the participation of social parties and women's organisations and actions to be launched should be identified, monitored and evaluated in the context of specific targets through annual action plans.

2- As is the case with the European Employment Strategy, this strategy should seek the objectives of facilitating women's entry in occupations and areas dominated by men; making arrangements that mitigate women's responsibilities including child and elderly care and introducing practices geared to the elimination of long-standing inequalities in terms of pay and qualification levels in order to provide equal opportunities to both sexes.

3- For the legislative year 2007-2008, the Parliament should have a Standing Committee on Gender Equality and this Committee should assess all draft laws from the angle of gender equality.

4- All governmental agencies including the TÜİK which have their mandates related to labour affairs should regularly collect and develop statistics disaggregated by gender and ensure that all private agencies observe this principle.

5-The MoLSS and DGSW should cooperate in building an inventory comprising all projects and studies on female labour and working life; these organisations should ensure that all projects in these areas are monitored, recorded and assessed in terms of their impact. The DGSW should take the lead in starting systematic research in areas where there is shortage of information.

To promote women's employment the government should take the following measures:

6- Public services should be expanded keeping in mind that child, sick and elderly care is a social responsibility that must be shared by men as well. The

¹²⁴ ILO/TÜRK-İŞ/UNFPA (2005) “Kadın Emeği Platformu” Komisyon Raporları (Commission Reports from “Female Labour Platform”), Ankara.
KEİG, Kadın Emeği ve İstihdamı Toplantısı Program Metni (Program Text of the Female Labour and Employment Meeting), 24.2.2007, Istanbul.

loophole in the law on municipalities should be remedied urgently in order to have local governments undertake the main responsibility in establishing and managing crèches and childcare centres.

Also, in the light of practices in the EU countries, the MoLSS should take the lead, with the participation of relevant parties, in tailoring a model for providing care and other services to children whose parents are working.

Municipalities should develop action plans for services they will provide in child and elderly care and implementation of these plans should be closely monitored. Similarly, realizations with respect to planned infant classes by MoNE should be monitored.

7- The draft law on Parental Leave after birth should be enacted in the legislative term 2007-2008.

8- Affirmative action favouring women should be adopted in order to promote women's employment and provide for a gender balanced working life. In this context, employment subsidy scheme which is one of the active labour market policies should be used to encourage employers to recruit female workers.

-In the context of promoting female entrepreneurship and for facilitating female entrepreneurs' adaptation to market conditions, provincial branches of the Central Government and Local Governments may, for a period of time, accord purchasing guarantee to female producers or give priority to female contractors in public tendering. Initiatives in promoting female entrepreneurship should take place within the framework of a comprehensive, coordinated and integrated programme on the basis of women's human rights.

-While tailoring regulations on non-standard employment under the Labour Code which target promoting women's employment, it should be observed in principle that those engaged in flexible work contracts enjoy the same rights as full time workers.

9- To improve working conditions of female workers and to combat discrimination:

- To provide social protection to informal female workers, registration of small enterprises should be encouraged considering that women mainly work in such enterprises.

- An Agricultural Labour Law should be enacted so as to protect women working in this sector without any protection at all. This law should introduce relevant arrangements for ensuring the transportation safety of migrant/seasonal female workers who seasonally move from their residences to other regions where they work.

- Women employed in domestic services temporarily and on daily wage should be covered by the Labour Code or a separate law should be passed to arrange for their working conditions. The status of migrant women working illicitly in such domestic services should be legitimized.

- The term "discrimination" should be defined in detail in the Labour Code no. 4857 and the term "work relation" appearing in the first paragraph of Article 5 should be revised so as to cover "recruitment" as well. The scope of the term discrimination should be widened to include sexual orientation/preference.

-Re-arrangements should be made in the Labour Code to ensure that employers deliver in-service training to help the adaptation of female workers returning back from maternity leave and that they continue to work in the same or equivalent positions as before.

-An objective performance evaluation system should be developed to translate into life the principle of equal pay to work of equal worth.

-“Gender Equality Offices” should be introduced in public and private organisations and agencies in order to ensure equality and combat all forms of discrimination. The operative rules of these offices should be clarified with a statute.

10- The MoNE should further scale up its support to girls to bring up their rates of school enrolment and retention.

-A comprehensive reform process should be given start to improve vocational-technical training and female students should be provided education-training which goes beyond given gender patterns and improves chances of employment.

-Vocational-technical training projects launched by the private sector or non-governmental organisations should be gender aware and special attention should be given to include young girls and women as well.

11- The İŞKUR is the government agency in charge of adopting active and passive labour market measures. To promote women’s employment, the İŞKUR Foundation Law no. 4904 should include a provision related to the promotion of women’s employment as one of the fundamental missions of the agency.

-Database related to İŞKUR activities should provide gender disaggregated information at all levels. Active labour market measures adopted by the İŞKUR should be gender sensitive at all levels from labour market analyses to training courses and counselling services and further efforts should be made to place women in jobs other than those which are traditional. The number of women covered by courses with employment guarantee should be increased in line with annual targets set.

- A part of unemployment insurance fund which is to be used for vocational training should be channelled to activities that encourage the labour force participation of otherwise uncovered young girls and women through training.

- The provincial İŞKUR directorates should engage in female labour force demand analyses for their respective provinces. Local women’s organisations active in the field of women’s employment should take part in Provincial Employment Boards and the Board should be gender sensitive in its activities and initiatives. The board should encourage and guide local employers to make their preference for female workers with certificates from İŞKUR’s or MoNE’s vocational and skill building courses.

12- To build awareness in that right to work is a fundamental human right of women, the DGSW should launch campaigns with other relevant governmental organisations and with the support of the media.

13-All unions and confederations of workers and government employees should have “working women offices” and improve the capacity of existing offices. Union-based training activities should also cover women and specific gender problems should be identified and solutions should be developed during collective bargaining processes.

As last but not the least some comments can be made on the situation of irregular migrants. “Turkey is under the pressure of emigration and immigration forces and expected as a candidate country to harmonise its border controls with the EU, namely to adopt restrictive visa regulations. However, there will be no solution to the problem as long as informal economic activities and informal employment continue, which will further offer chances of employment for migrant workers. As the domestic market structure of southern Europe countries encourage migration, the highly informalized labour markets of Turkey also encourage migration. The main difference is in the fact that, as the demand in southern European mainly aims to fulfil the gap of native workers, in Turkey, with its reserve of surplus native labour, irregular migrant workers contribute to a wage competition, sharpening the race to the bottom, and to unemployment. In spite of these negative consequences, instead of adopting the restrictive migration regimes of the Union, what seems to be of primary importance in Turkey is to implement measures to control and downsize the informal economy in different sectors. In areas where nationals of the country do not work, the status of foreigners should be legalised through relevant regularisation arrangements and they should be covered by social security schemes. Women engaged in prostitution should be regarded as victims and combat should be given against networks exploiting these women.”¹²⁵

Abbreviations:

DPT: State Planning Organization (SPO)

TÜİK: Turkish Statistical Institute (TURKSTAT)

DİE: Turkish Statistical Institute (TURKSTAT) till 2005

SSK: Social Security Institution

Bağ-Kur: Self Employment Institution

ÇSGB: Ministry of Labour and Social Security (MoLSS)

MEB: Ministry of National Education (MoNE)

SHÇEK: Social Services and Child Protection Institution

İŞKUR: Turkish Employment Agency

TİSK: Confederation of Employers Unions Turkey

¹²⁵ Toksöz G. (2007) “Informal Labour Markets and the Need for Migrant Workers: The Case of Turkey from a Comparative Perspective”, Berggren et al. (eds) *Irregular Migration, Informal Labour and Community. A Challenge for Europe*, Shaker Verlag, Amsterdam, p.197-198.