Article

The Turkish welfare regime in transformation

Ayşe Buğra* and **Çağlar Keyder,** *Bogaziçi University, Istanbul*

Summary This article discusses the current transformation of Turkey's welfare regime in the context of contemporary developments in social policy processes, particularly in Europe. It is argued that the transformation, under constraints of gobalization and neo-liberalism, involves a change from an inegalitarian corporatism where both the rural population and urban informal sector employees were excluded from the formal social security system. Variables influencing the direction of change include the historical legacy of state–society relations in the country, the conservative liberalism of the current government, the influence of international financial institutions that emphasize budgetary discipline, as well as the need for more universalist approaches to combat new forms of poverty and social exclusion. The relations of Turkey with the EU also affect the balance between conservative-liberal trends and universalist, rights-based approaches to social policy.

Key words Islam and neo-liberalism, new poverty, social policy reform, Southern Europe, Turkey

Introduction

During the last two decades, welfare regimes throughout the world have faced a series of challenges stemming from the forces of globalization, tertiarization, the advent of flexible production systems, and demographic trends that involve ageing populations and changing family structures. As Esping-Andersen (1999) showed in his detailed account of the different trajectories observed in conservative, liberal, and social democratic welfare regimes in developed industrial countries, the response to these challenges was by no means uniform across different societies. Nonetheless, what unites all countries with developed welfare state institutions is the reconsideration of the content of acquired social rights, accompanied by concerns about the erosion of these rights.

Similar concerns have also been voiced in the analysis of welfare regime change in societies where rights-based approaches to socio-economic security are much less developed. In societies where corporatist social security arrangements granted access to health and pension benefits on the basis of hierarchical status, it has been the groups with privileged positions in the system that have resisted social policy reform. Yet, in these same societies, social policy reform could at times lead to the emergence of more egalitarian and universalist trends than those previously dominant. In some countries of the South, welfare regimes of an 'inegalitarian corporatist' character have moved in a more universalist and 'redistributive' direction, with greater emphasis on the provision of social assistance for the least privileged groups (Seekings, 2004).

In the European context, too, it is possible to point to recent changes in the welfare regime which do not constitute an erosion of acquired rights. In Southern Europe, for example, increases in the share of social spending have been accompanied by a trend towards a more systematic approach to social assistance with guaranteed minimum income schemes introduced in

* Author to whom correspondence should be sent: Ayşe Buğra Social Policy Forum, Bogaziçi University, Kuzey Kampüs, Otopark Binasi, Kat 1, Bebek 34342 Istanbul, Turkey. [email: bugray@boun.edu.tr]

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certain countries and seriously debated in others (Guillen and Matsaganis, 2000; Mingione, 2001; Saraceno, 2002; Bruto da Costa, 2003). European Union membership has probably played an important role in these developments. It cannot be presumed, however, that EU membership will necessarily act in the direction of similar, positive developments in all societies. In fact, developments in post-communist countries that have recently acquired membership status reflect different trends to those previously observed in Southern Europe. As Ferge (2002) has argued, in these new member states, the new social policy environment seems to undermine the dominance of egalitarian and universalist approaches seeking to enhance socio-economic security and to combat social exclusion. This is mostly because there has not been significant popular pressure for extending welfare provisioning by the state towards social assistance schemes for social inclusion. Deep-seated feelings of mistrust towards the state might explain this absence where people simply do not believe that anything positive can be achieved by relying on government intervention. These new states also provide a European example for a phenomenon that is common worldwide: the fiscal crisis of the state has not only limited the availability of funds which could be used for social spending, but has also increased the leverage of international financial institutions such as the IMF and the World Bank on the social security reform process – mostly in the direction of imposing expenditure cuts. The policy environment has thus been shaped in a way that has left little room for attempts to promote social inclusion through social assistance schemes based on universal rights.

Turkish welfare regime

These observations on the current social policy environments of the relatively new Southern European members of the EU and of the more recent member states from Central and Eastern Europe are of particular interest for Turkey, a candidate country whose welfare regime is currently undergoing massive transformation. In some of its significant features, the Turkish welfare regime indeed exhibits a similarity with the Southern European type and it has been classified within that family by certain scholars (Gough, 1996; Saraceno, 2002). For example, the formal social security system in Turkey has characteristics that are typically attributed to Southern European welfare regimes. As in Southern Europe, an elaborate, if highly fragmented and hierarchical, system of a corporatist character provides combined health and pension benefits to formally employed heads of household according to their status at work. This system coexists with a labour market structure where self-employment, unpaid family labour, and informal employment practices are very important. Given these features of the labour market, the formal social security system remains grossly inadequate in its ability to provide social protection. In the absence of meaningful social assistance schemes, many have no choice but to rely on family ties in risk situations. This centrality of the family in the welfare regime constitutes another similarity with the Southern European model (Ferrera, 1996).

While the family continues to be the pillar of the Turkish welfare regime, the state, too, has historically played an important role as employer and provider. In the post-1980 period, however, with the implementation of an outward-looking, market-oriented strategy, both the nature and the scope of state-created rents changed, with 'corruption' rather than 'populism' becoming the more appropriate term to describe the economic dimension of state–society relations. The widespread perception that the state is basically a corrupt mechanism for allocating rents to favourites is important in shaping the nature of the expectations of, and attitudes to, the state, and consequently towards the social context of current reform attempts. The context in question is also one where (similar to the case of Central and Eastern European states) fiscal constraints have a central place. The public budget is overburdened by debts accumulated during the highly corrupt 1990s – to such an extent that around half of government spending has had to be allocated to interest payments on the debt. The Turkish economy is under close supervision by the IMF and the terms of the current stand-by agreement include a promise to maintain a 6.5 percent surplus in the primary budget for purposes of interest payments, obviously a very serious constraint under which social reform attempts have to proceed. It is not surprising that these attempts are carried out under the guidance of the World Bank with the alleviation of the burden of social transfers on the budget as the ultimate objective.

This article attempts to analyse the possible direction in which Turkey's welfare regime might evolve

under the constraints described above, and within the opportunity space opened up through EU candidacy. This picture exhibits ready parallels to trends in the post-communist new member states of the EU, but there are also similarities to the potential implicit in Southern European developments. This analysis will be situated within an overview of the ongoing social policy reform process in Turkey. We also intend the discussion to make a contribution to the debates around Turkey's EU candidacy, since social policy is often a neglected issue in these debates.

Current discussions on reform of the formal social security system

The discussion on reform is organized around two key problems that reflect the nature of the Turkish welfare regime and inform current debates: the unsustainability of the existing social security system and the challenge of new poverty. We will argue that the present government's approach to these problems reflects a liberal residualism, flavoured with social conservative values, that are premised upon the centrality of the family and the significance of communal solidarity. The 2002 government was formed by the Justice and Development Party with T. Erdoğan as Prime Minister. This party (known as AKP in Turkish) bills itself as moderate Islamic, and may best be described, in social policy orientation, as an amalgam of neo-liberalism with social conservatism. This conservative liberalism with an Islamic touch dominates the reform process without a serious countervailing opposition from the advocates of a rights-based approach to social policy. While such a policy environment is not exactly compatible with a universalist orientation, the pressure of socio-economic and political developments demands social security measures that operate independently of employment status, resulting in policy approaches that are at odds with the prevailing ideological and political atmosphere. In this regard, Turkey's recent EU candidacy, while no panacea for the massive problems at hand, may nevertheless prove to be a crucial factor in determining the course of the reform process, at least at an ideological level.

Formal social policy in Turkey has basically involved the provision of state-provided free education at primary, secondary and tertiary levels, and a combined public health and pension system associated with employment status. The social security system for pensions and health insurance consists of the 'retirement chest' for civil servants, established in 1949; the Social Insurance Institution, established in 1945 to cover workers, and Bağ-Kur, which was founded in 1971 to cover the self-employed. In the 1980s, two other institutions were introduced into the system to cover agricultural workers and the self-employed in the agricultural sector, but these remained insignificant. Table 1 shows the various population sectors and the different social security institutions which cover them, along with the corresponding structure of contributions and dependency ratios.

Until the 1990s, state contribution to the social security funds remained marginal except in the case of the civil servant's retirement chest. In fact, public social expenditure has in general remained very limited throughout the Republican era, lagging behind the European members of OECD and among OECD members exceeding only Mexico and Korea. There has, however, been some increase in public social spending recently, due in part to the rising level of transfers made from the state budget to cover the deficit of the social security system, currently more than 6 percent of GDP. The burden of these transfers on an already fragile fiscal balance was instrumental in bringing social security reform onto the agenda.

There are three main headings under which social security reform has come onto the agenda; these are pensions, health insurance and social assistance. In all three, there are similar arguments concerning fiscal constraints, the new balance that is to be struck between the state's role and the market, and the level of the basic coverage which should be provided by the state as a universal grant. These arguments, the proposals for reform, and the terms of the debate are similar in content to the discussion going on in other countries. Furthermore, the hand of the World Bank is often readily discernible, especially in official blueprints and in the interventions of think-tanks voicing businessmen's preferences (TUSIAD, 1997 and 2004). Nonetheless, there are particularities deriving from Turkey's conservative-corporatist history of social policy and the specific ideological mix which pits the Islamic liberalism of the government against the leftist modernism of most of the opposition. We will now review the debates on pensions and health, which have been

Table 1 Membership and dependency ratios for social security organizations

			Social security organization		
			SSK workers	*Emekli Sandigi state employees*	*Bağ-Kur self-employed*
Membership figures	Number of active members[a] (000)	1998	5,551	2,072	2,708
		1999	5,225	2,118	2,801
		2000	5,468	2,164	3,058
		2001	5,056	2,236	3,087
		2002	5,406	2,373	3,084
	Coverage in total employment (%)	1998	26.60	9.93	12.97
		1999	24.40	9.89	13.08
		2000	26.57	10.52	14.86
		2001	25.61	11.33	15.64
		2002	25.31	11.11	14.44
	Number of dependants[b] (000)	1998	24,380	6,076	9,207
		1999	23,536	6,191	9,656
		2000	24,488	6,305	10,446
		2001	23,635	6,546	10,601
		2002	25,166	6,917	10,833
Dependency ratios		1998	4.23	3.5	3.55
		1999	4.38	3.52	3.53
		2000	4.41	3.51	3.54
		2001	4.23	3.53	3.58
		2002	4.21	3.51	3.68
Contributions (%)		Employee	58.2	–	–
		Employer	41.8	–	100 (self-employed)
		State	–	100 (15% of the monthly wage)	–

Notes:
[a] Includes active contributors in agriculture as well as non-agricultural sectors.
[b] Given as estimations.
Source: State Planning Organization (2002–4).

the two contenders in the formal welfare regime. Social assistance comes into a residual category, discussion of which betrays an admission that social and economic conditions have changed in such a way that existing formal programmes are not in fact sufficient to insure against risk probability. We will address the emerging policy on social assistance after a discussion of these changing social realities.

Pensions

In the debates surrounding social security reform, the high ratio of pension recipients to active contributors has often appeared to be a major problem. As Table 2 indicates, this ratio is quite high in Turkey, despite the relatively young population of the country. In 2001, the population aged 65 and above comprised only 5.6 percent of the population compared to an average of 16 percent in OECD countries (UNDP, 2003: 252–3). The problem does not, therefore, stem from the demographic realities of an ageing population, but has other determinants among which the young retirement age, presented as an outcome of the past legacy of populism, has received a lot of attention. In fact, with the changes introduced in 1999, both the minimum retirement age and the minimum period of contribution necessary for entitlement to pension benefits were increased. Currently, there are proposals to gradually increase the age of eligibility for pensions in

Table 2 The ratio of active contributors to pension recipients in different pension regimes in Turkey

	1998	*1999*	*2000*	*2001*	*2002*	*2003*
SSK	2.2	1.95	1.89	1.67	1.69	1.66
Emekli Sandigi	1.77	1.69	1.67	1.65	1.68	1.64
Bağ-Kur	2.63	2.6	2.59	2.48	2.38	2.34

Source: State Planning Organization (2002–4).

order to combat an impending social security crisis (Ministry of Labour and Social Security, 2004a: 22; 2004b).

The official position also involves a unification of the existing social sector organizations that are responsible for the joint management of health and pension systems under the auspices of the Ministry of Labour and Social Security (2004a; 2004b). While such a centralized and unified management would constitute a positive step towards the elimination of the inefficiency and inequity that currently characterize the functioning of the present fragmented system, it also entails certain problems. First and foremost, there is a serious controversy around the proposed transfer of the Social Security Organization to the Ministry, which would put an end to its autonomous status in the administration of funds and management of hospitals serving the workers it covers. Labour unions oppose this transfer, of what they see as their legal property, to the government. They argue, furthermore, that the deficits incurred by the Organization since 1993 are due to the previous governments' irresponsible use of the accumulated funds. It is true that the problems would at least have been delayed for more than a decade if these funds had been invested with a reasonable rate of return instead of having been used to finance government expenditures in different areas (see the report by labour union confederation Türk-İş, 2004). The legacy of this overt violation of the formal autonomy of the Social Security Organization thus contributes to the atmosphere of mistrust which dominates the debate.

For their part, the most vocal business association in the country, TUSIAD (The Association of Turkish Industrialists and Businessmen), fully endorses the standard World Bank approach for both pension and health sector reform, proposing a three-tier system of benefits: the first pillar consisting of a minimum package of publicly provided benefits, set at a modest level; a mandatory, fully funded and privately managed pillar; and a voluntary third pillar (TUSIAD, 1997; 2004). The government has not, to date, adopted this position in its pension reform initiatives, largely because of the increasing fiscal burden which the introduction of the second pillar implies in the transition period. As far as the health sector reform is concerned, however, official proposals again refer to a three-tier system.

Health

In current practice, health benefits are tied to employment status. In addition, there is a programme which dispenses 'Green Cards' to poor and uninsured people that allows them access to doctors and hospitals within the social security system but does not, however, cover medicines. The level of coverage and the quality of care vary widely among different institutions. While official figures claim that all but a small percentage of the population benefit from medical coverage (either because they are active participants in one of the social security institutions, pensioners, or family dependants), household survey data indicate that more than one-third of the population remains outside of health insurance coverage, having to pay for their needs themselves (World Bank, 2005a: vi). This category covers peasants and workers who are not in the formal economy, such as petty producers and those self-employed people who have not paid their premiums, and also those who are unable to prove their poverty in order to qualify for a Green Card. Some 10–11m individuals are currently beneficiaries of the Green Card programme. Even with the grossly insufficient level of coverage, the fiscal burden of health expenditure on the government has been rising, for well-known reasons that are, in effect, global. Hence, this government has brought onto the agenda a comprehensive 'health sector reform'

whose inspiration clearly derives from World Bank reports. The positive dimension in the reform proposal is the call for universal coverage instituting a single health insurance agency instead of the divided picture that currently prevails; but the detail on organization and financing betrays a less benign arrangement. According to the government draft proposal, a minimum package of health services will be financed by contributions paid by all who are earning, above the poverty line. It is not clear how premiums will be collected in a labour market where informal employment accounts for more than half of the workers, or whether health services will actually serve those citizens who did not, or could not, pay their premiums. It seems likely that the reform will produce a large category of delinquents whose status will be in limbo because they will be in debt, and who will only be able to obtain services if they have the connections or if they have the means to resort to various categories of paid service.

While the introduction of universal health insurance is declared to be one of the objectives of the reform initiative, private insurance schemes and mechanisms to support private provision of health services also form an integral part of the official proposal on the subject. Problems which might emerge in the reconciliation of commercial interests with the interests of patients and doctors do not figure in official documents, and government authorities do not seem to take very seriously the concerns of medical associations in this regard. This situation signals an outcome where a commitment to universal coverage may translate to a minimum package of services while complementary insurance will have to be purchased through individual contributions.

The health sector reform proposal stipulates further the transfer of state hospitals to the autonomous management of health personnel, and encouragement of the private sector. In fact, the programme of the governing AKP even mentions that measures will be taken to support private drug companies and producers of medical equipment (see Akparti, 2005). State employment of health personnel will gradually be eliminated; instead, doctors will work on contract and the insurance agency will be the single payer for the basic package. Medical associations that generally support a universal right for health, and state ownership of facilities, as well as state employment of all health personnel, are ardently opposed to the government's health reform proposals, which they see as heading towards the privatization of health services (Turkish Union of Medical Doctors, 2003). Despite the inadequacy of the present situation, and the predictable shortcomings of the proposed reform, in research we conducted on the reception of health sector reform proposals (at the Social Policy Forum of Bogaziçi University), we were surprised to find that there was not much enthusiasm for rights-based universal insurance. The chief reason, similar to central and Eastern European scepticism of the state, was the widespread suspicion that state agencies could never give up their hierarchical and arbitrary ways.

Changing social and economic realities

The discussion in Turkey on the reform of the social security system has so far been conducted without much meaningful negotiation and compromise. This is not to be blamed entirely on the uncompromising attitude of the government. Social actors, situated in the formal social security system in different capacities, also contribute to the current lack of dialogue through their refusal to confront the problems of the system. This is partly due to a reluctance, on the part of professional associations whose members are government employees, and unions, to engage with the government's version of the problem, since there is a deep mistrust of the official narrative regarding all social problems. Furthermore, both government employees and unions prioritize their particular concerns regarding employment status over equitable and comprehensive solutions to the problems at hand.

Employment structure

The perceived need for reform in social policy basically stems from the lack of compatibility between the corporatist character of the formal social security system and the current structure of the labour market. The formal system of social security was designed when the urban population was a minority and could fairly be assumed to enjoy the benefits of employment. Peasants were supposed to take care of their own risks through traditional means. With de-ruralization and urbanization, however, the prevailing reality became that of the informal and sporadically employed urban worker, for whom employment status could not be counted upon to lead to stable social security coverage.

Table 3 Sectoral distribution of employment according to gender (%)

	Agriculture			*Manufacturing*			*Industry*[a]			*Services*		
	Male	*Female*	*Total*	*Male*	*Female*	*Total*	*Male*	*Female*	*Total*	*Male*	*Female*	*Total*
1988	33.78	76.77	46.46	16.87	8.37	14.37	26.79	8.85	22.29	39.42	14.37	31.24
1989	34.20	76.61	47.41	17.09	8.64	14.47	26.13	8.97	21.58	39.66	14.42	31.02
1990	33.89	76.62	46.88	16.61	8.55	14.17	25.11	8.82	20.96	41.00	14.56	32.16
1991	34.78	77.26	47.81	16.83	8.16	14.06	25.48	8.43	20.16	39.74	14.32	32.04
1992	33.28	72.08	44.67	16.97	10.85	15.07	25.98	11.27	21.56	40.75	16.63	33.77
1993	33.29	68.93	42.16	15.83	11.16	14.61	26.38	11.72	22.64	40.33	19.34	35.21
1994	32.83	71.44	43.55	17.13	9.99	15.13	27.38	10.59	22.64	39.79	17.99	33.80
1995	32.88	71.65	43.40	16.96	9.16	14.86	27.03	9.72	22.26	40.09	18.61	34.34
1996	32.12	72.12	42.85	17.72	9.25	15.49	27.70	9.94	22.90	40.17	17.92	33.91
1997	31.81	67.87	40.76	18.29	10.84	16.52	28.33	11.60	24.12	39.87	20.54	35.12
1998	31.30	67.79	40.54	18.10	10.23	16.23	27.92	10.93	23.61	40.78	21.27	35.85
1999	29.57	66.44	41.43	18.11	11.21	15.81	28.02	11.76	22.76	42.40	21.80	35.81
2000	27.00	60.47	34.52	18.49	12.41	17.35	27.95	13.15	24.54	45.04	26.36	40.94
2001	27.70	63.33	32.58	18.57	11.61	18.14	26.74	12.13	24.31	45.55	24.54	43.12
2002	24.84	60.01	34.92	19.19	13.20	17.47	26.73	13.72	23.00	48.43	26.25	42.07
2003	24.37	58.51	33.88	19.08	12.78	17.33	26.35	13.43	22.76	49.28	28.08	43.36

Note: [a] Industry includes the manufacturing sector as well as mining and quarrying; electricity, gas and water and construction sectors.
Sources: OECD (2002); State Institute of Statistics (various years).

In Turkey, the share of informal employment in total employment is estimated to be above 50 percent. This reflects a particular distribution of labour force both among different sectors and according to status at work (see Tables 3, 4). First, agriculture still accounts for one-third of the labour force. Secondly, the self-employed and unpaid family workers constitute around 30 percent and 20 percent of employment respectively. Unpaid family workers mainly consist of women in the agricultural sector and they constitute the largest category among different groups of informal workers, with self-employed people as the second largest group. The fact that some of these informal sector workers have access to health services through a formally employed family member appears to be an important factor, which could explain the burden on the social security funds financed by the premiums paid by formal sector employees and their employers. The informal textile workers in Istanbul, for example, are generally women who may receive (mostly health) benefits through a father while unmarried, and thereafter through a formally employed husband. An obvious solution to the fiscal aspects of both the pension and the health insurance crises would seem to be the formalization of informal workers, thus widening the contributing base of employed labour. The government does not show much enthusiasm in this regard, possibly in the belief that those sectors where informal employment is prevalent might not be able to survive if they had to pay the legal minimum wage and associated payroll taxes.

It is also significant, in this regard, that the extremely low rates of female employment and labour force participation rates in Turkey constitute a burden on pensions and health coverage since they imply a higher dependency ratio. As seen in Table 5, these rates were 33 percent and 37 percent at the end of the 1980s, while they are currently 25 percent and 28 percent. This decline reflects a parallel fall in the number of unpaid family workers, which in turn is related to the decreasing significance of agricultural employment. In other words, we are faced with a definitional problem where women, who are considered to be employed on family farms as unpaid family workers prior to migration to the city, are assumed to leave the labour force once they arrive in the city.

It is important, however, to note that employment and labour force participation rates decline not only for women, but also for men. These rates, which, for men, were 77 percent and 87 percent, respectively, in 1988, are currently 66 percent and 74 percent.

Table 4 Distribution of employment according to status at work (% of total employment)

	Employee	*Working on own account*	*Unpaid family worker*
1988	40.38	29.42	30.20
1989	38.50	30.17	31.47
1990	38.96	30.93	30.11
1991	37.83	30.50	31.67
1992	39.71	31.16	29.14
1993	42.32	31.21	26.48
1994	41.17	30.87	27.96
1995	41.93	30.45	27.62
1996	43.31	29.23	27.45
1997	45.20	30.16	24.64
1998	45.18	29.80	25.02
1999	44.30	29.16	26.54
2000	49.56	29.83	20.67
2001	50.61	30.78	18.61
2002	49.75	29.38	20.86
2003	50.63	29.80	19.57

Source: OECD (2002 and 2004).

Table 5 Labour force participation and employment rates according to gender (%)

	Employment rate		*Labour force participation*	
	Male	*Female*	*Male*	*Female*
1988	77.3	33.1	86.6	37.0
1989	75.2	34.8	84.9	38.5
1990	74.9	33.6	84.1	36.7
1991	75.0	33.3	84.8	35.8
1992	74.1	31.6	83.9	34.1
1993	72.0	25.2	81.4	27.8
1994	69.2	29.7	81.5	32.3
1995	72.4	29.5	80.8	31.8
1996	72.5	29.5	80.2	31.3
1997	72.3	27.3	79.6	29.5
1998	71.9	27.9	79.6	29.9
1999	72.7	28.9	79.0	31.4
2000	71.7	26.2	76.9	28.0
2001	69.3	26.3	76.1	28.5
2002	66.9	26.6	75.1	29.5
2003	65.9	25.2	74.0	28.1

Source: OECD (2002 and 2004).

While this decline, again, is partly due to a problem of categories, where men in agriculture are considered to be fully employed while they are allowed to drop out of the labour force once they are in an urban setting, it is also the case that there is serious unemployment in the urban economy. The unemployment rate, as measured by categories whose reality for the Turkish context is highly debatable, was 10.5 percent in 2003 and is expected to follow a rising trend (OECD, 2004a: 22). A more significant figure is that only 44 percent of the potential labour force is in fact employed at all, a figure which compares rather unfavourably to the EU average of 63 percent (World Bank, 2005b: ii).

It is clear that against such labour market realities, a system based on employment status could not succeed in providing socio-economic security to people. While unions and professional associations avoid confronting this issue, government authorities concentrate on palliative fiscal remedies and assign a central significance to issues such as the age of retirement and the structure of contributions. In their none too successful attempts at forming public opinion, the policymakers argue that social security reform would allow Turkey to reduce the primary surplus requirement and eventually to conform to Maastricht criteria concerning maximum allowed budget deficits set at 3 percent of the GDP (Ministry of Labour and Social Security, 2004a; 2004b).

Equity and justice on the agenda

These official attempts to legitimize the reform initiatives have recently struck a more positive note to include wider issues of equity and justice. Apart from the important differences that exist among different groups covered by the formal social security system of pensions and health, the implications of the system for redistributive justice are also being discussed through questions raised as to the position of those excluded from the system. While the issue of equity appears mainly in government documents, where the influence of the World Bank is difficult to miss, it is still important that the reform agenda finally begins to address issues of justice. It is now acknowledged that in Turkey public transfers do not improve the distribution of income but lead to further inequality by reducing the share in national income of the least privileged groups. This state of affairs was also highlighted by a Eurostat report on the dimensions of poverty in EU members and candidate countries (Dennis and Guio, 2004: 5).

It is not uncommon that public spending may aggravate inequality in those countries where a corporatist social security system exists without social assistance schemes directed at the population at large, independently of status at work.[1] In such contexts, the livelihood of the individual who has no formal employment status significantly depends on family and kinship ties and other informal relations of reciprocity, which can also involve clientelistic relations with political authorities. This is the case with the Turkish welfare regime, where a number of largely unstructured and often traditionally rooted institutional arrangements define the area of social assistance. Many of these arrangements have either come into being or gained importance after the second half of the 1990s, when the problem of poverty, with its widening scope and changing nature, became impossible to overlook. While these newly significant mechanisms are far from reflecting a universalist, rights-based approach to social policy, they nevertheless constitute a response to the challenge of new poverty. This phenomenon of new poverty is, in itself, a clear indicator of the failure and unsustainability of the traditional welfare regime, which calls for a new social policy orientation.

The dimensions of new poverty

Extreme poverty, although it exists, is not very serious in Turkey. According to the State Institute of Statistics, the incidence of food poverty is 1.35 percent while those who live in families with an income below the threshold of poverty estimated on the basis of necessary food and non-food expenditures (what the World Bank calls the 'complete poverty line') constitute about 27 percent of the population (World Bank, 2005a). According to the statistics provided by Eurostat, 23 percent of the Turkish population live in relative poverty (i.e. with less than 50 percent of the median income of the country). This last figure (which exceeds the comparable ones in all EU members and candidate countries – see Dennis and Guio, 2004) represents a distributional problem which is the underlying basis of the new incidence of poverty.

The concept of new poverty refers to a worldwide phenomenon which, significantly, involves the recent changes in the relationship between work and livelihood as well as in the spatial transformation of urban life (Wacquant, 2002). These changes have their counterparts in Turkish society where they have modified the hitherto existing mechanisms of social integration and consequently led to the danger of social exclusion for a significant number of people. In the particular case of Turkey, the transformations in question have manifested themselves through two distinct channels. First, there has been a significant decline in formal employment opportunities as a result of the post-1980 reorientation of the country's development strategy away from a protectionist regime with heavy state intervention and public-sector employment, towards an outward-looking,

market-oriented one. This strategic reorientation has taken place along with deregulation that has allowed outsourcing and subcontracting practices on the one hand, and privatization of state-owned enterprises on the other. The result has been a sharp decline in employment in the formal sector. Stable jobs with social security, in both the public and the private sector, which had long constituted a channel for the full social integration of at least some of the rural–urban immigrants, have become mostly inaccessible (Tansel, n.d.; Boratav et al., 1998; Şenses, 1994; Cam, 2002).

Erosion of the informal pillars of developmentalist welfare

During the developmentalist period, until the 1980s, those who were unable to find stable work in the formal sector had access to certain opportunities of welfare provisioning through effective informal channels. The fact that these channels have now come under pressure through economic, social and political developments is the decisive factor in the emergence of new forms of poverty (Buğra 2003). In this regard, we will discuss three pillars of the past welfare regime which are notable for their current inability to perform their traditional role in providing socio-economic security to the individual. These are the continuing ties of newly urbanized immigrants with their villages of origin, possibilities of informal housing, and the importance of family and neighborhood assistance mechanisms. All three factors derived from the character of rural–urban migration which managed to preserve certain features of the village life in the city.

Agricultural employment was – and as already mentioned, still is – important in the country. Yet the official agricultural labour force figures are somewhat misleading, because it is only for a small proportion of the people who are statistically included in the agricultural sector that this sector constitutes the sole or even the primary source of income. In many villages close to town centres, households enjoy a multiplicity of sources of income, ranging from small manufacturing, transportation and trade, to seasonal employment in the cities and, increasingly, tourism. It is also significant that the agricultural sector in Turkey is largely comprised of small peasant holdings where unpaid family labour prevails, in a way, to limit the commodification of labour. Thus, the continuing significance of peasantry implies that rural–urban migration does not necessarily lead to a total rupture of the immigrant population from the countryside. Hence, new immigrants in urban centres could continue to rely on, in kind, if not pecuniary, income supplements received from their relatives who had remained in the village. Small land ownership has also defined a situation where urban workers could seasonally leave their jobs to participate in agricultural production on their family farms (Keyder, 1989; 1993). As Gough (2000: 8) has described in the context of South East Asia, in Turkey, too, the rural hinterland could support family strategies which successfully combined different livelihoods.

The sustainability of such strategies has now become more difficult in the context of comprehensive policies changing the way the state related to the agricultural sector, mainly through revoking various programmes of agricultural input subsidy and output price support (Eder, 2003). Moreover, during the 1990s, the nature of rural–urban migration significantly changed. In the case of the Kurdish immigrants from eastern and south-eastern regions, the decision to emigrate was often based on 'push factors', such as the threat of violence, the army razing villages in a scorched earth campaign, or the complete loss of livelihood due to war conditions, rather than the attraction of economic opportunities in the city. This type of immigration, largely forced by circumstances beyond the control of the individual, often implied an economic break with the countryside. It was also different because it occurred where there were no established networks of family or co-locals who could help in finding work or shelter (Goc-Der, 2001).

In fact, most traditional mechanisms of social support have lost their significance as it has become increasingly difficult for immigrants to settle in the same neighbourhood as their families and co-locals. This second factor, defining the collapse of developmentalist mechanisms providing the non-formal component of the welfare regime, is closely related to the transformations observed in urban space since the late 1980s. Immigrants prior to the 1980s could have access to housing through the occupation of mostly public land. As these irregular settlements eventually became formalized, immigrants also became owners of their houses, and could even go up in floors or expand their buildings to capture more of the urban rent. Thus, these squatter houses became a

source of wealth, income and security. As we have argued extensively elsewhere, squatter housing in Turkey, or the *gecekondu,* had distinct characteristics which distinguished it from diverse types of slum development encountered in Third World cities (Buğra, 1998; Keyder, 1999; Işık and Pınarcıoğlu, 2001; Buğra and Keyder, 2003). It was the availability of abundant plots of urban public land and peripheral farmland without regular building permits that enabled new immigrants to find housing opportunities in neighbourhoods already settled by migrants from the same village or province. Informal networks based on kinship or co-locality ties were, of course, crucial to finding the plot, constructing the house, and establishing the connections with political authorities. These networks of mutual support then continued to play a significant role in determining the economic opportunities available to the immigrants once they settled.

This in many ways unique means of integration into urban society has come under pressure with socio-economic transformations ushered in by Turkey's entry into the global economy in the 1980s. The transformations were especially palpable as Istanbul gradually transformed into a 'global city' (Keyder and Öncü, 1994). Participation in the global market has truly changed the face of Istanbul with the development of a modern service economy which has led to the mushrooming of office buildings and shopping malls, along with the appearance of suburban residential areas popular among the members of newly emerging middle and upper-middle classes. Such building activity took place mainly on the peripheral land around the cities, which was previously available for the development of irregular settlements by new immigrants. These new pressures have led to a new commodification of land and have reinforced capitalist property rights, thus limiting an important space of opportunity hitherto available to urban masses. For a long time, *gecekondu* had enjoyed a moral legitimacy based on the recognition of the need for shelter as a basic need (Buğra, 1998), but this legitimacy was pretty well lost by the late 1990s (Buğra, 1998; Keyder, 2005).

When the development of irregular settlements came to a halt, the continuous construction activity created by the conversions of *gecekondu* into increasingly larger and more modern-looking buildings, also slowed down. Not only this type of construction work, but also other types of informal work opportunities created within the shanty towns, began to decline in the 1990s. Combined with other trends that Turkish big cities share with many others in different parts of the world, such as the spatial displacement of industry, these developments have led to a situation where new immigrants are left behind by their relatives who have had the opportunity to build informally and are now better off, either in terms of economic resources they command, or in terms of their opportunities of access to employment possibilities. Thus, the second pillar on which the traditional mechanisms of informal support rested within the Turkish welfare regime collapsed.

This spatial distance between relatives is, in fact, indicative of the changes taking place with regards to the third important pillar of the traditional welfare regime, namely, the family. The findings of a research project on *New Poverty and the Changing Welfare Regime of Turkey*, which the authors conducted in 2002, suggest that in situations of extreme poverty, where even the satisfaction of basic subsistence needs could be a problem, neighbours' support can frequently be more significant than the help of relatives. In fact, demographic trends themselves indicate that the traditional caring function of the family is currently under pressure. First, the nuclear family has clearly become the norm in urban areas. Secondly, fertility rates are declining and the population is ageing. In the urban context, where the extended family is an increasingly rare phenomenon, it does not seem to be realistic to expect family support to continue to substitute for formal safety nets to provide care for the elderly.

Our research findings indicate that the burden of care for elderly and disabled people continues to fall upon women. While low rates of female labour force participation still allow for such arrangements, we have also observed the significance of irregular employment processes that involve totally unrecorded piecework performed at home, by women, for extremely low wages. With falling employment opportunities for men, this type of female labour, along with similar unrecorded work performed by children, could become the main source of income for families living in poverty. Moreover, in the recently emerging institutional environment of social assistance, which we will discuss in the following section, able-bodied unemployed males are often shamed away from applying for social assistance and it is again women who go through the necessary paperwork to enable

their families to benefit from whatever forms of welfare support are available from the central government, municipalities or NGOs. While women struggle to respond to these diverse demands placed on them, it is highly doubtful that they can also continue to abide by traditional codes of behaviour so as to maintain the cohesion of the family as the basic caring unit.

In cases of extreme poverty, family solidarity frequently remains limited to the mobilization of female and child labour by members of the nuclear family. While this imposition calls for a serious questioning of the traditional role of the family, which always threatens to turn oppressive, the official social policy discourse still refers to the family as the central welfare institution, and defines the role of the government as providing support to the family because it is supposed to fulfil the task of assuring social protection to the individual. However, government authorities seem to be aware of the disjunction between their ideology and social realities. Hence, as we will argue in the following section, new approaches to social assistance that are currently taking shape, incorporate a more modern version of conservatism, which combines an emphasis on voluntarism along with public assistance schemes financed by government tax revenues, and is implemented in a systematic manner in order to encourage participation in productive activity.

The new emphasis on social assistance

The text of perhaps the only truly modern piece of legislation in the area of social assistance, reveals how well entrenched is the assumption that the family remains the central institution of welfare provision. Enacted in 1976, the legislation in question introduced a Social Disability and Old Age Pensions regime, to be managed by the civil servants' retirement chest. The beneficiaries are explicitly defined as those not covered by another social security institution, who own no income-generating property, or any other sources of revenue, and *without close relatives to take care of them* (our emphasis). Thus, the presence of close relatives, unless they themselves qualify as destitute, disqualifies the disabled and the elderly as beneficiaries of the regime.

Among the social assistance schemes that were introduced later, by far the most important is the Fund for the Encouragement of Social Cooperation and Solidarity. The establishment of the Fund in 1986 was an implicit admission that the family was increasingly unable to carry the burden of care traditionally placed on it. However, the legislators also took care to root it in the traditional ethos of Ottoman charity. It was clearly hoped that a fundamental characteristic of the Ottoman charitable foundations, the melange of public and private funds without proper delineation, could be used in order to mobilize private donations with the initiative and under the guidance of the state and alleviate the burden of welfare provision on the budget (Bonner et al., 2003). Hence, the Fund was conceived as an umbrella organization covering over 900 local foundations, managed by representatives of the central government at the district level with the aid of boards of directors that include prominent members of the local population.

However, the development of the Fund did not, or could not, follow this particular model and the institution has now come to play a significant role in poverty alleviation through the mobilization of public resources. After a major economic crisis in February 2001, which caused a series of bankruptcies and massive unemployment, the World Bank also began to contribute to social assistance provision by the Fund through the so-called Social Risk Mitigation Project. This is a 'conditional cash transfer' programme to poor families, by way of allocations to pregnant women, to pre-schoolers, and to children attending compulsory schooling – up to grade eight. The conditions are regular visits to health centres and school attendance. This programme has been conducted on the basis of a World Bank loan and whether it will continue in the future is open to question. The Fund, however, seems to be a more permanent feature of social assistance: in published figures it seems to have provided an average of 375m dollars worth of relief per year between the years of 1997 and 2001, although according to government officials this figure is probably an understatement and should be in the range of $500–600m (Solidarity Fund, 2002). In 1999 and 2000, disaster relief provided to earthquake victims constituted the most important item in the total assistance provided by the Fund. After 2001, support provided for health and education has become the most important category of assistance.

As seen in Table 6, the Fund spent about $463m in 2003. Health expenditures constituted the largest

item in this budget – 38.59 percent in 2003. These expenditures complemented the 'Green Card programme' mentioned above, which had been introduced in 1992, to provide health services to poor people not covered by any social assistance programme either as direct contributors or dependants. Since the Green Card programme did not provide for medicine but only for doctors and hospital visits, one part of the Fund's resources was allocated to medicine, prostheses and hearing aids. The second largest item in the Fund's budget, about 33 percent, was allocated to students at different levels, including scholarships, provision of school supplies, meals and snacks for school children. In 2003, 16.7 percent of fund resources was transferred to local branches to be spent on emergency relief in cash, as well as in kind, in the form of winter coal, food, clothing and medicine. The size of the local population and socio-economic development indices prepared by the State Planning Institute form the basis for the allocation of resources to local branches.

The changes that have occurred in two of the items in the Fund's budget in the period after the general elections of October 2002, which brought the current AKP government to power, appear to be of significance in revealing the current thinking on the social assistance system. In 2003, about 1.4 percent of the Fund's resources were spent on projects directed at employment creation. During the first six months of 2004, spending on such projects directed at employment creation reached 5.8 percent of the total spending in the period in question (Government of Turkey, 2004: 50). This allocation reflects a typically liberal view that social assistance should be conditional on participation in productive activity. In fact, government authorities in Turkey, like their liberal counterparts elsewhere, repeatedly stress that social assistance in the form of unconditional grants entails the danger of fostering 'dependency'. 'Teaching people how to fish rather than giving them fish' is a slogan which is constantly repeated in social policy circles, where a 'right to income' largely remains an alien concept.

This attitude is manifest in discussions around the micro-finance sector, recently introduced in Turkey. The idea of micro-finance has been received with much enthusiasm among AKP members, not only because it constitutes an attempt to deal with poverty without acknowledging the right to income, but also because it allows for extensive collaboration between the voluntary sector and financial market institutions. In government circles, the idea of micro-finance is seen almost as a panacea to the problem of poverty. In a high-profile conference on the subject with the participation of Muhammed Yunus of Grameen Bank, Prime Minister Tayyip Erdoğan diagnosed the ultimate cause of poverty as lack of capital. He then went on to suggest that the Social Solidarity Fund had finally found its true mission in the field of micro-credit. It would now give up the futile and pernicious practice of encouraging dependence through providing grants and handouts, and would instead provide the poor with necessary capital to enable them to earn their living as small entrepreneurs (Erdoğan, 2003).

This preference for social spending to encourage productive activity reflects a clear choice about the priorities in the allocation of public resources for poverty alleviation, where problems of the urban poor, who, temporarily or possibly on a permanent basis, have no chance to earn their livelihood by working, do not rank very high. This is not because these problems are considered to be marginal. The choice reflects, rather, a particular outlook where family solidarity as well as mechanisms of charity, mobilized by municipalities and the NGOs, are seen as the proper means of dealing with destitution, a problem regarded as being beyond the reach of the state's responsibilities.

It is important to note that the resistance against systematic measures of poverty alleviation through minimum income schemes or similar rights-based approaches is also observed in leftist attitudes. With their emphasis on economic policy and employment creation as the main responsibility of the state, especially the older, nationalist-left critics tend to belittle the significance of social policy. They seem to feel, moreover, that social policy measures taken to alleviate poverty generally fall under the rubric of World Bank type policies, and have to be palliative. Since such measures have come onto the policy agenda along with the steps taken towards the reform of the social security system, those groups – who are now privileged and therefore stand to lose from these reform initiatives (especially labour unions) – also adopt a suspicious attitude towards income support policies designed independently of employment status.

Under these circumstances, there is not much resistance against the restructuring of the Solidarity Fund's expenditures by the government in power,

especially since the restructuring in question is in line with the generally shared views about the government's responsibility in employment creation. While central government funds spent on social assistance to the poor have declined, these types of assistance have significantly increased at the municipal level. In fact, municipal governments since the mid-1990s have had a very visible presence in this area with the soup kitchens they organize, as well as with the mostly in-kind assistance they provide to the destitute. Other than the distribution of food on a daily, ongoing basis at municipal soup kitchens, municipal support to the poor is not permanent or reliable. This is in conformity with the nature of the resources available for poverty relief at the level of the municipality. Only a small fraction of the funding for social assistance comes from the municipal budget. For the rest, authorities rely on donations from private individuals. As indicated in an official government document, no information exists on the magnitude of financial resources used for different municipal social assistance schemes (Government of Turkey, 2004).

One could, in fact, suggest that municipal governments act as 'brokers in charity' who channel the resources, in kind or in cash, provided by charitable donations. This charity brokerage by political authorities is not without its problems, as it constitutes an area where negotiations of a dubious legality or legitimacy are carried out with the individuals who contribute to municipal charity funds. These negotiations might involve cases where authorities agree not to take action against some illegal activity of a business, with charity at least partially replacing bribery. Even in the absence of overt corruption, municipal social assistance could be, and probably is, carried out in conformity with political interests in such a way as to maximize the chances of re-election of the party in power. This belief was widely held among the individuals we interviewed in Istanbul during our field study on the project *New Poverty and the Changing Welfare Regime of Turkey*.

Such concerns do not figure in the current government's approach to social assistance where local initiatives and administrative structures are expected to continue to assume an important role in caring for the destitute. Yet, in this approach, the principal caring institution remains the family. The centrality of the family to the ruling AKP's approach to economy and society is clearly seen in the government programme where it is stated: 'If Turkish society is still intact after so many problems recently experienced, we largely owe it to our strong family structure' (Akparti, 2003: 15). Hence, the programme underlines the importance of the mechanisms designed to support the role of the family in providing social protection to the individual. The family-centred social policy outlook of the AKP is discussed in more detail in the party programme where it is mentioned that new incentives would be put in place to reinforce the role of the family in the rehabilitation of street children and it underlines the measures that would be taken to encourage care for the elderly by their children (Akparti, 2002).

Where the family appears to be unable to face the challenge of new forms of poverty associated with both the structural changes and financial crises affecting the Turkish economy, the Islamic elements in the ideological orientation of the ruling party appear to be very useful in motivating and mobilizing civil initiatives towards providing social assistance. It is quite clear that local governments controlled by the AKP or the NGOs of an Islamic character are especially successful in mobilizing charitable donations and channelling them to destitute people. In fact, the activities of by far the most prominent NGO providing emergency relief, *Deniz Feneri* (Lighthouse), are clearly guided by Islamic values. The organization largely owes its success to its being an extension of a Ramadan programme broadcast on a TV channel known for its affinity with political Islam. Charitable activities of AKP-run municipalities, too, invariably appeal to norms and institutions of Islamic solidarity through which they generate private donations from good Muslims (Deniz Feneri, 2001; see also White, 2002).

However, this particular combination of the elements of liberal-residualism and traditional charity in an otherwise family-centred care system should not be interpreted as a uniquely Islamic phenomenon. Neither the current Turkish government's notions of subsidiarity, according to which the state has little business in the realm of poverty alleviation that should be left to the family and the community, nor the meeting of minds of neo-liberal advocates of unregulated markets and market-oriented Islamists, would be foreign to the type of conservative liberalism advocated by von Hayek and de Tocqueville. The latter would fully agree with the view that the free functioning of the market mechanism requires

the supporting presence of traditional institutions such as the family and religion (von Hayek, 1948; 1960; de Tocqueville, 1997).

Moreover, the conservative liberalism of the present government might not necessarily posit non-universalism as the defining feature of the future trajectory of the Turkish welfare regime currently in transformation. It is true that the changes being introduced in health and pension systems are principally informed by fiscal concerns. Health system reform proposals are in line with the standard World Bank position, and pension reform seems to be dominated by the objective of increasing the age of retirement with a view to reducing the ratio of pension recipients to active contributors. However, against the background constituted by a very inegalitarian corporatist system, which lacked administrative efficiency, the current reform initiatives have at least two advantages: they acknowledge that the existing social security system, in its fragmented character, implied a very unequal distribution of benefits both among the people it covered, and between them and those totally excluded from the system. Secondly, they recognize social exclusion as a serious problem and attempt to design, for the first time in Turkish history, systematic policies directed at the poor and other groups facing the threat of exclusion.

In this regard, it is important that the reform proposals include an administrative restructuring whereby the current social security organizations, as well as a Directorate of Social Assistance, which will be formed to combat poverty and social exclusion, will be brought together under the umbrella of a single social security organization. This is indeed a significant step since, with it, social assistance will be regarded as one of the concerns of the state at the same level as the rights of the formally employed. Moreover, the reform proposal mentions cash transfers being deposited in the bank accounts of the beneficiaries (Government of Turkey, 2004: 40). This contrasts with the current – mostly in kind – temporary assistance which is provided on an ad hoc basis, without any systematic criteria of eligibility.

Apart from these proposals, which could be said to reflect at least an implicit tendency to regard social assistance as a citizenship right, two of the new measures of social assistance introduced by the present Government are also noteworthy. During the Government's first year in office, elementary school textbooks were made available to all students free of charge. This constitutes an important step taken to eliminate one of the worst consequences of poverty: the interruption of children's education because poor families could not pay for school supplies. Perhaps more significantly, through this measure, the state assumes responsibility for making a theoretically free social service accessible, in practice, to all citizens, with or without means. The Government also seems to be planning to convert the Social Risk Mitigation project, currently administered by the World Bank, into a permanent programme of social assistance. As indicated above, this is a conditional cash transfer programme where the conditionality pertains to regular check-ups and school attendance for the children of the beneficiaries. In spite of its means-tested and conditional character, this policy, too, is significant because it involves cash transfers on a regular basis as a citizenship right and not as a charitable deed.

One would expect Turkey's attempts in the direction of EU membership to support and sustain such trends towards the advent of modern social assistance schemes. So far, social policy issues have only marginally figured in the overall political and economic criteria set by the European Commission (EC) in relation to Turkey's accession to the EU. For example, the recently released 2004 Turkey Progress Report of the EC on this subject briefly mentions gender equality in working life, the rights of disabled people and children's rights in the first part on 'Enhanced Political Dialogue and Political Criteria' in section B on 'Criteria for Membership'. In the chapter on 'Social Policy and Employment' in the third part on the 'Ability to Assume the Obligations of Membership', similar points are made along with two very short paragraphs on social inclusion and social protection and a longer one on health and safety at work. More is said on labour union legislation and the collective bargaining rights of both workers and white-collar public employees in both the first and the third part, but the pressing problems of Turkish labour markets, which extend much beyond those generated by union legislation, remain neglected.

Nevertheless, the prospect of EU membership is bound to make a difference in the prevailing attitudes towards poverty and social exclusion. For example, the Turkish government has recently concluded an agreement with the Employment and Social Affairs Division of the European Commission

Table 6 Social assistance spending by the Solidarity Fund

Type of assistance	*2003 (%)*	*2004[a] (%)*
Transfers to local funds for emergency relief (in cash or in kind)	16.71	13.03
Support for health expenditures of poor people outside formal social security coverage	38.59	35.40
Support provided to education: School supplies, lunches and snacks provided to primary schools, scholarships to university students	33.23	40.33
Spending on projects aimed at employment creation	1.42	5.81
Spending on soup kitchens or transfers on special occasions (i.e. Ramadan, religious holidays or in case of natural disasters)	7.08	3.62
Investment expenditures	0.62	0.08
Debt service payments on WB credits	1.25	1.39
Other	1.09	0.35
TOTAL (in million USD)[b]	462.9	382.7

Notes:
[a] First six months.
[b] The average exchange rate for the period 01.2004–08.2004 as TL/$1,408,409 is used (retrieved from Central Bank of Republic of Turkey).

Source: Ministry of Labour and Social Security (2004c).

to take part in the preparation of a Joint Inclusion Memorandum. This involves a systematic effort at data collection and policy design led by the Ministry of Labour and Social Security, which, in itself, implies a serious change in the status of social assistance among the responsibilities of the state.

Conclusion

Turkey's social welfare regime is undergoing important transformation. Its genesis was on corporatist lines, with coverage in pensions and health reserved for the formally employed of the modern sector. In time, with the growth of the urban population in informal employment, traditional mechanisms were adapted to the urban context as protection against the new risks of the market. With greater commodification and especially the greater domination of capitalist calculation in the era of globalization, however, the effectiveness of these transformed mechanisms eroded. Concomitantly, dependency ratios increased as the workers in the informal sector did not contribute to social security funds but benefited (as in the case of the health programmes) as dependants of a family member who did. The result was that the burden on the formal schemes continued to increase, inviting IMF and World Bank pressure on the government to rationalize the social security budget. While this pressure, also aided by the outlook of business circles, tends towards privatization and the introduction of personal assumption of risks, this is obviously an unrealistic proposal for the vast majority of the population. There is, however, a second tendency which is vocalized by the more reformist wings of the governing party. This is the tendency that is observable, especially in discussions concerning the health sector and in new programmes proposed in social assistance, of universalism. The kind of reform envisaged in these proposals would radically transform the nature of the formal welfare regime from a hierarchical corporatism with different levels of benefits accorded to groups with different status, to one where there would be minimum coverage available to all. Examples would include a universal package of health care, a guaranteed minimum income for all citizens, and a pension even for those elderly people who never contributed to any of the schemes.

In light of the preceding discussion, it is possible to depict two tendencies in the current social policy environment in Turkey. There is, first, a conservative-liberal tendency, whereby Islamic notions of charity successfully complement attempts at downsizing the state through strict controls over social spending. In a setting where the heavy burden of public debt keeps the economy under the tutelage of international financial institutions, this tendency necessarily dominates the priorities in the allocation of resources. Nevertheless, it is impossible to reduce

the totality of social reform initiatives to a neo-liberal assault on acquired social rights, as the beneficiaries of these rights, at times, tend to present. Neither the idea of universal health insurance nor the idea of social pensions had been discussed as seriously as they are being discussed today. The fact that the debate takes place with reference to the situation of those hitherto excluded from the social security system is also significant in pointing towards a universalistic tendency away from an inegalitarian corporatism.

It could be said that the obvious interests of the big business community, the ideological leanings of the World Bank, and the mentality of the ruling Government all contribute to the strength of the first tendency. Formally employed workers and professional associations who oppose the reforms have well-entrenched interests in the survival of the former social security system, and little stake in the advent of a more universalist system that would benefit those who live with the constant threat of social exclusion. The latter have little voice to influence the future course of events. Nevertheless, the seriousness of the problem of socio-economic insecurity and the obvious incompatibility of the existing corporatist system with the contemporary realities of the labour market might lead to a situation where the conservative-liberal trend would be opposed by a countervailing force, which would derive its strength not from sectional interests but from the widely acknowledged need to promote social cohesion.

Note

1 Seekings (2004: 9) indicates, for example, that even when one takes into account 'in kind' benefits such as public education and health, social spending at most reduces Gini coefficents by 5 to 7 percentage points in the countries of the South, which is substantially less than in the North.

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