Chapter 37

Turkey

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Abstract Turkish residents 65 and older comprise 8.8% of the total population yet the academic literature on the relationships among the effects of ageing, gender and the labour market is very limited. This chapter describes the characteristics of older workers and discusses changes in the legal structure of the labour market and their implications in Turkey. It also focuses on the Social Security system (especially the pension scheme) and the historically very low female labour force participation rates which reduce self-sufficiency for women at older ages. Finally, the chapter considers precarious employment and work-related health policies in Turkey.

Keywords Turkey · Social security · Older workers · Health insurance · Pensions · Gender

Introduction

In Turkey, almost seven million people (8.8% of the total population) are at or above 65 years old, a relatively low proportion by international standards. According to the Turkish Statistical Institute (TUIK), in 2017 just 29.4% of people aged 50 or older were in paid employment, with 45.6% of men and only 15.9% of women who are 50 years old or older in paid work. For those over 65, 19.2% of men and only 6.4% of women were in paid employment in 2017. According to data from the TUIK's Household Labour Force Survey (2017), 57.3% of Turkish women aged 50 or older are not in paid work due to household responsibilities. In contrast, for men who are 50 years old or older the most common reason for being outside paid employment is retirement (75.4%). Among those 50 and older, only 1.15% of men reported never working in paid employment, compared to 25% of women never in paid employment in their lifetimes.

Population ageing is becoming an important issue for Turkey. The World Bank uses the age dependency ratio as one way to measure the effect of ageing on national

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populations. The World Bank defines the age dependency ratio as the ratio of dependents—people younger than 15 or older than 64—to the working-age population—those aged 15–64 per 100 working-age population. According to the World Bank, the age dependency ratio decreased to 49.55% in 2018 from 82.12% in 1960 (World Bank 2018). However, the dependency ratio shows only the age composition of a population and many working-age people are economically dependent on others, especially women. Therefore, the decline might be misleading.

Turkey, historically, has had very low female labour force participation rates compared to many other countries (Mercan 2019). The TUIK's Household Labour Force (HLF) surveys from 2000 to 2017 reveal that female labour force participation rates have been around 30% during that period. In 2018, Turkey's female labour force participation rate was lowest among OECD countries for both women aged 15–64 years old and women aged 55–64 years old. In 2018, the labour force participation rates for Turkish women aged 15–64 years old and 55–64 years old were 38.3% and 20.3%, respectively (OECD 2018). However, the labour force participation rate of women with at least a college degree is similar to that in developed countries. According to OECD (2014), the gender wage gap, which is defined as the difference between male and female median wages divided by the male median wages, was 6.9% for Turkey compared to 14.3% for the OECD average.

Table 37.1 shows the author's calculations for labour force participation rates from the HLF surveys for older people. In 2017, 32.5% of people aged between 60 and 64 years and 13.8% aged 65 and above were in the labour force. In 2017, the average labour force participation rates of OECD countries was 52.4% and 14.8% for people aged between 60 and 64 years and 65 years or older, respectively. The labour force participation rate for those 65 or older in Turkey is not too far away from the average of OECD countries, despite Turkey's comparatively low labour force participation rates among OECD countries (OECD 2018).

TUIK's the Time Use Survey (TUS 2014) is the only nationally representative time-use survey for Turkey. From the TUS, our estimates show that women are the main providers of care for children and older people in the family. For instance, on average married men in Turkey spend 56.6 and 63.7 min/day providing child-care and elder-care, respectively, while on average married women spend 114.5 and 32.5 min/day on these activities. In addition, Turkish women are expected to do housework in the family. On average, married women spend 170.1 min/day cooking and on average married men spend just 40.1 min/day cooking. Also, for washing, ironing, and cleaning, on average married women and married men spend 84.2 and 40.8 min/day, respectively.

Unfortunately, there is no available dataset which focuses on or gives enough information about older workers in Turkey. Although it is impossible to know the particular reasons behind older people's labour force participation decisions, in the 2017 Household Labour Force Survey there is a question in which survey respondents mention the reasons why they are not in the labour force. Table 37.2 shows the author's calculations of the responses from the survey for women and men, separately.

Table 37.2 suggests that personal ill health is an important reason for older people not being in the labour force, particularly for women. In Turkey, there are few articles

Table 37.1 Labour force participation rates for older workers in Turkey

	2000				2007				2009				2017			
	55-59	60-64	65+		55-59	60-64	65+		55-59	60-64	65+		55-59	60-64	65+	
Women	24.3	18.9	11.3		16.2	13.6	5.8		18.1	14.7	6.0		23.6	18.3	7.0	
Men	59.3	48.3	32.8		47.4	37.1	18.9		49.3	37.9	19.6		63.6	47.5	22.5	

Source Author's own calculation from the Turkish Statistical Institute's Household Labour Force Surveys-2000, 2007, 2009, and 2017

Table 37.2 The reasons for not being in the Labour Force (% of all respondents)

	Disabled, elders, ill, etc.			Personal or family reasons		
	55–59	60–64	65+	55–59	60–64	65+
Women	6.6	10.3	54.2	2.1	1.2	0.3
Men	16.7	11.0	25.2	2.7	1.4	0.2

Source Author's own calculations from the Turkish Statistical Institute's Household Labour Force Survey-2017

investigating the effects of the pension system and none that provide information on its impact for older people's health. Therefore, in the following section a small number of studies that focus on the Turkish pension system are discussed.

Pension Policies

In Turkey, the Social Security Institution (SGK) for blue-collar workers, the Retirement Fund for civil servants (*Emekli Sandigi*) and the Social Security Institution of Craftsmen, Tradesmen and other Self-Employed (*Bag-Kur*) were set up in 1946, 1950, and 1971, respectively. Even though the social security system had a long history in Turkey, it was entirely restructured by the Turkish government since 2002. The Justice and Development Party (abbreviated officially *AK Parti*) came to power in Turkey in the general election of 2002 and it has made many changes to labour market policies during the last 16 years. For example, employment laws completely changed in 2003 and a substantial reform occurred in 2008. Those changes have affected many aspects of the labour market, ranging from part-time working conditions to breastfeeding rights. Older workers who work after their retirement were affected by a change that requires a contribution from their salary to have continued social security support. The aim of this measure was to reduce the deficit in Social Security. In addition, in 2012 Turkey revised the rules on occupational safety and health, introducing a more modern perspective (in the light of 89/391 EEC, a directive approved by European Union Council on 12 June 1989). The new law introduced several new concepts to workplaces in Turkey, i.e., employers are required to appoint occupational safety expert(s), workplace physician(s) and other health personnel amongst their employees, who also have gained the right to reject working in case of severe and imminent danger.

The social security system in Turkey was also reorganized in 2007. The new system integrated the control of different social security funds, namely *SSK*, *Emekli Sandigi* and *Bag-Kur*, into a single institution, the Social Security Institution (SSI). In addition, a private pension scheme, the Individual Pension System (IPS), was introduced in 2003. On January 1, 2017, auto-enrolment for the Individual Pension System was introduced (Şahin and Elveren 2014). In November 2018, there were 6.8

million people, about 24% of workers, in the IPS as compared to 2004, when only about 2% of all workers participated.

There are three types of pensioners in Turkey: old age, dependent, and disability pensioners. In October 2019, the Social Security Institution (SSI) reported there were 12,927,222 pensioners in Turkey, with 69.17% being old age pensioners. Furthermore, 29.1% of the pensioners were dependents and the remaining 1.73% were disability pensioners. Between July 2019 and December 2019, the minimum monthly pension for private sector workers was 1,906.4 Turkish Liras and the maximum monthly pension for them was 3,653.5 Turkish Liras (about €300 and €574, respectively). In addition, the minimum monthly pension for people who had been employed in the public sector was 2,425.5 Turkish Liras and the maximum monthly pension for them was 9,630.6 Turkish Liras (about €380 and €1512, respectively). Elveren (2008) emphasised that the majority of women in Turkey have pension benefits as a dependent of their husbands or fathers, not as retirees in their own right. To the extent that dependent benefits are lower than workers benefits, it suggests that the gender pension gap is large in Turkey. Kar and Elveren (2008) estimate the gender gap in pension from simulations for four different scenarios, i.e., changing some working years to part-time work rather than full-time work, and they find that women's benefits vary between 55 and 76% of men's. Elveren (2008) also estimates the benefits vary between 30% for people living in Turkey's rural areas and 79% in urban areas.

Elveren (2013) points out that the social security reforms also significantly increased the early retirement age in Turkey. It became 58 and 60 for women and men respectively who started to work for the first time after the previous reform in 1999. Prior to 8 September 1999, the early retirement age was 38 and 43 for women and men, respectively. The main reason for this very low retirement age was populist policies during the early 1990s. Recent law has reset the retirement age to 65 for both men and women by 2048 in a series of gradual increases starting after 2036. In other research, Elveren (2013) highlights that 60% of working Turkish women are not covered by the pension system because they tend to work in the informal sector. He claims that new regulations are likely to cause a higher poverty rate among older women because women account for a high percentage of workers in informal sectors and because of low overall female labour force participation. Both of these factors contribute to lower pensions for women (Elveren, 2015; Şahin et al., 2010). In addition, Elveren observes that low pension coverage among Turkish women is partly due to a system based on a male-breadwinner model in which women are defined extensively as dependents, who then tend to have lower pensions. Therefore, he claims that Turkey needs a gender-sensitive social security system, not a gender-blind system.

Employment Policies

Even though part-time working is not common among formal workers in Turkey, a larger proportion of women are part-time workers compared to men. According

to TUIK's HLF 2017 survey, only 10.5% of all workers were working part-time in 2017. Table 37.3 shows the author's calculations for the part-time rates from the survey for older women and men, separately.

In the HLF, there is one question that asks 'Are you registered in the Social Security Institution due to your job?' People who respond yes to the question are defined as formal workers. As shown in Table 37.3, 20.1% of female workers 65 or older working in the formal sector and 37% working in the informal sector were working part-time in 2017. Similarly, part-time working is more common among men working in the informal sector, e.g., 20.5% of men aged between 60 and 64 work part-time in the informal sector compared to only 4.4% of older men working in the formal sector. Furthermore, Table 37.3 highlights that older women are more likely to work part-time than older men.

Even though Turkey was among the earlier countries to introduce women's suffrage (e.g., in Turkey women were allowed to vote and run for local office in 1930), regulations to encourage gender equality in the labour market are relatively recent, for example, recent changes to the Civil Code (in 2001), the Labour Law (in 2003), and the Penal Code (in 2004). Dedeoğlu (2012) emphasises that new laws on the principles of equal pay for work of equal value and non-discrimination against part-time workers or recognising sexual harassment at the workplace have been introduced for the first time. In 2004, a constitutional amendment was approved and positive discrimination in respect of women was introduced. In 2010, this was introduced in respect of older people, too. Before this, legal structures to combat discrimination were very weak. Gender differences in policies are not unusual. For example, Elveren (2013) points out that the entitlement to survivor benefits by children whose parents are deceased, differs in terms of gender. Boys are entitled to benefits only until age 18 (25 if enrolled in higher education) while daughters can receive survivor benefits as long as they are single and unemployed. Further, Elveren claims that the main flaw of the Turkish pension reforms is that they depend on the assumption of higher female labour force participation in the future. However, Turkey may not significantly increase its current low levels of female labour force participation. There are several reasons for this low rate, ranging from patriarchal norms to women's preferences; for example, From the TUIK's Family Structure Survey, our estimates show in 2016, 21.9% of men think that working is not appropriate for women.

Health Policies

One of the most significant health policies that has been implemented by the AK Parti is the General Health Insurance (GHI) system, which aims to cover every citizen with the provision of basic health services and which was introduced in 2006. However, there has been no scientific debate or significant public discussion on its possible impacts on extended working life. Therefore, the Turkish case has the potential to measure the impacts of universal health coverage on older workers' health. In addition, in 2013 the Social Security Institution extended the possibility of early

Table 37.3 Part-time worker ratios (% of all workers)

	All				Formal workers				Informal workers			
	55-59	60-64	65+		55-59	60-64	65+		55-59	60-64	65+	
Women	22.7	30.1	36.2		6.5	10.9	20.1		31	32.9	37.0	
Men	7.6	15.7	25.3		2.4	4.4	12.1		16	20.5	28.3	

Source Author's own calculation from the Turkish Statistical Institute's Household Labour Force Survey-2017

retirement because of illnesses. Employees who lost at least 60% of work capacity due to 21 specified types of illnesses may retire early. Furthermore, the Mineworkers' Pension Scheme is different than those for other workers. In Turkey, mineworkers may retire at age 50.

Precarious Employment

Unfortunately, there are few studies that focus on precarious employment in Turkey. Emre et al. (2017) highlights that in Turkey fewer employees (20.9%) have stable labour contracts compared to European Union member countries (65.7%). They also point out that approximately 40% of employees are working without a contract in Turkey and in the EU the comparable ratio is just around 4.8%. This indicates that precarious employment forms a large share among the labour market in Turkey. However, as yet there has been no debate on the impacts of precarious employment on extending working life.

Debate on Extended Working Life

One of the main political issues debated by major political parties are proposals for early retirement. In Turkey, some members of the public support an exemption to workers who were affected by the retirement age reform. They even established a nationwide advocacy group. In February 2018, the ruling AK Parti and the Nationalist Movement Party (MHP) established the People's Alliance. However, on October 24, 2018, the MHP voted in favour of a proposal by the Good Party (IP) about early retirement. Although it was just a motion for establishing a parliamentary inquiry on the issue of early retirement, this shows the issue is critical for political parties in Turkey. The proposal was also supported by other major opposition parties, the Republican People's Party (CHP) and the Peoples' Democratic Party (HDP). AK Parti opposes the early retirement proposals because of budgetary concerns; the president claims that the proposal will cover 6.2 million workers and the yearly cost will be around 26 billion Turkish Liras (about €4.2 million).

In Turkey, another hotly debated issue which is related to extending working lives is the amount of the minimum State Pension. Even though in January 2019 AK Parti raised it to 1,000 Turkish Liras (about €160) per month, opposition parties unsuccessfully tried to increase it to 2,000 Turkish Liras (about €320) per month during the committee stage in the parliament.

Assessment and Conclusion

For Turkey, the lack of gender equality is strongly related to the female labour force participation rate, which is historically very low. For example, Turkey is the 130th country (out of 149 countries) in the World Economic Forum's *The Global Gender Gap Report* (2018). Even though the report also highlights that Turkey is the 16th country according to the concentration of their Artificial Intelligence (AI) talent pool, Turkey's overall low ranking is mainly caused by low female labour force participation rates (World Economic Forum 2018). In addition, low female labour force participation causes women to be dependent rather than self-sufficient in older age. Furthermore, Turkey needs to increase male participation in housework to reach greater gender equality because childcare is one of most common reasons for the low female labour force participation.

Although Turkey has made many changes to labour market policies to achieve a more gender equal society, there is still a need to do significantly more. In February 2019, the president organised the 1st Council on Ageing, which aims to support active ageing and strengthen the rights of older persons in Turkey. The council highlights that the population of older people will reach 8.6 million by 2023 and 19.4 million by 2050 and stresses the importance of health care and social services for older people in Turkey. A road map is going to be prepared to reach action goals. This shows that the government is aware of the challenges posed by population ageing.

For Turkey, there are several important issues that should be researched in the near future in relation to extended working life. For example, in an OECD context, Turkey has one of highest proportions of workers who work long hours in the workforce. It is well established that working long hours has many negative side effects including obesity (Mercan 2014). Therefore, researchers need to investigate the effects of obesity both on workers' health and on extending working life. In addition, Turkey has one of lowest union membership rates among OECD countries. This might offer an important opportunity to explore the effect of a non-unionised workforce on societal efforts to extend working life.

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