

Regional features in Turkey

Since the Helsinki summit, Turkey has become the 13th candidate country for accession to the EU.

Regional disparities

According to OECD data, GDP per head in terms of PPS is only 33.4% of the EU average. Indeed, the difference in relation to the EU seems to have persisted for many years at around this level, going back at least to the beginning of the 1950s, higher GDP growth than in the EU being offset by high population growth. Regional disparities are associated with significant differences in geographical features and climatic conditions, though they also have their roots in the substantial migration flows which occurred during the troubled times at the end of the 19th century and first half of the 20th.

The data available on GDP per head by province, of which there are 80 and which have been aggregated into 19 regions of approximately NUTS 2 size, illustrate the scale of disparities in 1997:

- between east and west: two-thirds of the population were concentrated in the west of the country in half the land area, accounting for 82% of national GDP, and with GDP per head 23% above the national average (41% of the EU average). In the east, GDP per head was 53% of the national average, much the same as 10 years earlier;
- between coastal and inland regions: GDP per head in the four coastal regions as a whole accounting for 55% of the population is 26% above the national average;
- in two regions (Istanbul and Izmit), GDP per head was substantially above the national average (53% and 70% higher, respectively), or around half the EU average;
- in 7 regions (Aegean Sea, the southern coastal areas, Ankara), GDP per head was up to 50% above the national average, or between a third and a half of the EU average;
- in 7 regions (around Anatolia, the Black Sea coastal areas), the level was between half and 100% of the national average, between 20% and 33% of the EU average;
- in the remaining three regions, in eastern Anatolia, the level was between 20% and 50% of the national aver-

age, or only 7% to 16% of the EU average, lower than in any other regions in the candidate countries.

Social disparities

Employment

In 1998, the official unemployment rate was estimated at 6.3% of the labour force, but this does not reflect the true situation given the absence of an unemployment benefit system and substantial under-employment. Of the 20.5 million in civilian employment, 5.5 million were unpaid family workers, mostly women. While the activity rate of men was much the same as the EU average (79%), for women, it was considerably lower (29% as against 59%), particularly in urban areas (15%). Data on occupations suggest that women face considerable difficulties, or even discrimination, in finding a job in manufacturing or services.

Education

The rate of illiteracy is still significant (18% as against 3% in Greece), even among young people in the work force and especially among women (24%). Participation in compulsory schooling is below 90% of the age group concerned, largely due to children working, 1 million of those between 6 and 14 being in work, a third of them under 12.

Structural policies

Regional policy

In contrast to the other candidate countries, Turkey introduced a regional policy during the 1970s with an aid scheme for business. The provinces assisted accounted for a third of the population and had an average level of GDP per head of 56% of the national average.

The policy, however, has not produced significant results. Because of security problems during the 1990s, financial aid did not attract many firms to eastern regions. Moreover, problems of lagging development were compounded by difficulties in the coal (Zonguldak) and the iron and steel (Karabük) industries.

Data on public investment, which is still substantial because of a large nationalised industry sector, indicate that support of disadvantaged areas was small. In 1997, total spending on investment amounted to around EUR

194 per head, of which some 40% went on regional measures.

Social policy

The macroeconomic adjustment underway will have lasting effects only if it is accompanied by a broad range of social reforms. Much needs to be done in respect of employment legislation, equal opportunities, social protection, health care, education and human rights.

Social expenditures account for only 7% of GDP as compared with 25% in the European OECD countries, leaving a large part of the population without adequate protection.

Employment

There is no general unemployment compensation system in Turkey. Under employment regulations and collective agreements, dismissals give entitlement to a fixed payment proportional to the time spent in a job. However, 50% of employment is not declared and collective agreements cover only 35% of those in officially declared jobs. There is no provision in employment legislation against sex discrimination and, according to the 1998 UNDP report on human development, discrimination is institutionalised and a structural feature of the labour market.

Health

The current health care system is costly and not particularly effective. In 1998, the deficit on expenditure amounted to 2.7% of GDP and accounted for a third of the total budget deficit. Access to health care is unequal, with rural areas being especially disadvantaged, expenditure on public health centres, mainly located in rural areas, declining from 7% to 3% of the total health budget between 1992 and 1996.

Education

Despite a relatively large number of children of school age, spending on primary and secondary education amounts to only 2.1% of GDP, against an OECD average of 3.4%. Expenditure per pupil in primary schools is only just over 20% of the OECD average, while in secondary schools it is only around 12%. For the poorest families, children are a significant source of income and there is no Government policy to encourage parents to send them to school.

Conclusions

In the context of preparing for accession, it is essential that Turkey develops regional and social policies capable of responding to needs and enabling it to participate in EU programmes for strengthening economic and social cohesion.