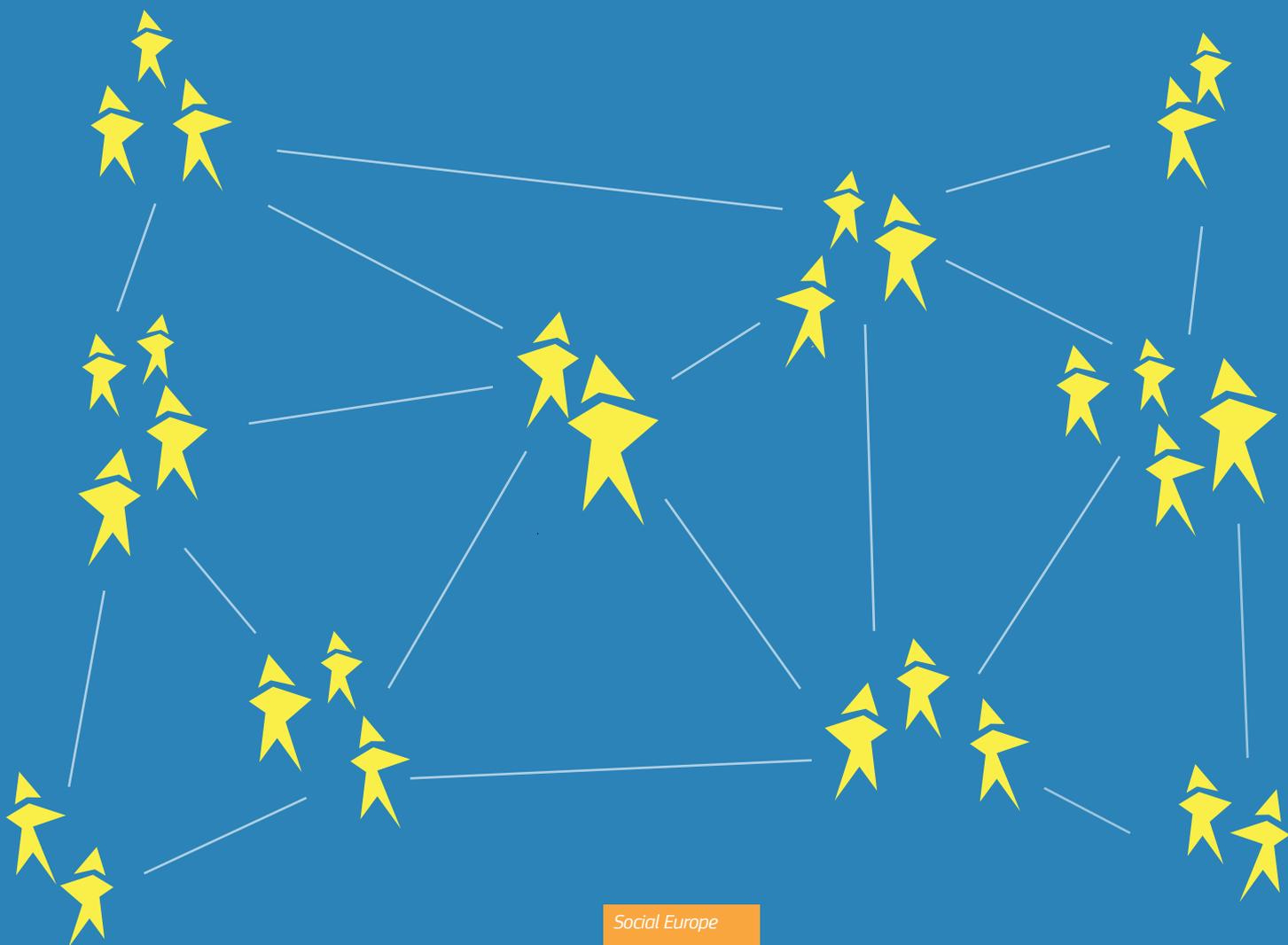




EUROPEAN SOCIAL POLICY NETWORK (ESPN)

In-work poverty in Turkey

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Social Europe

EUROPEAN COMMISSION

Directorate-General for Employment, Social Affairs and Inclusion

Directorate C — Social Affairs

Unit C.2 — Modernisation of social protection systems

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European Social Policy Network (ESPN)

**ESPN Thematic Report on
In-work poverty**

Turkey

2019

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Quoting this report: Adaman, Fikret; Aslan, Dilek; Erus, Burçay; Sayan, Serdar (2019). ESPN Thematic Report on In-work poverty – Turkey, European Social Policy Network (ESPN), Brussels: European Commission.

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Summary

At 13.5%, the in-work at-risk-of-poverty rate¹ in Turkey in 2016 was almost 1.5 times the EU average. The at-risk-of-poverty or social exclusion (AROPE) rate was more than 2.5 times the EU average, at 32.9%. The in-work poverty (IWP) rate is higher for the self-employed (17.1%), men (15.1%) and those under 55 years of age (9.4%) (it is 14.3% and 13.8% among those aged 18-24 and 25-54, respectively). It decreases sharply with education (20.3% among those with less than upper secondary education; 8.5% for those with upper secondary education; and 1.3% for those with tertiary education) and work intensity (43.8% among those with very low work intensity vs 6.5% among those with very high work intensity). Those on temporary contracts (27.6%) and those living in households with children (18.2%) are more prone to risk of poverty. The rate used to be low among foreigners, but with the influx of Syrian refugees it increased rapidly from 2012 to 2016. Looking at the change since 2012, the IWP rate has decreased by about 10%. The fall was especially notable among women, the self-employed, those over 55 years of age and part-time workers.

The main underlying reason behind the relatively high rate of IWP in Turkey (compared to the EU average) is uneven income distribution (the worst in the region) that has so far not been addressed in a long-term and structured manner. Both a manifestation and a result of this uneven distribution is the high prevalence of informality in the labour market. Unregistered labour is almost the norm in the agricultural sector (where both men and women undertake the job), which continues to play an important role in the labour market. Yet, given the continued shrinkage of the sector, there has been an influx of peasant families into cities, where it is mostly men who get a job (some in the formal sector) while the women refrain from working. This tendency is behind the decline in the IWP rate (as payment in the formal sector is higher than in the informal). One should also take into account the fact that the 2009 crisis, which hit the Turkish economy seriously, had an effect in the following years as well; thus the improvement in the rate may well have to do with the recovery of the economy.

IWP has not been among the policy priorities in Turkey during the period under consideration (2012-2018). Those covered by the formal social security system are excluded by law from major social assistance programmes, including social assistance for widowed women and the elderly and the public health insurance premium subsidy. Although preparations for a minimum income scheme, which might provide coverage for in-work poverty, was noted in policy documents in 2017 (MoFSP, 2017b), it has not been mentioned since, and there is no reference to it in the "Presidency's 100-Day Action Plan", which set out the future agenda for Turkey following the June 2018 election (when Turkey's system of government underwent a transformation that led to structural changes granting the president greater executive powers). Since 2008, Turkey has had a minimum subsistence allowance, which is deducted from income tax, and there is a set of benefits in place which include payments on the occasion of marriage and death; but these have little impact on the poverty situation, as the payments are small and do not cover informal workers.

In the absence of a general framework addressing the issue of in-work poverty, there have nevertheless been a few policy developments. Possibly the most direct was a relatively large increase (of about 30%) in the minimum wage in 2016. Also important were government policies on employment promotion that led to a decrease in informality, as pay is subject to a minimum wage in formal jobs. Finally, since 2018 those on temporary work contracts in the public sector have been granted permanent staff positions.

¹ For simplicity, in the rest of this report we refer to this notion – and to the indicator that measures it – using the generic term "in-work poverty" (IWP).

The education level is one of the main correlates of in-work poverty in Turkey. An extension of compulsory education from 8 to 12 years in 2012 resulted in an increase in the enrolment rate of 10 percentage points at the secondary school level. The number of vocational education and training programmes has also increased sharply, with the aim of strengthening the qualifications of the labour force. An increasing number of such programmes has also been provided to Syrian refugees with support from EU funds.

Although trade unions try to bring the issue to the forefront of policy discussions, the IWP problem has not been adequately addressed in policy circles. Nor have topics closely related to IWP – like informality, constraints faced by unions, income inequality and low labour-force participation (especially among women) – been debated forcefully at the political level. Discussions on in-work poverty in academic circles have also been rather limited, the focus being instead on related issues, such as quality of education, level of wages and labour-force participation.

Statistics on in-work poverty are not regularly produced by Turkstat. They are available on Eurostat, but some breakdowns are lacking, such as rural vs urban, formal vs informal, or across geographical regions.

1 Analysis of the country's population at risk of in-work poverty

The IWP rate² was 13.5% in 2016. Although the rate went down from 15.3% in 2012, it is still higher than the EU average of 9.6%, and Turkey has the second-highest rate (after Romania) of all EU and candidate countries (see Figures 1 and 2). The material and social deprivation (MSD)³ rate was 25.1% in 2015, sharply higher than the EU average of 10.9%. One reason behind the relatively big difference between the EU average and Turkey in MSD, compared to in-work poverty, may be the high degree of informality and difficulty in measuring incomes.⁴ Finally, the in-work at-risk-of-poverty or social exclusion (AROPE)⁵ rate was 32.9% in 2016, far higher than the EU rate of 12.4%. Although there appears to have been a sharp drop since 2012 (when the rate was 51.7%), the change likely reflects a revision of material deprivation questions after 2012.

At 17.1% in 2016, IWP is higher among the self-employed (who make up 16.7% of the working population), although that is lower than the EU average of 23.4%. It should be noted that there has been a significant (26.6%) improvement among the self-employed since 2012, when the rate was 23.3%. The rate among employees, on the other hand, increased in the same period, from 10.7% to 12%. The difference across employees and the self-employed is smaller in terms of AROPE (31.9% vs 35.1%) and MSD (24.4% and 28.2%). This is in contrast to the EU averages, where the self-employed are about 2.5 times more likely to be at risk of poverty or social exclusion compared to employees. The

² In line with the EU agreed definition of IWP, a person is at risk of in-work poverty if he/she is in employment and lives in a household that is at risk of poverty. A person is in employment when he/she worked for more than half of the income reference year. Employed individuals can be waged employees or self-employed. The income reference year is the calendar year prior to the survey. A household is at risk of poverty (or "income poor") if its equivalised disposable income is below 60% of the national equivalised disposable household median income. The population covered is those aged 18-64.

³ The material and social deprivation rate (MSD) is the proportion of people living in households that lack at least five out of 13 items: seven of the items relate to material deprivation at the household level (face unexpected expenses; afford a one-week annual holiday away from home; avoid arrears in mortgage or rent, utility bills or hire purchase instalments; afford a meal with meat, chicken or fish every second day; afford to keep the home adequately warm; have access to a car/van for personal use; and replace worn-out furniture); and six items relate to social deprivation at the personal level (replace worn-out clothes; have two pairs of properly fitting shoes; spend a small amount of money each week on him/herself; have regular leisure activities; get together with friends/family for a drink/meal at least monthly; have an internet connection).

⁴ Note that misreporting incomes would not only result in mismeasurement of the income of the individual in question, but also the median income which determines the threshold.

⁵ At risk of poverty or social exclusion, abbreviated as AROPE, corresponds to the sum of persons who live in a household that is at risk of poverty and/or severely materially deprived and/or with a very low work intensity.

fact that poverty and MSD figures are similar for employed and self-employed in Turkey, unlike in the EU, likely reflects the overall low wages.

Figure 1. EU28 – at-risk-of-poverty and in-work poverty rates among all those employed, and in-work poverty by most frequent activity status (employee and self-employed) from 2012 to 2016, %

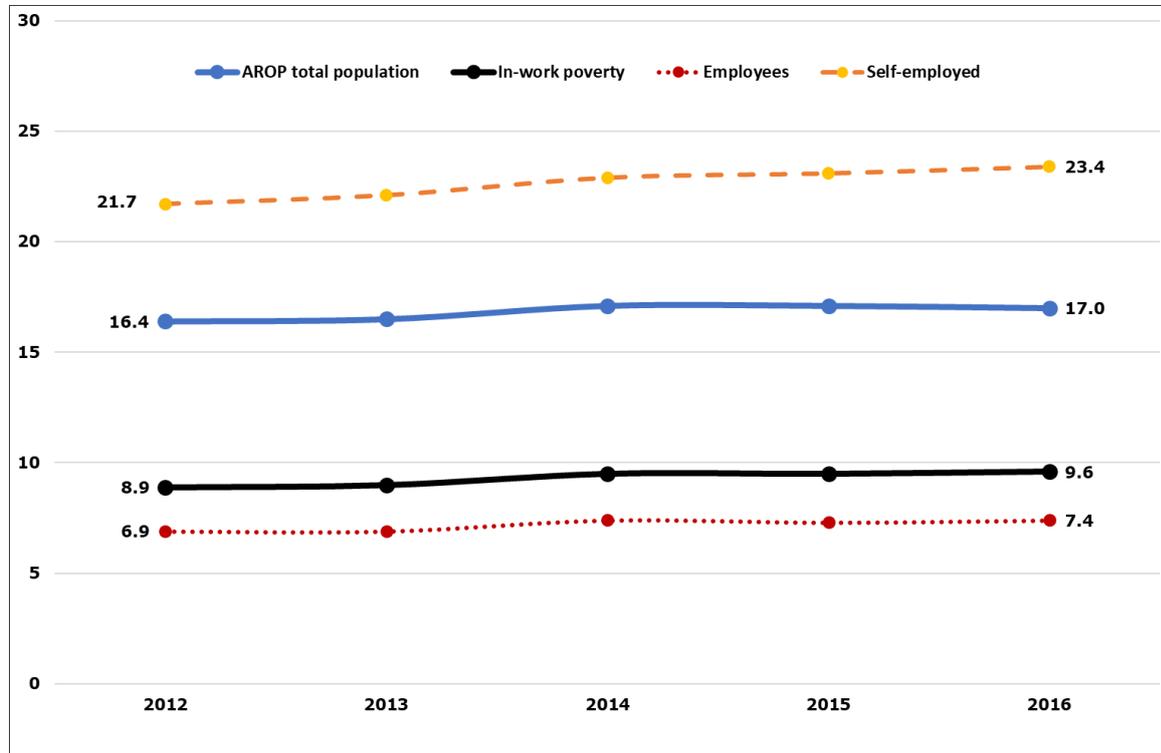
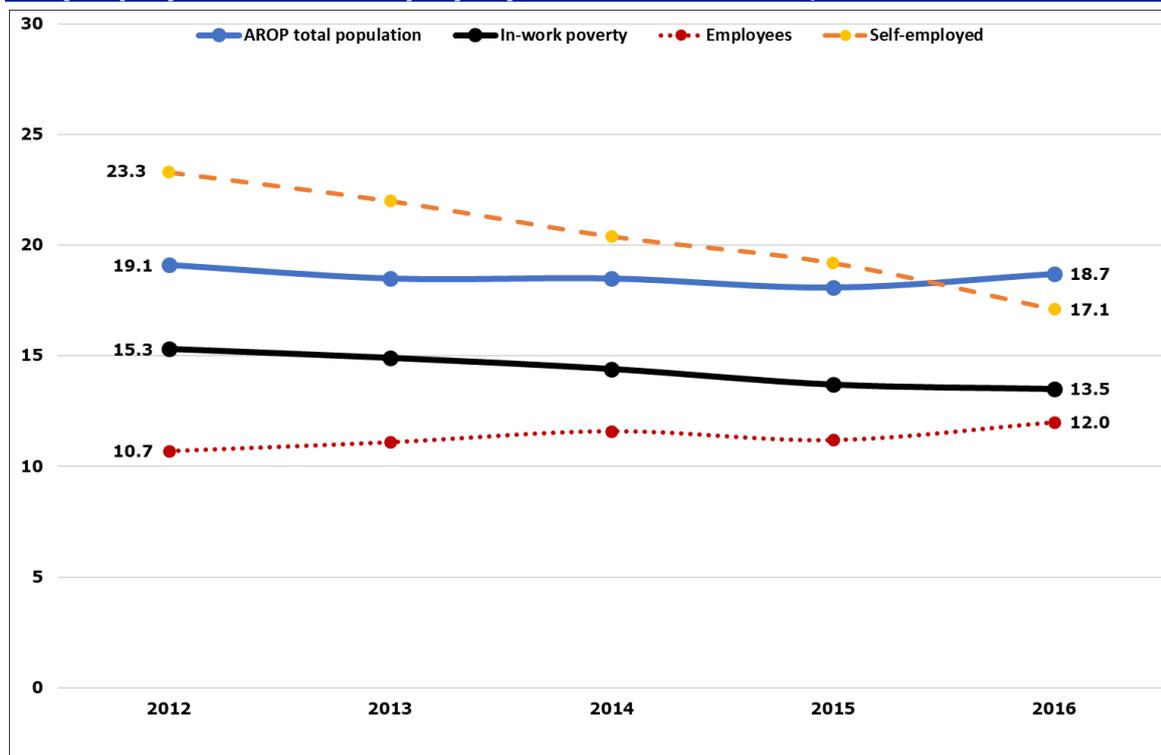
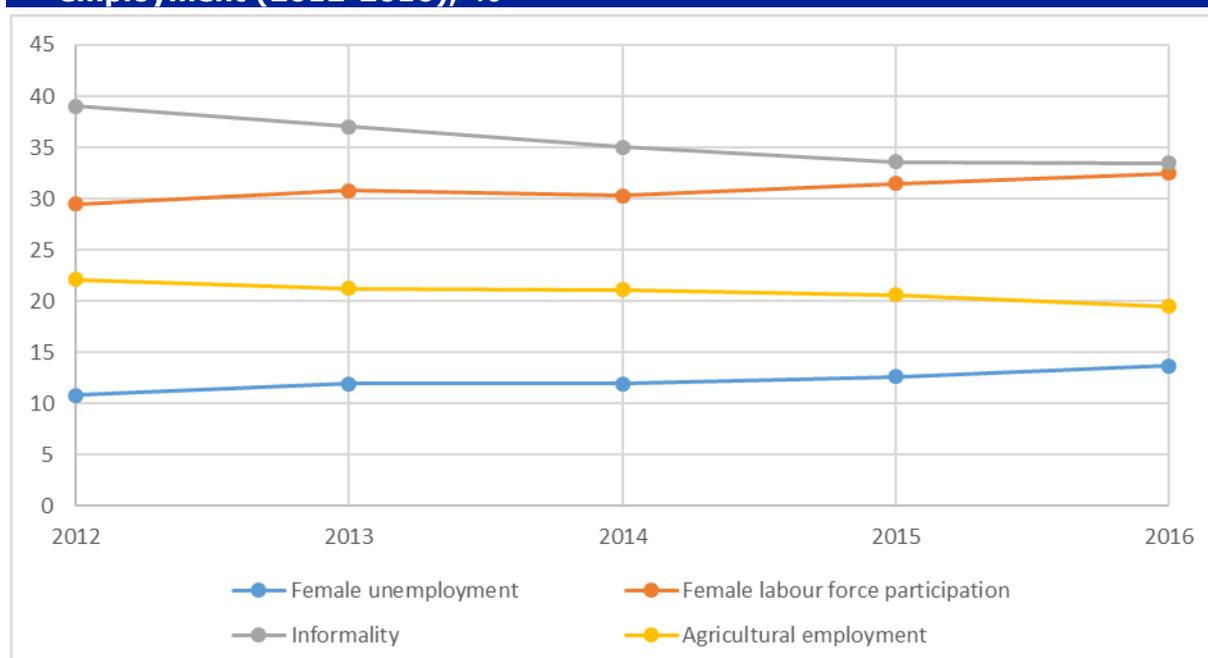


Figure 2. Turkey – at-risk-of-poverty and in-work poverty rates among all those employed, and in-work poverty by most frequent activity status (employee and self-employed) from 2012 to 2016, %



The difference between the male and female in-work poverty rates in 2016 was significant: 15.1% among men and 9.8% among women. This is the result of a sharp decrease since 2012 among women (from 15.7%). The rate for men stayed stable and was the same as in 2012. The potential reasons for this may be observed from Turkstat's labour force statistics (see Figure 3). The change in female IWP may be associated with a sharp decline in informality among women: from 58% in 2012 to 44.3% in 2016; meanwhile, the overall figure for informality only decreased from 39% to 33.5%. Equally important is the migration from rural to urban locations, which resulted in a decrease in agricultural employment from 22.1% in 2012 to 18.7% in 2016. Finally, it should also be noted that the female labour-force participation rate is low in Turkey, 32.5% in 2016, especially among women with less education (apart from in rural areas).

Figure 3. Trends in the share of female, informal and agricultural employment (2012-2016), %



At 9.4%, IWP is less common among those aged 55-64 than among younger people (14.3% and 13.8% in the age groups 18-24 and 25-54, respectively, in 2016). The rate fell most in the group aged 55-64 (from 13% in 2012) and least in the age groups 18-24 (from 15.7%) and 25-54 (from 15.5%). One factor that could have played a role in that outcome is the early-retirement opportunities that were in place until the social security reform of 2008, which gradually increased the retirement age from the earlier lower limit of the late 40s to the 60s.

As is the case in most EU countries, educational level is an important indicator of in-work poverty. Whereas, in 2016, only 1.3% of those with tertiary education were poor, the figure was 20.3% among those with less than upper secondary education and 8.5% among those with upper secondary education. The trend since 2012 has been upward, with 1, 1.4 and 0.4 percentage point increases among those with less than upper secondary, upper secondary and tertiary education, respectively.

The in-work poverty rate among foreigners born in non-EU countries was 13.3% in 2016. The sharp increase in the rate from 1.5% in 2015 is to be noted, and likely reflects the impact of Syrian refugees. Among foreigners born in the EU, the IWP rate was 3.5%. Although low relative to Turkish nationals (13.6%), this is considerably higher than the rate of 0.6% in 2012.

As is to be expected, in-work poverty is higher (three times higher) for those working on temporary contracts (8% of all workers in 2016) than for those on permanent contracts

(27.6% in 2016, as against 9.4%). While the rate stayed almost constant for those on a temporary contract, for those on a permanent contract it increased by 1.7 percentage points over the 2012 figure. On the other hand, unlike in most EU countries, in-work poverty among part-time (8.9% of all workers in 2016) and full-time workers is similar – 13.2% and 15.3%, respectively. This is markedly different from 2012, when poverty was 23.5% among part-time and 14.3% among full-time workers. It is to be noted that following the global financial crisis of 2008, the share of part-time employment increased sharply from 7.8% in 2007 to reach a peak of 11.3% in 2013. In the following years, it receded gradually, and was 8.9% in 2016. Hence, the decrease in IWP among those employed part time may be related to improving economic conditions.

Regarding household composition, in-work poverty is low among single-person households (5.6% in 2016) and households with at least two adults but no children (4.3%). The rate was 13.5% among single parents and 18.2% among households with at least two adults with dependent children. The rate has decreased since 2012 in all households, with the most striking decrease (2.2 percentage points) observed among households with at least two adults but no children (a rate of 34%).

In-work poverty reached 43.8% in 2016 among households with very low work intensity,⁶ but was as low as 6.5% among those with very high work intensity. The other rates were 10.2% (high work intensity), 18.7% (medium work intensity) and 30.6% (low work intensity). It is to be noted that the rate decreased sharply for those with very high and high work intensity (by 43.5% and 32%) after 2012, while it increased for those with medium and low work intensity (by 39.6% and 2.3%). The level is higher and the differences by work intensity are sharper for households with dependent children. The poverty rate among those with very low work intensity is six times the rate found among those with very high work intensity (55% and 9%) in households with dependent children, but four times (12.4% and 3.1%) in households with no dependent children. The trends since 2012 are similar in households with and without children, with a drop in poverty rates among those with high and very high work intensity and an increase among those with medium and low work intensity (the data for very low work intensity was not available in 2012).

It is to be noted that when it comes to those working in low-wage jobs (those earning two thirds or less of the national median gross hourly rate), the figure for Turkey was much smaller in 2014 (0.5% of the total work force) than for the EU and candidate countries. It should come as no surprise that the figure should be at the lower end of the scale, given that (i) there is a high prevalence of informality and informal wages are on average lower than formal wages, (ii) in the formal sector, most receive wages at or slightly above the minimum wage, and (iii) for tax evasion some employees are shown at the minimum wage, but informal side payments are made.

High unemployment, low female labour-force participation and prevalence of informality are key challenges that feed into in-work poverty. Turkey struggled to deal with these for a long time, but with limited success. One of the fundamental problems underlying these issues is low human capital accumulation, resulting from the below-par quality of the education system. Productivity is low and wages are often at the minimum-wage level, or lower in informal jobs. Facing poverty and deprivation on a large scale and with limited resources, the social assistance system is largely geared to those who are not employed, and disregards poverty among those who are employed.

⁶ The work intensity of a household is the ratio of the total number of months that all working-age household members have worked during the income reference year and the total number of months the same household members theoretically could have worked in the same period.

2 Analysis of the policies in place

2.1 Policies with a direct impact on in-work poverty

In-work poverty is not an issue at the forefront of policy discussions in Turkey. Most regular benefits in the social assistance system exclude those covered by the formal social security system, hence excluding households where at least one individual is formally employed. As for informal employees, there is anecdotal evidence indicating that those perceived as “able to work” have difficulties in accessing assistance. Since 2012, there has been no change in the social assistance system to improve access for those in employment. Furthermore, Alcan et al. (2016) report that the value of benefits as a percentage of pre-transfer household income is rather low, at around 10%, compared to 26% in countries of Latin America, Europe and Central Asia. Although preparations for a minimum income scheme were mentioned by government officials in 2017 (Ministry of Family and Social Policies, 2017), that has not been an issue in political circles in the last year and is not among the policies announced in the “Presidency’s 100-Day Action Plan” or in the 2019 Annual Programme. Although not likely to be implemented any time soon, a minimum income scheme could easily provide coverage for in-work poverty.

A minor yet significant development was the attempt to ease transition from social assistance to employment. With new regulation in 2015, those on social assistance rolls who find employment through the official employment agency İŞKUR have certain social assistance benefits continued for one year.

Net wages are low in Turkey. A major development regarding in-work poverty was a sharp increase of 30% in the minimum wage in 2016, from 1,000 Turkish lira (TRY) to 1,300 TRY (€177 to €230) a month, followed by an increase comparable to inflation in 2017 and above inflation in 2018 and 2019.⁷ In spite of the rise, the minimum wage is still low relative to the poverty threshold, with the minimum wage below the poverty threshold, for example, for a single-earner family of four with two children younger than 14 years (1,444 vs 1,668 TRY (€255 vs €295) in 2017). Furthermore, with high annual inflation of above 20% in 2018 and an increase in the minimum wage made only once a year, the purchasing power of income decreases quickly through the year.

Informal employment is one of the important causes of in-work poverty. Informal employment is, by definition, not subject to a minimum wage, and wages are usually lower for informal jobs. Furthermore, employment benefits to top up salaries are lacking. Del Carpio et al. (2017) found that informal jobs are of much lower quality than formal jobs, as measured by an index that consists of six dimensions.⁸ The informality rate decreased by 5.5 percentage point from 2012 to reach 33.5% in 2016. The fall was even more impressive among women, from 58% in 2012 to 44.3% in 2016. An important factor in that may have been employment incentives, which have been around since the financial crisis of 2008 but which were expanded significantly after 2017. Incentives are usually geared to the employment of youth and women and are mainly implemented by deducting the cost of the social security contributions of new employees for a period of one year. Although the motivation is to increase employment, and the subsidy is provided to employers, in an indirect manner such policies affect employees by reducing informality, as the incentives are only available for formal employment. Sustainability of these employment opportunities, once the incentives are over, remains to be seen.

In-work poverty is more common among those working on temporary contracts. In 2018, subcontracted workers in the public service were provided with the right to secure permanent staff positions. The change affected about one fifth of all public employees,

⁷ At 5.655 TRY per euro, the average exchange rate for the period 1.1.2018-30.11.2018.

⁸ The dimensions considered for the index are whether the job is regulated and protected by labour law and provides safe working conditions; adequate linkage between wages and the job; career advancement and growth; use of the highest level of productivity; resilience to shocks; adaptability to the changing economy.

who gained job security and various benefits granted to regular public employees. It should be noted, though, that subcontracting is still prevalent in the private sector.

Unionisation is low in Turkey and results in employees having low bargaining power. Furthermore, as indicated in a recent International Labour Organization report (ILO, 2018), labour unions keep underlining the need to revise the processes on union legislation, on the grounds that the current legal framework allows some employers to delay the authorisation process required for unions for long periods, by using the right to appeal against authorisation. The unions raise their demands to have the sector and workplace thresholds lowered.

Although there were demands from unions and opposition parties in 2018 for those on the minimum wage to be exempted from paying income tax, this is not expected to happen, as it would probably encourage informal payments to employees.⁹

Since 2008, Turkey has had a minimum subsistence allowance that is deducted from income tax. The amount varies by household composition. For a single individual it is equal to half of the tax on the minimum wage, though it increases if there is an unemployed husband/wife (by 10 percentage points) and children (7.5 percentage points each for the first two children and 5 percentage points for any further children). There is also a set of in-work benefits in place, which include payments in the event of marriage or death. For public employees, there is also a small allowance for children. These measures have little impact on the poverty situation, as the amounts concerned are small. The most important benefit is the severance pay to be paid by the employer at the termination of employment (unless the employee is at fault), at a rate calculated by multiplying the most recent monthly wage by the number of years worked for the company. In-work benefits defined by law, as would be expected, do not apply to informal employees.

Finally, there is ongoing discussion about reforming severance pay. Work is in progress to transform the system from the one outlined in the previous paragraph into a fund, into which the employer would regularly – each year – pay an amount (planned to be less than the amount under the current system), rather than paying out on termination of employment. The current system is seen as an important component of job security by labour unions, who largely object to the new regulation. Government expects the proposed legislation to increase flexibility in the job market and decrease informality. It may also be beneficial for some employees, who can be laid off before they have completed one year of employment and then hired back the next day, so that the employer can avoid severance payments.

2.2 Policies with an indirect impact on in-work poverty

Turkey has implemented a number of active labour market policies to increase employment and the productivity of individuals. As repeatedly indicated in policy documents (e.g. Ministry of Development, 2016), a major policy tool is vocational education and training programmes to fill the gap between the qualifications of the labour force and the skills demanded by employers. In 2017, vocational training programmes, entrepreneurship programmes and on-the-job training programmes reached a total of about 508,000 individuals, 7% more than the previous year (İŞKUR, 2018).

As discussed in Section 1, the education level is an important indicator of in-work poverty. In 2013, compulsory education was extended from 8 to 12 years. The net enrolment ratio in secondary education increased from 70% in the 2012/2013 school year to 79% in 2015/2016. Work is in progress to make one year of pre-primary school

⁹ <https://sptnkne.ws/kc5p>, <https://t24.com.tr/haber/turk-is-asgari-ucretten-vergi-alinmasin,756904>

accessible to all. The quality of education, however, is still problematic, with Turkey ranking significantly below the OECD averages in PISA exams (ERG, 2018).

There have also been a few minor policies indirectly affecting in-work poverty. One of these concerns elderly individuals with low income. Earlier, the means-testing system for social assistance for the elderly considered the incomes of all household members together. With new legislation implemented in 2016, only the elderly person to be cared for and his/her partner are considered by the means testing. Similarly, young household members who have graduated from school but live with their family are now covered by the health insurance of their parents for an additional two years. Both of these developments are positive for in-work poverty, because they extend social assistance to non-working household members in households with at least one formally employed individual.

Child poverty is high in Turkey, and in-work poverty is more prevalent among households with children. Yet there were no specific policies to address the child poverty problem in the period covered, other than continuing conditional cash transfers in eastern and south-eastern regions. By contrast, there is a policy of encouraging higher numbers of children, which is likely to aggravate child poverty in low-income families.

Syrian refugees (officially recipients of subsidiary protection on their way to third countries as refugees) constitute a large population of about 3.5 million. Until 2016, in the absence of a legislative framework, employment opportunities were informal, resulting in low wages. With the legislation in 2016, businesses can now obtain permits to employ refugees for up to 10% of their total employment requirement (at most one person in businesses with fewer than 10 employees). The quota can be increased if the employer can document the lack of locals to fill the spot. For those in temporary agricultural work, no permit is required, but local officials can set a quota. Language barriers and lack of qualifications persist as obstacles to well-paid jobs for refugees. A number of vocational education programmes are run for Syrians in cooperation with the EU and UN.

3 Policy debates, proposals and reforms on in-work poverty and recommendations

As mentioned above, in-work poverty has not been an issue at the forefront of policy discussions in Turkey. In the "Presidency's 100-Day Action Plan", which was prepared to set out the future agenda for Turkey following the June 2018 election (when Turkey's system of government underwent a transformation that led to structural changes that granted the president greater executive powers), there is no reference to in-work poverty. In previous government reports and policies, similarly, there was no explicit consideration of the problem.

In-work poverty has been repeatedly mentioned by trade unions, however, in their quest to improve working-class life. The usual entry point has been at the level of the minimum wage, which is said to be below the poverty line. For example, one of the strong unions, Kamu-Sen (the union of public servants) announced last September that for a single-member household the poverty threshold (computed in terms of absolute poverty) appeared to be almost double the minimum wage.¹⁰ Other unions have conducted similar calculations, giving the message that the minimum wage needs to be augmented in a radical way. In passing, one should note that unions' calculations of the poverty threshold are based on an absolute methodology¹¹ (which Turkstat used until 2009), and

¹⁰ <https://www.yenicaggazetesi.com.tr/yoksulluk-siniri-asgari-ucreti-ikiye-katladi-204626h.htm>

¹¹ The unions determine the poverty threshold based on necessary consumption, such as food, accommodation, education, for a representative household.

not the one currently in use by Eurostat. These calls by the unions are usually covered by the media, though usually on the back page.

Other than unions, in-work poverty has been a topic of interest in academic circles, especially among those working in the social policy field. Looking at the latest publications, we observe on the one hand a few comparative studies, locating Turkey's position for example in the OECD countries (Frazer and Marlier, 2010), and on the other hand a group of research projects (Erdođdu and Kutlu, 2014; Kapar, 2010; Oflluođlu and Balcı, 2016) focusing on the case of Turkey by unveiling in-work poverty in terms of its composition, as well as its underlying causes and consequences. Although difficult to assess, the impacts of such studies in the policy centres appear to be low.

On the other hand, when looking at the main reasons behind in-work poverty, as set out above, the issues of high prevalence of informality, unequal income distribution, difficulties faced by unions, inability to create high-quality jobs, low level of labour-force participation (especially among women), lack of human capital (thus the overall level of education) and a low level of social assistance have received some limited attention.

The issue of informality – although there has been steady improvement, the current level is of concern – does not appear as a policy priority, even though it continues to be a major hindrance to improving labour conditions and indirectly could offer a way of tackling in-work poverty. Similarly, the income distribution does not occur as one of the key policy discussions. Recall that, following a period of improvement, the level of inequality – in terms of the GINI index – has not improved (and indeed has even deteriorated in recent years) and is currently worse than all the EU-28 countries (with a figure of 0.40). It is important to notice that even though these two dimensions are of importance in understanding (and thus solving) the in-work poverty issue, they have not been addressed properly at the policy level.

Even though the unions can play an important role in addressing the in-work poverty problem, the issues they raise remain by and large not taken into account (or at best only partially tackled). That said, however, the recent ILO-Turkey attempt (ILO, 2018) to improve social dialogue in the country, where the Ministry of Family Labour and Social Services is the partner institute, ought to be noted. Whether this attempt will bring about policy alterations remains to be seen.

The low level of human capital in the country is what lies behind the low productivity of the production side in the country. Although past years have witnessed attempts to increase schooling years and the enrolment rate, the quality dimension has not been improved so much – and, perhaps more importantly, is less acknowledged (ERG, 2018). Another point to underline in passing is the ongoing reality that poor families' children have been provided with lower-quality education, and anyway they are normally forced to start working, in order to contribute to the family budget (or else expected to look after an elderly/disabled member of the family). As a result, most of them end up in low-paid jobs (mostly in the informal sector).

In dealing with the low level of labour-force participation, the family of policies conducted in the last decade can be tagged as incentivising employment and providing short-term training to potential candidates. Although there has been improvement, the rate is low compared to EU (and OECD) countries, especially among women (the lowest among EU and OECD countries). There has been no sustained policy to address the social factors behind this unwillingness to participation in the labour market.

As a final dimension behind the existence of the high level of in-work poverty, one should also address the magnitude of social assistance provided to the poor. Although the relative share of social assistance in the overall public budget has increased in recent years, the ratio is still well behind EU countries. Despite the fact that this dimension has always been on the priority list of policy makers, it is rather difficult to refer to a structural, systemic and long-term trajectory in that regard. Although at a discursive level there has been much talk in recent years about establishing a basic income scheme, nothing concrete has actually been done.

As a policy suggestion, one can argue that if the in-work poverty issue (and the poverty issue in general) is set as a priority policy, it needs to be addressed in a systemic and structural manner and there needs to be a long-term vision. In the context of Turkey, this translates into properly addressing the causes mentioned above and then setting out a path that would encompass the different, yet interrelated dimensions.

4 Assessing data and indicators

Turkstat does not officially announce in-work poverty figures on its website, but these are available for various segments of the population at Eurostat. In fact, certain figures and decompositions have been available until 2009, based on an absolute poverty threshold; but as Turkstat stopped estimating poverty based on that threshold, no statistics on in-work poverty have been publicly shared. The lack of statistics has also had an impact on academic studies. While a series of studies using data from prior to 2009 were published (see e.g. Erdoğan and Kutlu, 2014), there are so far none with statistical content in the following period.

As for the statistics available at Eurostat, some further segmentation could be of use to better understand the challenges. For example, in-work poverty in rural areas has different characteristics from IWP in urban areas, and it would be of interest to follow these separately to see better the changes in poverty among, for example, the self-employed and women. It would also be of value to observe poverty levels for informal vs formal jobs, as the former type of employment is more prone to lower wages, lower social security and lack of benefits.

Another complication arises from geographical differences in the cost of living. A calculation taking the purchasing power parity into account may be beneficial, as conditions could vary radically across different regions of Turkey.

A more fundamental issue is the difficulty of measuring income, as informality is rather prevalent. In that respect, material and social deprivation measures may be of help. Efforts to develop alternative measures would help assess poverty better in the absence of proper income measures.

While relative poverty is widely used, the absolute poverty measures may be of importance in Turkey to assess the extent to which households are able to meet their basic needs. The absolute poverty threshold would also address the potential bias in the relative poverty threshold due to misreported incomes. Since Turkstat stopped estimating poverty using absolute poverty thresholds in 2009, the measure is not currently available.

Work characteristics, such as hours worked or working conditions, are not regularly investigated (and not always within a large confidence interval).

Finally, several field studies have been conducted in Turkey where the focus has been on poverty and living conditions in a particular segment of society (e.g. the Roma). While these studies provide limited coverage, they are useful in understanding specific problems faced by households (see, e.g., Özdemir, 2014).

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