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ABSTRACT

Recent studies conducted in Turkey indicates that in near future the total fertility rate which is currently 2.23 will drop to renewal level, and as a result, the number children and the young population will decrease over time and the share of the elderly population within the overall population will increase. With respect to ageing, although Turkey is a young populated country two critical aspects should be taken into consideration. The first one is, total fertility rate is decreasing sharply, and so the demographic transition of Turkey is faster than the developed countries. Turkey has less time than today's aged countries for having proper policies for ageing because within 40 years Turkey will be an aged country. The second point is that, Turkey has a low proportion of elderly, but because the size of the population, although small percentages mean millions of elderly population. For 2007 Turkey has 6,5 million people over 60.

Proper evaluation of the changes in the demographic structure of Turkey and the reflections thereof would ensure determination of the possible consequences of ageing before the issue turns into a problem for the country. With parallel to international agenda Turkey has prepared "The Current Situation of Elderly People and The National Plan on Action on Ageing" on the basis of Madrid International Plan of Action (MIPAA) and Regional Implementation Strategy (RIS). The Action Plan has been prepared by "National Committee on Ageing" with participation from public and private institutions, NGOs, academicians and international organizations.

As this country report points out, in Turkey the most striking policy efforts are concentrated on social security systems after 2002. So, besides other RIS commitments this report mostly focuses on social security because to ensure social insurance to all citizens and to provide social assistance to elderly is the solution for poverty and social exclusion. In this report 10 RIS commitments is analyzed with emphasize to the social security reform (commitment four).

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1. Situation, Activities and Priorities Related to Ageing

a) National Ageing Situation

Ageing of the population is one of the most important demographic facts that came to the foreground in the 21st century. In the whole world, people live longer, birth rates decrease and consequently the elderly population increases both numerically and pro rata. Ageing of the population affects all facets of the society to include health, social security, environment-related issues, education, business opportunities, socio-cultural activities and family life.

Often more visible in developed countries, ageing is an issue that needs to be appraised with much significance also in developing countries just like developed countries. Researches held point out that our country is making a transition to a new demographic structure. It is foreseen that in near future the total fertility rate which is currently 2.23 will drop to replacement level, and as a result, the number children and the young population will decrease over time and the share of the elderly population within the overall population will increase. In developed countries, several studies and assessments are conducted on the effects of ageing of the population on the socioeconomic structure, while efforts to ensure that elderly people continue with their lives without being detached from social life gain importance. Proper evaluation of the changes in the demographic structure of Turkey and the reflections thereof would ensure determination of the possible consequences of ageing before the issue turns into a problem for the country.

In Turkey, social protection (covering social security, social services and social assistance) is prioritized as a primary intervention area. Details about the social security are also given below under the title “RIS Commitment 4: Adjustment of Social Protection Systems in Response to Demographic Changes and their Social and Economic Consequences”.

1.1. Demographic Situation

According to the results of the census conducted in 2000 the population of Turkey was 67,8 million and population growth rate was 15.1 per thousand for the 1990 - 2000 period. Projections done by the Turkish Statistical Office (TURKSTAT) show that total population of Turkey is about 73 million in 2006 and will reach to 77 million by the year 2010. Estimates show that, in the year 2025 and middle of this century total population will reach 88 and 96 million respectively.

The demographic structure of Turkey has started to become similar to those of the developed countries with the developments in the fertility level and the age structure. The total fertility rate was nearly 7 children per woman in the middle of twentieth century. According to the Turkish Demographic and Health Survey, carried out in 2003, it declined down to 2.23 children. The latest estimates in the year 2006 put life expectancy at 74 years for females and 69,1 years for males.

Table 1: Selected Demographic Indicators

	1950-55	2000-05	2025-30	2045-50
Total Fertility Rate (per woman)				
World	5.02	2.65	2.23	2.05
More Developed Regions	2.84	1.56	1.72	1.84
Less Developed Regions	6.17	2.90	2.31	2.07
Turkey	6.85	2.22	1.94	1.79
Crude Death Rate (per thousand)				
World	19.5	9.0	8.9	10.1
More Developed Regions	22.4	10.2	11.5	13.0
Less Developed Regions	23.8	8.7	8.4	9.6
Turkey	23.5	6.2	7.5	10.8
Life Expectancy at Birth (years)				
World	46.6	65.4	71.1	75.1
More Developed Regions	66.1	75.6	79.5	82.1
Less Developed Regions	41.1	63.4	69.6	74.0
Turkey	43.6	70.9	74.0	76.5

Source: (1) United Nations, World Population Prospects, The 2004 Revision Volume I

(2) Turkish Statistical Office, 1950 General Population Census.

As a result of sustained decreasing fertility rates and increasing life expectancy, Turkey's population started ageing. According to the estimates, in 2006 the percentage of people aged 60 and over is 8.7 % and the percentage will be 9.3 % in the year 2010, will be 13.5 % in 2025. It is expected that the percentage of old age will exceed the percentage of young age by the year 2040 and consequently, Turkish population will lose characteristic of young age structure and the percentage of old age will be 23.2 % in 2050.

In terms of absolute numbers that is greater concern for policy making, the elderly population in Turkey comprises about 6,2 million people in 2006. The figure is expected to reach 7,1 million in 2010, 11,9 million in 2025 and 22,4 in 2050. Although today, the percentage of elderly is not too high, it can be said that the number of old age persons are more than total population of some European countries. This amount of old age population will undoubtedly mean considerable pressure on the social and economic services provided to this group of the population.

Table 2: Median Age and Percentage Distribution Aged 0-14, 60 and over

	1950	2000	2025	2050
Percentage aged 0-14				
World	34.2	30.0	24.3	21.0
More Developed Regions	27.3	18.3	15.0	15.5
Less Developed Regions	37.6	32.8	26.0	21.8
Turkey	38.3	30.0	22.1	17.7
Percentage aged 60 and over				
World	8.2	10.0	15.0	21.1
More Developed Regions	11.7	19.4	28.2	33.5
Less Developed Regions	6.4	7.7	12.6	19.3
Turkey	5.9	8.2	13.5	23.2
Median Age (years)				
World	23.6	26.5	32.0	36.2
More Developed Regions	28.6	37.4	44.1	46.4
Less Developed Regions	21.4	24.3	30.0	35.0
Turkey	19.2	24.4	33.3	39.9

Source: (1) United Nations, World Population Ageing, 1950-2050, ST/ESA/SER.A/207, New York, 2002.

(2) Turkish Statistical Office, 1950 General Population Census.

(3) Population Projections, Turkish Statistical Office, August 2005.

1.2. Economic Situation

Turkish economy has recorded a remarkable progress after the 2001 crisis. During the period of 2002-2006, the macroeconomic policies and structural reforms being introduced after the crisis have played a dominant role in this progress with positive contribution from international developments, despite limited success in employment and deteriorated current account balance.

Gross Domestic Product (GDP), which grew by 8.9 % in 2004 and 7.4 % in 2005, is expected to record a 6 % growth rate in 2006 implying an ongoing high growth performance. The highest contributions to growth come from services and industry sectors. Productivity increase was rather high compared to former two decades due to policies and structural reforms carried out after 2001 crisis. As regards the demand side, the ratio of total investment expenditures to GDP increased from 22.8 % in 2003 to 24.8 % in 2005 and is expected as 24.8 % in 2006 with increasing share of private sector during this period.

It is expected that the unemployment rate will be 10.1 % in 2006 that was 10.3 % in 2005. Turkish economy has displayed limited success in lowering the unemployment rate due to still high labor force increase and decreasing agricultural employment. The unemployment rate is much lower in rural than in urban areas, particularly due to the widespread practice of unpaid family workers in agriculture.

1.3. Social and Political Situation

1.3.1. Policy Environment

Basic document for determining the path of Turkey is Development Plans. For the near future, as a fundamental reference document for guiding public policies, the Plan sets with the vision of as follows *“Turkey, a country of information society that is growing stably, sharing more equitably, globally competitive and fully completed her coherence with the European Union”*.

The Plan will serve to provide a long-term perspective and unity in objectives, not only for the public sector, but also for the society. To sustain economic growth and social development and to realize the vision of the Plan, the following strategic objectives have been determined as development axes:

- Increasing Competitiveness,
- Increasing Employment,
- Strengthening Human Development and Social Solidarity,
- Ensuring Regional Development,
- Increasing Quality and Effectiveness in Public Services.

1.3.2. Social Situation

Turkey is a society who looks after their elderly with their traditions and customs. The big majority of the elderly live with their children, the ones who live apart are in close contact. Because of this culture of harmony of family life helps to solve most of the problems of elderly but there is need for institutional care. This culture includes, as if it is for that the old person can continue his/her house and family life's duty and responsibility as in the past, too, it is for all the individuals of the family to be educated, informed and to be made conscious.

Turkey has been implementing several policies and programs towards ageing population. These policies have been implemented through the functioning of various organizations and through social assistance programs that are mainly financed by the government budgets and donations.

Due to reasons such as growing urbanization, migration and poverty and to some extent changes in the cultural structure of families, the need for social services and social assistance is permanently increasing. But there are important problems emerging from disorganized institutional and financial structures, among institutions, which constitute obstacles in the implementation of social services.

3. National Capacities for Follow-up to MIPAA/RIS

The population pyramid of Turkey will turn into a “pillar” shape pyramid within 40-45 years. And this demographic change will result in some risks and some opportunities. Before the ageing of Turkish population, we have a period that the young and elderly share is low. This period brings low dependency ratios and so opportunities for economic growth. Countries that have achieved to use the “demographic window of opportunity” by proper economic and social policies are able to manage the risks and disadvantages of ageing populations. The key intervention areas of this period are education, employment, social security and health policies for the coming years and decades.

Turkish Government are becoming much more aware of the consequences of ageing and its likely impact on especially social policy has grown significantly after the Ministerial Conference on Ageing in Berlin in 2002 (MICA). Turkey intends to enable her pensions, health and long term care systems to continue to perform her social objectives and retain her financial sustainability when the pressures from ageing rise. In recent years several major reforms have already been carried out to make health system effective and to increase the effectiveness of the social security system, social pension system and studies to improve income distribution, social inclusion many are being continued by the Turkish Government.

3.2. Turkish National Plan of Action on Ageing and National Committee for Ageing

The Regional Implementation Strategy of the 2002 Ministerial Conference on Ageing provides valuable insight for determining priorities and policies on the needs of older persons in Turkey. Within this context, a National Committee has been set up to follow up MIPAA/RIS commitments. The Committee consists of participants from universities, relevant public institutions, NGOs and national organizations (association of retired workers, Federation of Women Associations etc.) that are working on ageing. The Committee studied as working groups in 2004 and 2005 to prepare a national program of action on ageing. Preparation of The Turkish National Plan of Action on Ageing has been completed and adopted by The High Planning Council at 01/05/2007. After adoption the Plan, a monitoring mechanism will be set up by SPO in coordination with The General Directorate of Social Services and Child Protection Agency.

In this context, ageing related research projects are prioritized by public institutions. Besides promoting new research projects on ageing, special questions were added to ongoing periodic researches (for example a module has been added to Turkey Demographic and Health Surveys). Although these efforts collected data is not at the sufficient level in order to see the whole picture of ageing in Turkey.

4. Review and Appraisal by Subject Area

RIS Commitment 1: Mainstreaming ageing

In Turkey, ageing is mainstreamed in recent years within the framework of social security reform including social insurance and social assistance. After 2002, important steps have taken to ensure the financial stability of social security and to strengthen social assistance towards elderly. Besides social security reform, some other policy implications towards elderly have been included in the National Development Plan.

The problems and efforts for social security system is analysed under the Commitment 4 in detail, but some striking points should also be mentioned here. The most important problem of social security organizations is that revenues can not meet the expenses. While the ratio of the amounts of transfer from the budget to social security organizations in GDP was 2.6 % in 2000, this ratio was increased to 4.8 % in 2005. In addition, the social security system also has such problems as the inability to cover the entire population, different rights and obligations provided by organizations, inadequate information system infrastructure and inefficient operation of the supervision mechanisms in the system.

Towards eliminating problems in the social security system; the Law on Social Security Institution and the Law on Social Insurance and Universal Health Insurance, which were prepared with the aim of gathering social security institutions as one single organization and establishing health insurance, were enacted by the Turkish Grand National Assembly.

Works for setting up sound criteria towards the determination of persons and groups to benefit from social services and assistance have been started. However, due to the lack of collaboration among organizations and insufficient qualified personnel within the system, services cannot be provided to those really in need at the desired level. In addition, the need for the development of collaboration with voluntary organizations in social services and assistance still continues to exist.

The Ninth Turkish Development Plan (2007-2013)

Selected main policies and objectives concerning old age population that have been taken place in the section of The Strengthening Human Developments and Social Solidarity of The Ninth Turkish Development Plan (2007-2013) have been given below;

- The basic purpose of the policies in the area of human development and social solidarity will be to improve the quality of life and welfare of society through ensuring that all segments of the population sufficiently benefit from the basic public services and a multidimensional social protection network. For the provision of basic public services, education and health policies, and for the development of social protection network, policies for an inclusive and sustainable health and social security system, social services with increased efficiency, improving income distribution, social inclusion and fighting with poverty, protecting and strengthening culture and developing social dialogue will be the main priority areas.

- Home care services targeting the old will be supported, and the number and quality of nursing homes will be increased with regard to institutional care.

- It will be ensured that all segments, primarily including the central administration, local administrations and non governmental organizations, work in coordination in the

implementation of policies targeting the prevention of poverty and social exclusion and in relevant services such as education, housing and employment.

- The shortage of qualified personnel in the area of social services and benefits will be eliminated and the quality of the existing personnel will be raised.

- Activities of local governments and nongovernmental organization in the area of social services and assistance will be supported.

RIS Commitment 2: Integration and participation of older persons

In Turkey, efforts to integrate elderly people in personal or organizational endeavors in economic, political, cultural and social spheres and ensure their active participations in this respect fall short.

In both rural and urban life, no structuring other than village headman and village authorities is observed in the political sphere in this sense. While a number of sincere efforts are observed in providing for active participation of elderly people in rural or urban living in economic, social and cultural spheres, these efforts remain very limited. In this context, it is necessary to increase the awareness of individuals by ensuring solidarity between generations in social, economic, cultural, etc. aspects, with first and foremost education, in order to eliminate all kinds of discrimination and exclusion against elderly people and other disadvantaged groups.

In Turkey, on the other hand, elderly people or retirees do not have any unionist rights within the boundaries drawn by laws. Nevertheless, a number of associations, foundations and similar non-governmental formations have endeavors to ensure elderly people's active participation in social life, even if limited, although their titles and establishment aims do not address elderly people.

There are also active unions of retired employees established by retired workers or civil servants, although they are in violation of our legislation and their target audiences are not elderly people exactly. One of the collective provisions included in establishment aims of these organizations is to provide for active participations of retired individuals (and elderly people within the scope) in economic, social and cultural life within Constitutional and legal frameworks.

Nevertheless, thanks to the enactment of the Law on Associations on 4 November 2004, which eliminates the restrictive legal provisions to an extent so as to ensure also political participation, our non-governmental institutions has acquired the status enabling them to pursue joint efforts with political parties, develop organic ties with them and obtain financial support from them.

In addition, both within the current legal framework and in the scope of the newly drafted Social Security Reform, retired employees have the right of representation in the administrative structures of the social security institutions, just like active employees. For example, the Turkish Association of Retired Workers is represented with one member in the Board of Directors of the Social Insurance Institution.

Despite all of these arrangements, an "Elderly Labor Union" or a federative structure that would encompass within its scope our elderly individuals who are not a member of any social security organization does not exist. The legal participation rights granted to current organizations for retired employees, too, are very limited.

About the provision of elderly people's participation in all stages of the decision making process, the primary participatory formations consist of platforms launched by local interest groups titled "City Councils", working groups, efforts aiming at the district, women and youth councils and special interest groups such as children's, elderly people's and disabled people's platforms.

In order to ensure full participation of elderly people in the decision making processes, initially they need to take part at the top of the political decision making processes. Formation of

“Elderly Branches” under political parties, just like women’s branches, youth branches or workers’ branches is an obligation. Currently, efforts have been initiated by political parties in this respect and units that serve elderly people have been formed. The main goal in this context should be efforts to establish units that would represent elderly people’s rights to speak and say so in all political parties, local governments, non-governmental organizations, universities and other educational institutions.

In municipalities, there are “Councils” comprising of elderly people. The members of these councils are elected from among the elderly citizens who reside within the boundaries of that municipality and serve as consultants in particular situations concerning elderly citizens.

RIS Commitment 3: Promotion of equitable and sustainable economic growth in response to population ageing

Studies made on many developing countries have shown that demographic changes had important impacts on economic growth. Major impacts of ageing on economy results from social security deficits in most of the countries.

The financing problem experienced by the social security system is negatively affecting the key economic indicators, especially the inflation, due to the pressure it creates on public financing. Within the last ten years, the social security system itself has become one of the main sources creating instability in the Turkish economy. The share of the transfers made to the social security institutions in order to close their deficits from the public budget in GNP reflects the severity of the problem.

The financing problem faced by the social security institution increases the need for public borrowing. Current 2003 value of the total deficits of these institutions during the period of 1994-2003, calculated by taking into account the interest rate on Treasury bills within the same period, has reached 345 quadrillion. To state it differently, the resources used to finance the deficits of the social security system within the last 10 years, is almost equal to the total national product created by Turkey in 2003. In addition, this amount is 1.24 times the total consolidated debt stock of the end of 2003.

This amount, in a way, uncovers the extent of the damage caused by the incorrect organization of the social security system. When Turkey's having a young population is taken into consideration, a well-designed social security system should have contributed into the economy positively by creating fund accumulation during this period, instead of having deficits.

This increase in the public debt stock originating from the social security system, is causing interest rates to rise on one hand, and resulting in the upsurge of inflation by increasing the uncertainty on the other. In addition, all these affect investments negatively and achievement of sustainable growth rates is prevented. As a result, the rate of unemployment increases and income distribution gradually worsens.

Due to the said reasons economic stability program is being implemented successfully within the last three years, taking the inflation under control without compromising growth makes it inevitable to mitigate the pressure created by the debt stock on the economy.

Ensuring fiscal discipline is one of the essential elements of the stability programs, the final objective of which is to provide price stability and sustainable growth. The primary budget surplus, which is created by controlling public deficit, contributes both to the decrease of debt stock and regression in risk premium and inflation expectations by increasing the confidence in economic policies. All these developments increase consumer and investor confidence and therefore affect growth positively. Growth, in return, is the most effective tool in fighting against unemployment and poverty.

Nevertheless, continuation of macroeconomic stability requires the public fiscal balance to become sustainable in both the medium and the long run. This, on the other hand, depends to a great extent on the completion of the structural reforms in public sector. Realization of a comprehensive social security reform will primarily reduce the pressure of social security institutions on public deficits. Reduction in public deficits will in return decrease the need for the primary budget surplus required for the regression of the debt stock to reasonable levels in the medium run. As it is known, the primary budget surplus projected by the stability program for 2004 is at a high level of 6.5 % of GNP. In addition, the requirement for the reduction of debt stock makes it necessary to have high primary budget surpluses in the future years as well. When it is considered that the transfers projected to be made from the budget to social security institutions will reach 4.5 % of GNP, it will be possible to reduce the amount of the primary surplus required for the economic balances to be protected to reasonable levels, even only the deficits of the social security institutions are decreased. In this way, it will be possible to drop the ratio of the budget deficits to the national product to the level of 3 %, required by the Maastricht criteria within the framework European Union adaptation process.

RIS Commitment 4: Adjustment of social protection systems in response to demographic changes and their social and economic consequences

Turkey like other aged countries will anyway face with some financial burdens and problems to offset the ageing problem. For this reason Turkey that is a country not under big pressures of ageing problem has to take necessary steps in advance to make easier the ageing problem in near future and to be ready handle ageing. Turkey should share the experiences of these countries and has to conduct more detailed studies concentrating on ageing and its problems in the future.

While some solutions for the problems of ageing people are searched all around the world, we wanted to get an opportunity to make up for the deficiencies in this subject in Turkey. In this respect, as a young populated but ageing country, Turkey has started to strengthen the financial sustainability of social security system since 2001.

Efforts to ensure financial sustainability of social security system stems from several reasons such as; change in population structure, inability of current system to provide protection against poverty and administrative problems of current social security institutions.

The current structure of the social security system in Turkey and its problems are being extensively discussed in public since the beginning of 1990s. One of these problems, the ever increasing deficits of social security institutions, has come forth especially since 1994. These deficits financed by the state, started creating a significant pressure on budget balances within the following few years. With the social security reform realized in 1999, this financing problem that could cause even bigger problems in the short- and long-run unless urgent measures are taken, has been tried to be solved by making new regulations especially on retirement parameters.

Upon this determination, all public institutions and organizations related to social security have accelerated their preparations and efforts with this regard.

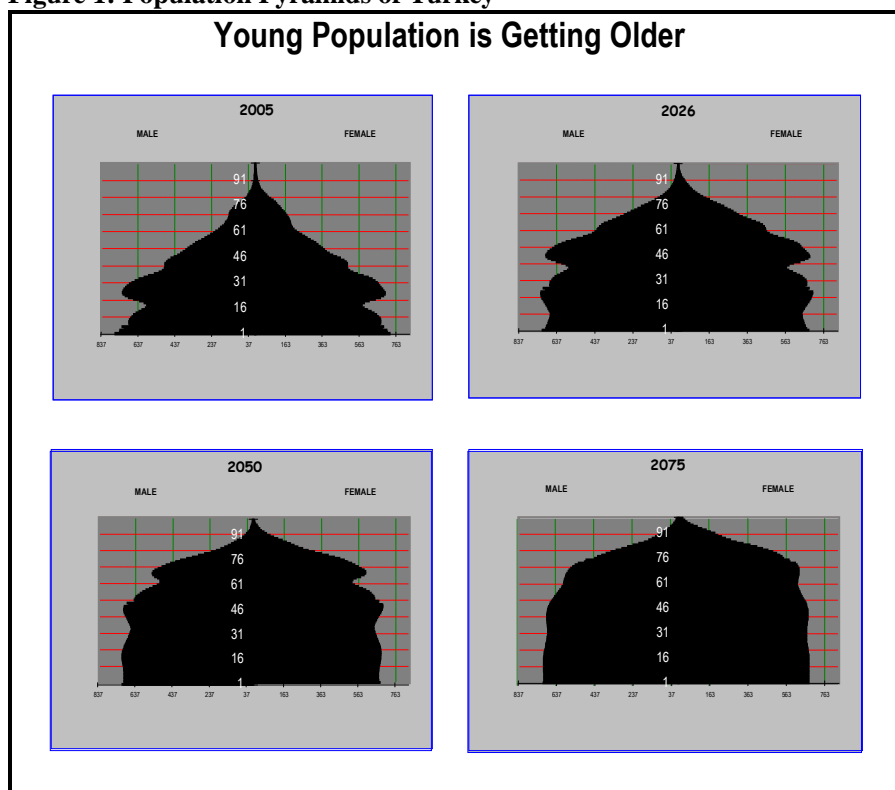
4.1. Why is a Reform Needed in the Area of Social Security

4.1.1. Change in Population Structure

One of the most important variables that determine whether current social security systems are financially sustainable in the long run or not is the distribution of the population according to age groups. Increase of the population covering age 65 and over within the whole population causes the revenues of the social security system to decrease while increasing its expenses. For this reason, the rate of change of the population pyramid of a country also shows the future of the social security system and the time schedule for the measures to be taken.

Turkey currently has a young population structure. On the other hand, projections regarding the future state that this population will rapidly get older.

Figure 1: Population Pyramids of Turkey



Source: White Paper: Social Security Reform in Turkey, 2003.

The period in which the ratio of the population covering the age 65 and over to the total population between the age 0-64 will increase from 7 % to 14 % has been calculated for some countries including Turkey. Compared to the current industrialized countries, Turkey will face the problem of old population within a quite short period of 27 years. Leave aside the problems arising from the structure of the current social security system, even the rate of ageing projected for Turkey alone requires an urgent and comprehensive reform in the social security system.

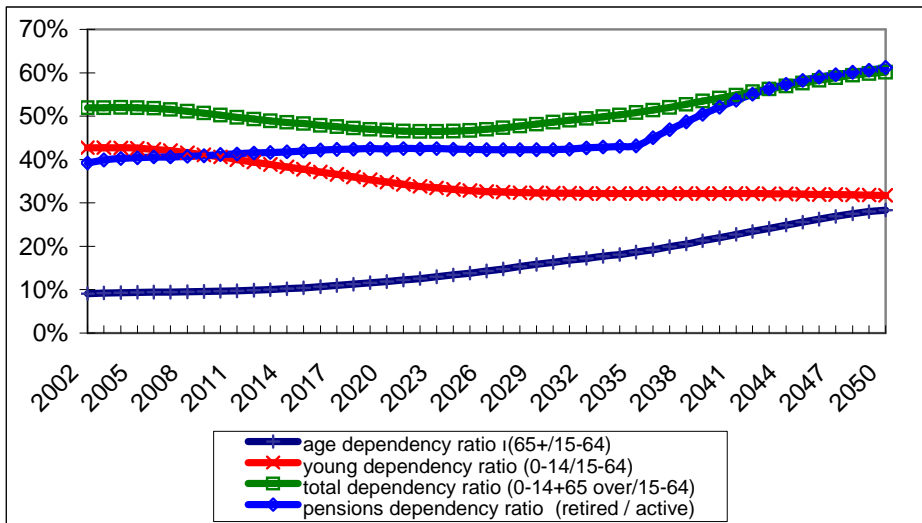
Table 3: Rate of Ageing in Some Countries and in Turkey (*)

Countries	The year when the 7% is reached	The year when the 14% is reached	Transition Period (Year)
Japan	1970	1996	26
France	1865	1980	115
Germany	1930	1975	45
Sweeden	1890	1975	85
England	1930	1975	45
USA	1945	2020	75
Turkey	2012	2039	27

(*) The period of transition of the ratio of the population covering the age 65 and over to the total population between the age 0-64 from 7% to 14%.

Source: Joshi (Japan Health and Social Ministry), ILO studies.

Projections regarding other indicators related to the change in the structure of the population also show that the future 27 years is a period of opportunity at the same time (Box 1). Some indicators that should be taken into consideration with regard to the social security system have been given below.

Figure 2: Dependency Ratios

Source: White Paper: Social Security Reform in Turkey, 2003.

Total dependency rate shows the ratio of the population covering the age 65 and over and the population covering 0-14 age group to the total population. Total dependency ratio in Turkey, which will decrease until the year 2025, will have an upward trend starting with this year and this trend will accelerate starting with the year 2035. In other words, the following twenty years will be a period where the dependent population will decrease and the working-age population will increase in return. At the same time, both the rate of growth and social savings are expected to rise in this period, where social security institutions can acquire fund accumulation.

4.1.2. Inability of the Current Systems to Provide Protection Against Poverty

The essential purpose of social security systems is to protect people against poverty. Poverty is a fact that multiplies itself, in case the necessary measures are not taken. High fertility, malnutrition, health problems, low education level and unemployment feed themselves within a

vicious cycle. Even though the share of the total expenditures of social security institutions in GNP in our country was at a high level of 11 % in 2003, the current system is not effective enough in preventing poverty. Resources are not being used effectively. According to the results of the study on poverty conducted by the TURKSTAT, 1.35 % of the population of Turkey is below the line of poverty that includes food expenditures and 27 % lives below the poverty line that includes food and non-food expenditures.

4.1.3. Negative Impacts of the Financial Deficits of Social Security Institutions on the Economy

The financing problem experienced by the social security system is negatively affecting the key economic indicators, especially the inflation, due to the pressure it creates on public financing. Within the last ten years, the social security system itself has become one of the main sources creating instability in the Turkish economy. The share of the transfers made to the social security institutions in order to close their deficits from the public budget in GNP reflects the severity of the problem clearly.

4.1.4. Inability to Protect the Whole Population

According to the current data showing the structure of employment, only 48 % of the work force is subject to a social insurance institution as of 2003 and around 11 million people that constitute 52 % of the work force could not formally recorded. Within the current system, it is estimated that approximately 14 % of the population is not effectively covered by any health security.

4.1.5. Problems of Current Social Security Institutions

Existence of many institutions that perform activities in the area of social security creates a social security system where rights and obligations of those covered by these institutions differentiate. This scattered structure prevents coordination. On the other hand, complicated legislation, extremely bureaucratic processes, inadequate information technology infrastructure and problems concerning personnel prevent the effective performance of social security institutions. As a result, the length of delivery for many services provided from granting retirement salaries to getting health reports and accessing health services, are extended.

4.2. The General Framework of the Social Security Reform

The essential purpose of the social security reform is to achieve an equitable, easily accessed, financially sustainable social protection system, which provides a more efficient protection against poverty.

Social security reform consists of 4 main components that complement each other. The first component is the creation of a General Health Insurance towards financing the provision of a high quality health service for all population, which is equitable, equal, protective and curative. The second is the gathering of social benefits and services that are currently being carried out in a scattered manner and establishment of a system where they are based on objective benefit criteria and can be reached by all groups who are in need. The third is the setting up of a single retirement insurance regime that includes short and long term insurance branches other than health. The fourth and last component on the other hand is the creation of a new institutional structure, which will provide the opportunity to present services regarding the three essential functions mentioned above in a modern and efficient manner that would facilitate the lives of our citizens.

The First Component: General Health Insurance

Public health insurance services which are currently provided in different qualities and standards will be integrated and transformed into a structure where all our citizens will be provided with health insurance services in equal scope and quality.

A financing model, the basic policy of which is to primarily implement all kinds of protective health programs in order for our citizens to lead a healthy life without getting sick, will be applied. In case the health is lost in spite of this, models that will ensure that people only buy those services, which comply with the treatment, will be applied with cost and and treatment effective methods.

An obligatory, premium based health insurance system will be established.

Health insurance premiums for the poor will be provided by the state from the resources allocated for social benefits and these payments will be based on objective minimum subsistence level criteria.

Detailed health histories of the insured will be stored in the central database and will be provided for the use of family doctors (general practitioners) and other doctors.

A cost and treatment effective financial management will be established within the scope of the General Health Insurance and it will be activated in harmony and interaction with the "Transformation in Health Program" carried out by the Ministry of Health towards the development of health service provision.

Contemporary control and monitoring systems, such as on-line provisions, treatment protocols, package deals, etc. will be efficiently used in order for both to protect the well-being of the insured and to prevent the misuse of the GHI resources.

The Second Component: Social Benefits and Services

The basic purpose will be to make the public resource used in this area equitable and accessible based on objective benefit criteria.

Provision of social benefit payments towards poor groups that are in need will be the basic function.

The right for social benefit will be determined based on the minimum subsistence level criteria. At first, the minimum subsistence level will be determined according to the per capita expenditure and accepted as 1/3 of the daily minimum wage.

In accordance with Law No.2022, elderly people who are of 65 years of age or over, in a dependent capacity with no relatives and no financial income become entitled for pension. According to Law No 2022 issued on 10 July 1976, whose financial provisions became effective on 01 March 1977, Turkish citizens who are over 65 years of age, provided that they are in need, or disabled people even if they are under 65 years of age become entitled pension throughout their lives. In line with the Law, those who are entitled to pension are also entitled for free of charge medical treatment at public hospitals. The amount calculated by multiplying the specified index figure with the coefficient applied to the pensions of civil servants is considered as the 2022 pension. This amount varies by years.

Activities and programs regarding social benefits and services will be carried out in integrity under the supervision and in coordination with the state, ensuring the contributions and participations of all sections of the society (local administrations, private legal persons and real persons).

The Third Component: Retirement Insurance

Transformation of five different retirement regimes, which currently cover civil servants, those working on salaries under labor contracts, those working in agricultural activities on wages, those working for their own accounts and those working in agriculture for their own accounts, into one single retirement regime where the rights and obligations will be equal in actuary terms.

New regulations on parametric issues such as the retirement age, replacement rate, and adjustment of salaries will be introduced. The purposes of these regulations can be summarized as:

- Ensuring benefit-burden balance in the allowance of insurance rights such as old age, disability, survivors allowances, invalidity allowances, insurance upon request, actual and nominal service increases, retirement due to lack of cadres, full and partial retirement,
- Protecting work force,
- Reducing the reasons for informal employment that arise from the retirement regime.

Transformation of the retirement regime into a financially sustainable structure and taking measures against the ageing process of our population is another important objective targeted with parametric changes.

Simplifying the legislation and transforming it into a comprehensible form, and therefore increasing the satisfaction and participation of the insured are aimed.

Alternative and easy payment channels for those whose premiums are not paid by an employer (tradesmen, farmers, daily waged) will be created, opportunity for total premium payment within the year will be provided.

The Fourth Component: Institutional Structuring

In order for the three essential functions related to the social protection system defined above to be carried out harmoniously and efficiently, establishment of a new and single institutional structure where services are provided in integration is aimed.

An institutional structure, which is completely focused on user satisfaction in the access of our citizens to social security services, which will facilitate the daily life using all means of technology, where bureaucracy is reduced to minimum, is planned.

Realization of applications that will be carried out related to retirement and health insurances and social benefits and services in a rapid and effective manner through widespread, automated Service Centers of the Social Protection Institution (SC) which are organized in small units is projected.

Resolution of the problems of the citizens by making use of fast communication technologies such as the Internet and call centers, along with the Service Centers of the Social Protection Institution, in service provision is targeted.

The new institutional structure is planned to be completely in place after a 3 years transition period.

RIS Commitment 5: Enabling labour markets to respond to the economic and social consequences of population ageing

Harmonization with the EU Acquis and demographic changes necessitates flexible working arrangements. There exists a need for flexibility in labor market in order to help the enterprises and the workers to harmonize with the transformations. Even though some countries can be considered as successful at this issue, their labor markets all have special characteristics. Therefore appropriate flexibility model peculiar to Turkish Labor Market are being studied and have not been accomplished.

In this context, necessary regulations are expected to be completed within the scope of flexible working and retirement arrangements including active labor market policies, new regulations on the application of employment, applying efficiency based wage systems, eliminating the factors that affect competitiveness of the enterprises negatively, reducing bureaucracy, transition from “job security” to increasing the ability of employment approach by changing the concept of “security”, facilitating to work in the later years of life and ensuring life long learning.

RIS Commitment 6: Promotion of life-long learning and adaptation of the educational system in order to meet the changing economic, social and demographic conditions

As for the population, it is expected that by 2020 almost 70% of Turkey’s population will be of working age. This could be a unique opportunity for Turkey in terms of economic and social development, provided that there is a substantial increase in human resource development through adequate investment in education and training. The educational attainments in Turkey are below the levels desired and planned targets. As far as initial education and training for literacy, employment and average educational attainments are concerned, all figures show that there is significant room for LLL interventions at all levels. Characteristic for Turkey’s labour market is the relatively low labour force participation rate (compared to the OECD and European Area countries). The share of the labour force employed in agriculture is decreasing, but remains considerably higher than in EU countries.

A Non-formal Educational Institutions Decree (Resmi Gazete Nr. 26080, 2006) has recently been approved by the Ministry of National Education to regulate the activities of the non-formal educational institutions attached to The Directorate General of Apprenticeship and Non-Formal Education of MONE ... (Article 1). This covers the establishment, administration, education, production, counselling, inspection and coordination activities of all courses to be opened by Public Education Centres (PEC) and Educational Rooms (ER), or by any other institution in cooperation or with the approval of PECs, outside of private educational institutions. (Article 2). This new regulation matches Turkey’s needs better than the 1979 regulation on non-formal education centres. It is more flexible and arranges that, if possible, powers are transferred to a local level. It also regulates the participation of volunteers (which can be persons and institutions).

The modern concept of lifelong learning is relatively new in Turkey, although the basic idea is ancient, predating the formal education system. Nevertheless, all parties agree that people need to acquire, extend, renew or replace their skills continuously in order to compete in the labour market, and to cope well and learn fully in different fields of their lives. Lifelong learning, as an important learning activity undertaken on an ongoing basis with the aim of improving

knowledge, skills and competence, however, does not yet serve as an integrating part of the changing patterns of learning, living and working in Turkey. The concept is not yet understood as a common guiding principle in current Turkish educational and labour market policy.

Expansive training efforts are conducted across the country by the public and private sectors under the surveillance and supervision of the Ministry of National Education through public education, apprenticeship, distance learning, open primary school, open high school, open vocational and technical school, private training institutions, private courses, private vocational and technical courses and private motor vehicle driving courses. Various courses recently launched by Metropolitan Municipalities (computer, English language, manual skills, etc.) accept all interested individuals who wish to receive training, without any discrimination by age limits. In addition, literacy courses are conducted through the “Education Campaign” launched by Education Volunteers.

Nevertheless, among these activities, the ones aiming at or benefited by elderly people are not satisfactory in terms of both content and duration. It is observed that policies involving renewal of the education and training systems, lifelong equal opportunities for vocational guidance and placement services aiming at ensuring contributions of elderly people over 60 years of age to the development of our country are not covered at the desired levels as of yet.

RIS Commitment 7: Striving to ensure quality of life at all ages and maintain independent living including health and well-being

Ageing is an inevitable process - but this process may be a health and high-quality process, thereby the social burden arising from the elderly population may be decreased. Developing strategies aiming at increasing the quality of life and health ageing is an important means in increasing social health.

The resources reserved for healthcare in Turkey are below the corresponding level in the OECD countries and the available resources are utilized inefficiently. There is no single general health insurance system that covers all individuals and the existent insurance institutions operate according to different principles from one another. The private health insurance system, on the other hand, is a new system, not well-established and not widespread as of yet. This situation generates adverse effects for our elderly people in terms of benefiting from healthcare services adequately and properly.

In Turkey, just like other countries, the increase in the life span, the changes in the family structure and social relationships, decreasing of the activity level through the advancing technology and the sedentary living style arising there from and the intense level of stress caused by harsh living conditions bring about an increase in the chronic diseases and the problems arising from old-age. Moreover, the inadequate level of special clinics for elderly people and the healthcare services in Turkey causes the diseases that arise in elderly people to become chronic and brings about an increase in functional losses and disabilities and a decrease in their self-sufficiency levels. The social deficiency of information and education on healthy living and healthy ageing, inadequate activity level and lack of the habit of exercising furthers this problem. For most elderly people who go to clinics, it turns out that treatment has been delayed or neglected and sometimes the patient has lost any chances for early and effective treatment and become completely dependent. While healthcare expenses of such patients increase, the requirement for the care of healthcare personnel or for families also increases. Often their treatment becomes an impasse and their nursing becomes very difficult as a result of the grave picture that is created. First of all the elderly people themselves, then the healthcare personnel

and families suffer acutely from the lack of special healthcare policies and systems intended for elderly people in our country.

In Turkey, as in several other areas, one of the most important problems encountered in drawing the profile for the elderly population is the lack of an adequate and accurate data base. Thus, all units in our country related to elderly people have to keep systematic records and these records have to be made available for use in inter-institutional cooperation and coordination. The data base required for clearly drawing the elderly population profile in our country would increase both the employability of these records and the realization and cost efficiency of the projects and actions to be developed for elderly people.

Another significant problem is lack of awareness about elderly health. The significance of health ageing on personal and social terms is emphasized and social training concerning therewith is tired to be provided.

RIS Commitment 8: Mainstreaming a gender approach in an ageing society to support families that provide care for older persons and promote intergenerational and intra-generational solidarity among their members

Looking at the distribution of the population over 65 in terms of gender, we see that women represent a greater share compared to men. Women have longer average life spans compared to men also in our country, just as in the whole world. Life expectancy at birth forecasted as 68.5 for men and 73.3 for women, for the 2000-2005 period. This difference of approximately 5 years results in a higher share for women among the overall elderly population. As a reflection thereof, women represent 54 % of the overall elderly population. Looking at the women-men percentages within the overall elderly population, we see that women have greater percentages than men in almost all countries.

The economic growth and social change occurring in our country do not affect women, men and elderly people equally, and the influences of development in the household are not divided equally either. Women who are adversely influenced from gender discrimination provide the circulation of information inside their village by forming various social networks in rural areas and play significant roles in the keep up of daily life, even as they fail to be cognizant of and/or utilize the adequate means and tools that would enable them to live a better life, thus remain marginal in the modernization process. Indeed, women's participation in management and decision making processes is less compared to men, they benefit from principal healthcare and educational services at a lesser level, have difficulty in accessing income sources and fail to profit from technology. As such, the contributions of individuals in all age groups, and especially women, in all sectors including non-remunerated work are neglected. In this connection, awareness levels of individuals need to be improved through provision of solidarity between generations in social, economic, cultural, etc. spheres so as to eliminate all kinds of discrimination and exclusion against disadvantaged groups and elderly people.

While women pursue a life with rather domestic roles, being dependent on men, as a disadvantaged group, recent investments realized in elimination of inter-regional disparity and as a result of the evident growth in social services ensured an increase in the services offered to elderly people, and especially disadvantaged groups. Significant improvements are observed in the current situation of elderly people on account of the recent economic growth and social change. Also, projects and programs supported by various private entrepreneurs started to be implemented.

RIS Commitment 9: Support for families that provide care for older persons and promote intergenerational and intra-generational solidarity among their members

Turkey has undergone a rapid social structural change. There have been important changes in the family life. Rapid transformations change social institutions, behavior and values, while the changes in the family affect the status and functions of the elder. In Turkey, family functions did not change in the same direction with the changes in the family structure. As on one hand new nuclear families start to decompose from large families, the system of family and relatives start to form on functional terms, on the other hand. Although families live in separate residences in both rural and urban areas, mutual assistance and support is expected among relatives. Apart from financial support, children seek assistance from their parents in child care, while the caring for and sustenance of elderly parents becomes the responsibility of grown up children. The family also assumes the responsibility of widowers in need.

Our society maintains its feature of looking after the elder and has good examples of intergenerational solidarity. As a result of a survey held in Ankara among 1300 elderly people, the observance was made that the Turkish family structure has not lost its positive aspects especially in terms of elderly people and that elderly people are still respected and esteemed in the family. Although the survey was held in the urban sector, it is evident that the traditional approach to elderly still remains. Majority of the elderly people that participated in the survey (84.4 %) perceive being old as being respected. Meanwhile 64.4 % of the elderly people, who stated that they felt old, maintained a positive attitude towards being old.

Life styles based on mutual support between parents and children in the Turkish society is very important in facilitating young people's start in life at the beginning of their marriages and taking their lives under assurance.

While the tradition of living together with parents, even if for a temporary period, is one of the most distinctive factors, the need of the elderly people for their children to look after them is another factor bringing about living together. The chances of parents living with their children decrease as young people start to have their own children. While the prospect of living with parents is higher in rural areas, the situation is that the son accommodating his parents at his home.

Due to the limited social security systems in developing countries such as Turkey, families along with the state and other institutions assume the responsibility of elderly people. The family functions as an important support mechanism in our country.

RIS Commitment 10: Promotion of the implementation and the follow-up of the Regional Implementation Strategy through regional cooperation

In order to ensure promotion of implementation and follow up of RIS, a National Committee has been set up to follow up MIPAA/RIS commitments. The Committee consists of participants from universities, relevant public institutions, NGOs and national organizations (association of retired workers, Federation of Women Associations etc.) that are working on ageing. As mentioned before, the Committee first of all prepared a national action plan. In order to monitor the national action plan a coordinating institution and a secretariat institution have been determined. These institutions together with the National Committee sets the mechanisms of monitoring.

Besides, participation to the UNECE meetings and efforts to strengthen international cooperation and experience sharing has been ensured. The experience of Turkey has been conveyed to the

international meetings and at the same time the outputs of the international cooperation have been shared with national stakeholders.

5. Conclusion

In Turkey, since the adoption of MIPAA/RIS in 2002, policies for an ageing population has concentrated on social security reforms and social assistance. In general sense, social protection (covering social security, social services and social assistance) is prioritised as a primary intervention area.

The essential purpose of the social security reform was to achieve an equitable, easily accessed, financially sustainable social protection system, which provides a more efficient protection against poverty. The reform has four main components; the creation of a General Health Insurance, unifying the social benefits and social services systems, setting up of a single retirement insurance regime and the creation of a new institutional structure. These efforts have recorded successes in order to eliminate poverty, insuring regular income and health insurance and prevent social exclusion.

But in Turkey, because of two reasons Turkey has not given enough emphasize to elderly policies. One reason is, in Turkey elderly population is not high as percentages when comparing the EU and developed countries. The second reason is that, in Turkey, informal support mechanisms are quite strong and the need for institutional solutions is not striking.

But in the near future, Turkey will need to take important steps for elderly population because population is getting older faster than any other countries. In order to provide a wide perspective for future policies, “The Situation of Elderly People in Turkey and the National Plan of Action on Ageing” has been prepared and adopted by High Planning Council. In this framework, Turkey should strengthen the capacity of institutions, have an integrated approach by effective implementation of the National Action Plan and monitor it, and finally to convey the international experience to Turkey.

Annex

List and contact details of organizations in your country directly involved in preparing this report

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Association of Geriatrics and Gerontology
Directorate General of Bağ-Kur (Social Security Organization for Artisans and the Self-Employed)
Directorate General on the Status of Women
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Hacettepe University Department of Home Economics
Hacettepe University School of Physiotherapy and Rehabilitation
Hacettepe University Geriatric Sciences Research Center
Hacettepe University School of Nursing
Metropolitan Municipality of Ankara
Ministry of Finance
Ministry of Foreign Affairs
Ministry of Health
Ministry of Internal Affairs
Ministry of National Education General Directorate of Apprenticeship and Adult Education
Ministry of National Education General Directorate of Technical Education for Girls
National Education Health Education Foundation
Social Insurance Institution
Social Services and Child Protection Agency
State Planning Organization
Turkish Aid Foundation for Weak and Homeless People
Turkish Labor Institution
Turkish Physiotherapy Association
Turkish Pension Fund
Turkish Statistical Institution
United Nations Population Fund