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SOCIAL SECURITY IN AGRICULTURE  
- THE CASE OF TURKEY

by

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## Abstract

Tayfun Uğur Aktürk, "Social Security in Agriculture  
-The Case of Turkey "

The subject of the study is the social security implementation in the agricultural sector of Turkey.

Part I, focuses on the factors explaining social security developments in the world and in Turkey. Past and present situation of social security is also described. The history and the relevant organizations of social security are examined and the deficiencies are stated. Major focus is on the financial aspects of social security schemes. Creation and employment of funds regarding social security programs are described in detail.

In the second part of the study, each article of the laws issued in 1983 by the Ulusu Government concerning social security implementation for the agricultural population is explained. Respectively, deficiencies and positive provisions in the laws are mentioned. Following the above argument, implementation successes of the laws are assessed according to a model developed by Sabatier-Mazmanian. Guidelines regarding social security implementation in the agricultural sector of Turkey are then presented by applying a methodology devised by Mathew.

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## LIST OF ABBREVIATIONS

- Bağ-Kur : Esnaf ve Sanatkârlar ve Diğer Bağımsız Çalışanlar Sosyal Sigortalar Kurumu (Social Insurance Organization for tradesmen, artisans, and other independent self-employed professionals )
- GNP : Gross National Product
- ILO : International Labour Office
- OYAK : Ordu Yardımlaşma Kurumu (Army Mutual Assistance Organization )
- SIO : Social Insurance Organization (Sosyal Sigortalar Kurumu )
- SIS : State Institute of Statistics (Devlet İstatistik Enstitüsü )
- SPO : State Planning Organization ( Devlet Planlama Teşkilatı )
- TL : Turkish Lira ( Unit of Currency )
- TRRF : Turkish Republic Retirement Fund ( Türkiye Cumhuriyeti Emekli Sandığı )

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## INTRODUCTION

Social Insurance is the most powerful tool of social security as long as the whole of the working population and their dependents are covered in this system. In developed countries of the world, social insurance schemes have achieved the targeted end. But in developing and underdeveloped countries the situation is far from being satisfactory, especially from the point of view of the agricultural population.

In the field of social security, the agricultural sector has not kept pace with other economic sectors, especially in the developing countries.<sup>1</sup> In all parts of the world, the first measures taken in the social field were intended for industrial workers. Although the scope of social security is broader nowadays, the fact remains that its purposes and methods originally reflected the social needs of an urban working population.<sup>2</sup> This is also true of the Turkish case. Although our country remains mainly agrarian even in 1980's, the first organization which is still in function, namely Social Insurance Organization first established in 1946 was originally founded for industrial workers. But while the developed countries have succeeded in devising social security schemes in line with the specific conditions of the agricultural population, Turkey has lagged far behind.

The importance of the agricultural sector in the Turkish economy can not be denied: 22 % of GNP is created by agriculture; 57% of total export revenues' origin is agricultural produce<sup>3</sup>; percentage of agricultural population

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<sup>1</sup>Robert Sawy, Social Security in Agriculture, NS 78 (Geneva: ILO, 1972), p. III.

<sup>2</sup>Ibid., p. 1.

<sup>3</sup>Türkiye'nin Ekonomik Göstergeleri 1976-1980 (Ankara: Türkiye İş Bankası A.Ş. İktisadi Araştırmalar Müdürlüğü, n.d.), p. 3-8.

to total employed population is about 64%.<sup>4</sup> Yet no attempt was made for a total coverage of the agricultural population until the end of 1983 while the urban population already enjoyed social security benefits to varying extents. It is interesting to note that Turkey is the only country in Europe which has not implemented any specific social security program for the agricultural workers and farmers until 1983.<sup>5</sup> This is a rather striking fact for a country whose professed aim in social development, as well as in other fields, has been to attain the level reached by the western world.

The main focus of this study will be on the laws issued by the Ulusu Government late in 1983. These laws encompass the first provisions which have taken as their target the whole agricultural population. Actually these laws might have been issued too late from the Turkish Grand National Assembly to be effective in overcoming some socio-economic problems which have been the most pronounced items in the governmental agenda. Some of these problems are: migration from rural to urban areas and social mobilization connected to it; high population rise in rural areas; high rate of infant mortality due to child diseases; increase in health problems of residents in rural areas due to non-availability and/or insufficiency of health services; low level of income due to deficiencies in income distribution. In addition to their late adoption, these laws are clearly insufficient and defective. The main purpose of this study will be to analyse this insufficiency and to throw light upon its causes. As it is evident that, it is not only the laws themselves which assure an effective implementation, but also numerous other factors, the analysis will at the same time be extended to the discussion of these factors.

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<sup>4</sup> Ibid.; For details, see Appendix I.

<sup>5</sup> Savy, Social Security in Agriculture, pp 21-53.

The study is composed of two main parts. In the first part, the specific problem of social security in agriculture is treated in a larger framework encompassing characteristics, trends, and problems associated with social security in general. The past and present situation of social security in the world and in Turkey is displayed; factors explaining social security development are discussed, characteristics and deficiencies of relevant social security organizations are described. Financial aspects of social security are given special emphasis. High depletion rate of financial reserves because of the present benefit schemes and inflationary losses, high amounts of uncollected due premiums, lack of state participation in the premium payment, and inefficient investment of financial reserves account for the crucial importance of financial problems in discussions about social security. Our purpose in this part is to highlight issues and problems associated with social security in general so as to prepare the ground for a detailed discussion of the specific problem which is the major concern of the study.

In the second part, the two laws issued in 1983 by the Ulusu Government for agricultural population are described, their deficiencies and positive provisions are stated. Following this general evaluation, the implementation successes of the two laws are assessed more specifically using a model developed by Sabatier and Mazmanian. As a result of these analyses the laws are found to be unsatisfactory. Subsequently, guidelines for social security implementation in the agricultural sector are presented by making use of a methodology devised by Mathew. In harmony with the emphasis on financial problems in the first part of the study, financial factors are given special attention in devising guidelines. This proposal aims at providing guidelines, which we think will assure the effective and productive operation of social security schemes not only for agricultural sector, but for any scheme that is expected to serve to the community.

## PART I

## 1.SOCIAL SECURITY AND ITS EXTENSIONS IN AGRICULTURE

### 1.1.DEVELOPMENT OF SOCIAL SECURITY SCHEMES IN THE WORLD

In this section, evolution of welfare states and development of social insurance schemes will be outlined.

When social and political pressures in the industrialized countries have reached a point at which responsibilities for assuring social services to most of the population in accordance with their needs have been assumed by the government, the resultant system can be described as that of a "welfare state".<sup>6</sup> A "welfare state" modifies the play of the market forces so as to guarantee at least a minimum level of social and economic well-being to every citizen. The fact that this level of social and economic welfare is granted as a right and not as a charity implies that the government has the corresponding duty to arrange institutions so as to assure social security benefits to the entire population. The fact that the welfare state modifies the play of the market forces implies a break with the traditional liberal ideology which permits no interference with the market distribution of income. In a welfare state not only health services are provided as right, but social security is guaranteed whatever the consequences for a market-based economy.

The modern welfare state is a product of the last ninety years though it has an important previous history.<sup>7</sup> Two periods can be distinguished from one another in the pre-welfare state period: the "Poor law" period from the sixteenth to the eighteenth and nineteenth centuries, and the "Liberal break" of the nineteenth century. Flora and Alber state that:

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<sup>6</sup> Milton I. Roemer, Comparative National Policies on Health Care, (New York: Marcel Dekker Inc., 1977), p. 15.

<sup>7</sup> Peter Flora and A.J. Heidenheimer, eds., The Development of Welfare States in Europe and America (New Brunswick: Transactions, 1981), p. 48.

"The importance of the latter phase lies primarily in the coincidence of new social problems created by industrialization and urbanization with an emerging philosophy that facilitated the destruction of old protective institutions." <sup>8</sup>

This emerging philosophy, liberalism, by its insistence on "self-help" helped to destroy faith in the old age belief in charity. By doing so, paradoxically it helped to clear the way for an ideological consensus on social security not as charity, nor self-help but as a right. "The Take-off" of the modern welfare state occurred in the last two decades of the nineteenth century. This is reflected in the increase and structural change of public expenditures with respect to social welfare and institutional innovations, especially that of social insurance. In Germany, the United Kingdom, and Sweden the ratio of public expenditures to GNP roughly tripled between the turn of the century and the end of Second World War. <sup>9</sup> The trend and time pattern of social expenditures has been predominantly shaped by social security outlays in the sense of transfer payments for social insurance and public assistance. Flora and Alber state that:

"The widening scope of income redistribution through social transfer payments is the most significant structural change in the development of social expenditures and of public expenditures in general."

Basic institutional breakthrough of the modern welfare state is reflected in the social insurance legislations. <sup>10</sup> Flora and Alber explain the timing of different insurance schemes by the degree to which the introduction of each scheme

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<sup>8</sup> Ibid.

<sup>9</sup> Ibid., p. 49.

<sup>10</sup> Ibid., p. 50.

represented a break with the traditional liberal ideology. The schemes which came later in time represented more important breaks with liberal ideas than those which were adopted earlier. Flora and Alber explain the phenomena of the break with liberalism by the principle of compulsory insurance as well as the recognized amount of state-financial responsibility. They assert that:

"Two aspects of employers' liability represented clear break with liberalism. The first was that, industrial accidents were increasingly viewed as an inevitable element of industrial production. The other aspect was that the individual liability of employers usually was replaced by a pooling of risks among all employers of an industrial branch. Another deep break with Liberalism occurred in the case of providing security against risks of nonoccupational origin such as sickness, old age and, finally unemployment. Unemployment insurance was usually introduced last because the notion of state support for the "un-deserving poor" required the most radical break with liberal and patrimonial principles. So, the innovations and extensions of social security showed a parallelism with the gradual abandon of traditional liberal ideas. Modern liberalism recognizes the fact that the social system is at least partly responsible for the well-being of citizens and justifies state coercion on the right to liberty for the purposes of general social welfare." <sup>11</sup>

The development and extension of social insurance was a gradual process. The expansion of social security proceeded by including more risks and social segments of the society in the spectrum of schemes. For example, initial provisions for

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<sup>11</sup> Ibid., p. 51-52.

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industrial accidents were frequently limited to workers in a few especially dangerous industries.<sup>12</sup> Likewise, unemployment insurance initially was typically limited to industrial workers of specified industries. Following Flora and Alber, we can distinguish four stages of social insurance legislation which are in chronological order: (i) A classical introductory phase from the early German legislation until 1914: By the outbreak of World War I, all developed countries had some kind of the workmen's compensation schemes, voluntary sickness insurance programs, old age insurance program and unemployment insurance. (ii) A phase of extension between the two world wars: In this phase, the number of covered increased and new groups such as the non-employed were partly included, thereby strengthening the goal of national minimum social security. (iii) A phase of completion immediately after the World War II: All insurance branches were adopted in the majority of the developed countries of Europe. (iv) A phase of consolidation and reorganization after 1950: Two major changes occurred in this phase. The first consisted in extending social insurance to self-employed persons. The second change was constituted by a coordination and even unification of existing schemes based on a more comprehensive conception of social security.<sup>13</sup>

In 1952, "Social Security Minimum Norms Agreement No: 102" was accepted by ILO. This document establishes nine social security branches: sickness; maternity; job accident and occupational diseases; monetary aids; invalidity; old age; death; unemployment; family assistances. In accordance with Social Security Minimum Norms Agreement, today, most developed countries of Europe and other developed countries of the world have applied all nine branches of social security in the most advanced and efficient fashion. Incidentally, this document may be viewed as being the first norm for Turkish Social Security

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<sup>12</sup> Ibid.

<sup>13</sup> Ibid., p. 54.



because it was also accepted by Turkey. Its requirements have not been fulfilled however, and we will try to explain this in Section 1.1.2. But before, we must give a rationale for the need of social insurance and define it in more detail.

### 1.1.1.The need for social security:

Human beings have various needs throughout their lives. Although the kind of need felt by a human being depends on various conditions, he should at least eat, drink, and shelter himself in an environment where air exists to survive. But these are only minimum needs for a living person to be alive at all. As Maslow put it in his theory of "Hierarchy of Human Needs", individuals are becoming in need of higher order needs as long as they satisfy their lower order needs relatively.<sup>14</sup> It can be asserted that this theory has a certain commonsense appeal and appropriately coincides with the reality. The primary need in this theory is designated by survival or basic needs satisfied by air, food, and shelter. The secondary needs are security or safety needs satisfied by insurance, saving, and storing. This suggests that whenever an individual satisfies his basic physical needs, he begins to search for securing himself at present and in the future. Therefore security in its wide meaning is a need for every individual in the community.

However, this need can be more or less satisfied in the framework of very different social institutions. For instance, many authors have pointed out that there is a relation between the forms of family structure in a rural setting and the absence or availability of social security protection. For example Dandekar states that:

"Especially in the rural areas of most developing countries in Asia, children are considered as source of security for parents when the latter are unable to earn their livelihood on account of old age or disability, or are counted upon to supplement the meagre family incomes."<sup>15</sup>

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<sup>14</sup>H.B. Maynard, Industrial Engineering Handbook (New York : McGraw Hill, 1971), p. 7-7.

<sup>15</sup>Asian Regional Symposium of National Specialists on Population Aspects of Rural Social Security, Report (Kuala Lumpur : ILO, 1975), p. 63.

We see in this example, which incidentally is also true of the Turkish rural setting to some extent, that the need for social security is satisfied through an extended form of family. Obviously, in both form and content, the satisfaction of the bare need of social security is very different in this case than the case in which this need is satisfied through modern social insurance institutions. Interestingly enough in settings where these two types of satisfaction co-exist, modern social security in a rural setting is also advocated on population policy grounds. Indeed Dandekar goes on to assert that:

"There is a consensus that in the Asian context, one of the strong inducements to promote the small family norm is the provision of a minimum level of social security which would transfer to society some of the familial functions of economic security and support. Vice versa, if in a rural setting social security system is lacking, then the population increase will persist." <sup>16</sup>

Another example of a different social institution through which the need for security can be satisfied is that of the guilds of artisans in the late Middle Ages. The basic aim of these guilds was to establish standards of skill and protect the financial interests of the trade. But they also provided for the personal welfare of their members by pooling funds to meet various adversities such as old age or sickness. This type of profession-based social security institution is not dissimilar to the more modern cases in which trade unions have collected money from their members to provide for social risks. Churches and other religious institutions and co-operative mutual benefit societies can also be given as examples of

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<sup>16</sup> Ibid.

<sup>17</sup> Roemer, Comparative National Policies on Health Care p. 15.

different institutional set-ups through which the need for social security is satisfied. These institutions either support private charity or subsidize voluntary insurance. Flora and Alber define this type of solution to social security as "Associative solution" as distinct from "Welfare state solution".<sup>18</sup> The basic difference is that in the latter, state coerces individuals either through taxation or by direct legislation so as to provide for the general social welfare.

In this thesis, we will be concerned with those social institutions through which the need for social security is satisfied through welfare state solutions. That being clear, we can now proceed to define social security more closely by enlisting five elements: (a) social security is a legal organization, (b) social security is a duty which is guaranteed by the state, (c) social security aims to include the whole nation, (d) social security is a protection system against losses or dangers not controllable by the individuals, (e) social security is liable to ensure a minimum level compatible to individuals honor. Further, we can, following Asa Briggs, state the purposes of social security in the most general way as:

- guaranteeing individuals and families a minimum income irrespective of the market value of their property;
- narrowing the extent of insecurity by enabling individuals and families to meet certain "social contingencies" (for example, sickness, old age, and unemployment);
- ensuring that all citizens without distinction of status or class are offered the best standards available in relation to a certain agreed range of social services."<sup>19</sup>

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<sup>18</sup> Flora and Heidenheimer, The Development of Welfare States, p. 42.

<sup>19</sup> Asa Briggs, "The Welfare State in Historical Perspective," European Journal of Sociology, 2, 1961, p. 228.

Social insurance, along with public assistance and family and child allowances is the major institution of social security. The institution provides income maintenance in cases like maternity, childhood, parent-hood, old age, widowhood and in situations of employment incapacity like sickness, injuries, invalidity. Finally, in developed countries social insurance is also extended to unemployment among the active labor force. Perhaps two related concepts should also be defined at this point. Short and long term social security branches are defined on the basis of the contingencies being suffered in short-term or in the more distant future. Another aspect of social security is the enhancement of rights vertically or horizontally. The success of a state in realization of social security implementations is measured by the number of its members who are in a social security organization. This is called horizontal rights enhancement. In developed European countries all social security branches are in operation for the community to the fullest extent. On the contrary, where some individuals receive more and more social security benefits where others receive none at all, this status is called vertical rights enhancement.

In order to bring out the distinctiveness of social insurance further, we may usefully compare it with private insurance. The comparison is made in Table-1. As the name implies, private insurance does not aim to include the whole population of a nation. Rather, the attention is on the individuals whose income level is sufficient to finance the scheme and who are in need of insurance. Basically there are few points common to private and social insurance which makes it easy to compare these two forms of insurance. Main purposes differ widely. The main purpose of private insurance is to make profit, whereas it is to provide insurance benefits to persons who are in need in the latter. It is necessary to note that

characteristics given under social insurance heading are valid only for welfare states. For example whole population is covered in social insurance schemes only in welfare states and socialist countries. As a rare exception to the general application, no state contribution exists in Turkish social insurance context. (1)

Table- 1

Private insurance	Social insurance
-It is not compulsory	-It is the principle that it should be compulsory
-Need accumulation of reserves to cover future outlays, since no state subsidy exists. Thus investment of reserves is of crucial importance.	-Almost always state subsidy is available which makes investment of reserves less critical.
-Practically no upper limit exists for premium payment.	-There exists upper limits for premium payment.
-The more you pay the more you benefit. There is a strict mathematical relationship between payments and income.	-The amount you benefit is not related with what you pay. It is calculated according to the extent of the need.
-Tries to avoid bad risks and to compose their clientele exclusively of select lives.	-Tries to cover whole population in a community without considering the risk factor of any specific group. (i.e. no selection is made within a pool of individuals)
-No test of need is made. Insurance policy guarantees the amount due to be paid at term expiration.	-The right to obtain a pension is dependent on the existence of the need.
-Has no effect on re-distribution of income (i.e. from rich to poor)	-Social insurance re-distributes income from rich to poor.

The definition of social security that we have given in this section is a functional one limited to the purposes of this thesis. It is clear, however that, one can refine the concept of social security by taking this concept as part of a larger whole. For example, social security is a part of social or public policy. Depending upon the theoretical perspective one adopts in this matter, and the kind of approach one adopts with respect to governmental policy, the larger whole, of which social insurance is a part can be viewed differently. For example, suppose we adopt a "Bismarckian" definition of social policy as follows: "Social policy is the policy which helps to preserve and administer the state and the law against the struggles, disputes and actions of social classes in a society."<sup>20</sup> In this kind of approach we are focusing on preserving the indivisibility of the state against different groups in the society. But we can also view social policy as an answer to different needs arising in the society, through a political process which reflects the preferences of different groups in the society. It is evident, then, that a definition of social security, when pursued further than we do in this section would have to deal with these complex conceptual issues. It is important to point out that these issues are out of the scope in our thesis. We adopt a pragmatic and empirical public policy perspective and want to throw light on a specific empirical issue. So we claim that a definition of social security of the type given in this chapter is sufficient for our purposes. We shall in the next section see how social security developed in Turkey and attempt to explain this development.

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<sup>20</sup> Gerhard Kessler, İctimai Siyaset, trans. by Orhan Tuna (Istanbul: n.d., 1945), p. 4.

### 1.1.2. Factors contributing to social security development and the case of Turkey:

In this section of our thesis, we will try to describe the factors contributing to the development of social security systems and to explain approaches regarding adoption of social security schemes in Turkey.

There are mainly two approaches utilized in explaining social security development. Prerequisites approach deals with the causes of adoption of social security schemes within a nation. On the other hand diffusion approach focuses on the imitation of social security programs among nations.

Clearly the "Political Mobilization" concept encompasses the pressure group activity factor. The presence or absence of pressure group activity is indirectly linked with the so called "Prerequisites approach" in explaining social security development. The level of socio-economic development and political mobilization are generally taken to be the most important explanatory factors for social security development within a nation. But generally, partly because of lack of data, detailed and well-made studies on this subject are rather rare. One example is the Flora and Alber study.<sup>21</sup> These scholars attempted to explain social security development in Europe. Along with a measure of economic development and a measure of constitutional set-up, they utilized a measure of political mobilization as their independent variable. They based this measure in the electoral participation of the working class and more precisely on the percentage of votes in national election for working class parties. Their findings are ambiguous, but nonetheless they do indicate that the development of social insurance schemes are a function of the combined effects of economic development and political mobilization. There is one social group which

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<sup>21</sup> Flora and Heidenheimer, The Development of Welfare States, pp. 37-80.



has played a specific role in this connection, namely that of public employees. The entrance and development of social security implementations in the world were generally limited to individuals who are public employees. Through its process of development, public employees benefitted always more than other groups. For example the first group in which a 100% coverage was reached by social security applications in Turkey is public employees. Moreover health services are more available to public employees than to the others. This trend has never changed through the years of spreading of social security applications in Turkey. The most noticable product of pressure groups in the field of social security in Turkey, however, is the enhancement of rights of specific population segments vertically. Let us take the example of OYAK.<sup>22</sup> This organization provided enhanced rights in comparison to other public employees in the field of social security. On the contrary, Bağ-Kur<sup>23</sup> was established in the same years to provide only long term social insurance branches to its members. This fact can be explained by pointing out to the influence of public employees on the legislative organs of the state. Since they are element of the state bureaucracy, they played an important role in social security development. By implication we can say that trade unions, chambers of various professions and other pressure groups were not as effective as public servants in providing social security benefits to their members.

The importance of pressure group activity is observed also with respect to the agricultural sector. Even today there is no job legislation which would arrange legal framework of social and economic activities in the

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<sup>22</sup> Abbreviation for "Ordu Yardımlaşma Kurumu" ( Army Mutual Assistance Organization).

<sup>23</sup> Abbreviation for "Esnaf ve Sanatkârlar ve Diğer Bağımsız Çalışanlar Sosyal Sigortalar Kurumu" (Social Insurance Organization for tradesmen, artisans, and other independent Self-employed Professionals).

agricultural sector. We think that Karahasanoğlu is correct in explaining the delay in the coverage of agricultural workers and self-employed farmers in the social insurance organization with reference to pressure group activity or nonactivity. He asserts that "Pressure groups had an effective role in determining which segments of the community should be given the opportunity of social security."<sup>24</sup> He further mentions that self-employed farmers are the least organized group in our society. Naturally, agricultural sector has characteristics which makes it much different than other sectors. It is evident then, that, these specific conditions explain the delay in social security development in the agricultural sector. Nonetheless it can be claimed that one of the most important factors which prevented social security development in the agricultural sector has been the lack of pressure group activity. This claim is in line with observations made elsewhere. For example the impact and importance of pressure groups in the achievement of health services has been observed in Latin American countries. To quote one scholar:

"Throughout the first half of this century, health programs are launched which provided greatly improved services in the main cities. It is hardly likely that these programs would have been realized without the growing political importance of industrial workers."<sup>25</sup>

In other studies, the prerequisites approach is put rather more crudely. The development of social security is treated as a result of the social and economic transformations which are in turn associated with the transition from primarily agricultural to industrial economies. The hypothesis is that the decline in the proportion of the work force in agriculture

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<sup>24</sup> Taner Karahasanoğlu, Türkiye'de Sosyal Güvenlik Çıkmazı, (İstanbul: Şamil Yayınları, 1973), p. 77.

<sup>25</sup> Roemer, Comparative National Policies on Health Care, pp. 9-10.

increases the need for social security. The decline in the proportion of the work force in agriculture means that industrialization and also urbanization increases. Therefore since industrial workers are more exposed to insecurity than agricultural workers, the need for social security proportionally increases. The basis of this deduction is that although agricultural workers have considerable welfare needs, they can make certain provisions for such purposes that are non-monetary in nature and that are unavailable for those who have left the land. Food and shelter are more readily acquired through non-monetary means in agricultural settings, and it is easier to make non-monetary provisions for sickness and old age in an agricultural setting in which extended family networks are often of greater importance.<sup>26</sup> It is clear in the case of Turkey that industrialization increased the need for social security. This would imply in the Turkish context the following: the lawmaker might have considered that the need for social security in agricultural sector was less important and less urgent than in the industrial sector.

Although it may seem rather trivial to say that the passage from an agricultural to an industrial structure is a prerequisite of social security, the importance of industrialization can not be underestimated. As pointed out by Organski; on the one hand industrialization provides opportunities for organization and leadership that make it possible for workers to demand protection; and on the other hand productivity increases resulting from industrialization, make social security financially possible.<sup>27</sup> This is very important in explaining the development of social security in agriculture in the Turkish context. First of all, the lack of powerful representation of the agricultural

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<sup>26</sup>David Collier and Richard E. Messick, "Prerequisites Versus Diffusion: Testing Alternative Explanations of Social Security Adoption," The American Political Science Review, LXIX (December, 1975), 1303.

<sup>27</sup>A.F.K. Organski, The Stages of Political Development (New York: Alfred K. Knopf, 1965), p. 162.

population, the insufficient organizational structure and the difficulty in creating leadership leaves no possibility for these population segments to spread and support their ideas and needs. Geographical conditions and socio-economic structure do affect the political power of agricultural population. Also, low productivity in the agricultural sector contributes indirectly to this state of affairs. Moreover, the lack of financial resources might also have influenced the government to consider that the agricultural sector does not have surplus resources to finance social security expenses and especially long term benefits. So, it may be asserted that the state which has a limited budget for social security expenditures postponed the adoption of social security until it assumed that agricultural sector possessed financial power to allocate to social security schemes. /

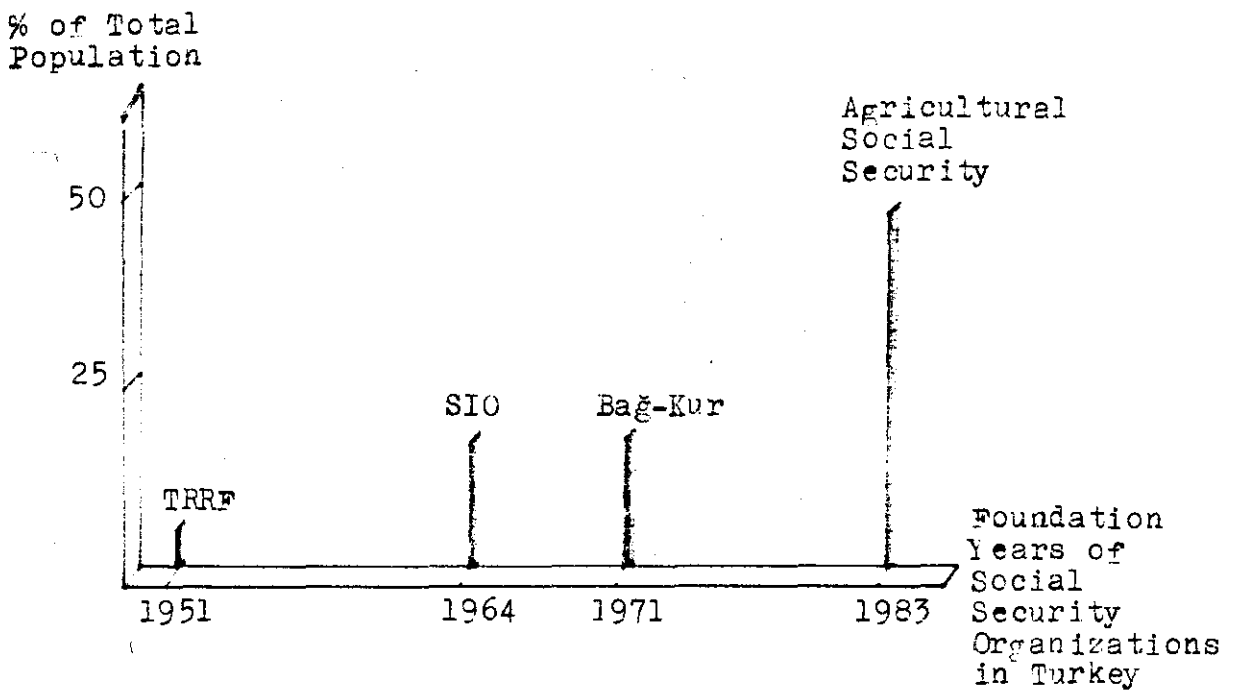
A correlation found by Collier and Messick about the timing of the first adoption can throw light upon the development of social insurance programs in Turkey with respect to different population groups covered. They have found that, the timing of first adoption of social insurance is strongly related to the proportion of the population that is covered by social security. The higher the percentage of population to be covered by a specific program, the later the adoption takes place.

<sup>28</sup> .This finding is relevant to Turkey. Assuming that this empirical correlation based on a commonsense hypothesis is applicable to agricultural social security, the introduction of social security to the agricultural sector shall be the last program to be implemented simply because, until today, the agricultural population compose the largest segment of the population. The fact that this is the case in Turkey is illustrated in Figure-1 .As reflected in the figure, the first group covered in social security in 1951 is public servants who are the smallest segment of population. The group which got the right for social security the last is the agricultural sector. In-between these two groups,

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<sup>28</sup> David Collier and Richard E. Messick, ibid.

Figure-1



industrial workers have joined the social security program in 1964 and self-employed artisans and tradesmen have been included in social security system in 1971.

The diffusion approach views social security adoption as taking place within an international system of communication and influence. This approach searches for relationships between countries related to one another with respect to the adoption of policy decisions. We shall rely largely on the Collier and Messick article in our discussion of the diffusion process.<sup>29</sup> As these authors point out, one type of diffusion involves cases in which nations have directly imitated the legislation of other countries. For example Austria has imitated down to the technical details the program of Germany.<sup>30</sup> The other cases do not involve a direct imitation, but the existing programs have an important influence on new adopters. So as Taira and Kilby have shown, the geographical location may also be important in social security development.<sup>31</sup> If we note that the time periods of adoption of social security programs in Europe and in developed Asian countries such as Japan on the one hand and in the Middle East and other countries of Asia on the other, differ widely, we visualize the impact of geographical location on the diffusion process.<sup>32</sup> The same conclusion is also emphasized by Savy. This author states that only in Europe and a handful of industrialized countries in Asia and America, are farmers protected.<sup>33</sup>

The diffusion process can also be analysed in terms of what Collier and Messick call hierarchical and spatial diffusion.

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<sup>29</sup> Ibid., pp. 1299-1315.

<sup>30</sup> Ibid., p. 1305.

<sup>31</sup> Koji Taira and Peter Kilby, "Differences in Social Security Development in Selected Countries." International Social Security Review, 22 (1969), 143.

<sup>32</sup> David Collier and Richard E. Messick, ibid., p. 1312.

<sup>33</sup> Savy, Social Security in Agriculture, p. 256.

Hierarchical diffusion takes place when innovations appear in the most advanced or largest centers and are then adopted by successively less advanced or smaller units. Spatial diffusion is the diffusion along lines of spatial proximity or, alternatively, along major lines of communication. The starting point of the idea of the former is that larger or more developed units may be more disposed to innovations because they have more resources with which to experiment. It might also be argued that smaller, less advanced units to some degree consciously adjust their behaviour to larger and more advanced units following a pattern of "Positioning behaviour", in which they are constantly imitating the behaviour of the units that they have chosen as models. This argument may illuminate Turkey's position in social security policy decisions. Turkey in the era of the Republic was largely influenced by the United States of America from point of view of military aids, economic assistances and policy decisions. Government members and bureaucrats may have been influenced by their counterparts in the United States and by policy decisions taken by this country in subjects similar to Turkey's current agenda items. Many experts from various organizations supported by the United States have widely investigated various policy implementations and proposed solutions in written reports and submitted them to the relevant offices of the governments. The delay in social security adoption in agricultural sector may have resulted due to the negative diffusion process from the United States in this policy area. Here it is worth noting that the United States adopted social security in 1935 while Turkey adopted in 1945. No developed country adopted social security as late as the United States. This negative diffusion process is of course only a conjecture but it has a certain plausibility with respect to the framework of diffusion studies.

Collier and Messick studied on the possibility of hierarchical diffusion by making use of a test in which they examined the correlation between timing of adoption of social security and level of modernization at adoption. They state that

"If a pattern of diffusion is present in which countries tend to imitate other countries that are at higher levels of modernization, this should be reflected in a tendency for each successive adopter to adopt at a progressively lower level of modernization." <sup>34</sup>

Looking at the case of Turkey, we see that, Turkey which adopted social security in 1945 is at a lower level of development than that at which developed countries adopted their first such schemes. Turkey, at adoption in 1945 had approximately 75% of its work force in agriculture. On the other hand, in developed countries which adopted earlier than Turkey such as Germany, Denmark, the United Kingdom, and others, percentages of work force in agriculture at adoption were consistently less than 50%. <sup>35</sup> Therefore, we may talk about hierarchical diffusion in adoption of social security in Turkey according to hypothesis of Collier and Messick. Another approach made by Collier and Messick is that, the pattern of social security adoption may reflect a tendency towards a larger role of the state in society in later-developing countries. <sup>36</sup> We may, although a conjecture, think that the Uluşu Government had a vital role in introducing social security to the agricultural population. Clearly, providing opportunity for social security to the individuals in agricultural sector was one of the important tasks specified by the State Planning Organization. However, none of the governing political parties accomplished one of their targets,

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<sup>34</sup>David Collier and Richard E. Messick, ibid., p. 1308.

<sup>35</sup>Ibid., p. 1309.

<sup>36</sup>Ibid., p. 1313.



that is, social security implementation in agricultural sector. A similar picture is also presented by Şenkon which is seen complementary to our present discussion:

"As a conclusion, neither the Justice Party nor the Republican People's Party have been so successful as to accomplish certain tasks in the field of social security and welfare, assigned by the state. On the other hand, throughout the planned period, the performance of the government in social security and welfare sphere has always remained far behind of the goals specified in the five years development plans."<sup>37</sup>

Although we do not neglect the importance of pressure group activities in studying the factors contributing to the development of agricultural social security in Turkey, as far as our present knowledge directs us, the role of the state was larger than any other factor.<sup>38</sup>

Timing of first adoption is related to other aspects of social security as well. Cutright, Aaron, Pryor and Taira and Kilby have all found that, indicators based on the timing of adoption are strongly correlated with present level of social security spending as a percentage of GNP, with the earlier adopters having consistently higher levels of spending.<sup>39</sup> Therefore, countries having high levels of social security spending as a percentage of GNP are more

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<sup>37</sup>Ş. H. Şenkon, "The Growth of Public Expenditures in Turkey" (unpublished M. A. Thesis, Boğaziçi University, 1985), p. 62.

<sup>38</sup>In Part II of our study, it will be seen that, contents of the Program of Ulusu Government are supporting our conjecture on this matter.

<sup>39</sup>Phillips Cutright, "Income Redistribution: A Cross-National Analysis," Social Forces, 46 (December, 1967), 180-190; Henry Aaron, "Social Security: International Comparisons," in Otto Eckstein, ed., Studies in the Economics of Income Maintenance (Washington D. C.: The Brookings Institution, 1967); Frederick Pryor, Public Expenditures in Communist and Capitalist Nations (Homewood, Ill.: George Allen and Unwin Ltd., 1968); Taira and Kilby, "Differences in Social Security Development".

likely to adopt social security earlier than countries having low levels of the same. There exists two implications. First one is that, Turkey's social security spending in relation to GNP is the lowest in Europe. Secondly, this tendency will persist, since in the policy decisions taken in laws for agricultural sector no state contribution in the creation of funds is foreseen. Hence the spending will be a proportion of total premiums collected from agricultural dwellers. The real figure for social security spending as the percentage of GNP is 1.5%. Social security spending in market prices as the percentage of GNP is illustrated for various countries in Table - 2 .

Table-2

Social security expenditures in market prices as the percentage of GNP ( 1963 )

Country	Social security expenditure ( % )
Austria	16.8
west Germany	16.1
France	15.4
Belgium	15.2
Italy	13.9
Sweden	13.8
The Netherlands	13.4
Denmark	12.3
England	11.8
Norway	10.9
Finland	9.9
Canada	9.9
Japan	5.8
Spain	4.1
Turkey	1.5

Diffusion hypothesis is tested by Flora and Alber by taking into account seventy-two core laws of social insurance in Western Europe. They reach to the conclusion that, the hypothesis is not valid, asserting that diffusion processes alone can not account for the establishment of national social security programs. They accept that diffusion processes may have affected the course of national decision making, but Flora and Alber state that the example set by a pioneer country does not apparently provide sufficient incentive to adopt social insurance schemes independent of internal socio-economic problems and political mobilization. In view of this result we observe that the conclusion reached by Collier and Messick is more acceptable and complete. That is, "A combination of hierarchical diffusion and prerequisites explanation appear to be the most satisfactory means of accounting for the pattern of adoption among the latest adopters." <sup>40</sup>

It is clear that, unless a detailed empirical study is made about the factors which influenced the development of social security in Turkey, we can not go further in elucidating this subject. No such study is yet made. Nevertheless the discussion of this section will help us to understand the organizational developments in the field of social security in Turkey.

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<sup>40</sup>David Collier and Richard E. Messick. ibid., p. 1314.

## 1.2.SOCIAL SECURITY ORGANIZATIONS IN TURKEY

In this section, we will first summarize the evolution of social security institutions in Turkey; then these institutions shall be described as they exist today. With this background in mind, we will, in the third part, concentrate on the deficiencies of this organizational set-up.

### 1.2.1.Evolution of social security institutions:

The description of the evolution of social security institutions starts with the Ottoman Empire period and extends to the period after 1982 Constitution.

#### (1)The Ottoman Empire period:

Various social aid instruments were present in the Ottoman Empire as they were in western Europe. Besides various social aid establishments stemming from Moslem Religion in the period of Orhangazi, social rights and aids were provided to the needy, widows, and orphans such as timar, zeamet, yurtluk, ocaklık, and muhtacin according to certain rules. Moreover, in working life various mutual benefit organizations having specific social security functions were established. Every tradesman had a fund called teavün and a Foundation fund. These funds were supported by fees paid by the master tradesman in case of promotion and by fees paid by tradesmen periodically according to their rank in the profession. In cases of risk, these funds were used to support the artisans and their families. Monetary aids and payments in kind were also provided to the needy individuals. This system, a rather well functioning social protection tool, was achieved within the tradesmen' guild production format.

furthermore, if we consider "Fitre" and "Zekât" institutions along with the efficient and highly developed

"Vakıflar" <sup>41</sup> establishment, we come to the conclusion that within a static economy, sufficient security has been provided to the individuals outside the working life. However, the religious beliefs wore-off and tradesmen's guilds lost their power against modern industrial production in the middle of nineteenth century. The Ottoman social aid institutions deteriorated. When Europe was trying to reduce poverty by making use of the financial resources accumulated by the help of industrial activities, Ottoman Empire lagged far behind and was at the edge of destruction.

Nevertheless, at that epoch some of the measures provided social aid and assistance in cases of sickness, job injuries, old age which were related with working life. These are: Dilaver Pasa Regulation (1865); Maadin Regulation (1869); Military Factories Regulation (1909); Regulation about retirement of workers who are members of Maritime Arsenal (1909); Aid regulation to Hedjaz Railways Public Employees (1910). Besides these establishments, retirement institutions for some public employees were set up such as: The Military Retirement Fund (1866); The Civil Public Employees Retirement Fund (1881); The Shipmen Retirement fund (1890); The Military and Civilian Retirement Fund (1909); and The Sirket-i Hayriye Retirement Fund (1917). We can thus say that the social security institutions in Turkey were established in the latter half of the nineteenth century and at the beginning of the twentieth century. <sup>42</sup>

## (2) Turkish Grand National Assembly Government Period:

This period which covers the time between foundation of the Turkish Grand National Assembly and the Proclamation of Republic must be considered as exceptional. In this period two laws were passed: No. 114 and No. 151. One of these laws was about the allocation of coal particles which are the by-products of coal production, to workers. The other law was about compulsory establishment of precautionary and mutual assistance funds with the participation of both workers and

<sup>41</sup> An important foundation.

<sup>42</sup> Turan Yazgan, Türkiye'de Sosyal Güvenlik Sistemi (Istanbul: İktisadi Araştırmalar Vakfı, 1969), pp. 12-15.

employers together with compulsory health assistance to workers to be provided by employers.<sup>43</sup>

(3) Republic Period:

In this period widely dispersed and independent social security establishments were founded. A brief list of these establishments is given below:<sup>44</sup>

- i-In 1926, Military Production Mutual Assistance and Insurance Fund was established with Law No:895. In 1939, Military Factories Retirement and Assistance fund took the place of the former.
- ii-In 1930, Hıfzıssıhha Law passed which provided compulsory health assistance to workers.
- iii-Military and Civilian Retirement regimes were united under one basis (Law No:1683)
- iv-In 1933, Province Private Administration Retirement fund was established (Law No:2097)
- v-Also in 1933, Istanbul Local Administration and Ankara Central Municipality Public Employees Retirement fund was established (Law No:2264)
- vi-In 1934, with Law No:2454, State Railway and Related Companies' Public Employees Retirement fund was established.
- vii-Also in 1934, with Law No:2469, Monopoly Administration Protection fund was established. With Law No:2921, this fund evolved into Monopoly General Directorate Retirement fund in 1936
- viii-In 1935, State Post, Telegraph and Telephone Administration Saving and Aid Fund Regulation was issued.
- ix-In 1936, Occupational Law was issued and this law specified principles of social insurance, but it was implemented only after 1945.
- x-In 1937, with Law No:3137, Maritime Line and Akay Establishment was founded. Also Factory and Docks Administrations' Public Employees Retirement law was issued.
- xi-Also in 1937, with Law No:3202, Turkish Republic Agricultural Bank Employees Retirement fund was established.

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<sup>43</sup>Emel Pamir, Sosyal Güvenlik (Ankara: T. C. Başbakanlık, DPT, 1980), p. 32.

<sup>44</sup>ibid., pp. 31-35.

xii-In 1938, Properties and Orphans Bank Public Employees Retirement fund was established.

xiii-Central Bank Public Employees Retirement fund was established(Law No:3492)

xiv-State Airlines General Directorate Public Employees Retirement fund was established.

xv-State Railways Construction Bureau Workers' and Family Members' Health, Invalidity and Death Aids Law was issued(Law No:3487)

xvi-With the Law "Attorney at Law", Retirement and Aid fund establishment right was given to the Ministry of Justice.

xvii-In 1940, with Law No:3803, Retirement fund for village teachers and village health specialists was established.

xviii-In 1941, Retirement fund for Public Employees of Municipality and related Associations and Municipalities Banks was established.

xix-In 1942, Notary Aid fund and with Law No:4222 State Economic Enterprises' Public Employees Retirement fund was founded.

xx-Also in 1942, new Retirement Funds for Public Employees of Ankara and Adana Electric Companies were established.

xxi-In 1943, village teachers, village midwives and health public employees are provided with social security rights.

xxii-In 1944, State Railways and Harbour Administration General Directorate Public Employees who are exposed to accidents while working and are invalid are brought under legal protection measures.

xxiii-After these developments, various insurance branches are established.In 1946 with Law No:4772 job accidents, occupational diseases and maternity insurance, in 1950 old age insurance were established.Old age insurance was revised with Law Numbers 5752, 5937, 6391, 6708 and 6900.With last Law invalidity, old age and death insurances were included as long-term risks.

xxiv-In 1950, Turkish Republic Retirement Fund Law is issued to unite all retirement laws and funds for public employees.

xxv-Finally, with Law No:506, only one social insurance law is issued and the coverage of this law excluded many of the banks' and insurance companies' funds.

#### (4) Situation in the Planned Period:

It is only after 1961 that some action was taken to spread social insurance programs to the society as a whole. In addition social insurance programs such as the Army Mutual Assistance Organization (OYAK), and the Public Employees Mutual Assistance Association (MEMAK) were established. These programs aimed to supply vertical rights to the beneficiaries. It may be useful to examine the Five Years Planned Periods from the social security perspective.

##### 1-Social Security sector in the First Five Years Development Plan (1963-1967)

This plan aims at achieving social justice parallel to economic development. The essence of the development philosophy is to provide better living standards and social security to larger segments of society. In the Economic and Social Targets part of the plan related with social security, it is asserted that "Establishing a social security system is one of the key points that must be given importance in the course of improving income distribution". Also the plan proposes to consolidate and broaden the social insurance system within a fifteen year period. This plan specifies some of the most important basic ideas relevant to social security sector: "Social security is compulsory for every group. But this need is urgent for individuals working for wage and salary, receiving low income, and for orphans, invalids and old aged."

The targets in social security field is given as follows:

(a) All social security activities will be controlled by a unique body, (b) Tradesmen, artisans and other independent professionals will be brought under the social security system, (c) Unemployment insurance will be implemented, (d) Insurance funds will be administered in accordance with economic development and insurance principles. Furthermore it is planned that "Agricultural sector will be included in the social security system and security will be provided to individuals who are exposed to social and natural disasters."<sup>45</sup>

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<sup>45</sup> T. C. Başbakanlık Devlet Planlama Teşkilâtı, Kalkınma Planı (Birinci Bes Yıl) 1963-1967 (Ankara: Başbakanlık Devlet Matbaası, 1963), pp. 109-112.



The Social Insurance Law issued in 1964, corresponds to this plan period. Similarly in this period, State Public Employees Law is passed in 1965 which consolidated various different public employees under one system. In addition, short-term insurance branches such as sickness, maternity, job injury, occupational diseases were established and family assistance payments were promoted.

ii-Social Security sector in the Second Five Years  
Development Plan(1968-1972)

In this plan, social security is defined under the heading "Social wealth" as "A social policy tool that protects the modern society as a whole against risks emerging as a result of industrialization and modernization". This plan strongly advocates social security as an effective factor in improving economic and social status of a society. Therefore social security system will be utilized as a tool for obtaining a just income distribution, for ensuring individuals to actively take place in production activities, and for providing permanent income to individual and his family by this way. The following items are emphasized in this plan:

- (a) Social security policy will be enlarged so as to include all segments of society, that is, the industrial, services and the agricultural sector,
- (b) unemployment insurance and family assistance programs will be established and sickness insurance will be extended,
- (c) Social security of tradesmen, artisans and other independent professionals will be ensured , keeping in mind characteristics of these groups,
- (d) Alongside with social insurance programs, every kind of social service programs and social assistance will be supplied to the needy,
- (e) Social security system will ensure more balanced income distribution between urban and rural areas, where there exists inequalities from point of view of income distribution,
- (f) Social security funds will be forwarded to areas where new job opportunities are created and national product increased,
- (g) A social security council will be established in order to ensure coordination and co-operation between social security

associations,(h)Various social insurance funds such as bank retirement funds, military factories' funds which are scattered throughout the country should be brought under the administration of Social Insurance Organization,(i)Agricultural Job legislation will be issued to provide social security to the agricultural sector,(j)Unemployment insurance will be established considering differences in the level of industrial development in our country.<sup>45</sup>

Most of these proposals was not fulfilled.The most important proposal implemented was the establishment of social security system for tradesmen, artisans and other independent professionals:namely,"Bağ-Kur.This Organization provided invalidity, old age and death insurance branches to the beneficiaries.OYAK was also established in this plan period.

### iii-Social Security sector in the Third Five Years Development Plan(1973-1977)

The social security subject in this plan is treated under the heading "Social wealth" and is examined together with social insurance and social assistance programs.As in the previous one, in this plan the social security system is considered to be an institution that protects individuals and provides them compensation for losses due to economic and social risks resulting from industrialization and urbanization. This plan also emphasizes the inclusion of the agricultural sector in the social insurance system.

The most important point in the 1973-1977 plan is the emphasis given to state participation in financing the programs. It is advocated that the percentage of social security expenditures in GNP which is 4.3% in 1969, should be increased to 15-20% in the short-term to attain the level of developed European countries.

Other measures proposed in this Plan are:(a)Social insurance will be provided to ensure minimum acceptable income commensurate with the living standards and the income guarantee to workers, invalids, old aged and children,(b)

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<sup>46</sup>T. C. Başbakanlık Devlet Planlama Teşkilatı, Kalkınma Planı. İkinci Beş Yıl. 1968-1972(Ankara: Başbakanlık Devlet Matbaası. 1967), pp. 209-259.

Amounts payable for old age, invalidity, widowhood and orphanhood should be adjusted to changing economic and social conditions, (c) Studies to consolidate various social security establishments will be promoted, (d) A standard will be set in the specification of old age limit for workers and public employees considering economic and social conditions prevalent in the process of industrialization and urbanization, (e) Old age insurance will be re-organized not to have an incentive effect.<sup>47</sup>

In this plan period, two important events happened in the field of social security. In 1974 Ministry of Social Security is established to coordinate various organizations and to take the responsibility of making relevant studies for social security in the Government. In 1976, Social Security Council is established to perform necessary studies in order to develop and to improve the social security policy in Turkey.

#### iv-Social Security sector in the Fourth Five Years Development Plan(1978-1982)

Under the heading "Security of Community", following principles and measures are proposed: (a) The basic goal of Security of Community policy is the projection of advantages and disadvantages of development to the individual in an equal way so as to promote social justice and realize the ideal of a "Social state". This ideal had become a constitutional principle, (b) Social security will be provided to wage earners, and farmers in the agricultural sector in relation with the development of cooperatives, (c) Insurance norms and organization activities will be standardized, (d) Resource and fund allocation systems of communal social security establishments will be investigated and improved, (e) Social services to needy individuals will be improved and a social services establishment will be founded.<sup>48</sup>

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<sup>47</sup> T. C. Başbakanlık Devlet Planlama Teşkilatı, Yeni Strateji ve Kalkınma Planı. Üçüncü Bes Yıl, 1973-1977, Yayın No:1272 (Ankara: Başbakanlık Basımevi, 1973), pp. 795-841

<sup>48</sup> T. C. Başbakanlık Devlet Planlama Teşkilatı, Dördüncü Bes Yıllık Kalkınma Planı, 1979-1983, Yayın No:1664 (Ankara, 1979), pp. 282-283.

The former 1961 Turkish Constitution had possessed a broad and dispersed social welfare and social security targets which had aimed to cover all parties concerned. <sup>49</sup> The new Turkish Constitution which is accepted on 7 November 1982 by referendum, states the social security rights of Turkish Citizens as follows: "Everyone has the right to social security. The State takes the necessary measures to secure this security and establishes the organization". In Article 65 of the Constitution a practical limit is brought to activities of the State in the field of social security services: "The State performs the duties specified by the Constitution in the social and economic fields, by taking care of economic stability and to the extent of financial resources available". Although this article of the Constitution may be assumed to be necessary due to financial capabilities of a developing nation, it nevertheless limits the State's contribution to social security expenditures.

#### v-Social Security sector in the Fifth Five Years Development Plan(1985-1989)

Under the title of "Social Security", targets are given in the first place. Some of the points which constitute the main lines of our study are stated below: (a) Measures need to be taken to prevent premium collection rate of SIO to remain at 80% level. It is expected that SIO will face great financial problems due to this inefficiency, (b) It is estimated that total deficit of TRRF, SIO and Bağ-Kur at the end of this plan period will approximately be 400 billion TL calculated in 1983 prices, (c) Another important cause of financial difficulties which might be more pronounced in future is stated as early retirement cases and the application of gaining the right for pension at the time of retirement.

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<sup>49</sup> Suna Kili, Osmanlı ve Türk Anayasaları (İstanbul: Boğaziçi Üniversitesi, İdari Bilimler Fakültesi Yayın No:210, 1980) ; Suna Kili, Türk Anayasaları (İstanbul: Tekin Yayınevi, 1982)

Then, principles and policies proposed are stated. Important financial provisions are as follows: (a) It should be the main concern to ensure that, social security institutions will operate in a way which will maintain actuarial balance, (b) There will be no subsidy by the State to social insurance establishments, (c) Collection of premium in-time will be maximized, (d) Necessary legislative regulations will be developed to ensure that reserve funds will be employed in productive and profitable areas. <sup>50</sup>

Developments in this plan period is described in 2.4.

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<sup>50</sup> T. C. Başbakanlık Devlet Planlama Teşkilatı, Beşinci Beş Yıllık Kalkınma Planı 1985-1989, Yayın No: 1974 (Ankara: Başbakanlık Basımevi, 1985), pp. 153-154.

### 1.2.2. Description of social security institutions:

In this section, institutions operating in the field of social security in Turkey shall be described. The most important of these institutions are the Turkish Republic Retirement Retirement Fund, the Social Insurance Organization, and Bağ-Kur. They all exclude the agricultural sector.

#### (1) Turkish Republic Retirement Fund:

i- Foundation: As we pointed out in the last section, in the early years of Republic, various public authorities and establishments founded different and independent retirement funds. In 1950 with Law No: 5434, Turkish Republic Retirement Fund was established to prevent these scattered and uncoordinated activities and to realize the principle of "Unity in social security". From its establishment on, TRRF Law has been amended many times to provide more and more rights to its members.

ii- Coverage: Individuals eligible for this fund are public employees working in establishments financed from General and Annexed Budget, province private administrations, municipalities State Economic Enterprises, and establishments in which 50% or more of the capital is owned by the State. According to the number of persons covered, it is the second largest social insurance establishment.

iii- Participants: In 1981, there were 1.415.000 individuals who were active members. Dependents of active members amount to 3.780.000. The number of individuals who receive allowance after retirement or invalidity, widowhood, orphanhood is 457.400. Therefore total number of individuals who receive monetary payment from the fund reaches 6.026.400.

iv- Rights provided: According to Law No: 5434, only long-term risks are secured whereas work-injury and occupational

diseases, sickness and maternity risks are not included. The following rights are provided to TRRF members: retirement allowance, job invalidity allowance, ordinary invalidity allowance, widow and orphan allowance, retirement lumpsum payment, death payment, marriage payment, lumpsum payment, deductions repayment.

(2) Social Insurance Organization:

i- Foundation: In 1946, job accidents, occupational diseases, maternity and sickness branches were implemented with Law No:4772. In 1950 old age branch, in 1957 invalidity and death of breadwinner branches were implemented. It was only in 1965 with Law No:506, that the Social Insurance Organization was established.

ii- Coverage: Individuals who can participate in this program are specified as those having "Service Contract". Participants' wife and children are also included in the scheme. Law No:506 has also restrictions for participation. Following groups can not participate in this program: agricultural workers, employer's wife who is working without wage, employees working in-doors, individuals under military service <sup>51</sup>, individuals who make payments to TRRF, prisoners who are working in work-shops of prisons, individuals who are working in re-habilitation services of health establishments for purposes of their self-health and students in occupational schools who are in production activities.

iii- Participants: The Table- 3 presents participants figures in 1979, 1981, and 1982, including allowance receivers.

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<sup>51</sup> This provision has been recently amended to include persons under military service.

Table - 3

(x1000 individuals)

	<u>1979</u>	<u>1981</u>	<u>1982</u>
1. <u>Active insured</u>	<u>2.152</u>	<u>2.228</u>	<u>2.265</u>
2. <u>Individuals receiving</u>			
<u>various allowances</u>	<u>548</u>	<u>715</u>	<u>808</u>
a. Invalids	26	27	29
b. Old age	269	394	462
c. Permanent invalids	23	25	26
d. Widows and orphans	230	269	291

Source: SIS, Türkiye İstatistik Yıllığı, 1983  
(Ankara: SIS, 1983), p.171.

iv-Rights provided: According to Law No:506, both short and long-term risks are included in social insurance benefits. Rights provided are sickness, maternity, job accident and occupational diseases as short term insurance branches and old age, invalidity and death of bread winner as long-term insurance branches.

### (3)Bağ-Kur:

i-Foundation: The aim of this social insurance scheme is to gather independent tradesmen, artisans and other professionals in an insurance scheme. These groups are excluded from the other two insurance organizations coverage. Therefore, in 1972, with Law No:1479, "Tradesmen, Artisans and other Independent Professionals' Social Insurance Organization" in short, Bağ-Kur was established.

ii-Coverage: Individuals eligible for this program are specified as those working without any service contract with employer and for his account and who are not members



of the other two social insurance schemes. Following individuals may participate in Bağ-Kur program: tradesmen, artisans, merchants, industrialists, stock-exchange agents, architects, engineers, insurance agents, and experts, pharmacists, doctors, veterinaries, customs commissioners, shareholders of private companies. According to Law No:1479, following groups are not eligible for this program: agricultural workers, individuals who are members of another social insurance program, individuals under the age of 18, foreigners.

iii-Participants: In 1981, number of insured persons in Bağ-Kur were 1.154.817. When the dependents of active insured individuals and allowance receivers are added, the total number of people under the Bağ-Kur coverage reaches 4.219.000. According to the number of participants Bağ-Kur takes the third place among social insurance programs in Turkey.

iv-Rights provided: According to Law No:1479, only long-term insurance branches are offered in Bağ-Kur which aims at preventing and/or diminishing economic risks occurring after the working life. These are invalidity, old age and death of bread winner insurance branches.<sup>52</sup>

(4) Private banks' and insurance companies' funds:

i-Foundation: There exists 26 private retirement funds which are established according to Law No:506. In fact Law No:506 supported foundation of such private retirement funds. The reason for such a support may be due to the pressure exerted by banks and insurance companies to prevent consolidation of such funds in the Social Insurance Organization.

ii-Coverage: Individuals who can participate in these retirement funds are employees working in such establishments. These private organizations are forced legally to provide social insurance to their employees. Thus participation becomes compulsory.

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<sup>52</sup> Recently, health insurance is also included. (See 2.4)

iii-Participants: In 1981, there were 74.769 active insured, 10.595 retired, 3.451 widow and orphan, 106.185 dependents who are participants of these funds. The total number of coverage reaches 195.000 individuals.

iv-Rights provided: These funds are obliged to provide to their members, at minimum the rights described in Social Insurance Law No: 506. These rights include work-injuries and occupational diseases, sickness, maternity, invalidity and death, furthermore maternity to wives of participants and sickness to wife and children of participant. But there exists great differences between benefits provided to the members of various funds.

We can now compare these different social insurance schemes and emphasize the differences between them.

i-Foundation: The first program which provided social security rights to public employees is TRRF which is founded in 1950. The latest social insurance scheme is Bağ-Kur. The foundation of TRRF was somewhat inevitable as numerous retirement funds were then operating in a scattered and inefficient way. Furthermore lack of any specified norms led to great differences in implementation. Differentiations between public employees led to problems in retirement cases. Therefore, it became of utmost necessity to unite these numerous retirement funds and other public employees which will be covered under an organization which will include all of the public servants. It is interesting to note that in the case of banks and insurance companies, such consolidation of funds was not realized. This was probably due to pressure exerted by banks to government to prevent cash going out of the financial system of banks in the form of social insurance premiums. Unwillingness of banks on this respect coupled with their impact on policy decisions might have resulted in such a situation.

ii-Coverage:As explained before, overlapping of participants of different insurance systems are prevented carefully.That is each system has limitations from point of view of individuals who are eligible to the program.So even if all the uninsured individuals were willing to participate in a social insurance program at their own will and initiative and even at their own expense, this was prevented legally.The most heavy borderline is drawn in the case of Social Insurance Organization. Law No:506 restricts participation of various groups in a clear described text.One of the groups disqualified for this program is agricultural workers.Although the restrictions are fewer in Bag-Kur Law, prevention of agricultural workers' and self-employed agricultural individuals' participation to the program has not been omitted.Therefore it is striking to observe that in the case of agricultural workers' social insurance achievement, it is in contradiction with the Constitution to exclude this group from all of the programs established up to now.Still in early 1983', the total coverage of population directly or indirectly in a social insurance program is less than the 50% of the total population of the country.

iii-Participants: Cumulative number of insured individuals covered in all social insurance programs(Active and passive participants,allowance receivers included) reaches 22.853.100 in 1981. All the eligible individuals for the TRRF are members, as well as Private Retirement Funds.But in the other two instances there are unnegligible potential members who are not participants of these programs.An estimate for workers who are working without registration to Social Insurance Organization and Bag-Kur amounts to 1.15 million in 1980.Although one of the principles of social insurance is about compulsory participation, this illegality could not be prevented.Therefore these groups which are not yet included make-up half of the population of Turkey.

iv-Rights provided:It is quite natural that there exists immense differences in the rights provided to different social insurance program participants.This is due to the lack of social insurance norms validated on a national basis.This doesn't only mean that every participant doesn't possess a minimum accepted level of social security commensurate with modern living, but also that some specific segments of community benefit much more than others.This practice which is defined as increasing vertical rights is contrary to the equality principle:when there are still uncovered groups in a community, presence of groups which increase their rights very much above the level dictated by Social Insurance Law suggests that there is a case of vertical rights enhancement.

Turkish Republic Retirement Fund, Social Insurance Organization and some of the private retirement funds provide health services to their participants.But Bağ-Kur only offers long-term insurance branches.Some of the private retirement funds are financially so weak that, the rights provided are below the level of accepted minimum social insurance rights.Rights provided by these private funds are in general in accordance with the funds created and the financial resources of the bank or insurance company.This is especially true in some of the private banks' retirement funds. <sup>53</sup> When the funds available are high, the participants receive rather high payments.In the field of health services, rights provided depend on the accessebility to hospitals and health centers.

As a result there are great diversities between social insurance programs:there is unity neither in principles nor in implementation and this leads to inequalities between groups in a society.

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<sup>53</sup> T. C. Başbakanlık Devlet Planlama Teşkilatı, V. Beş Yıllık Kalkınma Planı Sosyal Güvenlik Özel İhtisas Komisyonunun Sosyal Güvenliğin Finansmanı Alt Komisyon Raporu, 1983, (Typewritten), p. 33.

### 1.2.3.Deficiencies:

In this section, deficiencies of the present social security schemes will be presented. Since financing of social security schemes will be examined in the next section in detail, here topics related with financial matters will only be mentioned briefly.

#### (1)Contradiction with the Constitution

According to the Constitution, providing social security to the individuals in the country is the duty of the State. Social security is a socio-economic right for the citizen along with civil and political rights. But today nearly half of the population of Turkey is not covered by any social security program.

#### (2)Presence of pressure groups and vertical rights enhancement

It is clear that one must seek for presence of pressure groups in a community in which half of the population has no right to social security. Specific groups such as military personnel and other public employees on the other hand, receive vertically enhanced rights. Therefore activities of pressure groups influenced development of social insurance organizations and the rights provided to the members. Due to lack of pressure groups in the agricultural sector, coupled with inability of the State to perform its role, this state of affairs resulted. As an indirect result of pressure group activities, military cadres and other public employees enjoyed incomparable benefits with respect to the members of other social insurance organizations. Namely they received additional rights in the field of social security.

#### (3)Lack of norms in payments and services delivered

There are no norms set by the State regulating payments and services to be delivered to the members of different social insurance organizations. For example when a budget deficit occurs in the Turkish Republic Retirement Fund, this

deficit is financed by transferring the resources from the budget. But when a persisting financial deficit occurs in Social Insurance Organization, since no State contribution is possible legally, the only way to cover this gap is to increase premium amounts to be paid by workers and employers.

#### (4) Financial status of organizations

Due to inefficient employment of financial resources along with other factors, financial status of organizations is getting worse. Besides, legal restrictions imposed on the employment of funds leave no possibility for profitable management of financial assets. The effect of high inflation quickens the drainage of funds drastically. Furthermore payments to beneficiaries tend to increase continuously.

#### (5) Incentives for retirement

Pensions for public employees and workers reach approximately 70% of the original monthly income of an individual. This condition encourages individuals to retire as early as possible. The result is that the working young people are paying for the old. So, in social security those who pay and those who get the benefits are not the same people. This phenomenon is also another defect of present implementations. For example Yazgan states that, "Individuals do not or should not work for maintaining social security payments." <sup>54</sup> In developed countries of Europe the proportion of pensions to the original income is approximately 50%. <sup>55</sup> This fact motivates people to work as long as they are able to manage physically and mentally. People are forced not to retire.

#### (6) High premium rates and accumulation of uncollected due premiums

Premium rates specified by the Social Insurance Organization

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<sup>54</sup> İkinci Türkiye İktisat Kongresi, Sosyal Güvenliğin Yaygınlaştırılması ve Etkinleştirilmesi Hakkında Tebliğler (n.d., Sosyal Sigortalar Kurumu Yayın No: 359, n.d.), p. 53.

<sup>55</sup> Ibid., p. 55.

is high compared to developing countries.<sup>56</sup> Furthermore premium rates are continuously increased for purposes of deficit covering. Since financial status of social insurance organizations are getting worse and because State contribution is not available, the increasing premium trend will persist in the near future. Today an indirect implication of high premium rate is employers' tendency to avoid registering their employees in social insurance scheme. Uncollected due premiums are increasing continuously. This may well be regarded as an implication of high premium rates. The most important implication of high contribution rates is that it negatively affects insured employment among labor markets where supply of labor is higher than the demand in a specific region. That is, since there exists surplus in labor supply, market rules operate to the disadvantage of labor, causing allowance margins to decrease. Or concurrently market conditions persuade unemployed individuals to resign from being insured, in order to receive a job. This is the most important cause which forces workers not to register in social insurance organization. So, high rates of premium cause potential participants to be excluded from the social security coverage. Consequently by reducing premium rates, an increase in the number of participants to social security programs may be expected in countries with low level of income per capita such as Turkey.

#### (7) Deficiencies of health services

The situation in Turkey regarding health services is far from being satisfactory. Main problems are: (a) Lack of norms in health services, (b) Unavailability of health personnel and facilities, (c) Inefficiencies in providing health care, (d) Malutilization of health care resources.

Distribution of medical doctors and other health care specialists throughout the country is unequal. Some of the large cities such as Istanbul, Ankara, and Izmir have one

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<sup>56</sup>Ibid., p. 67.

doctor to 500-600 people. On the other hand, Mardin-a province in the Southeast Anatolian region- has only one doctor to 8.300 individual.<sup>57</sup> Moreover, TRRF-which is clearly a social insurance organization- has luxury hotels in large cities, whereas most of the provinces in East and Southeast Anatolian regions lack sufficient health care facilities. The number of beds per 1000 people is illustrated in Table- 4 for selected provinces as of 1980 values, including private hospitals. Elazığ is an exceptional case. Two thirds of provinces which have less than one bed per 1000 people is in East and Southeast Anatolian regions.

Table- 4

Province	Geographic region	Number of beds per 1000 people
Istanbul	Marmara	5,66
Isparta	Mediterranean	4,92
Elazığ	East	4,85
Mardin	Southeast	4,83
Ağrı	East	0,43
Hakkari	East	0,39

Source: SIS, Türkiye İstatistik Yıllığı, 1983  
(Ankara: SIS, 1983), p.36, p. 107.

It is worth noting here a general observation made for example by Roemer among other scholars, that, favored groups, such as military personnel or governmental officials, are often served by special highly developed subsystems of

<sup>57</sup> SIS, Türkiye İstatistik Yıllığı, 1983 (Ankara: SIS, 1983), p. 36, p. 118.



preventive and curative medicine in so called "Transitional countries".<sup>58</sup> This observation is also true of the Turkish case.

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<sup>58</sup>Roemer, Comparative National Policies on Health Care,  
p. 18.

### 1.3. FINANCING OF SOCIAL SECURITY SCHEMES

In this part financial aspects of social security schemes will be examined. The most important problem which social insurance programs face today, are of financial character. This part is composed of two sections. In the first section, creation of funds will be examined. Answers to questions such as "Where is the money sourced from?", "How is the money entering to the system?" will be searched.

In the second section, we will take up the problem of employment of funds. Here, our concern will be to identify the way in which the money is disposed. Questions that may arise are, "To what extent funds are employed rationally?", "What is the future of financial status in an inflationary economy?".

#### 1.3.1. Creation of funds:

In a social insurance system two different areas require the availability of money, namely monetary payments and services to be rendered to the beneficiaries, especially health services.

In systems where all the financing is promoted from the general budget, creation of funds is somewhat a budgetary activity. In this case the problem is more of a priority assignment affair.

In general there exists three parties in a fund creation process. These are, the individual worker, the employer and the state. Table- 5 presents state contribution in social insurance fund creation in some selected countries. A look at this table reveals a striking fact: the only country in which state contribution in financing social insurance is absent is Turkey. More recent and detailed data about

Table-5

% of Resources of Social Security Revenues from employee, employer and the State(1963) - ILO The Cost of Social Security, Geneva, 1967.

(Ranking is from the biggest to the smallest percentages of state contribution)

Country	( % )		
	From Employee	From Employer	from the state
Denmark	29.0	7.5	63.5
Ireland	16.0	24.8	59.2
Sweden	31.8	34.6	33.6
Belgium	31.2	38.6	30.2
Finland	20.3	54.0	25.7
Austria	37.6	39.2	23.2
Canada	26.7	50.1	23.2
Italy	20.5	40.0	20.2
W. Germany	41.2	40.8	18.0
Japan	39.8	42.8	16.4
England	40.8	66.4	13.1
Norway	49.2	41.0	9.8
France	26.6	64.8	8.6
Spain	25.3	67.5	7.2
The Netherlands	61.7	32.2	6.1
Turkey	39.5	60.5	0.0

distribution of social security receipts according to origin is presented in the Appendix II. In this appendix the latest figure in the table for Turkey belongs to 1971. Since public employees are also included in the table the value for 1971 about "State participation" which is 2.1% is probably due to some transfer made to TRRF from the Treasury. Actually, if we note that the employer in the case of TRRF is the State itself, it is not possible to talk about state participation in financing. It is worthwhile to seek the reasons of lack of State financial contribution. Absence of financial support of the State in social insurance schemes other than TRRF is an important indicator of the governments' policy towards social security. On the other hand, in all countries other than Turkey, whether developed or underdeveloped, socialist or free-enterprise, there is more or less of a state subsidy in social security. Turkey is an exception. This seems rather paradoxical in a country in which state intervention in other fields is important. It would take us far from our subject to discuss in detail the reasons for the absence of state contribution to social security in Turkey. We may only conjecture that, the available resources are scarce and that social security is not a priority. Since Turkey is still a developing country, limited resources are mainly channelled to public and private investments. Thus the State is relieved from appropriating any resource to social insurance expenditures. This state of affairs, however, reveals us how far Turkey is from being a "Welfare state". Moreover we can talk about a causal relationship which justifies state subsidy in the process of fund creation. Inflation, which is a consequence of failure by the government to ensure monetary stability, <sup>59</sup> negatively influences collectable funds. Therefore the State both should and can make up the difference, if exists, in the actuarial balance. Inflation doesn't only cause losses in the

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<sup>59</sup> J. Henry Richardson, Economic and Financial Aspects of Social Security (Toronto: University of Toronto Press, 1960), p. 79.

fund creation, but has also great impact on employment of funds, which will be discussed in the next section.

The choice of financial system depends upon the type of benefits granted, the advisability of accumulating reserve funds, the concern for keeping contribution rates as stable as possible over a period of years, and the extent to which the contributing parties, mainly the insured persons and the employers may be expected to contribute, taking into account their economic conditions. Two more factors also play important role in assessing advantages and disadvantages of financial systems. These are the tendency of inflation and the ability of state to cover for deficits.

There exists principally three financial systems.<sup>60</sup> These are: (1) Pure assessment system, (2) General average premium system, (3) Scaled premium system.

(1) Pure assessment system:

Being one extreme of the three systems, this system is also called Repartition system. In this system, the contribution rate during a given period, say one year, is determined in such a manner that the income from contributions during the period will just cover the expenditure of the scheme during the same period, with a small margin to permit the constitution of a contingency reserve to cater for fluctuations and unforeseen contingencies. This system is used generally to finance a short term benefit scheme since the annual benefit expenditure of such a scheme is expected to remain at a relatively constant level: but if applied to finance long-term benefit schemes, it would entail frequent upward revision of the contribution rate. Furthermore this system would not lead to the accumulation of any sizeable reserve. One application of this system may be to determine each year's expenditures plus a safety margin and then to calculate contribution rates for each individual. In this case each year's contribution rate increases according to expenditures required.

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<sup>60</sup> Asian Regional Symposium, pp. 404-407.

(2) General Average Premium system:

This system provides for a theoretically constant rate of contribution ensuring financial equilibrium *ad infinitum*. That is the present values of all probable future contributions and other income plus the accumulated fund should be equal to the present value of all future outlays, both in respect of the initial populations and the future entrants. When this system is applied to long-term benefit schemes, the contribution rate does not always remain constant. Besides contribution rate may have to be increased because of uncollected due premiums. This case is actually true in Turkish Social Insurance Organization's implementations. Moreover the large accumulation of reserve funds which would be the phenomenon in the initial years of the scheme when the total outgo would be very much less than the income, would itself create investment problems, notwithstanding their attraction to the government as a source of the much needed domestic capital for nation-building purposes. This point is the subject of the second section of this part. Natesan states that:

"If past experience in this regard is any guide the general average premium system may not be very suited to finance long-term benefit schemes, particularly in the initial years of a social insurance scheme in a developing country."

Another name of this system which is applied in all Turkish social insurance organizations is "Capitalization".

(3) Scaled-premium system:

This is a system of financing, intermediate between the above mentioned systems of financing and is a compromise between the two extremes. Under this system, the financial equilibrium would be assured for limited periods, say ten or twenty years at a time, within each of which the contribution rate is more likely to remain stable. This system is very

flexible in the sense that it permits the adjustment of the contribution rate to changing conditions. Further this system combines to some extent the advantages of the assessment system and the general average premium system while concurrently it minimizes the disadvantages of either. One point which is of utmost importance to our argument in this section is that the Actuarial Sub-committee of the ILO at its meeting in Geneva, 1964, examined all aspects of the above mentioned financial systems and finally recommended that in developing countries the scaled-premium system is generally better suited for a new long-term benefit scheme.<sup>61</sup> Another name given to this system is pay-as-you-go financing. In two distinct sources this system is advocated as the most preferable financing method. In the study by Burns, it is stated that progressive inflation has greatly weakened the case for reserve financing, and many countries have moved over to pay-as-you-go financing, modified only by provision for a relatively small contingency reserve.<sup>62</sup> Richardson, after comparing accumulation versus pay-as-you-go financing concludes that: "On balance, the pay-as-you-go method has advantages over the accumulation of huge funds for the financing of increasing future obligations, particularly old age pensions in advanced countries where social insurance is highly developed, its financial aspects well understood and the whole or a large part of the population covered by the schemes."<sup>63</sup> As conclusive remark, Richardson puts down the best method in financing of social security: "The best method is to compromise by establishing funds which, together with successive increases in rates of contribution at intervals of, say, ten or twelve years, will meet the cost of future benefits."<sup>64</sup>

After having explained financing systems of social insurance organizations, problems arising in connection with

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<sup>61</sup> Ibid., p. 407.

<sup>62</sup> Eveline M. Burns, Social Security and Public Policy, (New York: McGraw-Hill Book Company Inc., 1956), p. 190.

<sup>63</sup> J. Henry Richardson, Aspects of Social Security, p. 84.

<sup>64</sup> Ibid., p. 243.

creation of funds will be examined. As explained before, there are frequently state participation in financing social insurance system in developed countries and others. Nevertheless in case deficits occur, state subsidies create balance in funds versus payments. Since in Turkish social insurance system there is no state participation, with the exception of the TRKF, organizations fall or likely to fall into financial difficulties. Now, we shall focus our attention on the reasons of financial difficulties, into which social insurance organizations fall, in the fund creation process. There are mainly two causes of financial problems: (1) Bottlenecks in connection with collection of premiums, and (2) Inefficient and irrational employment of funds. While the second reason will be examined in the next section, the first one will be examined here. From Bağ-Kur participants and especially from Social Insurance Organization' participants, due premiums could not be collected timely and therefore premiums to be collected have reached huge amounts. According to the statistics of the Ministry of Social Security, premiums to be paid to Social Insurance Organization have reached approximately 57 billion TL of which 27 billion is due from public economic enterprises and 30 billion TL is due from private enterprises as of end of 1983.<sup>65</sup> Table-6 presents premium collection rates which is disclosed by S. Şide the Minister of Social Security as of May 1982. Figures in the table imply that on the average each year 20% of total due premiums can not be collected from public and private firms. Two implications arise from this phenomenon. First of all the main income source of Social Insurance Organization is ineffective. In the second place, financial loss of the organization is the opportunity cost of uncollected premiums. That is the income lost which may have been received from employing the reserves in profitable operations. Therefore the global financial loss of the Organization is much more than 57 billion TL. When due payments can not be made timely to

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<sup>65</sup>SSK'nın 57 milyar alacağı var, Hürriyet, Feb. 5, 1984, p. 4.



Table- 6

<u>Year</u>	<u>Premium collection rate (%)</u>
1975	86
1976	86
1977	85
1978	79
1979	78
1980	81
1981	84

Source: Sadık Şide, "Prim Tahsilat Oranı," Sosyal Güvenlik Bülteni, 57 (Nisan-Mayıs 1982), p. 8.

beneficiaries of Social Insurance Organization, financing public and private enterprises with uncollected due premiums is a very unjust and constitutionally illegal status: on the other hand, public and private enterprises are not realizing the payment of due premiums which are deduced from the salaries, wages of employees. Such premiums withheld, is to the advantage of the employers who will then be able to spend it elsewhere. On the other hand, payments to beneficiaries are generally delayed because of the organizational and financial difficulties. Therefore there exists great inequalities between employers and employees.

To overcome probable financial difficulties, both Social Insurance Organization and Bağ-Kur increase contribution rates from time to time. The last increase in contribution rate of social insurance premiums is effected on January 1st, 1984, in which an extra burden is brought to the employer.<sup>66</sup> Such increases in premiums could not solve the financial problem but only post-pone while the problem increases.

Another source of income for the SIO is the participation required to medicine costs by the insured person which is about 20%. Although this was justified as a measure to prevent the malutilization of medicine, the main reason probably is the creation of additional income for the SIO.

Let us now go briefly over the major types of global financial systems and see where Turkey stands.

In the European and North American context, three main systems of financing health care can be distinguished: in the first system a major part of the health care system is financed out of general revenues and the government itself is primarily responsible for administering the system. Such a system exists in Sweden, the USSR and the United Kingdom. In the second system health services are mainly financed out of

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<sup>66</sup>Sigorta primleri 1 Ocak'tan itibaren yükseltilecek, Günaydın, Dec. 11, 1983, p. 5.

social security funds, with compulsory membership and the scope of services provided publicly determined. This system of financing health care prevails in Austria, France, the Federal Republic of Germany, the Netherlands, and Portugal. Finally in the third system health care is largely financed by private insurance, e.g. in the United States. However, even there collective financing for special groups of the population is increasing. <sup>67</sup>

We see that financing health care out of general revenues is widely applied. In countries where financing health services is from social security funds, compulsory membership ensures that health services are available to whole population of the country.

In the Turkish social insurance system each organization is left to its own revenues for the provision of health services to its members. As TRRF has no distinct hospitals, public employees are benefitting from various state health care institutions. Here, it is appropriate to bear in mind that, the employer of public servants is the State itself. For this reason it is not correct to consider this as an example of financing health services from the general revenues. SIO provides health services to its members through its own hospitals, financed completely from the revenues of the organization itself. Bağ-Kur members had not enjoyed sickness insurance until 1986. According to Law No:3235, insured members of Bağ-Kur will be entitled to health insurance against an addition to premium paid after the lapse of eight months' of premium payment. <sup>68</sup> Bağ-Kur has no hospitals for the purpose of providing health services to its members, excluding Çankaya Hospital which is acquired to rent. Therefore, similar to the SIO, Bağ-Kur shall provide health services financed completely out of insurance premiums. Health services provided to the members of private banks' and insurance companies' are also financed from the revenues of each respective fund .

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<sup>67</sup> Report on a WHO workshop, Economic Research into Health Service Growth, EURO Reports and Studies, 52 (Copenhagen: Regional Office for Europe WHO, 1981), p. 11.

<sup>68</sup> 1479 Sayılı Esnaf ve Sanatkarlar ve Diğer Bağımsız Çalışanlar Sosyal Sigortalar Kurumu Kanununa Bazı Maddeler Eklenmesine Dair Kanun, T. C. Resmi Gazete, 18923 ( 9 Kasım 1985)

### 1.3.2. Employment of funds:

In a social insurance organization in which capitalization financial system is chosen for the creation of funds, employment of funds is of maximum importance. Total funds created are employed in three different ways: these are (1) Payments to beneficiaries, (2) Contingency reserves, and (3) Investment of reserves.

#### (1) Payments to beneficiaries:

After the initial years of the insurance systems, number of beneficiaries begin to increase. Also payments to beneficiaries are increased from time to time because of inflationary losses in income. These two reasons increased considerably the total amount to be paid out by social insurance organizations. To be able to make necessary payments, social insurance organizations sought ways to increase their income as described in the previous section. But today these organizations face critical financial problems. As a result of financial drainage, beneficiaries can seldom receive payments timely.

#### (2) Contingency reserves:

Theoretically after putting aside mathematical payment amounts, a contingency reserve is established to cover unforeseen contingencies. But let alone contingency reserves, normal routine payments could not be made in today's social insurance establishments of Turkey.

#### (3) Investment reserves:

After reserving for normal expected payments and contingencies, residual is left to be used in turn in expenditures. The management should view such reserves as trust properties in their hands to be dealt with diligently and with care. The investment of funds relating to the long-term benefit reserves should be done with particular emphasis on their safety, yield, liquidity, and social utility.<sup>69</sup> But these ideal

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<sup>69</sup> Asian Regional Symposium, p. 408.

approaches to investment of funds could not be realized in social insurance organizations in Turkey mainly because of legal restrictions imposed to management for the employment of funds. Law no: 506 and 1475 state the ways of investing reserves in the following way: (1) Saving in national banks, (2) Saving in bonds which are issued and/or sponsored by the State, and (3) Credit facilities to workers for purposes of housing. These provisions limit alternatives to management of social insurance organizations for profitable employment of funds and with a return preferably above the inflation rate so as to prevent leakage of funds. But the reality is the contrary. With low interest rates, state bonds and savings in banks, these investments incur real losses to the financial assets of social insurance organizations. Table- 7 presents data about profitability in investments, inflation rates and real losses suffered by the SIO.

Another principle about employment of funds is that, investments should be easy to administer and also be such as not to divert too much the attention of the management of the institution from its fundamental responsibility. We observe the fact that TRRF operates Turkey's biggest hotels which has nothing to do with employment of funds of a social security organization. Such a policy diverts the attention of the management of a social security organization. As Yazgan states, "Such investments of TRRF could be classified as investments which are unloyal to the goal".<sup>70</sup>

The low profitability rate is the reason of investing reserves in state banks and bonds with a very low rate of interest which is below the inflation rate. Here an interesting point emerges: especially in the last 25 years, persons registered in a social insurance organization and paying premiums have financed "The State" with a very low effective interest, that is interest of State banks and bonds. In fact the State provisionally created an important evergrowing

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<sup>70</sup> T. Yazgan, Sosyal Güvenlik Sistemi, p. 70.

Table- 7

Year	Investments (Billion)	Income from investments (Billion)	Profitability (%)	Inflation <sup>a</sup> (%)	Real losses (%)
1973	17.0	0.897	5.3	20.4	-15.1
1974	21.6	1.235	5.7	29.9	-24.2
1975	27.8	1.722	6.2	10.1	- 3.9
1976	41.3	2.612	6.3	15.5	- 9.2
1977	55.5	3.956	7.1	24.1	-17.0

<sup>a</sup>Ministry of Commerce.

Source: İkinci Türkiye İktisat Kongresi, p. 69.

resource for its current expenditures. This financial resource might have found its way in investments which both opened new job areas and resulted in net gains. But most of the reserves were invested in State banks and bonds. Eventually reserves diminished in real value due to inflationary effects. Balance of payments is distorted by both increasing premium rates and monetary benefits. Besides, reserves are not employed so as to open new job positions and to generate goods.

The objective of the states to administer the funds in the best possible way is being achieved in many of the developing countries by the social security legislation itself.<sup>71</sup> This legislation contains the requisite provisions making it obligatory for the major portion of the funds to be placed at the disposal of the government. Such a statutory requirement relieves automatically the social security institutions from the task of ensuring the utilization of the funds to further the economic and social development of the country. The state steps in and takes over that responsibility. The above statement fits the case of the SIO with one important exception. In case of a financial crisis, the State does not take over and remedy the deficit, on the contrary, it increases premium rates.

During the period of high inflation, funds of social insurance organizations were considerably damaged because reserves were only paid by interest rates of state bonds. Therefore measures need to be taken to keep the real value of reserves from being affected by inflation. This is very important in the case of capitalization system of financing, in which reserves reach very huge amounts.

Discussion made in this section reflects the importance of financing of social insurance schemes. Most of the problems of our present social insurance programs emerge from the deficiencies related with financing. In Part II, we will also focus on financial subjects in connection with new laws for the agricultural sector.

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<sup>71</sup> Asian Regional Symposium, p. 408.

## PART II



## 2.ANALYSIS OF LAWS ENFORCED BY THE ULUSU GOVERNMENT

### AND GUIDELINES FOR SOCIAL SECURITY IMPLEMENTATION

In Part I of the thesis, we have conjectured that the Ulsu Government was influential in the introduction of social security for the individuals in the agricultural sector. Inspection of the program of the Ulsu Government reveals an important statement which is relevant to our present study. In this program, an engagement is made about the addition of agricultural sector in the social insurance system:

"Necessary studies will be made for bringing individuals under the social security umbrella especially those in the agricultural sector, keeping an eye on the special characteristics of the sector, which is a group not yet included in the social insurance coverage." <sup>72</sup>

In conformity with this statement, the draft of social insurance laws for individuals engaged with agricultural activities is prepared by the Ministry of Social Security. The general reasoning of the social insurance draft law for self-employed individuals is explained within the draft resolution. <sup>73</sup> Here it is stated that social security is a right for every citizen and a duty for the State and furthermore this concept is also taken up both in 1961 and 1982 Constitutions. Steps in the coverage of individuals are aimed respectively as wage earners, economically active population and finally everyone in the country. It is reflected that at present economically active population in which social security applications are realized amounts to 4.650.000 individuals. When wives, children and parents are included in this figure, it is seen that nearly half of the population is covered in the social insurance system which amounts to 20.000.000 individuals. According to the

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<sup>72</sup>Sadık Şide, "SSK 37.Genel Kurulu Açılış Konuşması," Sosyal Güvenlik Bülteni, 57 (Nisan-Mayıs 1982), p. 5.

<sup>73</sup>Harında Kendi Nam Ve Hesabına Kalışanlar Sosyal Sigortalar Kanunu Tasarısı Genel Gerekçesi (Typewritten)

results of 1980 General Population Census, economically active population is specified as 18.187.000 individuals. Families occupied in the fields of agriculture, forestry, hunting and fishing amounts to 10.483.000 of this figure. Up to this time no action whatsoever is taken to cover these groups which are excluded from the social security umbrella consciously. Furthermore, although in the annual plans and in the five years development plans, reference and emphasis was made continuously to social security coverage of agricultural sector, only in 1983 a sound action is taken to this end.

In the draft law no mention is made regarding health insurance. As a reason it is stated that the application of sickness, maternity, employment injury and accident branches of social insurance requires that health facilities be established and sufficient health specialists and other personnel be available. Generally speaking, agricultural population lives in rural parts of the country. In these areas, necessary medical care facilities and health care specialists are not sufficient with respect to need. Besides, such a deficiency could not be solved easily with the present financial resources of the State. Another reason against exclusion of health insurance in the draft law is given as the endeavor of the Ministry of Health and Social Assistance to provide health services in the form of socialization programs to the rural community. All these reasons are given to support the decision of excluding short term insurance branches. It is further stated that, following the establishment of necessary infrastructure and personnel acquisition, short term insurance branches shall be put into implementation. Besides it is claimed that the provisions about criteria related to possessing the right for pension, age limitations, insurance period, percentage of invalidity are specified so as to achieve norm building. It is stated that Bag-Kur possessed branches in all of the provinces of Turkey which are staffed with qualified personnel. Therefore, rather than establishing a separate organization

for self-employed agricultural population, Bağ-Kur Organization will take over the responsibility for implementing the administrative operations.

In the conclusion part of the reasoning it is stated that, in case the draft law passes, Turkish villager will benefit social security, which has been desired for such a long time. It is emphasized that by doing so, social security will have developed and spread throughout the whole country. This statement asserts that after implementing this law, most of the individuals in Turkey will be brought under the social security umbrella. In fact this target is one of the principles of social security: providing social security to all the individuals in a society, whether young or old, active or passive, man or woman.

Draft forms of social insurance laws for self-employed farmers and agricultural workers are presented in March 1983 to the Prime Ministry for approval by the Ministry of Social Security. Şide, the Minister of Social Security had delivered a speech prior to the enforcement of these laws:

"In the new draft law, neither any insurance inspectors nor any investigation for premium payments will exist. Accumulated premium debts of agricultural dwellers due to previous law shall be paid by the State." <sup>74</sup>

This declaration makes us to think that state subsidy will be introduced in the social insurance system. Furthermore Şide had declared that within ten years, laws will be implemented throughout the whole country. <sup>75</sup> In the official publication of SİO, laws and regulations issued in the past about the coverage of agricultural workers in the

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<sup>74</sup> Tarım sigortası yasa tasarısı Başbakanlık'ta, Hürriyet, Mar. 27, 1983, p. 4.

<sup>75</sup> Sadık Şide, Posval Güvenlik Dülteni, 63 (Kasım 1982), p. 17.

SIO are described as inefficient relative to the number of agricultural workers benefitted from social insurance right. For the purpose of including all the agricultural population in the social security institutions, mainly two legislations were promulgated. With Law No:2100 which is enforced on 21.11.1977, individuals working in agricultural jobs in public or private workplaces and also forestry workers will be insured. SIO will be the insurance institution. However, due to lack of Agricultural Occupational-Law, only 40.000 agricultural workers were insured in five years instead of the expected 500.000 individuals. On the other hand, self-employed farmers were intended to be insured by Bağ-Kur Organization with Law No:2229 which is enforced in 19.4.1979. But according to this law, since getting insured was voluntary, only 7.826 farmers were actually insured. Therefore these two laws were not successful in achieving total coverage of agricultural dwellers under social security schemes.

It is asserted that the new laws issued will bring effectiveness in the process of functioning and implementation. Therefore, it is assumed that in a short time, these laws will help coverage of all the citizens. It is also stated that these two laws will influence more than 20 million individuals in the country.<sup>76</sup>

Laws are enforced after an examination which lasted seven months. Agricultural workers will be members of SIO and self-employed farmers will join Bağ-Kur. The laws which are passed from the Consultative Assembly, and enforced were eventually diverted from the original drafts which were submitted by the Ministry of Social Security.

In the first section, the two laws will be analysed, criticized and evaluated. In this section the viewpoint of lawmaker will be examined and explained, thereby developing major assumptions made. After having specified deficiencies of

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<sup>76</sup>Tarım Sigortası, Hürriyet, p. 4.

the laws, implementation successes of the schemes will be assessed in the second section. Then in the third section, guidelines for social security implementation in the agricultural sector will be presented.

## 2.1.SOCIAL INSURANCE LAWS FOR THE AGRICULTURAL SECTOR

### 2.1.1.SOCIAL INSURANCE LAW FOR AGRICULTURAL WORKERS <sup>77</sup>

Law No:2925, Date of acceptance:17.10.1983

Aim:

Article 1.The aim of this law is specified as being the provision of social security according to conditions set herein, to individuals working temporarily in agricultural activities with a service contract.

From this statement two important conclusions may be drawn.The first point is the requirement of having a service contract.Traditionally, making a service contract is not widespread in the agricultural sector.Whereas the contrary is true in the industrial sector.Therefore even if the worker is desirous of making a service contract in order to join the social insurance system, his employer will at least be cautious or even unwilling to make a service contract with his employee. The reason for this problem is the lack of a law regulating employee-employer relationships and working conditions in the agricultural sector.Agricultural-work law has not been issued yet.Therefore requirement of a service contract will lead to difficulties for the worker.As a matter of fact it is not easy to guess why such a condition is set to be eligible for the social insurance system.Because since there exists no agricultural-work law, it is meaningless to demand a service contract. Therefore this provision must be re-considered.Alternatively, requirement of service contract could be removed.

The second point which should be emphasized is that, benefits to be provided within the social security coverage are established as dictated in conditions of this law.Therefore the benefits provided will be different from the benefits provided to the other social insurance organization's contributors. Consequentially, inequalities in benefits provided will result.

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<sup>77</sup>Tarım işçileri Sosyal Sigortalar Kanunu, T. C. Resmi Gazete, 18197 (20 Ekim 1983), pp. 5-13.

This will lead to the aggravation of an already serious deficiency of the Turkish social security system, namely lack of norms. A national norm covering, without exception, all programs must be set that will eliminate varying applications within the country. These norms should also include requirements and conditions for benefitting from social insurance assistance. Only then inequality between insured individuals can be eliminated.

#### Coverage:

Article 2. Individuals who are eligible for the scheme are limited to persons who are excluded from social security laws' coverage, and persons who do not receive invalidity, old age, permanent invalidity pensions according to these laws, under the condition that they should be working with a service contract and with the condition that they apply. Here one of the principles of social security is violated, namely the principle of being compulsory. The probable assumption which is made by the lawmaker is that the individuals in agricultural sector are aware of the benefits of social security schemes and if they possess the will and financial resource, they will participate in the social insurance scheme. It is very optimistic to assume that the conscious level of agricultural community at large is sufficient to decide joining the scheme. Making the program being dependent on the individuals own will, is by itself a cause against the success of this scheme. Because although participation to the SIO in the industrial sector is compulsory, there exists considerable number of workers who are unregistered. As a matter of fact the real reason for making participation voluntary may be the lack of any financial contribution of the State and the employer. This provision may be interpreted as having the following rationale: since neither the State nor the employer contributes, as will be described later, enforcing compulsory scheme might not have been considered appropriate. Let's assume that the program is compulsory. If the worker is willing to join the program he would apply in due course. But if he doesn't want to be insured,

then the provision which makes participation compulsory could hardly have any effect, as the follow-up of the case will be a difficult task.

#### Definitions:

Article 3. In this article definitions of "Insured person", "Employer", "Employer's representative", "Working place", "Temporary work", "Income", "Pension", "Possessor of right", "Organization", "Social insurance organizations", "Co-efficient", "Employment injury", "Occupational disease", are given. In the definition of temporary work, the duration is limited to maximum 30 working-days with respect to its characteristics. In practice, specifying that a job is temporary might be problematic. If the worker is unable to prove, when required, that he is working in a temporary job, his insurance would be endangered. Besides, as stated in Article 1 of this law—that is social security to be provided to individuals working temporarily—the reasoning behind the limitation of the working period is not clear.

"Organization" is defined as SIO.

Persons who are not considered as insured:

Article 4. According to this article, persons under the age of 18, participants in social security organizations, individuals who receive payments from social insurance organizations and individuals who receive pensions<sup>(78)</sup> are not considered as insured. Here it is seen that beneficiaries of pensions are excluded from the scheme, possibly because of prevention of double payments. But whether the individual who receive pension according to Law No:2022 could be able to receive the whole of the rights provided in this law—especially rights related with health services—is not clear. Therefore it is observed that excluding the above mentioned group from this scheme produces inequalities.

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<sup>78</sup> Individuals who are paid pension according to Law No: 2022 dated 1.7.1976.



### Starting of insurance:

Article 5. Individuals who apply in writing and who are eligible for this scheme are considered insured starting from the first day of the next year. This limitation will produce inequalities between participants of this and of the other schemes of the SIO. Industrial sector workers are considered insured as soon as they apply without any limitation.

### Termination and interruption of insurance:

Article 6. In this article conditions that cause termination and procedure to be applied in case of interruption of insurance are specified. It is stated that the insurance of an individual will be terminated if due premiums for a specific year are not paid or paid but not confirmed until the end of February of the following year. This provision is unjust because of the following reasons; in the first place, this provision will produce inequalities between participants of the SIO. There is no time limit for payment of premiums in the industrial sector. For this reason there exists huge amounts of premium debts of the public and the private companies. The lawmaker wanted to prevent accumulation of premium debts of insured persons. But sole provisions can not succeed unless supported by justification. In reality insured agricultural workers may not be able to pay their due premiums within the specified period. Here the second reason of injustice comes into picture. The State especially in the last years realizes payments of agricultural produce to farmers with long delays. Underlying reasons are mainly economic and the impact of this application on the agricultural sector is generally negative. It is known that, the State realizes payments of the agricultural produce with much more delay than the period allowed for insured persons for payment of premiums under this law.

In item b) of this article it is stated that, for persons who do not wish to continue their insurance, it will be discontinued beginning from the first day of the next year

following filing of the written request to the Organization. Thus, an insured person can, at any time, cancel his membership to the social insurance scheme.

Assistance provided:

Article 7. In this article, the assistance provided in cases of employment injuries and occupational diseases is specified. The condition for benefitting from this assistance is that, person's insurance must have been confirmed minimum three months before. This is a harsh condition. Furthermore this provision is another source of inequality between participants of the SIO.

Possessing the right of income for permanent invalidity:

Article 8. In this article, conditions of payment of permanent invalidity income due to employment injury and occupational disease are specified.

Calculation of permanent invalidity income:

Article 9. In this article, calculation procedure of permanent invalidity income is described.

Notification of employment injury and disregarding doctor's prescriptions:

Article 10. In this article, procedures related with notification of employment injury and medical treatment are explained. Here it is stated that, employment injury shall be notified to the employer or SIO within two days after the occurrence of injury. This provision is not appropriate to the conditions of both the agricultural sector and the rural setting. In fact the real problem in such a case is the unavailability of medical care facilities. So such a time limit in practice is not realistic.

Income allocation to wife and children:

Article 11. In this article, conditions and procedures of income allocation to the wife and children of the insured person in the case of death are specified.

Cease of income allocated:

Article 12. Conditions of cease of income allocated to the wife and children of insured person are specified. In order to be able to implement this provision, an efficient control mechanism must be present. But in practice this may not be possible.

Assistance provided:

Article 13. In this article, assistance provided to insured person other than related with employment injury and occupational disease are described as; health assistance, the procurement, attachment, repair and renovation of prosthesis other than related with the mouth.

Coverage of health assistance and conditions of benefitting:

Article 14. In this article, health assistance is explained and the condition of benefitting is specified as having paid premiums for 120 days within the year prior from the date the disease is discovered. This is another restriction to receive health services. This provision eventually results in differentiation in providing health assistance.

Term of health assistance:

Article 15. This article limits the term of health assistance to 18 months, even if the medical treatment is not completed. This provision may have practical value in that, medical personnel will try to complete the treatment within 18 months before discharging the patient from the hospital. In fact this term might have been chosen less than 18 months. But considering facility capabilities of SIO this term is not of critical value.

Health assistance to wife and children:

Article 16. In this article, health assistance to insured person's wife and children is defined as exactly the same as to insured person.

Health assistance to individuals receiving income and pension fund and to family members:

Article 17. In this article, health assistance to be provided to individuals receiving income and pension fund and to family members is explained emphasizing the duration limitation set in Article 15. Besides, a provision about contribution to the price of medicine given to above mentioned persons is stated. That is, 10% of medicine expenses shall be borne by the patient. It is seen that another financial resource of the SIO is the contribution paid for medicine by the patient. Similar arrangement exists in the scheme of SIO + or industrial sector. In that scheme contribution rate of the patient for medicine expenses is 20%.

Calculation of invalidity insurance:

Article 18. In this article, calculation procedure of invalidity pension is described.

Cease and re-allocation of invalidity pension:

Article 19. In this article, conditions of cease and re-allocation of invalidity pension are described. An important feature in this process is the control examination by which the degree of invalidity of the insured person is ascribed. Such an examination requires medical care facilities which should be near the insured person.

Conditions of benefitting from the old age pension:

Article 20. In this article, conditions of eligibility for old age pension are explained. Accordingly age for women must be 50, and for men 55. Insured period must be 15 years. Minimum 3600 days' premium must be paid. Finally, written request to the Organization must be forwarded. According to these conditions, an insured person must pay 240 days' premium each

year on the average to be eligible for old age pension. This approximately corresponds to eight months. But an agricultural worker rarely works eight months a year, and, therefore most of the insured persons may not be able to earn eight months' wage. This provision does not take the realities of agricultural working conditions into account.

#### Calculation of old age pension:

Article 21. In this article calculation procedure of old age pension is specified. According to the provision of this article, old age pension can not exceed 85% of the amount found as base.

#### Starting of pension:

Article 22. In this article, starting of pension is described as the following months' beginning as of written request of insured person.

#### Cease and re-allocation of pension:

Article 23. This article describes conditions of cease and re-allocation of pension.

#### Lump-sum payment:

Article 24. According to this article, even if the insured person has reached the age of 50 for women and 55 for men, if she or he has not possessed the right of pension at the insured person's written request, 2/3 of premiums paid are repaid to the insured person. Leaving aside legal interest due for the total premiums paid by the insured person 1/3 of premiums are deducted from the lump-sum payment. It is hard to understand what is the logic behind this deduction. Because premiums are paid 100% by the insured person. It might be speculated that, 1/3 of premiums are reserved for health services and administrative expenses.

Assistance provided by death of breadwinner insurance:

Article 25. This article specifies assistance to be provided to the wife and the children of insured person as allocation of pension and lump-sum payment.

Conditions of allocation of death pension:

Article 26. In this article conditions of allocation for old age pension are described. It is specified that in order to be eligible for this pension, 180 days' premium payment on the average for the last five years is sufficient. This figure was 240 days in the case of old age pension.

Calculation of death pension:

Article 27. This article states the procedure in the calculation of death of breadwinner pension.

Allocation, cease and re-allocation of pensions to the wife and children:

Article 28. This article describes allocation, cease and re-allocation of pensions to the wife and children, similarly as described in articles 11, 12 and 27.

Lump-sum payment:

Article 29. If none of the dependents of the insured person is eligible for death pension, 2/3 of premiums paid by the insured person is repaid as specified in article 11.

Premium collection:

Article 30. In this article, it is stated that premium will be collected in the proportion of 20% calculated according to the amount of income described in article 31 - from the insured person to cover all kinds of assistance and payments specified in this law. Therefore there exists no employee and no state financial contribution in the scheme. Whole of the expenses are to be covered with these premiums. This provision is against the agreed norms of ILO which state that: the maximum proportion of premium to be collected from the insured person

shall be 50%. But in this case, 100% of the revenue will be supplied directly by insured persons. Eventually no responsibility is given legally to the employer in the process of social insurance. This is another application which is unjust, because the employer benefits from this scheme in that, the insured person receives health care, medicine, prosthesis. However, the employer is not required to make contributions in this scheme. This is not only unjust, but even against the established scheme in the industrial sector. This produces inequality between employers of the industrial and the agricultural sectors. With this provision, employers in agricultural sector are protected. It's worthwhile to look for probable reasons of such a decision. In the first instance, this could be interpreted as an incentive for agricultural entrepreneurs. The second reason which seems less likely is that the employers are considered as having no extra sources to finance their part of the contributions. Thirdly, difficulties in collecting premium contributions from the employers are considered as a bottleneck, which is the case in the industrial sector. Hence, it is considered likely that the status in industrial sector influenced the decision of the lawmaker. Huge amounts of premiums to be collected from the employers have eventually affected the viewpoint of the lawmaker.

Amount of income to be based on premium calculation:

Article 31. Premiums to be collected according to article 30, will be calculated taking the base as the  $1/30$  of the multiplication of co-efficient with the lowest indicator in the indicator table included in Social Insurance Law. Therefore, flexibility is obtained by changing co-efficient according to changing inflation rate.

Number of days as a base for premium calculation:

Article 32. Number of days to be based on premium calculations are 15 for each month and 180 for each year. The assumption is that agricultural worker is active in half of the year. This does not conform to the realities of agricultural operations.

### Payment of premium:

Article 33. In this article, procedure of premium payment is specified. It is stated that insured person shall pay premium debts till the end of following month at the latest. Two points are interesting to note. The first one is that the premium collection shall be promoted on a monthly basis. This frequency is not in conformity with the conditions and possibilities of agricultural setting. There exists also inequalities between this and the main scheme of SIO, where premiums are collected on a three monthly basis from the employers. Requiring premiums to be paid monthly produces difficulties both from the agricultural workers' side and the administration's side. The second interesting point is that a time limit is imposed for the payment of premiums. In a country where debts of the State to agricultural sector for agricultural produce, reaches tens of billions Turkish Liras, this limitation on the time of premium payment is unjust. Furthermore the article's provision requires the following: if premium debts are not paid or the payment not confirmed till the end of February of the next year, 10% interest will be charged on collectable premiums for the first month and 3% for each passing month thereafter. Such penalty measures eventually discourage potential participants. Although similar penalty measures exist in the collection of insurance premiums due from industrial sector, it should be noted that socio-economic conditions vary considerably between urban and rural areas.

### Documents to be prepared for unpaid premiums:

Article 34. According to this article, unpaid premiums shall be collected by sequestration by the SIO. Eventually an insured person may lose his locus because of his inability to pay premiums. If the whole picture is summarized, instead of receiving social insurance benefits, the insured person may find himself in net loss.



Dependents of the insured person:

Article 35. This article defines dependents of the insured person.

Regulations:

Article 36. Regulations about the law's implementation are explained and stated that these regulations will be issued within one year beginning from the date of the enforcement of this law.

Co-efficient determination table:

Article 37. This article specifies co-efficient tables to be utilized as given in Law No:506.

Consolidation of services:

Article 38. This article provides possibilities in the consolidation of services of all social insurance organizations, which are THRF, SIO, Bağ-Kur, and related retirement funds and other social security organizations.

Applicability of Law No:506:

Article 39. In this article, articles of Social Insurance Law No:506 are specified which are in force if no contradiction occurs.

Implementation of Law:

Article 40. This law is implemented by SIO.

In a transitory article, adaption of application to the scheme is provided:

Transitory Article. Individuals who are eligible to this scheme are considered insured if they apply in writing in 1984, insured status begins in the beginning of the next month.

Enforcement:

Article 41. This law is enforced beginning from January 1, 1984:

Execution:

Article 42. Provisions of this law are executed by the Council of Ministers.

## 2.1.2.SOCIAL INSURANCE LAW FOR SELF-EMPLOYED

AGRICULTURAL POPULATION<sup>79</sup>

Law No:2926, Date of acceptance:17.10.1983

Aim:

Article 1.The aim of this law is defined as:to provide social insurance assistance, according to conditions set, to self-employed agricultural population and their dependents for invalidity, old age and death of breadwinner.

From this statement two important conclusions may be drawn.The first point is the assistance provided,namely, long term insurance branches.Therefore this scheme does not provide short term insurance assistance such as employment injury, occupational disease, maternity.This consequently produces inequalities between the two schemes.Lack of short term insurance assistance will be an important loss for the participants.Furthermore, this reality will discourage potential participants of divert their interest to social insurance scheme for the agricultural workers.Such an outcome must not be a surprise to the lawmaker.The assumption of the lawmaker is that in the first instance long term insurance branches will be provided.Meanwhile having established all the necessary infrastructure, short term insurance branches will be put into implementation.The major assumption of the lawmaker in this article is that, self-employed person will-without even evaluating the benefits provided in the insurance scheme for agricultural workers-participate in this scheme.This may not be true in reality.The second point which needs emphasis is that,benefits to be provided within the social insurance coverage is established as given in this law.This means that benefits provided will be different from the other bağ-kur participants.Eventually inequalities in benefits provided will result.Therefore one of the deficiencies of Turkish

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<sup>79</sup>Tarımda Kendi Adına ve Hesabına Çalışanlar Sosyal Sigortalar Kanunu, T. C. Resmi Gazete, 18197 (20 Ekim 1983), pp. 14-26.

social security still persists: lack of norms in social security rights.

#### Coverage:

Article 2. Individuals who are eligible to this scheme are limited to: persons who are excluded from the social security laws' coverage, and having agricultural activities without being dependent on an employer with a service contract, both men and familyhead women who have completed 22 years of age.

#### Definitions:

Article 3. In this article, definitions of "Insured person", "Individuals who have agricultural activities", "Possessor of right", "Organization", "Social insurance organizations", "Co-efficient", "Employment injury", "Occupational disease", "Month", "Full year". "Organization" is defined as Bag-Kur.

#### Persons who are not considered as insured:

Article 4. According to this law, individuals who make payments to social security organizations and those who receive and/or apply for allocation of invalidity and old age pension and individuals who receive pension according to Law No:2022 are not considered as insured. But excluding individuals who receive pension according to Law No:2022 does not solve the problem. Because the rights provided may not be equal in the two schemes.

#### Starting and being compulsory of the insurance:

Article 5. Individuals who are eligible for this program are considered insured beginning from the next year automatically as soon as they complete 22 years of age. It is stated in the article that being insured is a right and obligation from which no one can quit. The important point here is that the start of insurance begins at the age of 22, whereas this figure is 18 in SIO's application.

### Termination of insurance:

Article 6. In this article, conditions that cause termination of insurance are described. The most important point here is that headman of the village or the quarter is given the obligation to follow-up and notify the Organization if a person's insurance is terminated. The assumption of the lawmaker is that headman has enough information channels that will enable him to follow-up the individual's status of insurance. In practice this assumption may prove to be far-off from the reality.

### Registration and recording obligation of insured persons:

Article 7. Individuals who are considered as insured are compelled to apply to the Organization and make their registration.

### Obligation of notifying the insured person:

Article 8. Headmen are obliged to notify the Organization of the eligible insured persons in a village or a quarter. Therefore the whole responsibility of unregistered individuals, who are potential insured persons, are attributed to headmen. Follow-up will prevent difficulties with present system of registration. Eventually follow-up duty given to headmen may not produce efficient results. As explained in the first part of this study, unregistered individuals who are potential insured persons, reach huge numbers.

### Registration on Organization's own initiative:

Article 9. Individuals who are considered as insured person will be registered on Organization's own initiative if these individuals do not register to the Organization within three months after becoming eligible for insurance. This provision is only effective if headmen notifies potential insured persons to the Organization. If, the system of notifying the Organization by headmen operates successfully there will be

no potential insured individuals left who are unregistered. In this case effectiveness of the whole system is also improved.

Records which will be taken as base in the registration:

Article 10. In this article, sources of the records which will be taken as base in the registration are described. These include, provincial, municipal, State registers and other public units' records. Therefore, it is assumed that registration will be promoted and dispersed by using these sources.

Assistance provided by invalidity insurance:

Article 11. In this article, assistance provided is defined as the allocation of invalidity pension.

Invalidity:

Article 12. In this article, definition and coverage of the invalidity insurance is explained.

Conditions of benefitting from the invalidity pension:

Article 13. Conditions of benefitting from invalidity pension are defined in this article. According to the provisions, minimum five years' premium must be paid in order to receive the invalidity pension. This is a source of inequality between this and the previous scheme which is for agricultural workers. Because, there is no provision in the latter scheme about the minimum period of premium payment in order to possess the right for invalidity pension.

Calculation of invalidity pension:

Article 14. In this article calculation procedure of the invalidity pension is explained. The percentages employed are the same as used in Bağ-Kur and SIO schemes.

Starting of the invalidity pension:

Article 15. In this article, starting time of the invalidity pension is defined.

Assistance provided by the old age insurance:

Article 16. Assistance provided by the old age insurance is defined as allocation of old age pension and lump-sum payment.

Conditions of benefitting from the old age pension:

Article 17. Conditions of benefitting from the old age pension are described. One of the conditions is that premium must be paid 25 full years. Whereas in Social Insurance law for the agricultural workers, 15 years membership is sufficient to benefit from the old age pension.

Calculation of the old age pension:

Article 18. In this article, calculation procedure of the old age pension is described. Provisions encourage premium payment by increasing pension in accordance with the duration of premium payment.

Starting of the old age pension:

Article 19. In this article, starting time of the old age pension is defined.

Cease of the old age pension:

Article 20. In this article, conditions of cease and reallocation of old age pension are defined. Provisions discourage the insured individual who is receiving old age pension, to work under another program. Because the pension is lost in such a situation.

The lump-sum payment due to old age insurance and returning to work:

Article 21. In this article, conditions of lump-sum payment and regaining the right for the old age insurance in case of returning to work are described.

Assistance provided by the death of breadwinner insurance:

Article 22. In this article, assistance provided by the

death of breadwinner insurance is defined. These include the allocation of pension, the lump-sum payment to dependents of insured person, and the allocation given for funeral expenses of the insured person. Latter of the assistance is not provided to the agricultural workers who are members of the SIO. Thus, this assistance is the advantage of this scheme in comparison with the scheme for agricultural workers.

Conditions for allocation of the death of breadwinner pension:

Article 23. In this article, conditions for allocation of the death of breadwinner pension are described. One of the conditions is that the premium must be paid for minimum three years. This condition is different from the one set in Social Insurance Law for the agricultural workers, where it is stated that minimum five years membership is required in order to receive the pension.

Calculation of the death of breadwinner pension:

Article 24. In this article, calculation of the death of breadwinner pension is described.

Starting of the death of breadwinner pension:

Article 25. In this article, starting time of the death of breadwinner pension is defined.

The lump-sum payment:

Article 26. In this article, conditions of the lump-sum payment for death of breadwinner insurance are described.

Allocation to the wife, children and parents:

Article 27. In this article, allocation of the pension and the lump-sum payment to the dependents of the insured person, that is to his wife, children and parents are explained.



Cease of the death of breadwinner pension:

Article 28. In this article, conditions of the cease of pension allocated due to death of breadwinner pension are described.

Allocation for the funeral expenses:

Article 29. In this article, assistance related with the funeral expenses is described.

Collection of premium and the administrative expenses:

Article 30. In this article, it is stated that the premiums will be collected from the insured persons in order to cover the expenses for all types of assistance to the insured individual and also for the administrative expenses. Furthermore administrative expenses are limited to 10% of the general annual revenues declared in Law No:1479 dated 2.9.1971. In fact this is not a limitation. Because if this percentage is compared with the same percentages aimed by other countries' social insurance programs, it is found that this figure is higher than any other percentage.<sup>80</sup>

Rate and calculation of the premium:

Article 31. Monthly premium of the insured person is calculated by taking 15% of the multiplication of indicator factor with the co-efficient.

Employment of reserves:

Article 32. In this article, the definition of reserve is given as the difference between revenues from premiums, immobiles, shares etc. and all kinds of expenses. Reserves shall be employed in the following way:

- i-Depositing in state banks with the condition that the interest rate is the highest according to prevailing provisions.
- ii-Investing in bonds which are issued or sponsored by the State.
- iii-Investing in immobiles.
- iv-Holding shares in companies founded or to be founded.

It is added that, reserves employed as described in item ii- can not exceed 40% of the total reserves.

These provisions restrict the administration of the social insurance organization within the scope of investment of reserves. Because possible returns receivable from items i-, and ii- are low with respect to inflation in unfavorable conditions. Besides, return from immobiles are considerably low in relation to other possible profitable operations. The last item may prove to be profitable if emphasis is given.

Another provision in this article is that the revenues to be obtained by this law and the revenues obtained by Law No:1479 are evaluated diversely. No transfer of revenue will be made between these reserves. Therefore another differentiation is made with this provisional arrangement. This decision will narrow total revenue of the Organization.

Steps as basis for the insurance premium and the pension:

Article 33. In this article, the steps which will be used in calculating premium amounts and pensions are given from the first to twelvth step in an increasing order. It is also stated that the step values may be altered according to the changing economic conditions of the State and the financial conditions of the Organization. Therefore an alternative way to increase the revenues from premiums are easily established. Whenever the step is increased, due premium and pension is automatically increased.

Selection of the step:

Article 34. In this article, important provision is that, insured person may select any one of the steps he wishes. Logically, insured person will select the most appropriate step according to his income, age and degree of his security needs among other things.

Promotion of the step:

Article 35. whenever an insured person completes two full years in a step, he may at his wish promote the step with the condition that he must have paid all the due premiums to the Organization.

### Payment of premiums:

Article 36. In this article, it is stated that the premiums shall be paid according to the periods to be specified by the Council of Ministers. Therefore a flexibility is brought, about the payment of premiums. This eventually produces inequalities with respect to the scheme for agricultural workers. Another advantageous and important aspect of this scheme is that the premium debts of insured persons may be deducted from the credit of the same due to the agricultural produce which is sold to the State. This provision immensely eases difficulties and bureaucratic operations in the process of premium payment. If the above two approaches are coordinated, then, once or twice a year the due premiums will be collected by deducting those amounts from the credit of the insured individual.

### Documents to be prepared by the Organization in case of unpaid premiums:

Article 37. According to this article, unpaid premiums shall be collected by sequestration by the Organization. The same situation described in the law for agricultural workers may happen. That is, an insured person may lose his goods because of the unpaid premiums.

### Refunding of the premiums which are collected improperly:

Article 38. In this article, the provision about improperly collected premiums is described.

### Exemption from taxes, duties and participating in funds:

Article 39. In this article, exemption of the organization from taxes, duties etc. are stated. This provision decreases expenditures of the Organization considerably. This provision indirectly provides state subsidy to the Organization as in the case of similar situations.

### Reports:

Article 40. In this article, procedure in connection with the report about health condition of the insured person is

specified.

Control examination:

Article 41. In this article, procedure related with the control examination is specified. Control examination is relevant in the case of specifying the invalidity degree. The assumption is that, the invalidity of a person may diminish or disappear. In such a case payment of the invalidity pension shall be ceased or reduced according to the results of the examination.

Consolidation of pensions:

Article 42. Consolidation of pensions is specified in this article.

Payment of pensions:

Article 43. In this article, payment of pensions is explained. Provisionally pensions will be paid every three months.

Consolidation of services:

Article 44. This article provides the possibility of consolidating services of all the social security institutions.

Payment in advance:

Article 45. This provision provides payment in advance to insured individual, if allocation of the pension or the lump-sum payment is delayed. The amount paid in advance shall be deducted from the total payment to be made to the insured person. This application produces inequality between this and the previous scheme in which there exists no provision regarding payment in advance. Furthermore considerable delay in the allocation of pension results in unjust treatment to the agricultural workers.

Travel and other necessary expenses:

Article 46. This article describes the conditions of payment by the Organization to the insured person or to his dependents, for travel and other necessary expenses.

Responsibility of the third parties:

Article 47. In this article, relations with the third parties are explained.

Information request from the public prosecutor:

Article 48. This article explains the authority of the Organization to request information from the public prosecutor.

Notification:

Article 49. This article describes the responsibility of the Organization to notify the insured person about the pension and the lump-sum payment. This notification must be made in three months according to the provision. This provision sets a period limit after which the insured person will be able to learn his pension or lump-sum payment. But this provision does not set a time restriction on the start of the pension or the payment of the lump-sum.

Responsibility for information delivery:

Article 50. Establishments described in article 10 are responsible to deliver any kind of information and document at the request of the Organization. This provision may help increase the efficiency of the information collection activities of the Organization.

Age:

Article 51. In this article, the procedure in determination of age is described.

Insequestrability of the insurance assistance:

Article 52. This article states that, the pension and the assistance provided can not be sequestrated excluding the subsistence allowance debts.

Inspection authority of the Organization's employees:

Article 53. This article describes the authority for inspection of employees of the Organization as specified in the Occupational Law.

Reporting:

Article 54. In this article, it is stated that the provisions of the Reporting Law are applied.

Reconciliation of disputes and prescription:

Article 55. In this article, reconciliation of disputes are explained and prescription is defined for law suits and premium debts.

Regulations:

Article 56. In this article, regulations to be issued relevant to the implementation of this law are described. Regulations shall be issued within one year at the latest.

Objection:

Article 57. In this article, objections which may be proceeded by the insured person and their dependents are specified.

Fractions of Lira:

Article 58. This article states that the fractions of Lira shall be rounded-off to Lira.

Cease of the right:

Article 59. In this article provisions about the cease of the right are explained.

Insurance at will:

Article 60. Individuals who are excluded from the fourth article of this law may participate, if they have completed 18 years of age. This provision creates possibilities for individuals who are mainly family helps. But since this kind of insurance

depends on the will of the individual, such registration will not be realized widely.

#### Sanctions:

Article 61. Individuals who do not conform with the provisions of article 7., are compelled to pay monetary sanctions.

#### Implementation of the Law:

Article 62. This Law is implemented by Bağ-Kur. So even the funds are differentiated, the administrative body is the same for all individuals who are self-employed.

In the implementation phase, some problems may arise due to adaptation difficulties. Therefore transitory articles are added to the end of this Law to smoothen the transition into the insurance process.

#### Becoming indebted:

Transitory article 1. In this article, an opportunity to the insured individual, who is more than 40 years old for women and 45 years old for men, is provided with the sole condition that the insured individual shall become indebted retrospectively up to 10 years.

#### Evaluation of services in a different organization:

Transitory article 2. In this article, conditions about joining the services rendered in a different organization are specified.

#### Notification responsibility of the headmen:

Transitory article 3. Headmen are responsible for notifying the Organization within six months at the latest, the individuals who are covered in this Law.

#### Implementation area:

Transitory article 4. In this article, it is stated that this Law will be implemented to extend to all regions, provinces, and agricultural produces within ten years starting from the first New Year' Day following the date of issue. Furthermore, the Council of Ministers is given the authority to decide on which regions, provinces and which agricultural produces shall have the priority.

#### Foundation expenses:

Transitory article 5. For the implementation of this Law, necessary assignment of money shall be made available to cover the expenses of foundation period and the administration. The assignment of money shall continue for five years.

#### General administrative expenses during the foundation period:

Transitory article 6. The administrative expenses specified in article 30., shall not exceed 15% for ten years starting from the enforcement date of this Law.

#### Enforcement:

Article 63. This Law shall be effective as of January 1, 1984.

#### Execution:

Article 64. The provisions of this Law shall be executed by the Council of Ministers.



### 2.1.3.DEFICIENCIES

We have pointed out to the important drawbacks of the laws during our description of articles in the last section. Some of them shall further be emphasized in this section under two separate categories: (1) Non-financial, and (2) Financial deficiencies.

#### (1) Non-financial deficiencies:

##### a. Principle of compulsory insurance is violated:

The Law No:2925 shall be implemented on a voluntary basis. By doing so, one of the principles of social security which is the principle of compulsory insurance is violated. Therefore an agricultural worker shall, if he desires so, apply to the SIO for registration. On the other hand, an eligible self-employed farmer or an individual who is insured according to Law No:2926 shall, without any action on his or her side, be registered by the headman of the village or quarter and be reported to the Bağ-Kur Organization. Constitutionally, social insurance is a right for every citizen. In conformity with this, in article 5. of the Law No:2926 it is stated that being insured is a right and obligation from which no one can quit. It is questionable why this right and obligation is not effective in the case of an agricultural worker. We may attempt to explain this contradiction as follows. According to the Law No:2926, in the case of an insured person, it is justifiable to collect the whole premium from the applicant. Because there exists no employer. But in the case of an individual who is insured according to Law No:2925, there is also an employer from whom premium could also be collected. But there is no provision in this law about the financial contribution from the employer. Thus if the program had been compulsory it would have been much more harder to advocate such a provision. As a conclusion, participating in the social insurance program for agricultural workers must also be compulsory. After all, it is clear that this provision may have immense effect to discourage individuals who are potential persons to be insured. Moreover, experience

shows that, voluntary methods are not effective in providing basic security especially for the lower-paid sections of the community.<sup>81</sup>

b.No responsibility for the employer:

In the Law for agricultural workers, no responsibility is given to the employer. There exists no responsibility in the payment of premiums. Besides no provision obliges the employer to make a service contract with the agricultural worker. Employers should be responsible for payment of a partial premium according to arable land they own. But in the first instance agricultural work-law must be promulgated.

c.Position of individuals who receive pension according to Law No:2022:

Individuals who receive pension according to Law No:2022 are excluded both from Law No:2925 and Law No:2926. But, it is questionable whether these individuals could receive the same assistance and service provided to participants of social insurance programs enforced according to Laws No:2925 and 2926.

d.Capabilities of available health care facilities:

These laws provide no possibility for establishment of additional health care facilities for the agricultural districts. Therefore lawmaker assumes that the available facilities in this field shall be sufficient in providing services to the insured individuals. This is not realistic. Because the need for new health care facilities in rural sites is immense.

e.Lack of crop insurance:

Upto this time crop insurance system is not established in Turkey except as private insurance. Even in these laws the legislators have not considered adding a crop insurance system. The crop insurance system is a necessary attribute of any program designed to take care of the insurance implementation in the agricultural sector. Because hazards which may affect the crops of the farmer indirectly result in income loss. Crop may

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<sup>81</sup>J. Henry Richardson, Aspects of Social Security, p. 239.

be exposed to various hazards. A system of insurance should be established which not only compensates for losses of farmers, but creates funds for re-employment in the agricultural sector.

f. Deficiency related to the media coverage of laws:

Benefits of social insurance programs must be explained to the agricultural population. Besides, procedures must be found for spreading the notion of getting insured, thereby increasing the number of participants. The presentation of the laws to the public at large is clearly insufficient. In order for the implementation to be successful, intensive media coverage must be obtained.

g. Simplicity in documents and transactions:

Documents and transactions related with social insurance procedures should be designed taking into account the education and the literacy level of the target population. Since the education level and the literacy rate in rural areas are always lower in comparison with urban areas, it should be ensured provisionally that, filling application forms should be easy, language used in correspondence should be intelligible and also procedures to be performed should be clear in order to make things simple and easy for the individual.

(2) Financial deficiencies:

In this part, deficiencies in social security programs which are directly related with the financial issues are analysed.

a. Premium payment conditions:

In the law for agricultural workers, conditions imposed on premium payment are unjust. Similar conditions do not exist in Social Insurance Law for the industrial workers. Furthermore, since agricultural workers' income level fluctuates within a year and is much lower than their counterparts in industry, agricultural workers should receive state subsidy whenever their income is not sufficient to cover premium payments. A

fact which supports this proposal is that, the income of the agricultural population is more dependent on the state than the industrial sector, because of the fact that huge amounts of agricultural produce is purchased by State Economic Enterprises. Besides, support prices of these goods set by the State influence the market conditions heavily.

b. Premium paying parties:

In both of the laws, the only party from which the premium is collected is the insured worker or the farmer himself. The latter case is obvious, due to the absence of any employer. But in the former case the provision about premium collection procedure imposed to agricultural workers is neither just according to equality principle of citizens, nor in conformity with the principles set by ILO. Because, according to the ILO Convention 102 dealing with the minimum standards of social security, the total insured contributions borne by the employees protected shall not exceed 50% of the total of the financial resources allocated to the protection of the employees and their wives and children in respect of all the benefits. Furthermore establishing participation in social insurance as voluntary is against the principles of social insurance. Besides, collecting whole premium only from the worker is not a just decision based on the assumptions. The assumption about this point is that, the employer derives benefit from the insured worker. Healthy and able condition of a worker is a benefit to the employer. Therefore the employer must also pay his part of the premium.

Furthermore the state should also contribute to the financing of social insurance programs. Experience in many countries shows that the most appropriate method of financing many social security schemes is by contributory insurance on a tripartite basis. <sup>82</sup>

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<sup>82</sup> Ibid., p. 243.

c. Basis for calculation of premiums:

Basis for calculation of premiums is not compatible with the prevailing realities of the agricultural life. Calculations must be designed in accordance with the data obtained from this population. Another deficiency is the requirement about monthly collection of premiums which results due to lack of consideration of the conditions of rural set-up.

d. Inefficient ways for investment of reserves:

Prevailing provisions about the investment of reserves considerably unables insurance organizations to receive profit from investments. Provisions that assert depositing reserves in State banks reduces returns below the inflation rate. Therefore capital in real terms continuously decreases. In fact, individuals who are registered and who pay premiums regularly, finance the State with very low interest rates in a long term scheme. Therefore restrictions imposed about the investment of reserves must be abolished, giving authority and responsibility to the Organization itself. Reserves should be channelled to the areas which develop the agricultural sector and create new job opportunities. Reserves should be protected against inflationary losses.

e. Sequestration:

Due premiums should not be collected by sequestration. Instead, State funds should be allocated to make up for deficits in the budgets of social insurance programs.

## 2.2.ASSESSMENT OF IMPLEMENTATION SUCCESSES OF SOCIAL INSURANCE LAWS

We shall follow a model developed by Sabatier-Mazmanian, which can be used to assess the implementation success of a policy decision or a law.<sup>83</sup> Evaluation is done by taking program success as dependent and several other variables as independent variables. According to this model, the independent variables are the following:

- a. Little behavioral diversity among groups
- b. Target group is geographically concentrated and few
- c. Less change required
- d. Requirements are specific
- e. Few points to be opposed or easily vetoed
- f. Statutorially built-in biases
- g. Environmental conditions
- h. Extensive media coverage
- i. Public support
- j. Beneficiaries' support
- k. Agencies superiors support
- l. Agency personnel's commitment

Assessment of the implementation success shall be done by examining each criteria and specifying its existence or non-existence. Eventually some of the criteria shall be favorable, and yet some others shall be unfavorable.

- a. Little behavioral diversity among groups:

The area of implementation of these two laws extend to the whole of Turkey. There exists immense variations in the socio-economic context among various regions. Such a variation consequently affects the behavioral approach with respect to implementation of social insurance laws. Some of the variations in socio-economic structure which might influence behavioral

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<sup>83</sup> Paul Sabatier and Daniel Mazmanian, The Implementation of Regulatory Policy: A Framework of Analysis (Davis, Ca.: Institute of Governmental Affairs, 1979)

differentiation among different regions of Turkey are summarized below:

i-Level of income:There exists considerable variations of income level among different regions both for agricultural workers and self-employed individuals.This variation is mostly emphasized between Marmara, Aegean, Black Sea, South and Central Anatolia on the one hand and East and South-east Anatolia on the other hand.Low level of income may have negative effect on the attitude of agricultural population to participate in social security schemes.Because since they have not satisfied their primary needs thoroughly, they might consciously avoid participating in social insurance schemes. Besides obliging these individuals to participate in these schemes may not be just on the grounds that they still need income only to fulfill their basic needs.Variation in the level of income is clear due to the fact that well-off agricultural inhabitants are mostly self-employed and the poor are agricultural workers.

ii-Rate of literacy and level of education:Due to insufficiency in the educational services provided by the State in under-developed regions such as East and South-east Anatolia, both the rate of literacy and the level of education are the lowest in comparison with other regions of Turkey.These variables have impact on various attitudes of agricultural population.In the first place, these variables are clearly obstacles to good communication.Besides, literacy and education level required to accomplish documentary requirements may not be possessed by each person.In the second place conscious level may not be sufficiently created for participating in the social insurance program although the level of income provides necessary sources.

iii-Family size:In the previous part it was explained that there was a presence of a link between rural attitudes to the family size and the absence or availability of social protection.Especially in the rural areas of the most developing countries in Asia, children are considered as a source of

security for parents when the latter are unable to earn their livelihood. Among Turkey's regions, there exists variations with respect to family size. Therefore there may be differences among agricultural population in evaluating its importance and indispensability.

iv-Variations in agricultural produces: There are various agricultural produces grown in Turkey, which have differing characteristics: i.e. productivity, time of harvesting season, labor requirements.

As a conclusive remark to this point, the problems of covering self-employed persons working in agriculture are especially difficult because of their typically low cash income, their frequent illiteracy, administrative difficulties and various other reasons. The problems are particularly acute in the developing countries, where the agricultural self-employed commonly constitute the major part of the population.<sup>84</sup> Thus, it can be stated that there exists great behavioral diversity among groups.

b. Target group is geographically concentrated and few:

The programs for agricultural population shall cover approximately 20 million individuals in seven regions throughout Turkey. Although agricultural workers are more or less concentrated in East and South-east Anatolian regions, they are still dispersed on a wide area. Self-employed agricultural population is greatly dispersed among districts. So the target group is not geographically concentrated. Furthermore, population to be covered is very big. As a matter of fact the target of the two programs make up half of the Turkey's total population.

In the Social Insurance Law for self-employed agricultural population it is stated that, implementation shall cover within ten years at the latest, all regions, all provinces and produces in the country. Furthermore it is stated that, Council

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<sup>84</sup> ILO, Introduction to Social Security, (Geneva : International Labour Office, 1976). p. 29.



of Ministers is given the authority to decide on the regions, provinces and produces about which social insurance program shall be implemented first. From this, it may be assumed that, implementation shall be proceeded gradually, starting with a pilot program.

Eventually, this criteria seems to be favorable neither for the Law No:2925, nor for the Law No:2926.

c. Less change required:

It may be assumed that all new regulations may bring changes. But if too many changes are required, then, parties covered in the program may come across several problems hindering the implementation. In social insurance laws under examination, some changes which are explained below are imposed:

i-Service contract: It is required in the Law for agricultural workers that, a service contract must be made by and between the worker and the employer in order to participate in the program. This brings an important change to the agricultural work procedures. In this sector, service contract system does not exist. Moreover there is no agricultural-work law issued for this purpose. So, both the worker and the employer may have difficulties in adapting to the service contract system.

ii-Headmen's obligations: With the Social Insurance Law for self-employed agricultural population, headmen are exposed to obligations and responsibilities for following-up and notifying insured individuals to the Organization. Such an obligation was not previously undertaken by headmen.

iii-Information delivery: Public establishments and public prosecutors are required to deliver any kind of information and document at the request of the Organization.

iv-Control examination:Another change shall emerge due to the requirement of control examination.

v-Premium payment for agricultural workers:Law No:2925 declares that premium shall be paid only by agricultural workers.This provision is a divergence from the usual premium collection procedures of SIO.

d.Requirements are specific:

Some of the points which are not clear are described below:

i-Service contract:Characteristics and contents of service contract to be made by and between worker and employer are not stated in the law.Because, conditions prevailing in the agricultural work-life are very different from that of the industrial work-life.

ii-Temporary work:Another ambiguity emerges in the definition of temporary work.In case the worker is obliged to prove temporary work, he may have problems, since temporary work is defined in the law as working period limited to maximum thirty days.

Excluding above two points of ambiguity, rest of the provisions in the Laws are specific and do not arise difficulty in implementation.

e.Few points to be opposed or easily vetoed:

Unfortunately there exists many points to be opposed which are not easily vetoable.In fact some of the more easily vetoable points are not examined within this perspective.Points which may be exposed to opposition are described below:

i-Benefits provided:Two social insurance schemes widely differ with respect to rights and services provided.Not only lack of norms emerge as a problem, but also absence of short term insurance branches in Social Insurance Law for self-employed agricultural population causes opposition.Discrimination between SIO's and Bağ-Kur's implementations are already exposed

to opposition from the industrial sector.

ii-Excluding individuals covered by Law No:2022:In both of the schemes it is stated that individuals who are receiving pensions according to Law No:2022 are excluded from the coverage of the Laws.Here, lawmaker assumed to avoid the duplication of pension, but it should be examined thoroughly that whether individuals covered by Law No:2022 can receive exactly the same rights provided by Social Insurance programs or they receive only pension.

iii-Payment of premiums:One of the strongest opposition may arise because of the requirement that the payment of premiums must be realized within a limited time period.Because, agricultural produce's debt can only be paid with a long delay by the State.

iv-Lack of employer contribution in premiums:The most strong opposition must be expected due to the provision which states that the collection of premiums shall be realized only from the workers.This point is also in contradiction with the Social Insurance Law applied in industrial sector.Because none of the insurance schemes for workers exclude the employer in the financial system.

v-Frequency of premium payment:Requirement of monthly premium payment is a reason of opposition.Because conditions prevailing in the agricultural sector do not make monthly premium payment rational.Possibly, administrative office which shall collect premiums, shall be located in a town at the best of the circumstances.Therefore agricultural worker shall have to leave for premium payment each month.

vi-Sequestration:Another reason of opposition is sequestration that may be carried out in case of unpaid premiums.Conditions may so develop that payment of premiums may be beyond the control of the insured individual.Therefore this provision is an unjust penalty.

Thus, there exists many points that may arise opposition.

f. Statutorially built-in biases :

There seems to exist an official and influential favoring bias towards the achievement of statutory objectives. Implementing agencies are the same with the programs under application. Also new laws for agricultural sector are not basically different from the existing ones in the industrial area.

g. Environmental conditions:

High degree of local variation in socio-economic conditions among regions influence the result considerably. Relatively developed regions are more favorable in the case of environmental conditions. This means that the program for self-employed agricultural population is better-off for this variable than the other program since most of such population live in this region.

h. Extensive media coverage:

After issuing the Laws, the State did not utilize communication channels such as TV, radio, press to promote the legislation and inform the population at large. The same is true for the independent press, which did not attribute interest to the developments and trends about laws for the agricultural sector. Unfortunately, the new government of Mr. Özal also has not given importance to social insurance programs in agriculture. It is of course highly probable that social insurance scheme for agricultural workers may not be known by a considerable segment of the agricultural population, since the program is not compulsory.

i. Public support:

It seems that there exists no support by public for these programs. This may be due to the unorganized character of the agricultural population. Absence of pressure groups eventually leaves no possibility for advocating the rights of this group.

#### j. Beneficiaries' support:

In the case of self-employed agricultural population, beneficiaries may support the scheme. Because there seems to exist lesser opposition to this scheme than the scheme for workers. On the other hand, since probable areas that may be subjected to opposition are more in the scheme for workers, the program may not be enthusiastically supported by the beneficiaries. Nevertheless, the most reliable measurement of beneficiaries' support may be assessed by looking at the registration's trend.

#### k. Agencies superiors support:

If superiors of agencies are defined as high ranking officials in the Ministry of Labor and Social Security and in the Government, it may be concluded that support given by agencies superiors is not considerable. Since taking the power, the Özal government has not placed social security in policy areas which are important. This tendency may be seen also in the government program.<sup>85</sup> Basis of social policy are defined as achieving social justice and providing equal opportunity, thereby diminishing differences in development among regions, spreading welfare throughout the country. Furthermore basis of understanding social security are described, among other subjects, as providing social security to farmers, workers and health services to all citizens. There exists no special emphasis on social insurance implementation in agricultural sector which covers 20 million individuals. Eventually, nothing positive can be expressed with reference to support from agencies superiors.

#### l. Agency personnel's commitment:

Within the scope of Sabatier-Mazmanian model, nothing for the commitment of agency personnel may be mentioned. Because in the case of self-employed agricultural population, headmen of village or a quarter are the individuals who are given the most important role. But commitment to any extent can not be expected from them. Moreover, since social insurance for

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<sup>85</sup> Turgut Özal, Hükümet Programının Tam Metni, Ekonomi ve Politika, 887, Dec. 22, 1983, 5.

agricultural workers is not compulsory, commitment of agency personnel receives more importance. But within the Law, no measures are taken to motivate agency personnel for the success of the schemes.

#### Result:

Most of the variables examined are not favorable. (See Table- 8 ) However some of the variables are found favorable. In general, requirements are specific in both of the laws. Thus this variable is assigned positive value. For the variable specifying few points to be opposed, a positive value is given to Law No:2926 whereas negative value is considered as appropriate for Law No:2925 with the view that the most strong opposition will emerge from the lack of employer contribution in premium which is the case in Law No:2925. Environmental conditions favor relatively developed regions. Thus Law No:2926, which shall cover self-employed agricultural population is assigned a positive value, as huge portion of this segment of population live in regions such as Marmara, Aegean, Black Sea, South and Central Anatolia. The last variable which deserves positive value for Law No:2926 is due to the expected support from beneficiaries'. In total, four variables out of twelve, favor in the case of Law No:2926, whereas only one variable is favorable in the case of Law No:2925. This suggests that participation in the social insurance program enforced by the Law No:2926 will be much more than that of Law No:2925.

Table- 8

Assessment of Implementation Successes of Law No:2925 and

Law No:2926

	<u>Law No:2925</u>	<u>Law No:2926</u>
a.Little behavioral diversity among groups	-	-
b.Target group is geographically concentrated and few	-	-
c.Less change required	-	-
d.Requirements are specific	+	+
e.Few points to be opposed or easily vetoed	-	+
f.Statutorially built-in biases	-	-
g.Environmental conditions	-	+
h.Extensive media coverage	-	-
i.Public support	-	-
j.Beneficiaries' support	-	+
k.Agencies superiors support	-	-
l.Agency personnel's commitment	-	-
R E S U L T	1/12	4/12

## 2.3.GUIDELINES FOR SOCIAL SECURITY IMPLEMENTATION IN THE AGRICULTURAL SECTOR

In this part, general guidelines for social security implementation in the agricultural sector shall be developed. Description will be composed of three sections. The first section will cover social security system for agricultural workers and the second section will cover social security system for self-employed farmers and their dependents. The last section will deal with the investment of reserves.

The method which will be applied, is adopted from the paper presented by T.I.Mathew, to Asian Regional Symposium of National Specialists on Population Aspects of Rural Social Security which is held in Kuala Lumpur in November 1975. In the symposium, there was a general consensus that it was desirable to undertake feasibility studies.<sup>86</sup> The symposium recognized that in undertaking such feasibility studies, it was necessary to follow a series of logical steps that are summarized in the diagram. (See Figure- 2 )

### 2.3.1.Guidelines to social security implementation for agricultural workers:

In this part, an approach will be made to develop main lines of a social insurance program for agricultural workers according to the model depicted in Figure- 2 . The emphasis will be on the financial system design.

Step I. Determination of the minimum social security needs and tentative decisions on initial benefits:

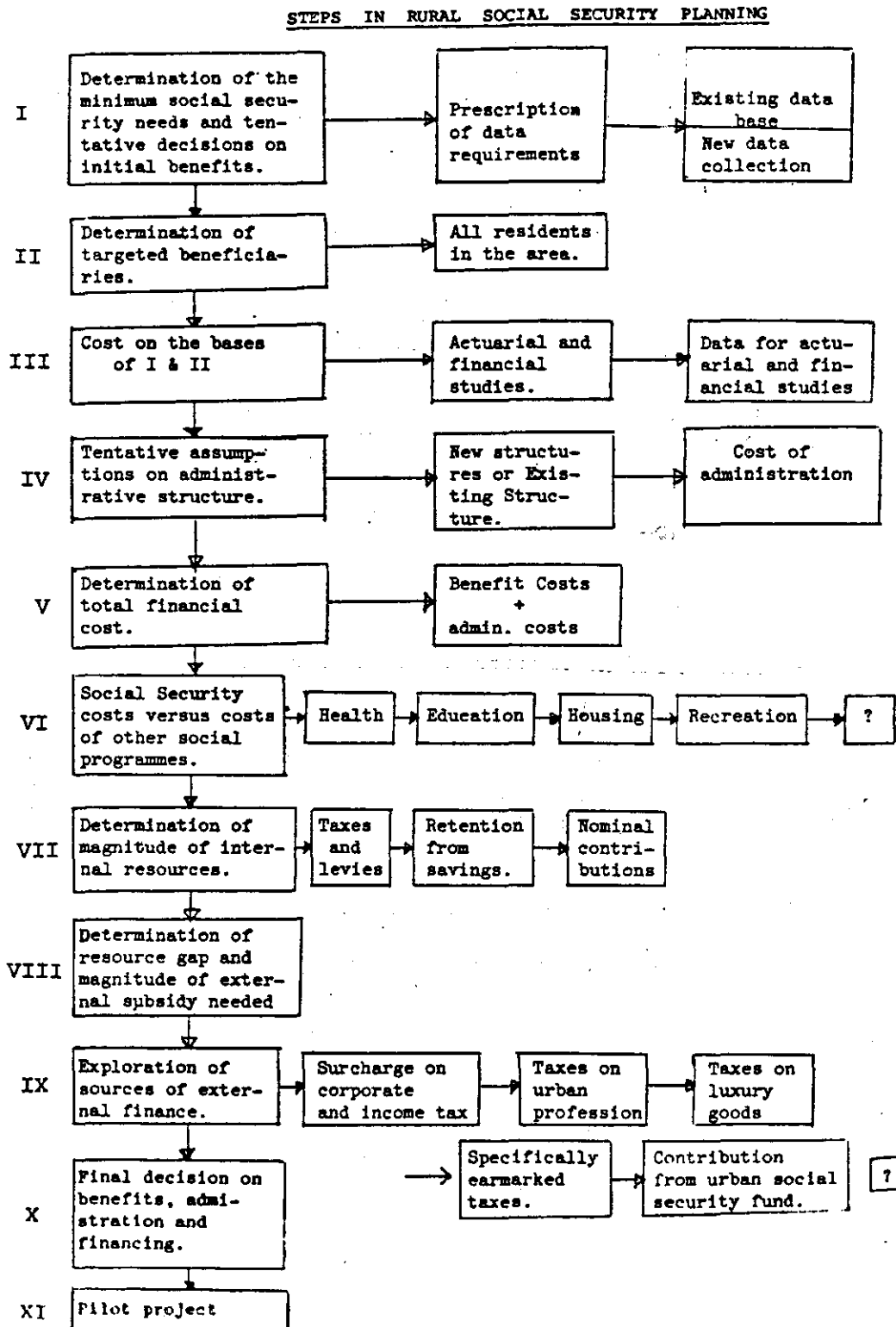
The needs have to be established on the basis of a study of the working and living conditions as well as the life styles of all the residents in the area. Of course, above statement depicts the ideal case. Nevertheless needs so assessed shall probably include both short and long term insurance

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<sup>86</sup> Asian Regional Symposium, pp. 39-45.



Figure - 2



branches. In doing so it may be necessary to collect additional data by use of surveys and registrations already present.

Step II. Determination of targeted beneficiaries:

All agricultural workers who are not covered by other social security programs are eligible to this program. Individuals who receive pension according to Law No:2022 shall also be covered in this program as long as they do not receive the assistance and service to be provided in this scheme. Participation in the scheme shall be compulsory.

Step III. Costing on the basis of I and II:

Following decisions taken on the benefits, it is necessary to estimate the cost on the basis of actuarial and financial studies. Prior to this study, norms about social security applications should have been established by the central social security administrative body.

Step IV. Tentative assumption on the administrative structure:

The administrative organization needed for the type of program proposed will have to be decided. Existing administrative resources within the agricultural sector might be able to take over some of the administrative requirements of the program. For instance, collection of premiums shall be organized and controlled by the Agricultural Bank of Turkey. Along with the headman of village, village teachers, where exist, may collectively act as agencies of the central administration. <sup>87</sup>

Step V. Determination of the total financial cost:

After having structured the administrative organization, cost of the benefit scheme and administrative costs would give an indication of the total cost of the program at a single point in time. Apart from this total cost, it will also be necessary to have an idea of the projected cost estimates of the scheme over a period of years.

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<sup>87</sup> Ibid., p. 283.

Step VI. Social Security cost versus cost of other social programs:

The comparison of the financial cost of the social security program derived from Step V with the cost represented by public expenditures in selected social sectors like health, education, housing, recreation, nutrition would give an idea of the relative financial commitment of the community for social security, in comparison with other sectors.

Step VII. Determination of magnitude of internal resources:

Internal resources shall be composed of two sources; premiums from both the agricultural worker and the employer. The premium system that is most appropriate is the scaled premium system. Premium collection may be realized twice a year both from the insured individual and from the employer. Premium collection may be promoted through the branches of the Agricultural Bank of Turkey.

Step VIII. The determination of resource gap and the magnitude of external subsidy needed:

At this stage, it will be possible to indicate the resource gap, if there exists any, at a given point in time and also give some indication of the perspective for a few years. Magnitude and distribution of resource gap will indicate the type of external subsidy needed.

Step IX. Exploration of sources of external finance:

External source of finance shall be state subsidy in the form of allocation from a fund established for financing deficits. Resources of this fund shall be the following:

- i-Corporate income tax for public and private enterprises which use agricultural produce as input in their production.
- ii-Tax for individuals who live in urban areas
- iii-Tax for imported agricultural produce which are consumer goods.

Step X. Final decision on benefits, administration and financing:

Recursive character of this model emerges in this step. The preceeding steps in the planning exercises will provide the basis on which it would be possible for the government to take a decision on the type of social security benefit to be provided in the area, the ideal administrative structure and the financial arrangements needed. Depending on the results of these exercises, it might become necessary for the planner to entirely revise his original ideas on the benefits and subsequent assumptions of administration and financing. That is there might always be scope as well as the need to return from Step IX to Step I to recommence the planning exercises.

Step XI. Pilot project:

Although the scheme shall cover the whole country, a pilot project implementation shall be desirable in the first instance. The decision on pilot project will have to be based essentially on considerations of viability of the area. An area where a combination of favorable factors operate might be selected to implement the pilot project. Or adversely, regions that consistently include low-income population may be selected as the pilot project base.

### 2.3.2.Guidelines to social security implementation for self-employed agricultural population:

In this part, an approach will be made to develop main lines of a social insurance program for self-employed agricultural population according to the model depicted in Figure- 2 .The emphasis will be on the financial system design.

Step I.Determination of the minimum social security needs and tentative decisions on initial benefits:

After analysing needs requirements as explained in the previous part, both short and long term insurance branches shall be implemented.This shall also ensure equality throughout the country with respect to social security rights.

Step II.Determination of targeted beneficiaries:

All agricultural population who work for themselves are eligible to this program, including children older than 18 years.Besides individuals who receive pension according to Law No:2022 shall also be covered in this program, as long as they do not receive the assistance and service to be provided in this scheme.

Step III.Costing on the basis of I and II:

Similarly as in the previous part, total cost of the scheme shall be estimated after having set norms.

Step IV.Tentative assumption on the administrative structure:

In this step, administrative organization shall be established similarly as in the previous part.But the social security organization shall be Bağ-Kur.

Step V.Determination of the total financial cost:

In a similar way as in the previous part, total financial cost of the scheme over a period of years shall be estimated.

Step VI. Social security cost versus cost of other social programs:

In this step, financial commitment of the community for social security shall be examined in comparison with other sectors.

Step VII. Determination of magnitude of internal resources:

Internal resource shall accrue from only one source. Namely the insured person's premium. Again, the premium system that is most appropriate is the scaled premium system. Premium collection may be realized twice a year from the insured individual through the branches of Agricultural Bank of Turkey. Deduction of premium debts of insured person from the credit he possesses due to agricultural produce sold, may improve efficiency in transactions.

Step VIII. The determination of resource gap and the magnitude of external subsidy needed:

At this stage, it will be possible to indicate the resource gap, if there exists any, at a given point in time and also give some indication of the perspective for a few years. Magnitude and distribution of resource gap will indicate the type of external subsidy needed. External subsidy will be of critical value in this case, because the difficulty in effecting payment of the cost of the benefits to be provided would be all the more greater in the case of persons who are self-employed-such as farmers, craftsmen, small traders-if they themselves have to contribute the entire cost of the benefit provisions.

Step IX. Exploration of sources of external finance:

Same resources of external finance may be utilized as explained in the previous section.

Step X. Final decision on benefits, administration and financing:

After designing main lines of the scheme, there might be need to return from this step to Step I to recommence the

planning exercises.

Step XI. Pilot project:

A pilot project examined in the previous part shall be implemented in the beginning of the implementation of the scheme.

### 2.3.3. Investment of reserves:

Important issue of a finance system relevant to a social security program is the investment of reserves which is the surplus over expenditures. In the case of scaled premium system, amount of reserves shall not be as big as general average premium system. However, there still exist considerable amount of resources to be employed especially in the initial years of the program. The investment of the funds relating to the long term benefit reserves should be done with particular emphasis on their safety, yield, liquidity and social utility.

<sup>88</sup> That is:

- 1-Investments shall be guaranteed by the State.
- 2-Return on investments shall be higher than inflation rate
- 3-Investing in areas where liquidity is low should be avoided.
- 4-Investments shall bring benefits to the community at large.

Financial aim of an organization is to maximize net present value of all net cash inflows. <sup>89</sup> In the case of a social insurance program, this will depend on the productive allocation of reserve funds, an important subject which needs investment planning. The transfer of reserves into the investment areas requires a well organized market system. In developed countries, stock exchange markets serve for the purpose of capital formation. It is relatively more easy to direct social security reserves to industrial investments in the developed economies where stock exchange markets are operating, than in the countries where such markets are not formed. <sup>90</sup> But in developing countries, state action is required to promote investment of reserves of a social insurance scheme. If a social insurance program is at the beginning, than there will be little, if any, payment to the beneficiaries. This will make possible the investment of

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<sup>88</sup> Ibid., p. 408.

<sup>89</sup> İ. Özler Ertuna, Finansçı olmayan yöneticiler için finans düşünce yapısı (İstanbul: Boğaziçi Üniversitesi yayını, 1982), p. 12.

<sup>90</sup> F. Birol Dündar, Sosyal Güvenlik Araçlarının Makro Ekonomik Etkileri (Ankara: A.İ.T.İ.A. yayın No:76. 1976), p.29.



reserve funds into areas which would start creating returns in five to ten years, when payment amounts are expected to increase suddenly. Investment areas of this kind might be the construction of dams, hydro-electric power plants, bridges, express-highways of which revenues shall be added to the capital fund. Similar investment projects were realized in the past, one of which is actualized by England in the case of the Suez Canal.

A portion of the social insurance funds may also be invested to promote welfare status of individuals in a country. Nowadays, important issues in the Turkish public media-Such as housing, health services, unemployment-all require the availability of financial resources. Allocation of reserve funds in these areas increase the general well-being of the individuals and protect the real value of funds at the same time. By investing reserve funds into areas that add up to the welfare of the community, possibilities are enhanced that state contribution will easily be accepted by the public at large. Besides, the only way to ensure that the old age reserves will, in fact, help future generations to carry an anticipated heavy old age burden is for the government to use the annual additions to the reserve for new investment purposes, according to an extremist view.<sup>91</sup> However, in this way new job areas may be created, by which cash inflow to the social insurance system will increase in the near future, in the form of social insurance premiums.

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<sup>91</sup>E. M. Burns, Social Security, p. 200.

## 2.4.CONCLUSION

In the conclusion of our thesis, it might be appropriate to discuss the actual implementation of the agricultural social insurance laws and some other new developments in social security legislation to see if they are in line with the points made in our thesis. Together with the recent application of the laws concerning social security implementation in the agricultural sector, we shall focus on selected topics such as the importance of financial problems, and of health infrastructure, and of state participation in the social insurance programs.

The opinions which are reflected throughout this study are backed up by the results obtained during the actual implementation period. During the development and the final period of this study, the two laws for the agricultural sector have been enforced and the initial results have been obtained in the early 1986. I have contacted and interviewed the officials of SIO and Bağ-Kur. The information gathered is far from being complete but it does provide important indications about the present situation.

The Law No:2925 has become effective as of January 1, 1984. On May 18, 1984 a Decree has been issued in the Official Gazette for implementing this Law. Later, on August 6, 1984 a Directory has been issued by the SIO which describes procedures and basics of the implementation of this Law and the Decree. By these regulations, for the first time in Turkey "Social security card" and "Stamp" utilization is introduced in the collection system of premium. SIO shall collect premiums amounting to 6.498 TL per month per person effective as of January 1, 1986. This amount was 2.379 TL as of July 1, 1984. In the Directory it is further stated that, if the individuals who are working in the agricultural sector in an intermittent fashion have paid half of the due monthly insurance premiums,

then they are entitled to receive social insurance rights in full. It is affirmed that this decision is taken considering the social, economic and cultural status of these individuals. Moreover, it is declared that these individuals shall receive the opportunity to benefit from sickness, invalidity, old age and death or breadwinner insurances easier than other insured individuals. It is claimed that, in this way Social Insurance Law for agricultural workers shall provide complete services at a very low premium payment and by doing so support the most powerless individuals with respect to their economic conditions. The Directory further states that the TRT will be effectively used to enlighten potential individuals eligible for this program.

In a report prepared by the SIO, evaluation of the results of the program is summarized. It is stated that the number of applicants to this program has been very few because of the following reasons: (a) the voluntary character of the program, (b) the lack of understanding of complete meaning and conditions of the program in the agricultural community.

Data received from the SIO about the number of applications of agricultural workers to this program are presented in two different tables. (See Appendixes III and IV) In the first table the number of applications and therefore the number of registrations are presented as of January 1, 1985 by province. The number of registrations is 17.419 throughout Turkey. This figure is the total registrations in 58 provinces. In the second table the figures are as of September 30, 1985. The total number of registrations has only reached 18.300 throughout Turkey. Moreover this figure is the total registrations in 57 provinces. The only province which is not present in the first table although existing in the second table is Adiyaman. The number of registrations in this province as of January 1, 1985 was one. But as of September 30, 1985 this application is dropped. This is possible, because an

insured individual has also the right to cancel his registration after the elapse of the first year beginning from the date of his application.<sup>92</sup> The number of registrations has only increased by 811 in nine months. The nine provinces in which no registrations have been filed are the following: Ağrı, Bilecik, Bingöl, Bitlis, Gümüşhane, Hakkari, Muş, Tunceli, and Şanlıurfa. All these provinces except Bilecik are located in the East and South-east of Anatolia. Besides, all of them are consistently underdeveloped.

An important impediment against the success of the scheme for agricultural workers according to our opinion is the provision about voluntary participation. Our expectations on this matter are confirmed with the initial results. This aspect of Law No:2925 forces us to think that the State actually organized a private insurance program for agricultural workers, rather than social insurance. A voluntary insurance program can only be launched by private insurance companies.

The views expressed in this thesis concerning financial difficulties which SIO faces are also confirmed with the recent legislations enforced. In the beginning of 1986, an amendment is made by the Government in Law No:506 which increased the age for retirement.<sup>93</sup> The main causal factor of this provision is probably the bad financial status of SIO. Another provision which is recently enforced with the expectation of creating extra revenue to the SIO is related with granting working permission to the retired persons without losing their pensions. This law states that ten percent premium will be collected from the employee and twenty percent from the employer calculated according to the income of the employee. Experts on social security claim that there exists return neither to the employer nor to the employee against premiums paid. It is clarified that such an outcome is evident from the name given to the premium which is "Social

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<sup>92</sup>See 2.1.1., article 6.

<sup>93</sup>17.7.1964 Tarihli ve 506 Sayılı Sosyal Sigortalar Kanununa Ek ve Geçici Maddeler Eklenmesine Dair Kanun, T. C. Resmi Gazete, 18984 (10 Ocak 1986), pp. 1-2.

Security Support Premium". Thus this premium is redefined as harag.<sup>94</sup> Furthermore it is asserted that the Government is charging commission for permission to work. Thus the only interest of the Government in this Law is to collect premiums from the retired persons willing to hold new jobs.<sup>95</sup>

The Law No:2926 has also become effective as of January 1, 1984. As foreseen in the Transitory Article No.4 of the Law, the implementation is realized in a step-by-step process in selected regions of Turkey. Thus, as of May 29, 1984 the provinces Konya and Kırşehir are chosen as the pilot project areas. As of January 1, 1985 the implementation is extended to cover also the other provinces in the Central Anatolian Region. These provinces are Ankara, Çankırı, Eskişehir, Kayseri, Nevşehir, Niğde, Sivas and Yozgat. As of January 1, 1986 the implementation shall also include the Aegean Region.

Although it was not possible to obtain a reliable figure from the officials of Bağ-Kur Organization, the approximate number of registrations to the program is estimated to be 70.000 throughout the relevant provinces. Also a figure which is asked for but not answered is the target population in Turkey for this program.

According to the information furnished by the officials of Bağ-Kur Organization, some of the problems faced during the implementation phase are given as: (a) difficulties in reaching villages, (b) problems faced in registration, (c) insufficient quantity of personnel, (d) double registrations.

During the implementation stage of this program, certain personnel are assigned only to work in program for the agricultural community. Furthermore it is stated that the Organization is planning to recruit qualified personnel specifically for this program which is a subject in the design phase.

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<sup>94</sup>Used in the meaning of tribute.

<sup>95</sup>Editorial, Hürriyet, Mar. 14, 1986, p. 17.

Officials of the Organization also mentioned a decree which would eliminate the problems emerged during the implementation process. This decree is said to be in the process of preparation and would also include an article which will set an upper limit for age to participate in the program.

In Appendix-V amounts of premium to be paid valid as of January 1, 1986 by insured self-employed individuals are tabulated according to the steps chosen. The highest monthly premium is 5.040 TL. This amount is much less than the amount payable by the agricultural worker insured according to Law No:2925. This means that the lawmaker assumes the income level of agricultural worker to be higher than that of a self-employed agricultural dweller, which is definitely not the reality. In Appendix-VI a leaflet specially prepared for the implementation of Law No:2926 is presented. All necessary information to enable the candidate to register in the program are shortly described. No need to mention that, this leaflet had a vital role in propagation of Law No:2926.

On November 9, 1985 a supplement to the Law No:1479 which is about the establishment of Bağ-Kur is issued in the Official Gazette. <sup>96</sup> The supplementary Law No:3235 brought the Health insurance into implementation as of January 1, 1986. But, self-employed agricultural population who are covered in Law No:2926 are not entitled to benefit from this right. The most important reason of such a provision might be the probable difficulty and even the impossibility connected with the delivery of health care to rural areas of the country, where majority of the persons potentially and/or actually insured live.

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<sup>96</sup> 1479 Sayılı Esnaf ve Sanatkarlar ve Diğer Bağımsız Çalışanlar Sosyal Sigortalar Kurumu Kanununa Bazı Maddeler Eklenmesine Dair Kanun, T. C. Resmi Gazete, 18923 ( 9 Kasım 1985), p. 1.

"An aspect of health care delivery on which nearly all countries have taken special steps is the provision of services to rural populations. Rural life almost everywhere has been less attractive than the cities to doctors and other personnel, regardless of the prevailing health care system. The disparity between rural and urban availability of health care resources is bound to be greatest where differences in living conditions and earning potentials are largest, a situation found in its most extreme degree in under-developed countries." <sup>97</sup>

In Australia, a physician in the Royal Australian Flying Doctor Service, started as a private philanthropic agency but now subsidized by government, may be flown to the distant spot. <sup>98</sup>

Measures and methods most conforming to conditions and characteristics in our country should also be specified and implemented. It must be the aim to provide health insurance to whole agricultural sector. Social security policy which excludes health insurance can not be considered as complete. Moreover, if health insurance is provided to the participants of the scheme for agricultural workers, this would positively motivate eligible candidates.

In the transitional countries, with their public hospitals for the poor and special social security hospitals for the steadily employed minority of the population, costs are borne by general revenues and social insurance, respectively. <sup>99</sup> Since the poorest section of the population of Turkey is in the agricultural sector, it would be easily advocated subsidizing health service from the general budget for the account of the agricultural population. Highest priority

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<sup>97</sup>Roemer, Comparative National Policies on Health Care, pp. 128-129.

<sup>98</sup>Ibid... p. 130.

<sup>99</sup>Ibid.., p. 104.

must be assigned to backing up the group with the lowest income, by improving health services. Furthermore such a decision would be the most appropriate one still for another reason. Being a transitional country, Turkey will, in the near future try to adapt to welfare state system by financing health service from the general revenues. This would eliminate problems when Turkey finally reaches welfare state status. In all countries except the United States, governments are directly involved in financing of health care. Because there exists, without any exception, state contribution in social security revenues. (See Appendix-II) A general trend found across the countries in the world specifies that more and more job is done by the state in health care. Increasing role of general revenues in health service expenditures is reflected in the fact that there is a trend of a slowly increasing share of national GNP being devoted to health purposes.<sup>100</sup> Another fact which supports our view of financing health service to poor from the general revenues is reflected in the following:

"...urban/rural location was not significant factor in explaining who saw physicians; rather, wealth was a significant indicator: the rich in the country got as much as the rich in urban area."<sup>101</sup>

Another study in Turkey inferred the same situation prevailing.<sup>102</sup> Therefore government action in the area of health service is needed. This can be done in two ways. First one is government intervention, and the second is the financial subsidy.

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<sup>100</sup> Ibid., p. 232.

<sup>101</sup> Mark Perlman, ed., The Economics of Health and Medical Care (London: The Macmillan Press Ltd., 1974), p. 25.

<sup>102</sup> C. E. Taylor, Rahmi Dirican, and K. W. Deuschle, Health Manpower Planning in Turkey (Baltimore: Johns Hopkins Press, 1968).



Measures taken to relocate capital and revenue funds have produced relatively better results with respect to initial status in a case in England.<sup>103</sup> By this way geographic equity is positively enhanced. The basis of the relocation procedure is that capital and revenue funds are allocated on the basis of population weighted by "Need" among geographic regions. Similar government intervention in Turkey might produce more equal distribution of health care resources.

During the preparation of this study, we came to the conclusion that, all the activities, personnel, and facilities of various institutions operating in the field of health care should be consolidated. This will also increase the efficiency of services due to the synergic effect. Integrated health care systems with appropriate coordination between the primary and the hospital sectors should be promoted.<sup>104</sup> This is especially important in East and South-east Anatolian regions where health services availability is less than the other regions in Turkey.

Increased insurance coverage could lead to increases in demand for medical services over a broad range of services.<sup>105</sup> The same in American setting may be valid for Turkish rural setting. If the health insurance is also made available to self-employed farmers on a large scale, demand for medical services will increase than in the case of uninsured population. Since such persons shall be served at specific hospitals in the neighborhood, initially the demand to visit the doctor will be high. After a transitory state, demand for health services, i.e. applications for seeing the doctor, declines in relation with the initial years of implementation of health insurance. Thus any unforeseen malutilization of medical services could easily be avoided within the short term. Therefore any claim made concerning malutilization of health care resources are invalid.

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<sup>103</sup> J. Van Der Gaag and M. Perlman, eds., Health, Economics, and Health Economics (Amsterdam: North-Holland Publishing Company, 1981), p. 61.

<sup>104</sup> Report on a workshop, Control of Health Care Costs in Social Security Systems, EURO Reports and Studies, 55 (Copenhagen: Regional Office for Europe WHO, 1982), p. 28.

<sup>105</sup> R. Andersen, J. Kravits and O. Anderson, eds., Equity in Health Services (Cambridge, Mass.: Ballinger Publishing Company, 1975), p. 129.

Aside from the premium collection, a contribution from insured individuals for the account of health services provided is extremely important for consumers to accept more responsibility for their health and become increasingly cost-conscious.<sup>106</sup> For this purpose co-payment in the form of fee could be charged from the customer in case of an application for service to a health care facility.

As final remark to our discussion regarding health care in Turkey, it is correct to say that, majority of Turkish population is lacking the right which is deserved by every person according to United Nations Universal Declaration of Human Rights(1948):

"Everyone has the right to a standard living adequate for health and well-being of himself and of his family, including ... medical care ...and the right to security in the event of sickness."<sup>107</sup>

Human rights have evolved for better living standards, because individuals have an interest not only in protecting their own health, but in protecting the health of others. Society has determined that people shall receive health care even they can not afford to pay for it.<sup>108</sup> In Turkey health care can not be seen as an economic commodity as in the liberal ideology. Greater and efficient government intervention is necessary by the use of social insurance tool.

One of the most important conclusions reached in this study is that the lack of state subsidy in the Turkish social insurance context is producing complex problems. On the other hand some of the private establishments which are in more or less of a bankruptcy, are supported and recovered with the

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<sup>106</sup> Report on a WHO Workshop, Health Service Growth, p.19.

<sup>107</sup> Roemer, Comparative National Policies on Health Care, p. 233.

<sup>108</sup> Lester Breslow, Jonathan E. Fielding and Lester B. Lave, eds., Annual Review of Public Health, 1, (California: Annual Reviews Inc., 1980), p. 256.

help of a bunch of state subsidies.

The State has an important role in rural economics in Turkey. Prices of main agricultural produces are set each year by the State prior to harvesting season. Considerable portion of agricultural produces are purchased by the State Economic Enterprises, co-operatives and the like. Besides, the determined support price level influences to a great extent the local market price. Therefore income of agricultural sector is pre-determined largely by external factors which are outside the control of the farmer. Support prices are generally specified low in relation to cost figures of production inputs. The reason of such an outcome may be found when we examine policy of the Özal Government on the "Agricultural support" subject. In the Fifth Five Years Development Plan it is stated that in financing the purchase of agricultural produce, great care should be devoted to prevent any inflationary pressure that may emerge in the economy. Clearly, amounts to be paid to agricultural sector against agricultural produce is seen as a factor which increases the inflation rate. Moreover, another principle is stated as maintaining stability in agricultural prices and revenues.<sup>109</sup> As a result, low income level of agricultural inhabitants even worsen. Therefore our view regarding the policy of state subsidy in agricultural social insurance schemes is supported with this fact.

Another defect of financial character which is as important as lack of state subsidy is the legal requirements which leave no possibility for productive utilization of reserve funds of social insurance schemes. Some alternative ways are proposed in relevant section of this study. (See 2.3.3.) It is obvious that by investing reserve funds in the areas described will much lower liquidity in relation to state bonds or similar securities. But throughout this

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<sup>109</sup> T.C. Başbakanlık Devlet Planlama Teşkilatı, Beşinci Beş Yıllık Kalkınma Planı 1985-1989, Yayın No:1974 (Ankara: Başbakanlık Basımevi, 1985), p. 37.

work, we have never thought that a social insurance program is well established without state subsidy. Therefore it is a trivial problem if payments to be realized to beneficiaries could not be met from the own resources of the social insurance funds promptly when such a need arises: state subsidy to cover the needed outlay will easily solve the problem.

Contrary to what we have said above, recent developments in the field of taxation legislation brought agricultural sector under the burden of income taxation. In a study by Ergüder, the need for taxing the agricultural sector is attributed to two factors: (1) revenue needs, and (2) equity considerations.<sup>110</sup> We think in this case that the influential factor is revenue needs.

We hope that this study has clarified another point which is of utmost importance in the implementation of public policies: maximum consideration in designing public policies, and preparing related legislation must be devoted to creation of optimum conditions which will positively affect the success of legislation. Sole laws and/or rules are useless unless government agencies and top ranking state officials support the programs. This conclusive remark is evidenced by numerous successful programs implemented in recent years in Turkey such as literacy campaign, school building competition, inoculation campaign against child diseases, last but not the least, which has been started recently is the family planning education program.

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<sup>110</sup> Ustün Ergüder, Politics of Agricultural Taxation in Turkey: 1945-1965 (Ph.D. dissertation, Syracuse University, 1970) Michigan, Ann Arbor: University Microfilms, A Xerox Company, 1974), p. 437.

## APPENDIX

## APPENDIX I

Employment by sectors, 1935-1975, (%)

Sectors	1935	1950	1960	1975
Agriculture	81.8	85.7	74.9	64.2
Industry	8.3	7.4	9.6	8.3
Services	9.9	6.9	10.3	23.4
Unknown	-	-	5.0	4.1

Source: William Hale, The Political and Economic Development of Turkey (London: Croom Helm, 1981), p. 64, 99, 213.

8. Distribution of social security receipts according to origin  
(as percentage of total receipts)

## APPENDIX II

8. Répartition des recettes de la sécurité sociale d'après leur provenance  
(en pourcentage du total des recettes)

8. Distribución de los ingresos de la seguridad social según su procedencia  
(en porcentaje del total de ingresos)

Country and currency unit	Financial year	Contributions		Special taxes allocated to social security	State participation	Participation of other public authorities	Income from capital	Other receipts	Absolute total receipts (in millions of national currency units)
<i>Pays et unité monétaire</i>	<i>Exercice financier</i>	<i>Cotisations</i>		<i>Taxes et im- pôts spéciaux</i>	<i>Participation de l'Etat</i>	<i>Participation d'autres pou- voirs publics</i>	<i>Revenu des capitaux</i>	<i>Autres recettes</i>	
<i>País y unidad monetaria</i>	<i>Ejercicio financiero</i>	From insured persons	From employers	Impuestos y derechos especiales	Participación del Estado	Participación de otras entidades públicas	Renta del capital	Otros ingresos	Total en millones de monedas nacionales
		<i>Des assurés</i>	<i>Des employeurs</i>						Total en millones de unidades monetarias nacionales
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>AFRICA - AFRIQUE - AFRICA</b>									
Bénin <sup>1</sup>	1968	—	26.4	—	71.3	—	—	2.3	1 602.1
(Francs CFA)	1969	—	32.0	—	67.0	—	—	1.0	1 608.8
	1970	2.3	32.6	—	64.9	—	—	0.2	1 826.6
	1971	5.0	32.6	—	61.8	—	—	0.6	2 091.1
République-Unie du Cameroun	1961	—	57.9	—	40.5	—	0.9	0.7	1 075.6
(Francs CFA)	1964-65	—	35.8	—	63.9	—	0	0.3	2 643.0
	1967-68	1.2	47.1	—	50.0	—	0.3	1.4	3 644.2
	1968-69	2.7	51.5	—	45.3	—	0.2	0.1	4 005.1
	1969-70	2.4	44.0	—	53.3	—	0.3	0	5 275.1
	1970-71	2.5	45.7	—	51.1	—	0.5	0.2	5 892.0
Egypt	1960	27.4	31.0	—	31.2	—	6.5	3.9	46.1
(Pounds)	1966-67	22.3	36.6	—	23.6	—	12.6	4.9	191.4
	1967-68	20.7	33.9	—	26.4	—	13.6	5.4	217.0
	1968-69	20.5	33.6	—	26.8	—	15.9	3.2	227.1
	1969-70	20.4	33.2	—	26.0	—	17.8	2.6	249.1
	1970-71	19.5	32.0	—	24.6	—	19.3	4.6	278.5
Kenya <sup>2</sup>	1961	12.6	46.0	0.8	29.5	—	2.9	8.2	7.32
(Pounds)	1963	9.1	56.6	0.7	24.1	—	2.7	6.8	8.13
	1967	18.4	51.3	0	29.6	—	—	0.7	12.15
	1968	20.4	48.4	0	30.4	—	—	0.8	13.35
	1969	22.1	47.6	0.1	29.4	—	—	0.8	15.29
	1970	21.6	45.2	0	32.4	—	—	0.8	16.98
	1971	20.8	40.5	0	37.9	—	—	0.8	19.49
Libyan Arab Republic	1967-68	17.6	13.4	—	65.9	—	2.3	0.8	15.751
(Dinars)	1968-69	15.2	20.6	4.2	57.6	—	0.9	1.5	24.416
	1969-70	15.9	18.3	4.2	55.6	0	3.3	2.7	35.588
	1970-71	19.2	18.9	3.1	53.8	0	3.6	1.4	38.666
Maroc <sup>1</sup>	1967	5.1	46.0	—	48.0	—	0.9	—	415.63
(Dirhams)	1968	5.1	46.0	—	47.3	—	1.6	—	430.35
	1969	5.3	47.0	—	47.1	—	0.6	—	448.96
	1970	5.2	48.6	—	43.8	—	2.4	—	485.38
	1971	5.1	49.5	—	42.9	—	2.5	—	508.46
Mauritanie	1960	—	77.0	—	23.0	—	—	—	67.4
(Francs CFA)	1965	5.9	44.7	—	46.0	—	0.7	2.7	631.0
	1967	7.4	43.3	—	47.1	—	1.4	0.8	728.4
	1968	9.2	45.2	—	42.3	—	0.8	2.5	892.6
	1969	8.7	44.2	—	40.5	—	2.3	4.3	1 002.1
	1970	10.3	47.6	—	40.0	—	1.4	0.7	1 218.3
	1971	10.0	47.1	—	40.3	—	2.3	0.3	1 256.7
Mauritius	1966-67	4.4	21.7	—	69.9	—	3.3	0.7	75.13
(Rupees)	1967-68	4.5	22.2	—	69.0	—	3.6	0.7	78.30
	1968-69	4.7	24.3	—	65.8	—	4.2	1.0	75.96
	1969-70	4.0	24.0	—	66.6	—	4.3	1.1	77.82
	1970-71	4.2	21.7	—	68.3	—	4.6	1.2	80.47

See notes on page 129. Voir notes page 129. Véanse notas pag. 129.

Table 8 (cont.) Tableau 8 (suite) Cuadro 8 (cont.)

Country and currency unit	Financial year	Contributions		Special taxes allocated to social security	State participation	Participation of other public authorities	Income from capital	Other receipts	Absolute total receipts (in millions of national currency unit)
Pays et unité monétaire	Exercice financier	Cotisations		Taxes et im- pôts sociaux	Participation de l'Etat	Participation d'autres pou- voirs publics	Revenu des capitaux	Autres recettes	Total en millions d'unit monétaires nationales
Pais y unidad monetaria	Ejercicio financiero	From insured persons	From employers	Impuestos y derechos especiales	Participación del Estado	Participación de otras entidades públicas	Renta del capital	Otros ingresos	Total en millones de unidades monetarias nacionales
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Niger <sup>1</sup> (Francs CFA)	1966-67	2.9	31.9	—	65.0	—	0.2	—	1 028.2
	1967-68	4.8	32.1	—	62.5	—	0.6	—	1 149.9
	1968-69	4.9	32.9	—	61.1	—	0.7	0.4	1 227.0
	1969-70	4.6	35.8	—	58.7	—	0.6	0.3	1 490.4
	1970-71	4.6	35.4	—	59.0	—	0.7	0.3	1 522.8
Nigeria (Pounds)	1961-62	0.8	80.0	—	19.1	—	—	0.1	7.64
	1963-64	13.9	68.8	—	14.4	—	1.6	1.3	12.65
	1966-67	7.6	23.8	0	63.4	—	5.2	—	24.04
	1967-68	7.4	24.3	0	62.1	—	6.2	—	24.20
	1968-69	9.1	26.2	0.1	56.9	—	7.7	—	23.07
	1969-70	10.0	26.0	0.1	54.8	—	9.1	—	23.96
	1970-71	11.5	28.2	0	50.8	—	9.5	—	25.83
Sénégal (Francs CFA)	1966-67	15.8	39.4	7.5	36.6	—	0.6	0.1	8 468.3
	1967-68	17.2	41.3	6.2	35.3	—	0	0	8 764.0
	1968-69	15.8	39.0	5.6	39.3	—	0.2	0.1	8 705.1
	1969-70	14.3	38.4	5.6	41.5	—	0	0.2	8 755.0
	1970-71	13.3	39.6	6.4	40.3	—	0	0.4	8 422.8
Tunisie (Dinars)	1964	12.3	37.4	—	48.6	—	0.3	1.4	17.087
	1965	13.4	40.2	—	44.7	—	0.5	1.2	18.007
	1967	17.0	44.2	—	37.4	—	0.7	0.7	28.586
	1968	16.1	46.3	—	35.9	—	1.1	0.6	32.852
	1969	17.2	47.1	—	33.5	—	1.1	1.1	37.014
	1970	16.4	45.3	—	36.0	—	1.2	1.1	38.069
	1971	16.5	45.1	—	34.7	—	1.6	2.1	41.532
Zambia (Kwachas)	1964	2.9	3.0	—	94.1	—	—	—	10.118
	1965	3.4	12.4	—	83.9	—	0.2	0.1	15.658
	1967-68	14.5	23.8	—	59.4	—	2.1	0.2	28.708
	1968-69	17.8	25.9	—	52.2	—	4.0	0.1	37.457
	1969-70	18.4	24.9	—	50.8	—	5.8	0.1	42.206
	1970-71	17.4	22.7	—	51.3	—	7.4	1.2	45.195
AMERICA - AMÉRIQUE - AMERICA									
Canada (Dollars)	1959-60	11.5	12.1	20.3	34.6	15.6	5.4	0.5	3 426.8
	1964-65	6.6	13.6	20.8	33.2	21.0	4.8	0	5 468.6
	1966-67	11.1	16.0	15.1	26.0	28.5	3.3	0	8 571.1
	1967-68	11.0	10.7	15.5	28.1	30.9	3.8	0	9 709.5
	1968-69	13.5	12.5	14.6	29.0	26.2	4.2	0	11 224.6
	1969-70	13.8	12.2	14.2	28.1	27.2	4.5	0	12 984.5
	1970-71	13.1	10.9	13.1	28.3	29.6	5.0	0	14 597.6
Colombia (Pesos)	1961	7.9	35.8	—	56.0	—	—	0.3	461.81
	1965	13.9	52.6	0.2	33.2	—	0	0.1	678.39
	1967	20.2	46.6	0.2	32.5	—	0.2	0.3	1 496.74
	1968	18.2	48.9	0.2	32.0	—	0.4	0.3	2 056.68
	1969	15.5	43.2	0.2	38.9	—	1.9	0.3	3 059.41
	1970	14.6	39.6	0.1	42.6	—	2.9	0.2	3 996.84
	1971	14.0	37.7	0.1	42.9	—	4.9	0.4	5 089.37
Costa Rica (Colones)	1961	25.3	38.7	—	26.4	—	8.5	1.1	85.8
	1965	25.1	37.7	—	26.0	—	9.6	1.6	149.9
	1967	25.3	38.4	—	24.3	—	10.5	1.5	192.9
	1968	22.3	33.9	—	32.7	—	9.6	1.5	251.9
	1969	22.5	34.4	—	31.8	—	10.1	1.2	281.2
	1970	23.3	36.0	—	28.9	—	10.6	1.2	314.5
	1971	23.3	35.1	—	33.2	—	7.2	1.2	406.9
Chile (Escudos)	1963	19.7	40.7	1.9	32.8	0.7	2.1	2.1	1 087.3
	1965	19.6	42.0	2.0	31.8	—	1.8	2.8	2 645.5
	1968	23.7	41.1	2.1	29.8	—	1.3	2.0	6 501.3

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Table 8 (cont.) Tableau 8 (suite) Cuadro 8 (cont.)

Country and currency unit	Financial year	Contributions		Special taxes allocated to social security	State participation	Participation of other public authorities	Income from capital	Other receipts	Absolute total receipts (in millions of national currency units)
<i>Pays et unité monétaire</i>	<i>Exercice financier</i>	<i>Cotisations</i>		<i>Taxes et im- pôts spéciaux</i>	<i>Participation de l'Etat</i>	<i>Participation d'autres pou- voirs publics</i>	<i>Revenu des capitaux</i>	<i>Autres recettes</i>	<i>Total en millions d'unités monétaires nationales</i>
Pais y unidad monetaria	Ejercicio financiero	From insured persons	From employers	Impuestos y derechos especiales	Participación del Estado	Participación de otras entidades públicas	Renta del capital	Otros ingresos	Total en millones de unidades monetarias nacionales
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
República Dominicana (Pesos)	1967	10.6	45.7	—	41.3	—	1.9	0.5	37.151
	1968	10.6	43.5	—	41.5	—	1.8	2.6	37.639
	1969	10.3	44.0	—	41.3	—	2.2	2.2	39.287
	1970	10.9	47.4	—	35.6	—	2.7	3.4	42.394
	1971	12.4	47.5	—	34.4	—	2.7	3.0	44.626
El Salvador (Colones)	1960	5.1	32.9	—	61.7	—	0.2	0.1	30.59
	1965	6.0	41.8	—	51.5	—	0.6	0.1	47.33
	1967	6.1	39.3	—	53.6	—	0.5	0.5	58.38
	1968	7.0	37.3	—	54.9	—	0.3	0.5	65.71
	1969	9.5	41.4	—	48.4	—	0.4	0.3	77.61
	1970	8.5	37.2	—	53.1	—	1.0	0.2	96.24
	1971	10.3	41.9	—	45.9	—	1.6	0.3	93.23
Guatemala (Quetzales)	1959-60 *	12.1	32.3	—	55.1	—	—	0.5	20.7
	1965	20.8	29.4	—	49.4	—	—	0.4	26.9
	1967	21.1	34.0	—	44.4	—	0.3	0.2	30.8
	1968	21.5	34.7	—	42.6	—	0.6	0.6	32.6
	1969	20.8	36.7	—	41.5	—	0.5	0.5	41.9
	1970	23.1	36.9	—	39.1	—	0.7	0.2	42.5
	1971	24.7	36.8	—	37.3	—	0.9	0.3	47.0
Honduras (Lempiras)	1964	10.1	21.6	—	67.6	—	0.3	0.4	10.50
	1965	10.4	22.8	—	65.9	—	0.7	0.2	11.23
	1967	24.9	—	—	74.0	—	0.9	0.2	18.65
	1968	8.9	18.3	—	71.6	—	0.8	0.4	20.59
	1969	7.6	13.8	—	77.8	—	0.7	0.1	24.14
	1970	7.6	11.8	—	79.8	—	0.6	0.2	26.95
	1971	8.0	11.9	—	79.4	—	0.6	0.1	26.56
Jamaica (Dollars)	1962-63	6.3	216	—	64.4	5.4	2.1	0.2	14.794
	1964-65	6.5	219	—	67.6	2.0	2.0	—	17.288
	1966-67	14.0	308	—	52.2	1.2	1.3	0.5	26.788
	1967-68	15.2	320	—	49.2	1.2	2.4	0	30.301
	1968-69	14.5	308	—	48.2	2.0	4.5	0	34.015
	1969-70	13.5	287	—	50.4	1.4	6.0	—	40.059
	1970-71	12.6	263	—	48.8	4.6	7.7	—	48.307
México (Pesos)	1961	66.1	—	—	28.8	—	5.1	—	3 844.00
	1965	69.4	—	—	24.5	—	6.1	—	6 954.60
	1967	74.3	—	—	19.3	—	3.6	2.8	9 471.72
	1968	75.1	—	—	18.3	—	3.2	3.4	10 578.92
	1969	75.8	—	—	17.1	—	4.1	3.0	11 597.52
	1970	75.6	—	—	17.6	—	3.9	2.9	13 507.73
	1971	75.8	—	—	16.6	—	3.6	4.0	16 614.94
Nicaragua (Córdobas)	1960-61 *	30.3	—	—	68.0	—	1.6	0.1	59.4
	1965	11.9	29.6	32.4	23.4	—	2.6	0.1	101.8
	1967	15.6	32.3	25.1	24.5	—	2.4	0.1	142.5
	1968	14.1	34.1	24.9	24.7	—	2.1	0.1	159.0
	1969	13.9	34.0	24.9	24.9	—	2.1	0.2	176.7
	1970	13.9	34.1	25.3	24.1	—	2.3	0.3	187.0
	1971	13.9	33.8	24.8	24.2	—	2.8	0.5	194.8
Trinidad and Tobago (Dollars)	1964	7.8	16.9	—	66.4	8.9	—	—	37.18
	1965	8.0	17.7	—	64.7	9.6	—	—	37.41
	1967	4.9	14.6	—	72.0	8.5	—	—	43.73
	1968	4.5	15.5	—	72.1	7.9	—	—	47.84
	1969	4.3	15.1	—	72.3	8.3	—	—	52.21
	1970	4.3	15.0	—	72.0	8.7	—	—	54.27
	1971	4.3	13.5	—	73.8	8.4	—	—	66.70
United States (Dollars)	1959-60	21.8	34.9	—	24.2	14.6	4.5	—	38 136
	1964-65	22.3	35.9	—	23.6	13.3	4.9	—	55 891
	1966-67	25.1	34.9	—	23.4	11.9	4.7	—	76 811

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Table 8 (cont.) Tableau 8 (suite) Cuadro 8 (cont.)

Country and currency unit	Financial year	Contributions		Special taxes allocated to social security	State participation	Participation of other public authorities	Income from capital	Other receipts	Absolute total receipts (in millions of national currency units)
Pays et unité monétaire	Exercice financier	Cotisations		Taxes et im- pôts spéciaux	Participation de l'Etat	Participation d'autres pou- voirs publics	Revenu des capitaux	Autres recettes	Total en millions d'unités monétaires nationales
Pais y unidad monetaria	Ejercicio financiero	From insured persons	From employers	Impuestos y derechos especiales	Participación del Estado	Participación de otras entidades publicas	Renta del capital	Otros ingresos	Total en millones de unidades monetarias nacionales
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
United States (cont. suite cont.)	1967-68	24.2	34.0	—	24.2	12.6	5.0	—	84 103
	1968-69	24.3	33.2	—	24.7	12.6	5.2	—	96 468
	1969-70	24.3	33.4	—	24.1	12.8	5.4	—	110 932
	1970-71	22.9	32.4	—	25.9	13.1	5.7	—	126 593
Venezuela (Bolivares)	1959-60 <sup>a</sup>	8.4	16.2	—	74.8	—	0.4	0.2	655.2
	1965	7.3	12.8	—	79.5	—	0.4	0.4	1 149.8
	1967	9.8	19.0	—	70.9	—	0.3	0	1 291.6
	1968	11.4	22.0	—	65.6	—	1.0	0	1 500.7
	1969	11.7	22.4	—	64.4	—	1.5	0	1 615.7
	1970	10.8	20.9	—	66.1	—	2.2	0	1 755.7
	1971	11.1	21.6	—	64.7	—	2.5	0.1	1 880.4
ASIA - ASIE - ASIA									
Burma (Kyats)	1963-64	3.7	11.3	—	83.8	—	1.2	—	66.35
	1964-65	3.6	10.8	—	85.6	—	0	—	74.71
	1966-67	1.5	47.2	—	51.3	—	—	0	172.11
	1967-68	1.4	47.5	—	51.0	—	—	0.1	190.40
	1968-69	1.4	44.5	—	54.1	—	—	0	204.68
	1969-70	1.4	45.2	—	53.4	—	—	0	212.36
Cyprus (Pounds)	1970-71	1.4	44.7	—	53.9	—	—	0	216.04
	1960	10.3	41.6	—	43.0	—	3.4	1.7	2.91
	1965	14.9	35.8	—	41.9	—	5.6	1.8	4.44
	1967	19.8	30.2	—	40.9	—	6.8	2.3	5.15
	1968	19.3	29.7	—	42.5	—	6.3	2.2	5.86
	1969	19.8	28.7	—	44.0	—	5.3	2.2	6.79
	1970	23.3	26.7	—	43.3	—	6.7	2.0	8.38
India (Rupees)	1971	22.9	24.3	—	44.3	—	4.5	2.0	9.16
	1959-60	24.8	35.5	0	5.0	20.7	5.1	7.9	2 433.3
	1964-65	29.4	33.0	0	3.1	30.6	3.5	0.4	4 395.3
	1966-67	62.2	—	0.3	3.1	24.2	7.0	3.2	6 602.3
	1967-68	63.1	—	0.3	2.9	22.8	7.0	3.9	7 960.2
	1968-69	62.6	—	0.3	3.1	23.9	7.1	3.0	9 065.7
	1969-70	62.6	—	0.3	2.7	24.1	7.3	3.0	10 635.0
Israel (Pounds)	1970-71	64.0	—	0.3	2.5	22.3	7.7	3.2	12 397.9
	1959-60	29.8	27.8	5.7	33.4	0.1	2.5	0.7	294.5
	1964-65	27.5	27.7	—	28.3	9.3	6.6	0.6	624.0
	1966-67	23.7	34.2	—	26.3	9.4	5.8	0.6	963.2
	1967-68	23.0	31.0	—	31.9	8.1	5.4	0.6	1 183.6
	1968-69	23.6	33.1	—	27.3	7.1	8.3	0.6	1 311.2
	1969-70	23.2	33.6	—	31.2	9.1	2.3	0.6	1 447.6
Japan (Yen)	1970-71	22.1	38.0	—	27.4	7.7	4.3	0.5	2 081.5
	1959-60	25.2	43.3	—	20.4	4.4	4.7	2.0	771 168
	1964-65	26.3	30.9	—	29.1	4.4	6.3	3.0	1 913 700
	1966-67	26.9	30.1	—	27.0	4.0	6.7	5.3	2 885 006
	1967-68	26.7	29.9	—	26.5 <sup>a</sup>	3.7	7.2	6.0	3 410 319
	1968-69	26.5	29.7	—	26.6	3.6	7.7	5.9	3 993 041
Kampuchea démocratique (Riels)	1969-70	27.9	29.5	—	25.2	3.5	8.1	5.8	4 737 196
	1970-71	27.0	29.6	—	25.0	3.5	8.2	6.7	5 765 517
	1967	5.2	74.5	—	20.0	—	0.3	0	1 508.45
	1968	6.5	73.9	—	19.4	—	0.1	0	1 560.41
	1969	6.4	74.4	—	19.1	—	0.1	—	1 637.60
Malaysia (Dollars)	1970	3.7	76.5	—	19.6	0.2	0	0	1 975.18
	1971	6.6	74.4	—	18.9	0	0.1	0	2 383.84
	1960	18.6	39.0	—	30.4	—	11.9	0.1	287.88
	1965	18.5	33.4	—	30.3	—	17.5	0.3	411.21
	1967	18.6	31.9	—	29.4	—	19.8	0.3	470.27

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Table 8 (cont.) Tableau 8 (suite) Cuadro 8 (cont.)

Country and currency unit	Financial year	Contributions		Special taxes allocated to social security	State participation	Participation of other public authorities	Income from public capital	Other receipts	Absolute total receipts (in millions of national currency units)
<i>Pays et unité monétaire</i>	<i>Exercice financier</i>	<i>Cotisations</i>		<i>Taxes et im- pôts spéciaux</i>	<i>Participation de l'Etat</i>	<i>Participation d'autres pou- voirs publics</i>	<i>Revenu des capitaux</i>	<i>Autres recettes</i>	
Pais y unidad monetaria	Ejercicio financiero	From insured persons	From employers	Impuestos y derechos especiales	Participación del Estado	Participación de otras entidades públicas	Renta del capital	Otros ingresos	Total en millones d'unités monétaires nationales
		<i>Des assurés</i>	<i>Des employeurs</i>						Total en millones de unidades monetarias nacionales
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Malaysia	1968	18.2	30.9	—	29.8	—	21.0	0.1	495.65
(cont. suite cont.)	1969	18.1	30.6	—	28.4	—	22.6	0.3	504.60
	1970	19.0	30.2	—	28.1	—	22.5	0.2	563.90
	1971	18.9	28.4	—	30.9	—	21.6	0.2	664.05
Philippines (Pesos)	1959-60	23.5	32.0	—	33.6	0.3	10.2	0.4	268.84
	1962-63	23.1	30.9	—	33.6	0.3	10.8	1.3	275.25
	1966-67	22.0	30.6	—	30.6	—	16.6	0.2	489.16
	1967-68	22.6	30.9	—	29.3	—	17.0	0.2	560.65
	1968-69	21.9	30.8	—	30.2	—	17.0	0.1	658.72
	1969-70	21.7	30.3	—	31.3	—	16.5	0.2	740.37
	1970-71	21.8	30.9	—	29.3	—	17.8	0.2	852.55
Singapore (Dollars)	1964	11.7	26.7	—	50.4	—	11.1	0.1	150.39
	1965	11.8	27.1	—	48.6	—	12.3	0.2	159.41
	1967	12.0	28.0	—	46.1	—	13.8	0.1	182.93
	1968	13.4	29.7	—	41.7	—	15.0	0.2	199.06
	1969	15.3	33.3	—	38.7	—	12.6	0.1	274.04
	1970	19.5	38.2	—	29.0	—	13.1	0.2	314.23
	1971	21.8	40.1	—	25.1	—	12.8	0.2	401.86
Sri Lanka (Rupees)	1959-60	4.4	33.0	—	61.2	—	0.7	0.7	284.5
	1964-65	3.8	29.9	—	55.0	—	5.2	6.1	334.1
	1966-67	15.0	32.2	—	45.2	—	6.3	1.3	430.5
	1967-68	14.7	32.2	—	45.1	—	6.6	1.4	478.0
	1968-69	14.1	30.5	—	46.9	—	7.1	1.4	522.2
	1969-70	15.1	31.2	—	44.8	—	7.5	1.4	571.6
	1970-71	17.4	34.8	—	38.8	—	7.8	1.2	698.9
République arabe syrienne <sup>a</sup> (Pounds)	1964	20.1	51.0	—	23.0	—	5.9	—	68.42
	1965	20.7	49.2	—	28.0	—	2.1	—	77.21
	1967	19.7	48.0	—	28.0	—	0.1	4.2	91.77
	1968	20.0	48.6	—	27.5	—	0.1	3.8	101.29
	1969	21.5	52.1	—	24.6	—	0.1	1.7	111.73
	1970	18.4	44.7	—	35.3	—	0.1	1.5	136.81
	1971	17.4	42.2	—	38.4	—	0.1	1.9	144.85
République du Sud Viet-Nam (Piastres)	1960	6.7	28.6	—	54.4	7.8	0.7	1.8	956
	1967	6.9	63.6	—	28.3	—	—	1.2	2 304
	1968	6.3	65.1	—	28.0	—	—	0.6	3 309
	1969	8.7	61.0	—	29.8	—	—	0.5	3 400
	1970	2.8	72.8	—	21.4	—	—	3.0	8 566
	1971	2.6	89.5	—	7.8	—	—	0.1	19 016
<b>EUROPE - EUROPE - EUROPA</b>									
<i>Countries with market economy</i>									
<i>Pays à économie de marché</i>									
<i>Países con economía de mercado</i>									
Austria (Schillings)	1960	23.1	55.8	—	18.6	0.5	0.6	1.4	26 413
	1965	24.7	50.1	—	20.8	0.3	0.5	3.6	44 934
	1967	24.9	50.5	—	22.7	0.2	0.6	1.1	54 619
	1968	24.8	49.7	—	23.3	0.2	0.6	1.4	59 518
	1969	24.9	49.9	—	22.9	0.2	0.6	1.5	65 211
	1970	25.5	50.4	—	21.9	0.2	0.6	1.4	70 784
	1971	25.8	50.5	—	21.5	0.2	0.5	1.5	80 745
Belgique (Francs)	1960	18.6	41.6	0.4	31.1	0	2.5	5.8	87 487.2
	1965	20.6	44.4	—	25.6	1.9	3.9	3.6	144 533.8
	1967	20.2	45.1	—	26.0	1.8	3.8	3.1	177 929.7
	1968	20.4	44.7	—	26.4	1.6	3.5	3.4	194 562.7
	1969	20.5	46.5	—	24.6	1.6	3.6	3.2	209 269.6
	1970	20.8	46.6	—	24.8	1.5	3.3	3.0	241 507.3
	1971	20.4	46.5	—	25.8	1.5	3.2	2.8	272 296.7

See notes on page 129. Voir notes page 129. Véanse notas pag. 129.

Table 8 (cont.) Tableau 8 (suite) Cuadro 8 (cont.)

Country and currency unit	Financial year	Contributions		Special taxes allocated to social security	State participation	Participation of other public authorities	Income from capital	Other receipts	Absolute total receipts (in millions of national currency units)
<i>Pays et unité monétaire</i>	<i>Exercice financier</i>	<i>Contributions</i>		<i>Taxes et im- pôts sociaux</i>	<i>Participation de l'Etat</i>	<i>Participation d'autres autori- tés publiques</i>	<i>Revenu des capitaux</i>	<i>Autres recettes</i>	
<i>Pais y unidad monetaria</i>	<i>Ejercicio financiero</i>	From insured persons	From employers	Impuestos y derechos especiales	Participación del Estado	Participación de otras entidades públicas	Renta del capital	Otros ingresos	Total en millones d'unités monétaires nationales
		<i>Des assurés</i>	<i>Des employeurs</i>						Total en millones de unidades monetarias nacionales
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Denmark (Kroner)	1959-60	14.9	10.6	—	51.5	22.5	0.5	—	4 241.9
	1964-65	16.0	11.4	—	55.7	16.6	0.3	—	7 947.1
	1966-67	16.0	10.4	—	55.1	17.5	1.0	—	11 510.5
	1967-68	15.6	9.4	—	56.4	17.5	1.1	—	13 616.1
	1968-69	14.8	9.1	—	56.6	18.4	1.1	—	16 089.5
	1969-70	14.1	8.9	—	57.1	18.7	1.2	—	18 066.5
	1970-71	13.7	7.0	—	62.5	15.5	1.3	—	22 405.6
Finland (Markkaa)	1960	9.0	36.4	—	28.0	19.4	7.2	0	1 491.8
	1965	8.8	39.4	—	27.7	18.4	5.7	0	3 227.8
	1967	9.7	39.0	—	27.1	18.4	5.8	0	4 161.0
	1968	9.2	38.5	—	28.4	17.9	6.0	0	4 929.9
	1969	9.1	38.3	—	28.9	17.2	6.5	0	5 498.7
	1970	11.1	38.6	—	27.2	17.5	5.6	0	6 255.4
	1971	10.8	44.3	—	22.1	17.2	5.6	0	7 476.7
France (Francs)	1960	15.6	62.9	2.9	15.3	2.4	0.2	0.7	39 904.7
	1965	16.9	63.7	2.7	13.5	2.2	0.2	0.8	75 873.0
	1968	.	.	.	.	.	.	.	89 525.0
	1969	.	.	.	.	.	.	.	107 938.0
	1970	.	.	.	.	.	.	.	119 871.0
	1971	.	.	.	.	.	.	.	136 600.0
	.	.	.	.	.	.	.	.	.
Germany (Fed. Rep. of) (Marks)	1960	25.9	44.4	1.5	25.0	—	2.2	1.0	49 298
	1965	26.0	40.3	1.5	29.3	—	2.3	0.6	79 061
	1967	26.0	38.7	1.2	30.5	—	2.6	1.0	89 340
	1968	27.6	40.5	1.1	27.8	—	2.3	0.7	95 912
	1969	29.2	40.4	1.7	26.0	—	1.9	0.8	106 402
	1970	28.9	42.3	0.8	25.1	—	2.0	0.9	120 467
	1971	29.2	42.9	0.8	24.4	—	1.9	0.8	136 989
Grèce (Drachmas)	1964	35.3	33.4	11.3	15.5	0.6	3.4	0.5	17 187
	1965	27.9	40.6	12.7	13.9	0.7	3.6	0.6	18 450
	1967	27.3	40.2	12.8	15.2	—	3.6	0.9	24 893
	1968	27.4	40.1	11.7	15.1	—	4.2	1.5	28 409
	1969	27.3	40.2	11.5	15.4	—	4.6	1.0	32 513
	1970	27.5	41.4	11.4	14.2	—	4.3	1.2	35 767
	1971	26.7	41.9	10.6	14.7	—	3.8	2.3	39 971
Iceland (Kronur)	1960	16.6	12.8	—	47.2	17.7	5.7	—	723.0
	1965	18.5	13.3	—	44.5	17.7	6.0	—	1 885.9
	1967	19.0	9.9	—	51.3	13.1	6.7	—	2 382.1
	1968	17.5	9.7	—	53.5	13.3	6.0	—	3 058.8
	1969	19.5	9.8	—	49.2	15.5	6.0	—	3 580.9
	1970	17.8	9.1	—	51.7	15.8	5.6	—	4 304.5
	1971	16.7	10.0	—	54.4	14.2	4.7	—	6 100.2
Ireland (Pounds)	1959-60	5.0	21.2	—	72.8	—	1.0	0	58.4
	1964-65	7.9	23.5	—	67.6	—	0.6	0.4	93.7
	1966-67	9.0	22.3	—	54.2	13.8	0.5	0.2	115.0
	1967-68	8.8	23.5	—	53.3	13.6	0.6	0.2	124.5
	1968-69	10.5	22.8	—	51.9	13.6	0.6	0.6	141.3
	1969-70	10.6	22.8	—	52.1	13.6	0.6	0.3	169.3
	1970-71	10.9	22.2	—	54.2	12.0	0.5	0.2	205.4
Italie (Lire)	1960	12.3	59.0	0	23.9	0	2.7	2.1	2 858 878
	1965	13.7	56.1	0.2	24.3	0	2.6	3.1	5 810 792
	1967	15.4	64.5	0.2	15.0	—	2.5	2.4	6 353 390
	1968	14.6	62.4	0.2	16.6	—	2.4	3.8	7 461 911
	1969	13.5	59.0	0.1	22.2	—	2.3	2.9	8 570 015
	1970	14.2	61.5	0.2	19.4	—	2.4	2.3	9 756 386
	1971	14.4	61.8	0.1	18.8	—	2.2	2.7	12 109 901

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Table 8 (cont.) Tableau 8 (suite) Cuadro 8 (cont.)

Country and currency unit	Financial year	Contributions		Special taxes allocated to social security	State participation	Participation of other public authorities	Income from capital	Other receipts	Absolute total receipts (in million of national currency units)
<i>Pays et unités monétaires</i>	<i>Exercice financier</i>	<i>Cotisations</i>		<i>Taxes et impôts spéciaux</i>	<i>Participation de l'Etat</i>	<i>Participation d'autres pouvoirs publics</i>	<i>Revenu des capitaux</i>	<i>Autres recettes</i>	
<i>Pais y unidad monetaria</i>	<i>Ejercicio financiero</i>	From insured persons	From employers	Impuestos y derechos especiales	Participación del Estado	Participación de otras entidades públicas	Renta del capital	Otros ingresos	Total en millones de unidades monetarias nacionales
		<i>Des assurés</i>	<i>Des employeurs</i>						
		De los asegurados	De los empleadores						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Luxembourg (Francs)	1960	20.1	47.7	—	20.2	3.8	7.1	1.1	4 094.2
	1965	23.7	40.2	—	24.4	2.6	8.1	1.0	6 071.9
	1967	22.3	38.8	—	28.5	1.4	8.5	0.5	6 805.8
	1968	22.4	39.1	—	28.0	1.4	8.7	0.4	7 276.8
	1969	23.1	38.8	—	26.8	1.3	9.5	0.5	7 889.6
	1970	26.1	38.1	—	25.4	1.2	8.6	0.6	9 124.3
	1971	25.3	37.1	—	27.6	1.3	8.3	0.4	10 251.5
Malta (Pounds)	1960-61	7.4	19.7	—	69.7	—	2.0	1.2	3.439
	1964-65	6.7	20.6	—	69.5	—	2.2	1.0	4.432
	1966-67	8.3	22.5	—	66.5	—	2.0	0.7	5.244
	1967-68	8.4	23.0	—	66.2	—	1.8	0.6	5.454
	1968-69	7.8	23.4	—	66.4	—	1.6	0.8	6.070
	1969-70	7.3	24.7	—	65.8	—	1.3	0.9	6.684
	1970-71	7.2	29.8	—	60.9	—	1.3	0.8	7.915
Norway (Kroner)	1959-60 <sup>a</sup>	31.7	26.5	—	16.3	23.8	1.5	0.2	3 234.6
	1965	28.3	29.4	0.2	19.2	19.9	2.9	0.1	5 947.8
	1967	27.1	34.7	0.2	18.0	17.5	2.4	0.1	8 415.8
	1968	25.9	35.7	0.2	18.1	17.3	2.6	0.2	9 424.2
	1969	25.2	36.3	0.3	18.2	17.4	2.4	0.2	10 478.3
	1970	22.9	33.2	0.3	25.3	16.2	1.9	0.2	13 046.1
	1971	23.5	37.0	0.2	23.0	14.8	1.3	0.2	15 643.4
Pays-Bas (Guilders)	1960	40.9	40.3	—	9.8	2.4	6.6	0	5 513.2
	1965	43.1	40.1	—	9.1	2.2	5.5	0	12 496.7
	1967	39.6	41.6	—	8.1	5.1	5.3	0.3	17 339.2
	1968	39.0	42.0	—	9.8	3.5	5.5	0.2	20 295.8
	1969	38.5	42.7	—	9.4	3.3	6.0	0.1	23 619.9
	1970	38.5	42.9	—	8.6	3.7	6.2	0.1	27 274.9
	1971	38.5	43.0	—	9.2	2.8	6.4	0.1	32 256.7
Portugal (Escudos)	1960	16.4	46.8	1.1	14.0	1.8	9.4	10.7	5 110.2
	1965	12.6	49.5	—	12.9	4.7	8.0	12.3	7 420.2
	1967	22.3	60.1	—	1.2	—	10.0	6.4	8 071.6
	1968	20.6	58.7	—	4.2	—	9.5	7.0	9 474.6
	1969	21.3	58.9	—	3.8	—	9.4	6.6	10 562.9
	1970	23.0	54.6	—	4.7	—	8.4	9.3	13 492.7
	1971	22.5	59.5	—	5.3	—	7.4	5.3	15 778.5
Suisse (Francs)	1960	32.9	23.7	—	7.3	20.1	9.9	6.1	3 696.2
	1965	32.2	22.1	—	11.4	21.5	9.2	3.6	6 131.4
	1967	32.0	20.3	—	12.1	23.4	9.0	3.2	7 527.5
	1968	33.2	19.9	—	11.7	22.1	9.0	4.1	8 091.9
	1969	33.9	21.4	—	12.5	20.6	8.2	3.4	9 571.3
	1970	34.1	20.8	—	12.3	21.4	8.2	3.2	10 517.3
	1971	33.7	21.0	—	12.5	22.4	7.7	2.7	12 358.8
Sweden (Kronor)	1960	20.5	11.0	—	40.2	26.7	1.6	0	8 017.8
	1965	14.0	26.4	—	33.6	22.3	3.7	—	18 793.1
	1967	12.3	27.9	—	33.8	21.2	4.7	0.1	25 804.2
	1968	12.3	28.9	—	30.3	23.3	5.1	0.1	30 142.8
	1969	12.6	27.8	—	28.9	24.8	5.8	0.1	33 949.1
	1970	11.4	27.6	—	27.7	26.9	6.3	0.1	39 947.1
	1971	10.5	26.5	—	28.8	27.3	6.8	0.1	45 020.1
Turquie (Liras)	1960	30.7	45.9	—	10.9	—	10.9	1.6	1 282.2
	1965	32.0	44.9	—	5.3	—	12.0	5.8	2 595.1
	1967	29.4	50.5	—	3.9	—	11.8	4.4	3 590.4
	1968	29.3	49.8	—	3.8	—	12.0	5.1	4 228.8
	1969	27.2	55.7	—	2.7	—	10.7	3.7	5 804.3
	1970	28.4	54.3	—	2.3	—	11.1	3.9	6 561.4
	1971	29.1	54.2	—	2.1	—	9.0	5.6	9 638.7

See notes on page 129. Voir notes page 129. Véanse notas pag. 129.

Table 8 (cont.) Tableau 8 (suite) Cuadro 8 (cont.)

Country and currency unit	Financial year	Contributions		Special taxes allocated to social security	State participation	Participation of other public authorities	Income from other public capital	Other receipts	Absolute total receipts (in millions of national currency units)
Pays et unité monétaire	Exercice financier	Cotisations		Taxes et im- pôts spéciaux	Participation de l'Etat	Participation d'autres pou- voirs publics	Revenu des capitaux	Autres recettes	Total en millions d'unités monétaires nationales
Pais y unidad monetaria	Ejercicio financiero	From insured persons	From employers	Impuestos y derechos especiales	Participación del Estado	Participación de otras entidades públicas	Renta del capital	Otros ingresos	Total en millones de unidades monetarias nacionales
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
United Kingdom (£)	1959-60	20.0	17.9	—	53.4	5.3	1.8	1.6	2 662
	1964-65	21.7	24.9	—	42.0	7.5	2.3	1.6	3 989
	1966-67	20.7	26.2	—	42.9	7.5	2.5	0.2	4 897
	1967-68	20.1	25.8	—	43.6	7.7	2.6	0.2	5 411
	1968-69	20.0	25.6	—	44.5	7.4	2.3	0.2	6 010
	1969-70	19.7	25.1	—	45.3	7.5	2.2	0.2	6 438
	1970-71	19.9	24.9	—	45.2	7.8	2.0	0.2	7 294
<b>EUROPE - EUROPE - EUROPA</b>									
<i>Countries with centrally planned economy</i>									
<i>Pays à économie planifiée</i>									
<i>Países con economía centralmente planificada</i>									
RSS de Biélorussie (Roubles)	1965	—	—	—	94.3	—	—	5.7	684
	1967	—	—	—	95.1	—	—	4.9	817
	1968	—	—	—	95.2	—	—	4.8	919
	1969	—	—	—	95.3	—	—	4.7	979
	1970	—	—	—	95.9	—	—	4.1	1 106
	1971	—	—	—	94.2	—	—	5.8	1 227
Bulgarie (Leva)	1961	0.6	59.4	—	36.2	—	—	3.8	522.1
	1965	2.5	52.0	—	38.9	—	—	6.6	745.2
	1967	1.7	51.8	3.9	29.1	3.7	—	9.8	1 082.1
	1968	1.4	41.9	3.6	33.9	2.3	—	16.9	1 277.0
	1969	1.1	41.2	3.5	41.7	2.5	—	10.0	1 391.1
	1970	1.0	42.2	3.4	47.5	2.9	—	3.0	1 468.2
	1971	1.0	43.1	3.4	46.0	2.9	—	3.6	1 538.9
Czechoslovakia (Korunas)	1960	2.0	33.1	—	64.6 <sup>7</sup>	—	—	0.3	24 856
	1965	0.1	35.0	—	64.3	—	—	0.6	31 282
	1967	0.1	2.8	—	96.6	—	—	0.5	37 507
	1968	0.1	3.2	—	96.2	—	—	0.5	42 972
	1969	0.1	2.9	—	96.6	—	—	0.4	51 648
	1970	0.1	2.8	—	96.7	—	—	0.4	56 000
	1971	0.1	2.7	—	96.7	—	—	0.5	59 001
German Democratic Republic (Marks)	1967	32.9	35.6	—	31.3	—	—	0.2	11 900.8
	1968	31.4	33.9	—	34.5	—	—	0.2	12 790.4
	1969	29.7	32.2	—	37.9	—	—	0.2	13 774.6
	1970	29.4	31.9	—	38.5	—	—	0.2	14 394.6
	1971	30.6	32.7	—	36.5	—	—	0.2	15 415.7
Hongrie (Forints)	1961	13.1	49.2	—	37.2	—	0.1	0.4	13 034
	1965	12.8	44.7	—	41.7	—	0.3	0.5	18 162
	1967	16.0	37.6	—	45.9	—	0.1	0.4	22 833
	1968	16.8	52.7	—	29.9	—	0.1	0.5	24 808
	1969	17.6	53.2	—	28.7	—	0.1	0.4	27 660
	1970	18.1	53.5	—	27.8	—	0.1	0.5	30 095
	1971	17.7	52.8	—	28.9	—	0.1	0.5	33 226
Pologne (Zlotys)	1960	—	65.2	—	34.1	—	—	0.7	34 239
	1965	0.2	62.2	—	36.6	—	—	1.0	50 825
	1967	0.6	59.9	0	38.6	0.7	—	0.2	62 655
	1968	9.3	54.1	0	35.6	0.8	—	0.2	75 550
	1969	9.7	53.4	0	35.8	0.8	0.1	0.2	82 175
	1970	9.8	52.7	0	36.3	0.9	0.1	0.2	87 347
	1971	10.0	54.1	0	34.5	1.0	0.1	0.3	92 477
Roumanie (Lei)	1960	—	38.7	—	61.3	—	—	—	9 244.6
	1965	—	41.4	—	58.6	—	—	—	14 323.9
	1967	—	39.9	—	60.1	—	—	—	17 494.4
	1968	—	37.1	—	62.9	—	—	—	19 912.9
	1969	—	36.2	—	63.8	—	—	—	21 860.3
	1970	—	37.8	—	62.2	—	—	—	23 675.6
	1971	—	37.6	—	62.4	—	—	—	25 568.7

See notes on page 129 Voir notes page 129 Véanse notas pág. 129

Table 8 (concl.) Tableau 8 (fin) Cuadro 8 (fin)

Country and currency unit	Financial year	Contributions		Special taxes allocated to social security	State participation	Participation of other public authorities	Income from capital	Other receipts	Absolute total receipts (in millions of national currency units)
<i>Pays et unité monétaire</i>	<i>Exercice financier</i>	<i>Cotisations</i>		<i>Taxes et im- pôts spéciaux</i>	<i>Participation de l'Etat</i>	<i>Participation d'autres pou- voirs publics</i>	<i>Revenu des capitaux</i>	<i>Autres recettes</i>	<i>Total en millions d'unités monétaires nationales</i>
Pais y unidad monetaria	Ejercicio financiero	From insured persons	From employers	Impuestos y derechos especiales	Participación del Estado	Participación de otras entidades pública	Renta del capital	Otros ingresos	Total en millones de unidades monetarias nacionales
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
RSS d'Ukraine (Roubles)	1960	—	52.0	—	48.0	—	—	—	2 447
	1965	—	—	—	92.7	—	—	7.3	4 048
	1967	—	—	—	91.9	—	—	8.1	4 744
	1968	—	—	—	92.6	—	—	7.4	5 435
	1969	—	—	—	93.4	—	—	6.6	6 034
	1970	—	—	—	93.8	—	—	6.2	6 503
	1971	—	—	—	92.9	—	—	7.1	7 047
URSS (Roubles)	1960	—	26.6	—	73.4	—	—	—	14 749
	1965	—	—	—	96.5	—	—	3.5	22 356
	1967	—	—	—	94.4	—	—	5.6	26 186
	1968	—	—	—	95.8	—	—	4.2	29 217
	1969	—	—	—	96.2	—	—	3.8	31 730
	1970	—	—	—	96.5	—	—	3.5	34 604
	1971	—	—	—	95.7	—	—	4.3	37 301
Yugoslavia (Dinars)	1960	—	84.9	—	14.8	—	—	0.3	3 072
	1965	—	—	—	—	—	—	—	9 821
	1967	68.1	17.3	—	14.1	—	—	0.5	12 590
	1968	69.9	14.9	—	14.1	0.6	—	0.5	14 661
	1969	70.4	13.3	—	15.1	0.7	—	0.5	18 351
	1970	71.2	13.3	—	14.7	0.3	—	0.5	22 770
	1971	73.0	12.1	—	11.8	2.3	—	0.8	28 404
OCEANIA - OCÉANIE - OCEANIA									
Australia (Dollars)	1959-60	8.6	11.2	—	64.2	13.5	2.4	0.1	1 216.2
	1964-65	9.8	11.5	—	62.6	12.7	3.3	0.1	1 840.1
	1966-67	10.8	11.7	—	60.5	13.2	3.3	0.5	2 184.9
	1967-68	11.3	11.5	—	59.4	13.5	3.6	0.7	2 320.5
	1968-69	11.7	11.4	—	58.8	14.0	3.7	0.4	2 543.4
	1969-70	11.8	11.0	—	59.0	14.1	3.7	0.4	2 876.6
	1970-71	12.2	11.1	—	57.4	15.2	3.7	0.4	3 246.9
New Zealand (Dollars)	1959-60	2.7	4.3	—	91.5	—	1.4	0.1	325.8
	1964-65	45.9	4.6	—	47.4	—	1.9	0.2	432.4
	1966-67	48.3	4.2	—	45.1	—	2.1	0.3	490.9
	1967-68	48.2	4.3	—	45.3	—	2.2	—	520.3
	1968-69	47.0	4.3	—	46.4	—	2.3	—	541.2
	1969-70	4.0	4.3	—	89.3	—	2.4	—	593.6
	1970-71	4.7	4.7	—	88.2	—	2.4	—	651.4

<sup>1</sup> Excludes the scheme for public employees, for which data are not available. <sup>2</sup> Excludes public assistance, for which data are not available. <sup>3</sup> 1 July 1959 - 30 June 1960. <sup>4</sup> 1 July 1960 - 30 June 1961. <sup>5</sup> Included under "other receipts". <sup>6</sup> Excludes public employees. <sup>7</sup> Excluding Trade Union Selective Recreation Scheme (1960: 54 million korunas).

<sup>1</sup> Non compris le régime des fonctionnaires, pour lequel on ne dispose pas de données. <sup>2</sup> Non compris l'assistance publique, sur laquelle on ne dispose pas de données. <sup>3</sup> 1<sup>er</sup> juillet 1959-30 juin 1960. <sup>4</sup> 1<sup>er</sup> juillet 1960-30 juin 1961. <sup>5</sup> Compris sous « Autres recettes ». <sup>6</sup> Non compris les fonctionnaires. <sup>7</sup> Non compris le régime de loisirs des syndicats (1960: 54 millions de couronnes).

<sup>1</sup> No incluye el régimen de los funcionarios, a cuyo respecto no se dispone de datos. <sup>2</sup> No incluye la asistencia pública, a cuyo respecto no se dispone de datos. <sup>3</sup> 1.º de julio de 1959-30 de junio de 1960. <sup>4</sup> 1.º de julio de 1960-30 de junio de 1961. <sup>5</sup> Figura en « Otros ingresos ». <sup>6</sup> No incluye los funcionarios. <sup>7</sup> No incluye el régimen de recreos seleccionados de los sindicatos (1960: 54 millones de coronas).

## APPENDIX III

2925 Sayılı Tarım İşçileri Sosyal Sigortalar Kanununa göre  
30.9.1985 tarihine kadar tescil edilen sigortalıların illere göre dağılımı.

İLLER	TESCİL SAYISI	Adet
ADANA	266	"
AFYON	330	"
AMASYA	94	"
ANKARA	572	"
ANTALYA	380	"
ARTVIN	53	"
AYDIN	1809	"
<u>ADAPAZARI</u>	299	"
BALIKESİR	164	"
BOLU	153	"
BURDUR	63	"
<u>BURSA</u>	1444	"
ÇANAKKALE	280	"
ÇANKIRI	39	"
<u>CORUM</u>	620	"
DENİZLİ	611	"
<u>DIYARBAKIR</u>	110	"
EDİRNE	11	"
ELAZIĞ	115	"
ERZİNCAN	185	"
ERZURUM	106	"
<u>ESKİŞEHİR</u>	196	"
GAZİANTEP	90	"
<u>GİRESUN</u>	41	"
İSKENDERUN	69	"
İSPARTA	627	"
İSTANBUL	258	"
İZMİR	767	"
İZMİT	137	"



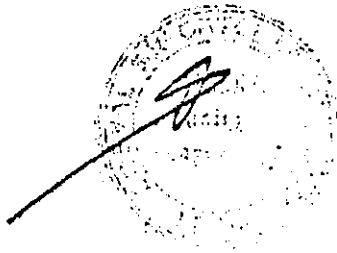
KAHRAMANMARAŞ	28	Adet
KARS	11	"
KASTAMONU	4	"
KAYSERİ	13	"
KIRKLARELİ	582	"
KIRŞEHİR	32	"
KONYA	343	"
<u>KÜTAHYA</u>	628	"
MALATYA	232	"
MANİSA	688	"
MERSİN	121	"
<u>MEĞLA</u>	576	"
NEVŞEHİR	710	"
<u>NİĞDE</u>	183	"
<u>ORDU</u>	324	"
<u>RISE</u>	135	"
SAMSUN	297	"
SİVAS	319	"
SİİRT	6	"
SİNOP	224	"
<u>SAĞLIURFA</u>	11	"
TEKİRDAĞ	339	"
TOKAT	363	"
<u>TRABZON</u>	87	"
<u>USAK</u>	470	"
<u>VAN</u>	7	"
<u>YOZGAT</u>	332	"
<u>ZONGULDAK</u>	1501	"

TOBLAM: 18300 ADET

## APPENDIX IV

2925 sayılı Kanuna göre sigortalı  
olmak için 1.1.1985 tarihine kadar  
başvuranların sayısını gösterir liste

<u>İL</u>	<u>SIGORTALI SAYISI</u>	<u>İL</u>	<u>SIGORTALI SAYISI</u>
Adana	257	Konya	225
Adapazarı	275	Kütahya	548
Adıyaman	1	Malatya	232
Afyon	292	Manisa	528
Amasya	158	Mersin	148
Antalya	377	Muğla	561
Artvin	52	Nevşehir	715
Aydın	(1520)	Niğde	118
Balıkesir	167	Ordu	350
Bolu	145	Rize	223
Burdur	58	Samsun	245
Bursa	1302	Siiirt	6
Çanakkale	280	Sinop	74
Çankırı	34	Sivas	362
Çorum	478	Tekirdağ	331
Denizli	618	Tokat	441
Diyarbakır	109	Trabzon	84
Edirne	7	Urfa	12
Elazığ	115	Uşak	445
Erzincan	(156)	Van	5
Erzurum	88	Zonguldak	1583
Eskişehir	366	Yozgat	286
Gaziantep	126	Ankara	516
Giresun	40	İstanbul	147
Isparta	606		
<b>Hatay</b>	(69)		
İzmir	759		
İzmit	130		
—	—		
Kahramanmaraş	38		
Kars	11		
Kastamonu	8		
Kayseri	(12)		
Kırklareli	549		
Kırşehir	31		



**TARIM SİGORTALILARININ**  
**1.1.1986 TARİHİNDEN İTİBAREN**  
**BASAMAKLARA GÖRE ÖDEYECEKLERİ PRİM TUTARLARINI GÖSTERİR TABLO**

BASAMAKLAR	GÖSTERGELER	BİR AYLIK PRİM (₺)	ALTI AYLIK PRİM (₺)
1	190	1.596,-	9.576,-
2	220	1.848,-	11.088,-
3	250	2.100,-	12.600,-
4	280	2.352,-	14.112,-
5	320	2.688,-	16.128,-
6	360	3.024,-	18.144,-
7	400	3.360,-	20.160,-
8	440	3.696,-	22.176,-
9	480	4.032,-	24.192,-
10	520	4.368,-	26.208,-
11	560	4.704,-	28.224,-
12	600	5.040,-	30.240,-

**ÖNEMLİ HATIRLATMALAR:**

- o Sigortalı, (Ocak-Haziran), (Temmuz-Aralık) dönemleri olmak üzere birinci dönem primlerini ait olduğu yılın "Haziran" ayı sonu, ikinci dönem primlerini de "Aralık" ayı sonu itibariyle ödemek zorundadır.
- o Sigorta primleri, sigortalı tarafından Kurumun anlaşma yaptığı ve ilan ettiği kuruluşlar aracılığı ile gönderilecektir.
- o Primlerinizi öderken Adınızı-Soyadınızı, Bağ-Numaranızı tam ve okunaklı olarak yazdırınız.
- o Borçlanma primlerinizi ayrı olarak "Borçlanma Şerhi" verdirilmek suretiyle ödeyiniz.



BİR MİLLETİN YAŞLI VATANDAŞLARINA  
VE EMEKLİLERİNE KARŞI TUTUMU,  
O MİLLETİN YAŞAMA KUDRETİNİN  
EN ÖNEMLİ KISTASIDIR.

*H. Öztürk*

### BAG-KUR'DA TARIMDA KENDİ ADINA VE HESABINA ÇALIŞANLARIN SIGORTALANMASI

Tarımda Kendi Adına ve Hesabına Çalışanlar Sosyal Sigortalar Kanunu 20 Ekim 1983 tarihli, 18197 sayılı Resmi Gazetede yayımlanarak yürürlüğe girmiştir.

Bu Kanunla çiftçilerimiz ve diğer tarımsal faaliyette bulunanlar da artık memurlar, işçiler ve esnaflar gibi sosyal güvenceye kavuşmaktadırlar.

Kanunun uygulama görevi Bag-Kur'a verilmiştir.

Bakanlar Kurulunun 29.5.1984 tarihli Kararı gereğince ilk uygulamaya Konya ve Kırşehir illerinde başlanılmış ve çok olumlu bir netice alınmıştır.

1985 yılı başından itibaren uygulamanın İç Anadolu Bölgesinde bulunan; Ankara, Çankırı, Eskişehir, Kayseri, Nevşehir, Niğde, Sivas ve Yozgat illerinde de başlatılması Bakanlar Kurulunca kararlaştırılmıştır.

Kanunda yer alan, sigortalılarla ilgili önemli hususlar aşağıda belirtilmiştir.

#### I- TARIMDA ÇALIŞANLARDAN KİMLER BAG-KUR'A GİRMEK ZORUNDADIR:

Ücretli olmayarak kendi adına tarımsal faaliyette bulunanlardan;

- 1) 22 yaşını dolduran erkekler,
- 2) Aile reisi olup, 22 yaşını dolduran kadınlar, sigortalı olmak mecburiyetindedirler.

#### II- KİMLER İSTEĞE BAĞLI SIGORTALI OLABİLİRLER :

Mecburi sigortalılık kapsamı dışında olup da tarımsal faaliyette bulunanlardan 18 yaşını dolduranlar da Bag-Kur'a yazılı olarak başvurmak suretiyle isteğe bağlı sigortalı olabileceklerdir.

#### III- TARIMSAL FAALİYETTE BULUNANLAR KİMLERDİR:

- 1) Kendi mülkünde,
- 2) Ortaklık veya kiralamak suretiyle başkalarının mülkünde,
- 3) Kamuya mahsus mahallerde,

Ekim, dikim, bakım ve üretim yapanlar, yetiştirme ve ıslah yollarıyla veya doğrudan doğruya tabiatın istifade etmek suretiyle bitki, orman, hayvan ve su ürünleri üreticileri ve aileleri, avcı veya yetiştirici olmak şartıyla muhafazasını, taşınmasını sağlayanlar veya bu ürünlerden sair bir şekilde faydalanmak suretiyle kendi adına ve hesabına faaliyette bulunanlardır.

#### IV- KANUNUN SAĞLADIĞI SIGORTA YARDIMLARI:

Bag-Kur, çiftçilerimizi ve kendi hesabına diğer tarımsal faaliyette bulunanları ihtiyarlığa, malullüğe ve ölüme karşı sigortalayacaktır. Yani sigortalılarına, yaşlanınca aylıklı aylığı, çalışamayacak hale düşünce malullük aylığı, öncelikle dul karısına, yetim kalan çocuklarına ölüm aylığı bağlayacak, ayrıca cenazesinin kaldırılması için ailesine cenaze yardımı yapacaktır. Velhasıl onları muhanete muhtaç olmaktan kurtaracaktır.

Hülasa;

1- En az 15 yıl prim ödemiş olanlardan kadın ise 50, erkek ise 55 yaşını dolduranlara YAŞLILIK (EMEKLİLİK) AYLIĞI bağlanacaktır.

2- Doktor raporuna göre çalışma gücünün en az üçte ikisini kaybeden ve en az beş yıl da prim ödemiş olanlara MALÜLLÜK AYLIĞI bağlanacaktır.

3- En az üç yıl prim ödemiş olanların ölümeleri halinde de ölen sigortalının eşine, çocuklarına, annesi ve babasına ölüm aylığı bağlanacaktır.

Sigortalı iken geçirdiği iş kazası veya meslek hastalığı sonucu ölenler için bir sene prim ödemek yeterli olacaktır.

#### V- İLERİ YASTAKİLERE SAĞLANAN İMKANLAR :

Sigortalılardan 1.1.1984 tarihinde kadın ise 40, erkek ise 45 yaşını geçener, sigortalı oldukları tarihten geriye doğru en çok 10 yıllık süre borçlanabileceklerdir.

Borçlanmak için mecburi sigortalılık kapsamına girdiği tarihten itibaren iki yıl içinde yazılı talepte bulunmak ve üç yıl içinde de primini ödemek şarttır. Böylece, 5 sene gibi kısa bir süre sonra emekli olmak mümkün olacaktır.

#### VI- TARIM KESİMİNDE

##### ÇALIŞANLARDAN KİMLER SİGORTALI OLMAK MECBURİYETİNDE DEĞİLDİR.

Sosyal Sigortalar Kurumu na, Bağ-Kur'a, T.C. Emekli Sandığı na ve diğer emekli sandıklarına prim ödemekte olanlar ile buralardan emekli aylığı alanlar ve 2022 sayılı Kanuna göre 65 yaş aylığı alanlar tarafsız faaliyette bulunsalar dahi sigortalı olmayacaklardır.

#### VII- SİGORTALILIK İÇİN BAŞVURMA NE ZAMAN VE NASIL YAPILACAK:

Uygulamaya geçilen illerde kapsama girenler 3 ay içerisinde Bağ-Kur'a başvuracak kayıtlarını yaptırmak zorundadır. Buna göre, 1.1.1985 tarihinde uygulamaya geçilen Ankara, Çankırı, Eskişehir, Kayseri, Nevşehir, Niğde, Sivas ve Yozgat illerindeki sigortalılar, 31 Mart 1985 akşamına kadar Bağ-Kur'a müracaat ederek kayıtlarını yaptıracaklardır.

Müracaat formları Köy Muhtarlıklarına Bağ-Kur tarafından ücretsiz olarak dağıtılmıştır.

#### VIII-KANUN MUHTIARLARA NE GÖREV VERMİŞTİR

Muhtarlar;

- 1) Sigortalı sayılandarı, sigortalı sayıdıkları tarhten,
- 2) Sigortalıdıkları son bulandarı ise sigortalıdıkharın son bulduđu tarhten,

itiharen en geç üç ay içinde Bağ-Kur'a bildir-  
mekde yükumtladırlar.  
Bakanlar Kurulu kararıyla ilk defa uygulamaya geçilen illerde o tarhten sigortalı olanların bildirülnes için ise bir defaya mahsus olmak üzere altı aylık süre tanımlıdır.

#### IX- BASAMAK NASIL SEÇİLİR :

Kanun kapsamına girenlerin ödeyecekleri primler ile alacakları aylıklara esas olmak üzere 12 basamak mevcuttur. En düşük basamak birinci basamaktır.

Sigortalı, sigortalılığını başladığı tarhten itibaren üç ay içinde bu basamaklardan dilediğini seçebilir. Bu süre zarfında basamak seçilmesini halinde 1 inci basamak seçilmiş sayılır.

Bir basamakta iki yılını dolduranlar, isterlerse bir üst basamağa geçebilirler.

#### X- PRİMLER NE ZAMAN VE NASIL ÖDENECEK :

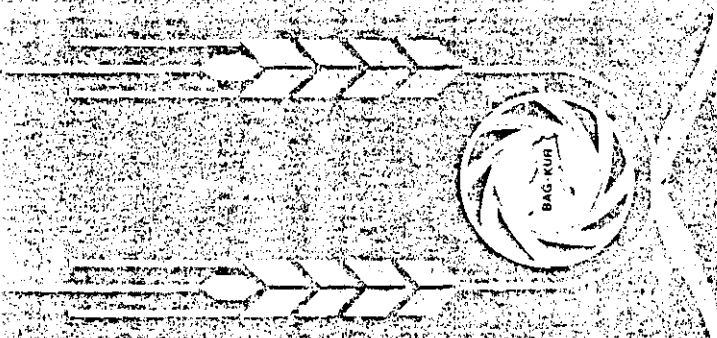
Sigortalılar, alacakları maaşluluk, emeklilik ve ölüm aylıklarına karşılık olmak üzere prim ödemek zorundadırlar. Primler her ay ödenileceği gibi; ilk altı aylık kısmı HAZİRAN ayı içinde, ikinci altı aylık kısmı da AĞUSTOS ayı içinde olmak üzere iki dönemde de ödenilir.

Primler Türkiye Vakıflar Bankası, Türkiye Emeklilik Kredi Bankası, Türkiye Halk Bankası ve PTT vasıtası ile ödenmektedir.

Sigortalılardan 1985 yılı başından itibaren ödenen primler aşağıda gösterilmiştir.

Basamak	Bir Aylık Prim Tutarı (TL)	Altı Aylık Prim Tutarı (TL)
1	1.311	7.866
2	1.518	9.108
3	1.725	10.350
4	1.932	11.592
5	2.208	13.248
6	2.484	14.904
7	2.760	16.560
8	3.036	18.216
9	3.312	19.872
10	3.588	21.528
11	3.864	23.184
12	4.140	24.840

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