

## Input by Deep Poverty Network - Türkiye to the Thematic report to the 56th session of the UN Human Rights Council "Eradicating poverty in a post-growth context: preparing for the next Development Goals"

### Foreword

Deep Poverty Network Türkiye (DPN) welcomes the Special Rapporteur's call for submissions - Thematic report to the 56th session of the UN Human Rights Council, titled "Eradicating Poverty in a Post-Growth Context: Preparing for the Next Development Goals." The network is grateful for the opportunity to contribute by sharing its feedback regarding the worsening redistribution crisis in Turkey and addressing the rapporteur's second question about SDG target 10.1: "By 2030, progressively achieve and sustain income growth of the bottom 40 percent of the population at a rate higher than the national average".

The post-covid socio economic conditions in Türkiye is a striking example to the need to "explore 'post-growth' approaches to poverty eradication that move beyond GDP", as although there is an increasing GDP in Türkiye since 2015 (Graph 1 and Graph 2) -the year SDG was adopted by the United Nations-, the annual equivalised household disposable income of the first and second quantiles is decreasing: According to Turkish Statistical Institute (Turkstat, or TÜİK), the government organization tasked to provide official statistics, while the sum of the two quantiles were 16,8% in 2015, it is 16,4% in 2022 (Graph 3). Furthermore, the Gini coefficient, a measure of income inequality that approaches 0 as income distribution becomes more equal and approaches 1 as it becomes more unequal, has been estimated at 0.415 since 2009, indicating a persistent trend towards income inequality in Türkiye.<sup>1</sup> Also, the share of labor payments in Gross Domestic Product (GDP) declined from 31.3 percent in 2019 to 23.6 percent in 2022.<sup>2</sup> Currently, Turkey is the only country where disposable household income in euros has fallen. Between 2016 and 2021, income in Turkey fell by one thousand euros (27 percent).<sup>3</sup>

<sup>1</sup> Bloomberg HT. (2023, 4 May) Share of Income of the Richest 20 Percent at a 16-Year High.

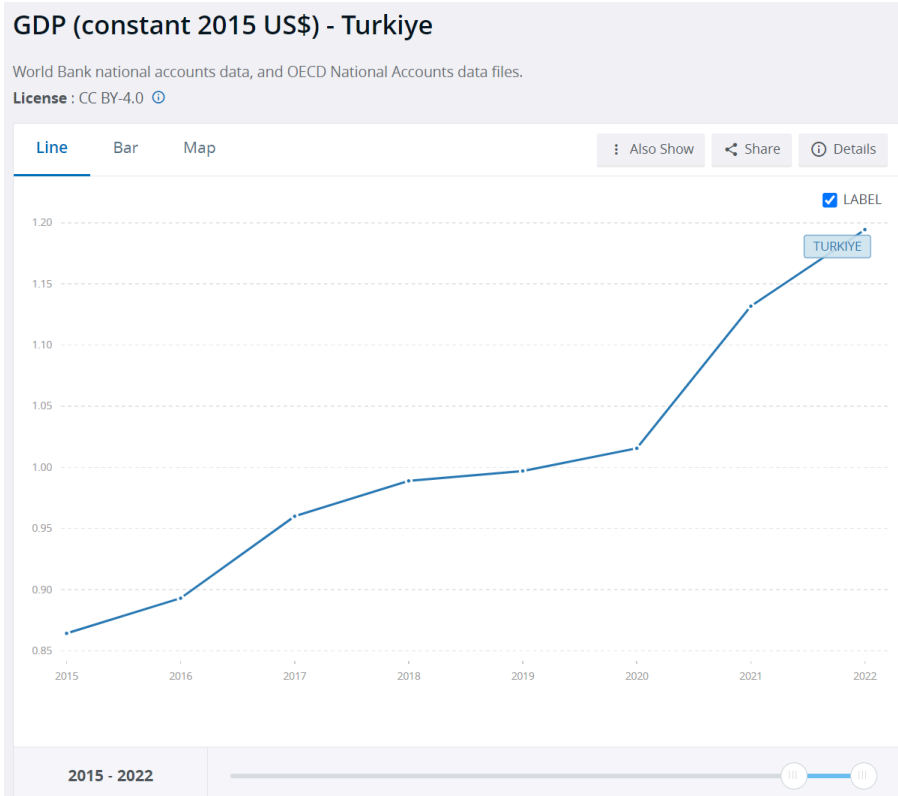
<https://www.bloomberght.com/en-zengin-yuzde-20-nin-gelirden-aldigi-pay-16-yilin-zirvesinde-2330865?page=2>

<sup>2</sup> Euronews. (2023, 19 September). Presidential Government System: Benefiting the Bosses, a Sharp Decline in the Worker's Share of National Income.

<https://tr.euronews.com/2023/09/19/cumhurbaskanligi-hukümet-sistemi-patronlara-yaradi-iscinin-milli-gelirden-aldigi-payda-ser>

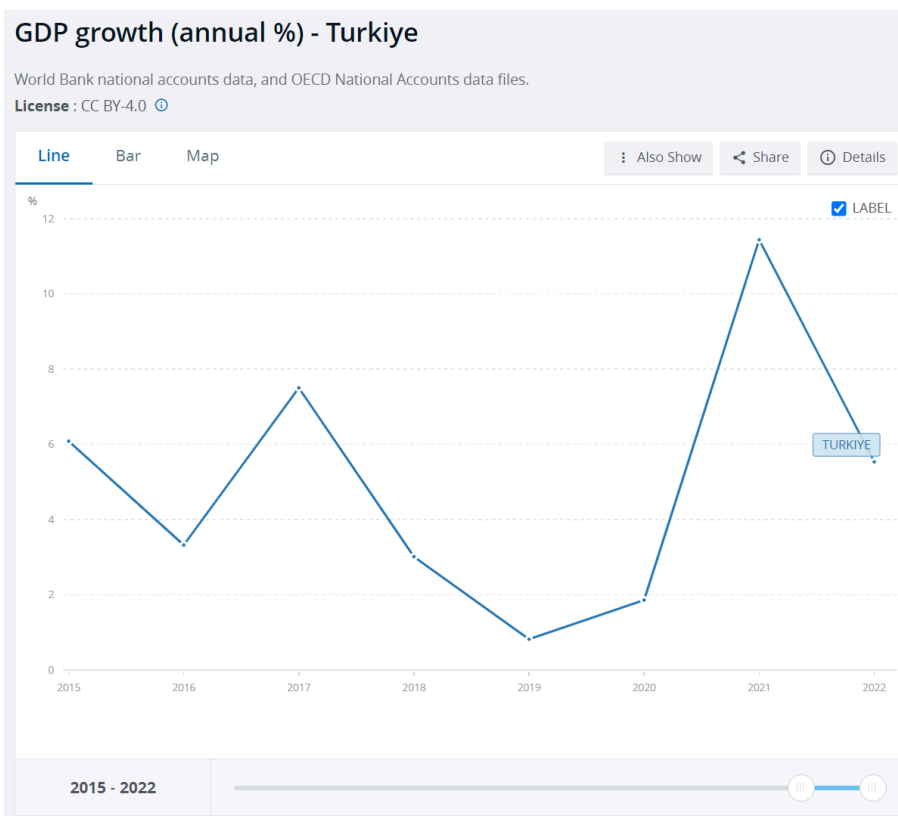
<sup>3</sup> Euronews (2023, 8 November). Equivalent Household Disposable Income by Purchasing Power: Turkey, Third to Last in Europe.

<https://tr.euronews.com/2023/11/08/satin-alma-gucune-gore-esdeger-hanehalki-kullanilabilir-gelir-turkiye-avrupada-sondan-ucun>  
<https://tr.euronews.com/2023/11/08/satin-alma-gucune-gore-esdeger-hanehalki-kullanilabilir-gelir-turkiye-avrupada-sondan-ucun>



Graph 1: GDP (constant 2015 US\$) Source:

<https://data.worldbank.org/indicator/NY.GDP.MKTP.KD?end=2022&locations=TR&start=2015>



Graph 2: GDP growth (annual %) Source:

<https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=TR&start=2015&end=2022>

**Distribution of annual equivalised household disposable income by ordered quintiles (%), 2013-2022**

Survey year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Income reference year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
First quintile (The bottom)	6.1	6.2	6.1	6.2	6.3	6.1	6.2	5.9	6.1	6.0
Second quintile	10.7	10.9	10.7	10.6	10.7	10.6	10.9	10.6	10.8	10.4
Third quintile	15.2	15.3	15.2	15.0	14.8	14.8	15.2	14.9	15.1	14.7
Fourth quintile	21.4	21.7	21.5	21.1	20.9	20.9	21.4	21.1	21.3	20.9
Last quintile (The top)	46.6	45.9	46.5	47.2	47.4	47.6	46.3	47.5	46.7	48.0

Figures in table may not add up to totals due to rounding.

Graph 3: Distribution of annual equivalised household disposable income by ordered quintiles (%), 2013-2022.

Source: <https://data.tuik.gov.tr/Bulten/Index?p=Income-Distribution-Statistics-2022-49745&dil=2>

## I. Discursive Denial of Poverty

One of the most important reasons for the deterioration in income distribution is the government's total denial of deepening poverty. This denial is reflected both in the statements and in the texts that determine macro policies. The denial evident in the discourse is easily noticeable, for example, in the official written answer by Vedat İşıkhan, the Minister of Labor and Social Security, to the question posed by by Ömer Fethi Gürer, the MP, at the Plan and Budget Commission meeting where the 2024 budget of the Ministry was discussed. In his written answer to Gürer's question "What is the number of working people living in extreme poverty in our country? How many working wage earners are below the hunger limit?" Minister İşıkhan emphasized that the minimum wage in Turkey is 11,402 liras and said, "In our country, the minimum wage is 11,402.32 liras net; there are no people working in this scope and living in extreme poverty or hunger limit."<sup>4</sup>

The discursive denial can be observed even in the official documents that show the economic policy of the Turkish government. For example, in the latest version of the Medium Term Program for 2024-2026, published by the government every two years to show economic targets, the word poverty is not mentioned even once.<sup>5</sup> Among the eleven "macroeconomic targets and policies", there are only two topics, employment and price stability, which can be indirectly related to the bottom 40% of the population. Also, within the 289 pages long state budget of 2024, the word poverty appears only once, and that is due to mentioning the "Poverty Alleviation and Social Welfare Program" in the table of the "distribution of central government appropriations by programs (2024-2026)".<sup>6</sup>

<sup>4</sup> Artı Gerçek (November 16, 2023) Minister İşıkhan: There are no people living in extreme poverty or hunger in our country  
<https://artigercek.com/ekonomi/bakan-isikhan-ulkemizde-asiri-yoksulluk-veya-acilik-siniri-icinde-yasayan-kisi-273254h>

<sup>5</sup> Medium Term Program (2024-2026) Presidency of Türkiye, Presidency of Strategy and Budget, Ankara, September 2023. Available at:  
<https://www.sbb.gov.tr/wp-content/uploads/2023/09/Medium-Term-Program-2024-2026.pdf>

<sup>6</sup> 2024 Central Government Budget Law Proposal and Attached Tables. Available at:  
<https://www.sbb.gov.tr/wp-content/uploads/2023/10/2024-Yili-Merkezi-Yonetim-Butce-Kanunu-Teklifi-ve-Bagli-Cetveller.pdf>

## II. Signs of Further Deterioration in Macro Policies

Beyond rhetorical denial, there are serious signs that macroeconomic policies are ignoring the relevant article of the Sustainable Development Goals. Here, the DPN shares four spheres regarding this ignorance.

### II.a. Government spendings

Although there is a significant relationship between social expenditures and income distribution in OECD countries,<sup>7</sup> in the policies and measures of the public finance chapter of the Middle Term Program, there are phrases such as “structural changes that will ensure savings in public expenditures will be implemented”, “public services will be provided with maximum savings within budget possibilities” and “proper pharmaceutical use will be encouraged and measures will be taken to rationalize pharmaceutical and treatment expenditures” (pp. 28-29) all of which indicate that government spendings that can tackle the income distribution will be lower than ever.

### II.b. Taxation

Looking at the estimated tax revenues in the Turkish government's 2024 budget, it is clear that taxation is organized in a way that further distorts income inequality. For example, direct taxes paid by higher income groups are projected to increase by 63.5% compared to 2023, while indirect taxes paid by lower income groups are projected to increase by 77.7%. Among direct taxes, the valuable housing tax and inheritance transfer tax will increase by 39.8% and 58.3%, respectively, while value added tax, special consumption tax and taxes on fuel and natural gas are projected to increase by 76.8%, 71.9% and 129.4%, respectively.<sup>8</sup> Also, in the middle term program, it is noted that “efforts to broaden the tax base and increase voluntary compliance in taxation will be continued” (p. 28).

### II.c. Inflation and Wages

For many years, inflation has been used in Türkiye as a means of redistributing incomes in favor of the upper income group.<sup>9</sup> Increases in employee wages and salaries have been kept below inflation, thus changing the distribution of income to the detriment of workers. Although the increase in minimum wages and civil servant salaries was not much lower than inflation due to the highly contested elections in 2023, the minimum wage, which is supposed to be received by a very limited number of employees, has spread rapidly among

<sup>7</sup> Kalkavan, H., & Ersin, İ. (2020). Sosyal Harcamalar İle Gelir Dağılımı Arasındaki İlişkinin İncelenmesi: OECD Üzerine Bir Uygulama. *Sosyal Güvence*, 17, 265-282. <https://doi.org/10.21441/sosyalguvence.823668>

<sup>8</sup> <https://www.dunya.com/kose-yazisi/2024te-vergi-yuku-tabana-daha-fazla-yayilacak/708350>

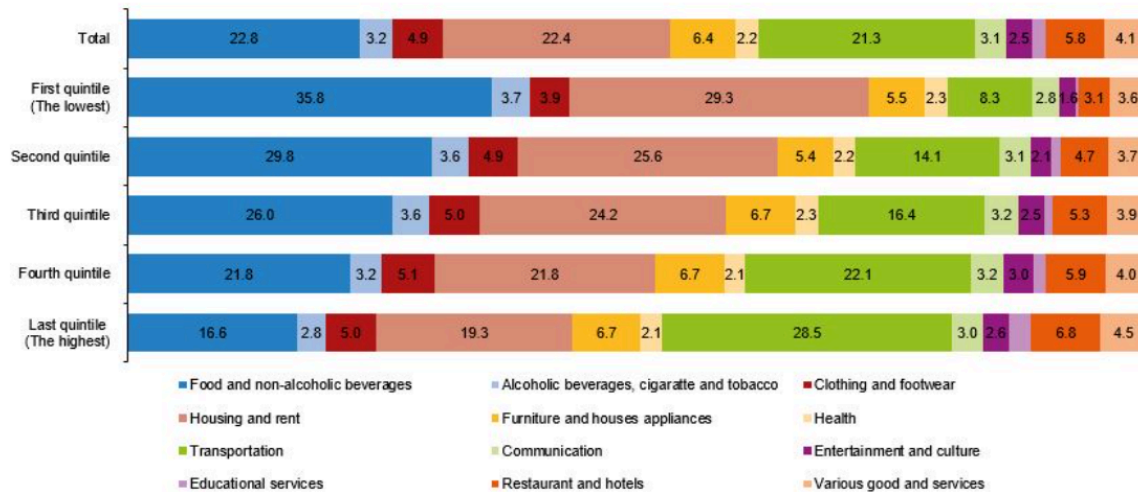
<sup>9</sup> See the article written by Ünal and Doğan, in which they analyze the 2005-2018 period, and come to the conclusion that “the relative poverty rate and the relative number of poor were determined for the years 2005-18 by taking half of the median income as the poverty line using the real household disposable income. It is observed that the number of relative poor determined in the analysis with real income is higher than the TURKSTAT data. According to the results obtained, inflation is an important factor leading to an increase in poverty.” Ünal, I. B., & Doğan, M. K. (2022). Türkiye'de enflasyonun gelir eşitsizliğine etkisinin mikro düzeyde analizi. *Ankara Üniversitesi SBF Dergisi*, 77(2), 309-332. <https://doi.org/10.33630/ausbf.1039511>.

the working class. According to TurkStat data, in 2022, 38.4% of workers will earn 110% of the minimum wage or less. In 2002, one third of all workers earned this level of wage. The proportion of employees earning more than twice the minimum wage fell from 40.1% in 2002 to 18.1% in 2022. In other words, workers' wages are gradually approaching minimum wage levels.<sup>10</sup> Minister Işıkhan also noted that "The rate of our brothers and sisters working on minimum wage is 40 percent".<sup>11</sup> In addition, in the last quarter of 2023, Economy Minister Mehmet Şimşek announced that "targeted inflation" would be the criterion for salary and wage increases.<sup>12</sup> Considering that the official 2023 inflation rate is 64.77% against the Central Bank's 22.4% target inflation rate at the beginning of 2023, this announcement shows that the government is ready to risk increasing working poverty. This is also confirmed by the statement that the contribution of private consumption to growth will shrink nearly three-fold from 10.9 to 3.5 from 2023 to 2024 (p. 40).<sup>13</sup>

#### II.d. Services: The Example of Free School Meals

The share of food and nonalcoholic beverages expenditures of low-income groups has also increased significantly. The Household Consumption Expenditure 2019 data published by TurkStat in July 2020, shows the share of these expenditures for the lowest 20% income group as 30.7%;<sup>14</sup> while in 2022, the figures for the same category increase to 35.8%.<sup>15</sup>

Distribution of consumption expenditure by quintiles ordered by income (%), 2022



Graph 4: Distribution of consumption expenditure by quintiles ordered by income (%), 2022. Source: Household Consumption Expenditures, 2022, <https://data.tuik.gov.tr/Bulten/Index?p=Hanehalki-Tuketim-Harcamasi-2022-49690>

<sup>10</sup> Çelik, A., Beyazbulut, D., & Kandaz, Z. (2023). Confederation of Progressive Trade Unions of Turkey Research Center (DİSK-AR) Minimum Wage Survey (2024). Istanbul: DİSK-AR. e-ISBN: 978-605-73866-5-6. Available in Turkish at <https://arastirma.disk.org.tr/wp-content/uploads/2023/12/ASGARI-UCRET-2024-RAPOR.pdf>

<sup>11</sup> <https://www.dunya.com/ekonomi/isikhan-asgari-ucretlinin-sayisi-surekli-abartiliyor-haberi-709779>

<sup>12</sup> Euronews (October 24, 2023) The inflation-wage increase debate: Does high inflation benefit workers or bosses?

<https://tr.euronews.com/2023/10/24/enflasyon-ucret-artisi-tartismasi-yuksek-enflasyon-isciye-mi-yoksa-patrona-mi-yariyor>

<sup>13</sup> See the comments of Umit Akcay in

<https://www.gazeteduvar.com.tr/ovp-ve-muhalefetteki-iskirlikcileri-makale-1637492>

<sup>14</sup> Household Consumption Expenditures, 2019,

<https://data.tuik.gov.tr/Bulten/Index?p=Hanehalki-Tuketim-Harcamasi-2019-33593>

<sup>15</sup> Household Consumption Expenditures, 2022,

<https://data.tuik.gov.tr/Bulten/Index?p=Hanehalki-Tuketim-Harcamasi-2022-49690>



In these circumstances, the provision of free school meals was an important necessity. Recognizing that, at the commencement of the 2022-2023 academic year, plans to expand free meal services to 5 million students in Turkey were curtailed, impacting only 1.5 million students initially. Although a distribution guide was issued to extend the program, subsequent amendments to the "Regulation on Preschool Education and Primary Education Institutions" in September 2023 resulted in the discontinuation of meal provisions for kindergarten students in provinces unaffected by the February 6 earthquake, reversing the initially envisaged nationwide implementation.<sup>16</sup>

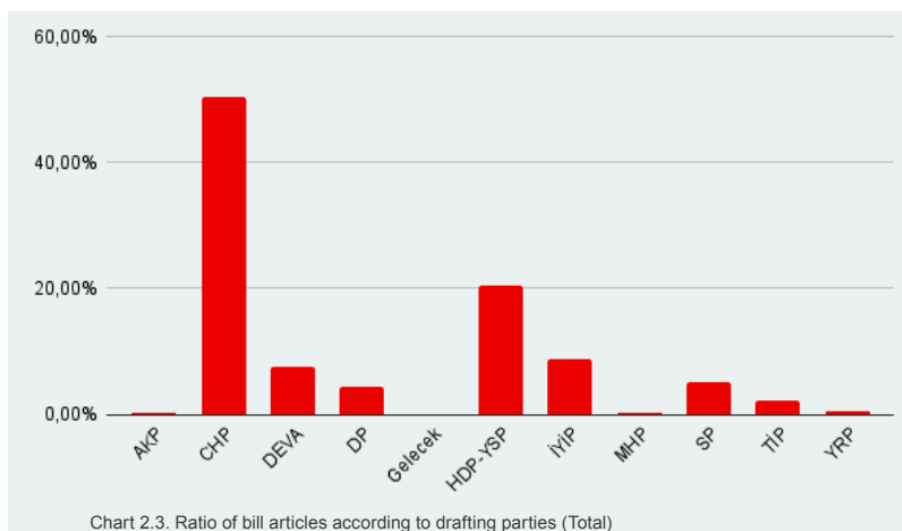
### III. Legislation

Addressing inequalities in income distribution within the Turkish Grand National Assembly poses challenges for both parliamentarians and non-governmental organizations. The complexities of undertaking such endeavors have been notably observed during our initiatives within the Deep Poverty Network, which are research, advocacy and lobbying activities in the parliament.

A noteworthy problem that came out from the research of the DPN is that almost all of the relevant legislative proposals that tackle poverty with a human rights approach came from the opposition parties, and there is not a single proposal that was passed -they are either pending in commissions or rejected (Graph 5).<sup>17</sup> Considering that in the fifth legislative year of the 27th term, no bill from a political party other than the ruling party was adopted, this situation is unlikely to change. Moreover, it is impossible to establish contact with the ruling party MPs during the advocacy and lobbying activities.

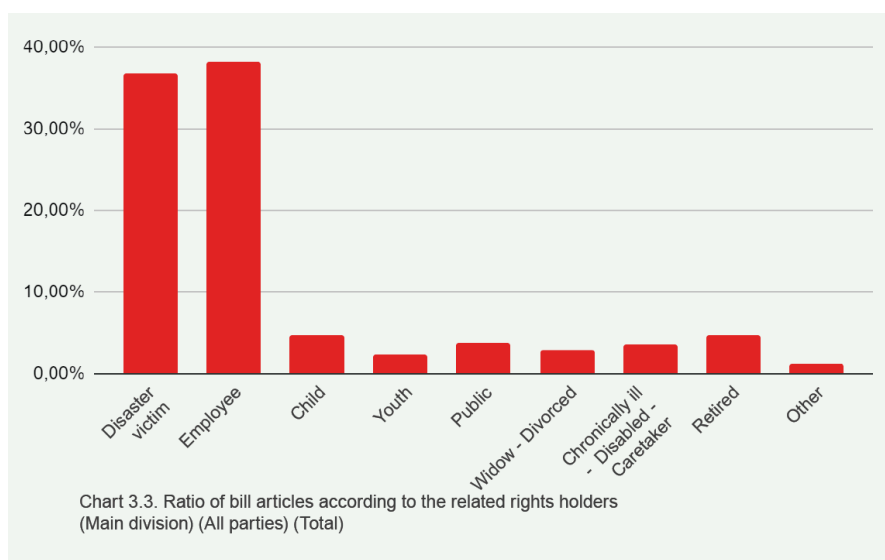
<sup>16</sup> See the additional information in the DPN's report on School Meals Coalition at <https://derinyoksullukagi.org/en/information-note-for-november-20-international-childrens-rights-day-school-meals-coalition-2023/>. Currently the DPN is advocating to make the Turkish government a member of the coalition.

<sup>17</sup> Deep Poverty Network (October 2023). After the Economic Crisis and February 6th Earthquakes: Recommendations for Policies to Combat Disaster and Poverty [Makale başlığı]. <https://derinyoksullukagi.org/en/after-theeconomic-crisis-and-february-6th-eathquakes-recommendations-for-policies-to-combat-disaster-and-poverty/>



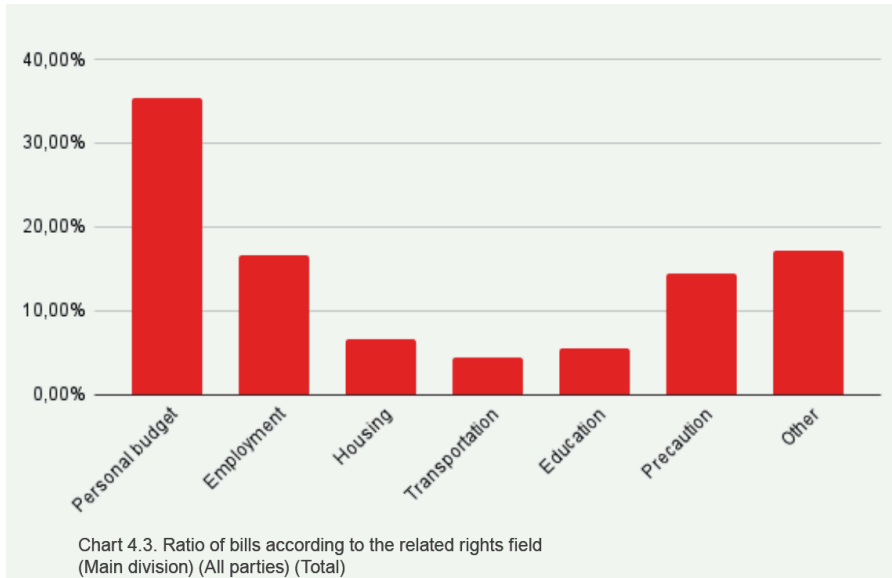
Graph 5: Ratio of rights-based bill articles according to drafting parties between 6.2.2023 and 30.9.2023 in the Turkish Parliament. Source: Deep Poverty Network: "After the Economic Crisis and February 6th Earthquakes: Recommendations for Policies to Combat Disaster and Poverty. Available at: <https://derinyoksullukagi.org/en/after-theeconomic-crisis-and-february-6th-eathquakes-recommendations-for-policies-to-combat-disaster-and-poverty/>

The examination of the rights based legislative proposals of the opposition parties also shows the paradigmatic limits in combating poverty in Türkiye in two senses: First, in the last year of the parliament a recurring pattern emerged where the great majority of the rights based proposals focused on a limited type of rights holders: the paid employees. This creates a risk of overlooking vulnerable groups not engaged in full-time employment. The emphasis on wage earners may inadvertently exclude those who are not considered "productive" due to their non-participation in full-time employment (Graph 6).



Graph 6 Ratio of rights-based bill articles according to the related rights holders between 6.2.2023 and 30.9.2023 in the Turkish Parliament. Source: Deep Poverty Network: "After the Economic Crisis and February 6th Earthquakes: Recommendations for Policies to Combat Disaster and Poverty. Available at: <https://derinyoksullukagi.org/en/after-theeconomic-crisis-and-february-6th-eathquakes-recommendations-for-policies-to-combat-disaster-and-poverty/>

Another feature of the bills that show the paradigm limits is that they are predominantly individual budget oriented. There is the need to increase the emphasis on social service-oriented legislative proposals, including those related to employment, housing, transportation, energy, education, and nutrition, which holds the potential to reshape the paradigm (Graph 7).



Graph 7 Ratio of rights-based bill articles according to the related rights field between 6.2.2023 and 30.9.2023 in the Turkish Parliament. Source: Deep Poverty Network: "After the Economic Crisis and February 6th Earthquakes: Recommendations for Policies to Combat Disaster and Poverty. Available at: <https://derinyoksullukagi.org/en/after-theeconomic-crisis-and-february-6th-eathquakes-recommendations-for-policies-to-combat-disaster-and-poverty/>

#### IV. Recommendations

In light of the findings outlined in this input, there emerge pertinent recommendations for Turkey in its pursuit of mitigating income inequality. Firstly, a strategic emphasis should be placed on augmenting investments in education and healthcare. Enhancing the quality of education and addressing deep-seated inequalities in health and education are imperative measures. Ensuring equal opportunities in education, specifically, becomes paramount. Additionally, the DPN suggests considering direct tax reforms by increasing rates on income, earnings, and wealth, as opposed to relying heavily on indirect taxes. Furthermore, in line with the political proposal presented in the study, establishing a collaborative fund for social expenditures within the OECD could offer an effective avenue for addressing income disparities.<sup>18</sup> This fund could be directed towards supporting socioeconomically

<sup>18</sup> Kalkavan, H., & Ersin, İ. (2020). Sosyal Harcamalar İle Gelir Dağılımı Arasındaki İlişkinin İncelenmesi: OECD Üzerine Bir Uygulama. *Sosyal Güvence*, 17, 265-282. <https://doi.org/10.21441/sosyalguvence.823668>



disadvantaged groups, contributing to a more equitable distribution of resources. These recommendations align with the broader global efforts to address income inequality and promote social justice.