

ILO'S SOCIAL PROTECTION FLOORS AS AN INSTRUMENT AGAINST INFORMAL EMPLOYMENT IN GLOBAL ERA AND ITS APPLICABILITY IN TURKEY

Varol Dur¹

ORCID ID: orcid.org/0000-0002-6801-3567

ABSTRACT

While discussions about whether effect of globalization is negative or positive on a nation's wealth are ongoing, existence of this effect is undisputable phenomenon. However, in most cases, unqualified and informal employers experience most devastating effects of globalization in local level. International Labour Organization (ILO) has developed Social Protection Floors Approach for producing global answers to these global problems. The paper aims to investigate the efficiency of an international solution produced as an answer to a national problem intensified by global effects. In that sense, capacity and applicability of ILO's National Social Protection Floors Approach will be discussed and solutions will be offered for Turkish informal employment problem based on the Approach. As result of the paper, the framework produced by the Approach was found meaningful and applicable. However, like many other subjects, the success of execution of the approach depends on the level of national ownership.

Keywords: Social Protection Floors, Globalization, Poverty, Informal Employment

¹ Sosyal Güvenlik Uzmanı, Sosyal Güvenlik Kurumu, Ankara- Türkiye. E-posta: varoldur35@gmail.com

KÜRESEL ÇAĞDA KAYIT DIŐI İSTİHDAMLA MÜCADELE ARACI OLARAK ILO'NUN SOSYAL KORUMA TABANLARI VE TÜRKİYE'DE UYGULANABİLİRLİĐİ

Varol Dur

ÖZ

Uluslararası ekonomiye açıklığın ülkelerin refah düzeyleri üzerindeki etkisinin yönü üzerine tartışmalar sürse de, etkinin varlığı genel kabul gören bir gerçektir. Bununla birlikte, bir çok durumda, kalifeye olmayan ve kayıt dışı çalışan kesim küreselleşmenin en yıkıcı etkilerini yerel düzeyde yaşıyanlar olmaktadır. Uluslararası Çalışma Örgütü (ILO) küresel düzeydeki bu sorunlara, yine küresel yanıtlar verebilmek için Sosyal Koruma Tabanları Yaklaşımını geliştirmiştir. Bu çalışma, küresel gelişmelerden kaynaklanan yoksulluğun yarattığı kayıt dışılık sorununa, herkes için sosyal güvenlik sloganıyla yanıt arayan bu yaklaşımı değerlendirme amacını taşımaktadır. Çalışma, küresel etkilerle şiddetlenen bir yerel soruna çözüm olarak uluslararası düzeyde üretilen bir cevabın yeterliliğini sorgulamaktadır. Bu anlamda ILO'nun Sosyal Koruma Tabanları Yaklaşımının kapasitesi ve uygulanabilirliği tartışılmakta, yaklaşımın esaslarına dayanarak Türkiye'de yaşanan kayıt dışı istihdam sorunu için çözüm önerileri ortaya konmaktadır. Gelinek nokta, bu yaklaşım ortaya koyduğu çerçevenin anlamlı olduğudur. Ancak yaklaşımın uygulamadaki başarısı, birçok diđer konuda olduğu gibi, ulusal sahiplenme düzeyine baėlıdır.

Anahtar Kelimeler: Sosyal Koruma Tabanları, Küreselleşme, Yoksulluk, Kayıt Dışı İstihdam

INTRODUCTION

Economic integration via globalisation can be realized with individual or combine effects of some factors such as trade and investment openness, liberalisation in capital, goods and labour movements, diffusion of knowledge ideas and technologies and suitable institutional environments. These mechanisms can affect poverty negatively or positively through either their contributions to the national economic growth or their impact on income distribution (Nissanke, 2010, s.798). The neoliberal argument claims that mainly due to horizontal and vertical extension of economic integration, poverty and income inequality around the world has followed downward trend in last decades for the first time in two centuries (Wade, 2004, s.567). In that sense, as debatable point, poverty alleviation may only materialize via central role of growth, and globalisation is accepted main engine of the economic growth (Chandy and Gertz, 2011, s.15; Yanar and Sahbaz, 2013, p.59; Bergh and Nilsson, 2014, p.56). On the other hand, even if the figures about absolute poverty indicate positive developments, same argument is not valid for income distribution or relative poverty figures. Also, talking about equal distribution of globalisation's benefits amongst countries is not possible.

Last but not least, globalisation creates its winner and loser groups in a country via contributing establishment of a vicious circle which leans on economic efficiency and competitiveness rhetoric (Ipek, 2014, p.167; Lee, 2014, p.110; Majeed, 2015, p.195). Informal employees are one of the most fragile loser groups of the globalisation, mainly due to two reasons. Firstly, neoliberal reforms, basically aiming to marketization, flexibilization and competitiveness, have created less regulated environment which is accepted suitable for boosting economic development in developing the world. Secondly, deteriorating welfare arrangements accompanying with withdrawal of the state pushed to employees to work in any job that they can find to survive. These two reasons, relatively unregulated/deregulated labour market and indispensability to precarious work, have obliged group of people to informal jobs. But the most strikingly, this situation started to become inescapable circle for some groups in general population who have limited access to education, new abilities, healthcare and also some specific groups such as women, young people, long term unemployed people and migrants. In this sense, it can be said that poverty and informal employment have fed each other and globalisation's adverse effects have created suitable environment for sustaining the vicious circle.

IMF and World Bank's effects on neoliberal agenda and its proliferation are well known facts. Via either coercive or volunteer transfers, these two organizations pushed their approach and understanding about economic

and social policies in global scale. However, starting with 2000's, combating global poverty has become one of the most important issues in international area especially after 2008 crisis. During these period, social protection has been accepted as a one of the main instrument for poverty alleviation. International Labour Organization (ILO) has proposed its National Protection Floors Approach which is right based, flexible and systematic concept aiming to extension of social security for all.

As a part of global economic system, Turkey is experiencing negative and positive consequences of globalization. Like similar developing countries, wide range of informal sectors and high number of informal workers are ones who are the main disadvantaged groups of society during development process in Turkey. Not only effects coming from outside, but also some systematic features of Turkish Welfare Regime exclude these groups from formal social protection system. Even if a stark uptrend can be observed in informal employment data during last decade, still good number of people stuck in informal jobs and have to face wide range of risk without formal protection.

In this paper, two case studies will be analysed. Turkey was chosen as a first case study to analyse national poverty and informal employment problem in globalisation context. Due to this global point of view, the paper's ultimate aim is to identify answers for these problems by using international instrument. Namely, ILO's social protection floors' approach was used as second case study to analyse abilities of a global tool to solve national problems. The interviews with 6 ILO experts conducted by the author in ILO centre/Geneva in 2016² will guide the course of the paper.

The discussions about relation between globalisation and poverty in the literature will be summarized in first part of the paper. Even if this relation is already widely underlined, the risk of repetition is needed to take for showing connection between informal employment and developments that feed it in global level. In second part, Turkey's position will be evaluate in historical perspective via focusing on informal employment. In third part, in general, ILO's approach on poverty and informality in relation with IMF and World Bank' positions and, specifically, the Social Protection Floors as a global answer of informality will be discussed when considering its strengths and weaknesses. Last part will be allocated to underlined lessons derived from the Social Protection Floors to Turkey's informal employment problem.

² The interviews were conducted with 6 ILO experts from ILO Headquarter, Europe and Central Asia Office and Asia and the Pacific Office in Geneva on 01 – 07 September 2016. For complying their request, the names of the experts will not be used in this paper. I would like to use this opportunity to thank every one of them for their warm approach and honest comments.

When doing that abilities and capacities of an international assistance will be evaluated in the scope of ILO example.

1. GLOBALISATION AND POVERTY

Ongoing debate on relation between globalization and poverty can be summarized under five topics (Goldin and Reinert, 2007). Firstly, increasing international trade and trade liberalisation have effect on poverty via their influence on commodity prices and government revenues. Secondly, foreign direct investments (FDI) may boost the economy and has positive effect on poverty alleviation. However, empirical studies on these factors indicated various results. On the contrary of the neoclassical trade theory, some developing countries have to face with continues poverty and rising inequality along with globalization. High level of factory transfers, outsourcing and FDIs for gaining competitive power and reducing costs can hurt some groups both developed and developing countries. For example, while these factors may have negative effect on low skill workers in developed countries, same factors can create positive effects for high skill workers in developing countries. Oppositely, increasing demand for skilled workers in developing countries' export related sectors may effect negatively low skill workers who works local industries in those countries. However, foreign trade or liberalization is not only factor that creates these effects. Local policies such as education or social protection can ease the negative results and widen the groups benefited from trade openness (Lee, 2014, p.127).

Moreover, although it provides more opportunity for finding credits and receiving higher quality services, financial liberalisation have negative influence on different part of the world, mainly, due to financial instability, high velocity of short-term capital movements and volatility in foreign exchange rates (Lee, 2014, p.113; Majeed, 2015, p.188). FDI only contributes poverty reduction when it provides decent jobs and transfer new technologies to receiver countries. However, even if this is the case, FDI concentrates only a number of developing countries (Goldin and Reinert, 2007, p.12).

On the other hand, the race for attracting global capital and gaining trade advantages lead an imbalance between global consumption and production. While some goods produce intensionally, income of workers have declining due to competition to produce same goods more cheaply. The figures show that each 1% increase in GDP growth reflects on wages as 0.75% and that creates ongoing gaps. This race (to the bottom) has widening gap between some groups such as transnational companies' shareholders and local workers, continuously (Ofreneo, 2010, p.7). In this scope, a shift has materialized from formal sectors to informal sectors for gaining or protecting competitive

power in the developing countries. This situation has direct and devastating effect on low skill workers' life quality and social protection especially when informalities' effect combines with flexibilization in labour market and diminishing trade unions' power. This segmentation contributes polarization in the society and becomes one of the sources of income inequality, as well (Ipek, 2014, pp.169-170).

Thirdly, aids coming from outside the world, namely from international institutions to underdeveloped and developing countries and some bilateral country to country assistance, can help poverty alleviation. Again, effects of these aids totally depend on their kinds and receiver countries' way of using them. Only the ones used for productive investments may help to reboots economy and to reduce poverty. In the case of using aids for inefficient public spending, the effect of aids on growth and poverty become insignificant (Goldin and Reinert 2007, p.38, also for detail information look at chapter five; Yanar and Sahbaz, 2013, p.58).

Fourthly, gradually increase in immigration as a result of globalisation have negative and positive effects on growth and poverty in developing the world. In negative sides, due to migrants mainly coming from most educated and skilled workers, human capital of developing countries suffered from migrations (Goldin and Reinert, 2007, p.14). However according to a World Bank study, thanks to international remittances which can be much higher than FDI for some countries, high level of poverty reduction can be observed especially in developing the world. This study suggests that *"a 10% increase in the share of international migrants in a country's population will lead to a 2.1% decline in the share of people living on less than \$1.00 per person per day... a similar 10% increase in per capita official international remittances will lead, on average, to a 3.5% decline in the share of people living in poverty"* (Adams and Page, 2005, p.1660). However, again, the success of immigration depends on some other factors than globalisation itself such as transaction costs for remittances, immigration policies and percentage of remittances sent back home.

Lastly, high level of mobilization of ideas and technologies provides suitable environment for elimination of poverty. In addition to awareness rising on social policies, woman rights and such ideas, technological pervasiveness helps economic growth (Goldin and Reinert, 2007, p.15).

Even if various factors such as political stability, population structure, level of education and skills, rate of investment are effecting growth of a national economy, as it seen below, globalization is very important determinant of growth. Direct correlation between globalization and growth can be observed in relatively higher GDP (PPP) increase of developing countries, which are economically more integrated to global system via international

trade and international financial flows, than less integrated developing countries. Apart from 1960's and 1970's, integrated countries had experienced higher and more consistence level of growth than both developed countries and less integrated developing ones. It can be assume that at the beginning of growth process, developing countries can grow rapidly whether they were integrated to global economic system or not. But after certain level, economic efficiency and continuation of growth associated with globalisation. Also, most of the poorest countries are belongs to group of less integrated countries (Salvatore, 2012, p.7).

Table 1. Weighted Yearly Average Real PPP Per Capita Income Growth in Rich Countries, Globalizers and Non-Globalizers, in the 1960s, 1970s, 1980s, 1990s, and 2000s

Group of Countries	1960s	1970s	1980s	1990s	2000s
Rich Countries	4.7	3.1	2.3	2.2	1.1
Globalizers	1.4	2.9	3.5	5.0	5.0
Non-Globalizers	2.4	3.3	0.8	1.4	2.3

Source: Salvatore Dominick (2012), Growth, Poverty and Governance in the Age of Globalization, Paper Prepared for the International Conference on: Institutions, Society and Markets: Towards a New International Balance Catholic University, Milan May 4-5, 2012, 7.

Another indicator that can show positive developments about poverty is downward trends in absolute poverty during last decades. According to estimation made in 2012, 12.7% of the world population (896 million people) lived under \$1.90 a day. This figure indicates decrease from 37% in 1990 (1.95 billion people) and 44% in 1981 (1.99 billion people). These development indicates that 70 million people exceed this threshold, yearly. However, there are some rejections to these figures. Firstly, recovery in poverty figure mainly caused from rapid growth in China. When China is excluded from calculation, the number of people who exceed \$1.9 decreased from 1.1 billion to nearly 350 million between 1981 and 2011 (World Bank, 2015). Also, India's fast growth in last decade has harden to evaluate the worldwide figures. This situation masks global failures (Chandy and Gertz, 2011, p.8; YaleGlobal, 2011). Secondly, there are doubts about collection or calculation methods of these data due to both data absence and using incomparable data or errors bias the results downward (Wade, 2004, p.573; Adamkiewicz-Drwillo 2013, p.8).

Lastly but maybe most importantly, neither decrease of absolute poverty, nor growth have not necessarily reflected on inequality and relative poverty,

positively. In this scope, it is argued that globalisation has deteriorated income distribution and increase relative poverty rate in most countries after the 1980s. Not only developing the world, but also developed countries including US experienced an increase in Gini coefficients after these years (Lee, 2014, p.112). International comparisons, also, indicates deterioration in global income distribution. According to comparison between the most developed and the least developed countries, global relative poverty and income inequalities between countries has been increased since 1960s. As it seen in the table, ratio of real PPP per capita income in USA comparison with the poorest country and 10th poorest country has become dramatically raised during the period. Even if it is not as striking as first two columns, an increase can be observed comparison between first 20 the richest and the poorest countries. On the other hand, the number of people who suffer from hunger, percentage of undernourished people and, naturally, needs of assistance to the poorest countries has strikingly increased despite the decline of absolute poverty rate (Salvatore, 2012, p.11).

Table 2. Ratio of Real PPP per Capita Income in Rich and Poor Countries, 1960-2010

Year	In U.S. Relative to Poorest Country	In U.S. Relative to 10th Poorest Country	In the 20 Richest Countries Relative to the 20 Poorest Countries
1960	48.3	27.6	23.0
1970	47.1	31.0	26.2
1980	47.4	31.3	25.7
1990	51.6	32.5	30.8
2000	73.3	44.6	36.3
2010	151.7	51.1	43.3

Source: Salvatore Dominick (2012), Growth, Poverty and Governance in the Age of Globalization, Paper Prepared for the International Conference on: Institutions, Society and Markets: Towards a New International Balance Catholic University, Milan May 4-5, 2012, 9.

Globalization has certain effects on labour markets and their structures. The neoliberal regulatory reforms aiming to flexibilization of labour law, removing obstacle to market entry, facilitating to access financial tools and simplifying running a business in private sector leads to suitable environment to flourishing informal sectors and employment. Even if there is a discussion on whether increasing in informality was a deliberate policy choice of the state or not, significant increase had been observed after 80's in this soften regulatory environment with the contribution of inefficient supervision mechanisms. In addition to lack of enforcement, the system characterized by low quality of public services, political privileges and institutional failures in that

era caused that the firms choose to operate informally. In that sense, increasing informality had paralleled with economic liberalization and growth. Sectoral reflection of this development could be seen in the sectors that growth mostly and related with export, such as textiles, food and retail and wholesale business (Kus, 2014, p.280; Benjamin and others, 2014). Informal employment does not only develop in places where state authority weak. On the country, as it argued in Fernandez-Kelly and Garcia's work form 1989 (in Kus, 2014, p.282), informalization could take place under the explicit or implicit approval of the state. The aim of the state by tolerate or stimulate informal economy may be to achieve certain economic goal via boosting competitive power. On the other hand, the state may not have a power or will to enforce its regulation in a full scale. Both cases can be accepted as incentive or permission to operate in informality by business environment.

2. POSITION OF TURKEY IN GLOBAL POVERTY DISCUSSION AND ITS RELATION WITH INFORMAL EMPLOYMENT

According to the recent figures, Turkey follow similar patterns with global trends. Even if relatively small effects of 2008 crisis on Turkey had created some volatility, Turkey has experienced high level growth more than last ten years. This growth has its reflection on absolute poverty rate. According to Turkstat data, there is no one living below 1\$ poverty line, currently. While percentage of total population living below 2.15\$ and 4.3\$ was, consecutively, 3.04% and 30.3% in 2002, same figures has declined 0.03 and 1.62 in 2014. Despite these striking poverty alleviation figures, relative poverty and income distribution's data does not indicate same level of positive outcomes. Number of people who living 50% below the median income has declined nearly one million in the same period. But, still more than 11 million people is living under this threshold. Gini coefficient has fallen from 0.428 to 0.391 in the same period. Even if some improvement can be observed in income distribution by quintiles, the real increases of share of income are not very significant. The poorest 20%'s share from disposable income has increased 19% (in share 5.1% to 6.2%) between 2006 and 2014. While second and third quintiles' income have also increased by 10% (in share 9.9% to 10.9%) and 3% (in share 14.8% to 15.2%), fourth and the richest quintiles' income have decreased by 1% (in share 21.9% to 21.7%) and nearly 4% (in share 48.4% to 45.9%) (for more detail tables and information: Turkstat, Income and Living Conditions Survey, 2006-2014; Turkstat, Poverty Study, 2014).

On the other hand, when looking at the international comparisons, it can be said that Turkey is occupying lower positions for both Gini coefficient and

Human Development Index (HDI) amongst OECD countries despite the developments in last period. While it is in the worst second before Mexico (OECD Income Distribution Database, 2012), Turkish rank is 72nd in HDI (UNDP, 2015).

Turkey put into practise a set of neoliberal policies for joining globalization process after 1980s. Main driver of this process was to increase Turkish competitive power in international trade area. In the scope of this aim, some measures were started to implement for decreasing labour costs and flexibilization of labour arrangements (Ipek, 2014, p.171). There are winners and losers of this process as same as all other countries. Combine effects of liberalisation and some local factors such as domestic migration, economic crises, liberalisation in labour market and low level of employment creation have created vicious circle for a group of people who has limited access to public services and who work mostly informal precarious jobs. High level of privatisation and marketization were also reduced number of formal and stable jobs. In the countries such as Turkey, informal employment has transformed to a structural phenomenon and used as a way of boosting competitiveness. Due to low level of education, low efficiency and low salaries, it becomes persistent problem for the poorest segment of population (Yakut-Cakar, 2007; Aydın, 2013, p.789). According to Kus (2014, p.288), even if the deregulatory policies during 80's and 90's caused to increase in private sector activities and economic growth, they expended informal sectors in Turkey. Similar effect of liberalisation on informality can be observed in Latin America, as well. According to Portes and Centeno (2006), introduction to minimal but dependable regulations and neoliberal reforms caused weakening unions. Also, unclear regulations had lead a significant rise in microenterprises which can interpret as informal self-employment and informal salaried employment (in Kus, 2014, p.282).

As multi-dimensional problem, several attempt have been done to explain the reason of informal employment in international and national literature. The traditional approach indicates segmentation in labour market for explaining informal employments. According to Lewis's model, dated 1954, informal sector is only a substitute for formal sector and only the ones who cannot find jobs in formal sectors work in informal jobs. More recent studies point out that workers and firm may operate in informal environment, voluntarily, to optimize their interests. However, this optimization process can contain by wide range of variables. While it is argued that informality may be use as a tool of covering shortcomings of legal system, it can also be reflection of the view that accepts state as cost (taxes, social security premiums, other costs of compliance to the laws) (Benjamin and other, 2014, p.28). Goktuna and Dayangac suggested that economic and social factors have also effect on

the decision about where workers or firm operate. According to this point of view, since important part of the informal employment voluntarily chooses to work informally as a worker or self-employed, talking about relatively unproductive, low-paid, disadvantaged informal employment would not be enough to understand whole phenomena. It is suggested that workers can more easily choose to work (or no need to abstain from working) in informal jobs in societies where more traditional and familistic social support mechanisms are effective. Thanks to this informal social benefits, working in informal jobs become benefiting from an employment opportunity to increase household income rather than a production of dualistic labour market. Apart from informal benefits, social protection programs based on dualistic structure of labour market may encourage informality since most of the social assistances are provided by official working status (2011, p.614). On the other hand, comparison between current liabilities (premium payments) and future benefits (pension) effects workers' decision. According to result of this comparison, if a worker perceives costs of current liabilities higher than future benefits, he/she accepts premiums as a punishment of working in formal employment and chooses informality. Accepting one definition as single true explanation may be meaningless in Turkish case. Different groups that effect from informal employment problem could not escape from the grey area due to several reasons.

According to official figures, informal employment has declining in Turkey. While percentage of workers who are not registered in a social security institution was 50.1% in 2004, this figure decreased to 35% in 2014. However, the decline mainly caused from industry and service sectors. There is acute problem in agricultural sector and informality rate exceed 80% in this sector (TUIK, 2015). However, informality is not only related with economic situation in agricultural sector but some groups who are working in agricultural jobs are deliberately excluded from social security coverage by the law.

There is mutual and simple relationship between informal employment and poverty. The people coming from the poorest quintiles mainly work in the informal jobs, since they have to increase their income by any means and informal jobs are the only ones that they can find due to their lack of education and skills. On the other hand, formal employment provides more than job to workers; dignity, legislative protection, pension rights and some level of income security. In most cases but especially in countries having conservative/Bismarckian welfare regimes, full formal employment is the only way to reach these benefits through a combination of strict labour legislation and social security mechanisms. But when taking into consideration of high level of informal employment and labour market segregation, these wide

groups cannot be protected via traditional social security and labour arrangements mainly based on formal works relations (Cetrángolo, 2015). Since Turkish social security system (long and short term social security branches) mainly have the characteristic of Bismarckian model, which bases on formal employment relations and premium payment conditions, workers employed in informal jobs does not have any social protection against risks. Moreover, they are not only open risks that they have to face today, but also these group are vulnerable against risks that they will have to tackle with in the future such as old age poverty and health problems related with poor working conditions. Besides inspections and other administrative measures carried out for taking formalizing informal workers, new methods should be employed to protect them against new and old social risks.

3. NATIONAL SOCIAL PROTECTION FLOORS APPROACH: A GLOBAL ANSWER

With initiation of the Global Campaign on Social Security and Coverage after publishing Social Security – New Consensus, ILO’s effort on establishing a new strategy for promoting a system aiming to meet short-term and long-term social security needs for all and to extend coverage to outsiders was speed up³. However, there were no normative measures in the documents accepted in 2001 International Labour Conference. As it seen some other documents ratified last half of 1990s, universally accepted principals and promotion campaigns were emphasised. Main aim was to encourage member countries to prepare a strategic document for ensuring social security for all (ILO, 2005). Nevertheless, the statement of “social security for all is not financially possible” was challenged for the first time with a series of policy documents published after 2004. According to calculations made by ILO, allocation of 2% of the global GDP would be sufficient for providing social security to poorest population. Also, social security coverage could be extended to everybody who are not currently under the umbrella by using 6% of the global GDP. This achievement is even possible for the poorest 12 countries. For example, allocation of 4% of the total GDPs in Tanzania and Senegal was resulted to 40% decline in number of poor people (ILO, 2008, p.21).

During same period, ILO started to discussion on determination of new standards for social security. Two-dimensional strategy aiming to providing

³ For detail information about this process and previous events, please check: Dur, Varol (2015), “Uluslararası Çalışma Örgütünün Sosyal Güvenlik Politikalarındaki Dönüşüm”, *Karatahta İş Yazıları*, Sayı 3: 127-154.

minimum social security to all in vertical level and to increase social security standards via developed systems in horizontal levels were introduced in regional meeting in 2007 and 2008 (ILO, 2012, p.12). *“Combining the two elements permitted to promote the idea of a new international standard for a basic level of security in tandem with the promotion of the ratification of higher level ILO social security standards, notably Convention No. 102. Marrying two dimensions of extending social security coverage into one internally coherent, comprehensive and non-contradictory approach helped to defuse the reservations of those who feared that promoting the SPF would lead to a lowering of ILO social security standards to social assistance levels.”* (Cichon 2013, p.30).

Needs of new standards for solving coverage problem were publicly announced by a report titled “Setting Social Security Standards in a Global Society” in 2008 for the first time (Cichon, 2013, p.28). According to research made by ILO Social Protection Department, minimum standards for combating poverty and answering most urgent social protection needs were determined as follow (ILO, 2008, p.20);

- *“all residents have access to basic/essential health care benefits, where the State accepts the general responsibility for ensuring the adequacy of the delivery system and financing of the scheme;*
- *all children enjoy income security at least at the poverty level through family/child benefits aimed at facilitating access to nutrition, education and care;*
- *some targeted income support for the poor and unemployed in active age groups;*
- *all residents in old age and disability enjoy”*

Even if minimum social security floor approach had been started to discuss after 2001, 2008 crisis caused to be taken more firm actions on this field. Especially rising doubts about economic policies and social effects of the crisis effected this transformation. The necessity of powerful social policy, effective social security mechanism and their roles as a stabilizer have been received wide acceptance. After crisis, powerful international organizations such as European Commission, G20, UNICEF, World Bank and ILO published parallel strategies on social protection. Despite some minor differences, all these documents was principally coherent and accepted social protection as a crucial necessity for growth. ILO took this opportunity to establish a standard for global social governance (Caracciolo, 2010; Cichon, 2013, p.29; Interviews, 2016). In 2009 spring, ILO gained additional power and legitimacy to urge its policy via Social Protection Floors Initiative which is one the Joint

Initiatives established by United Nations as main reaction against 2008 crisis. The initiative conducted wide range coalition with gathering of 19 UN agency including World Bank and IMF, national development banks, international civil organizations and multilateral aid organizations and increased of ILO's effectiveness (Robert and others, 2012, p.1).

Social Protection Floors Recommendation (no:202) has been ratified in 2012 with unanimity except one reject and one abstaining vote. As it can be understood from this result, striking tripartite consensus has been reached (Isik, 2012, p.240). The recommendation has revealed unique documents in the point of consensus and good will. Apart from golden years of social policy after The Second World War, international support provided for social policy has never been that high and role of social protection in national growth strategies and management of economic and social crisis has never been underlined, so far. Even if it is not a binding document, the recommendation may have accepted the most concrete consensual international document in this field (Cichon, 2013, p.37). This consensus formed a starting point for acceptance of social security right as one of the basic human rights. According to ILO experts, this understanding is very important since IMF and World Bank's resistance in this area have started to become softer under the basic human rights approach (Interview, 2016).

Main aim of a social protection floors approach is to ensure transfer nationally defined income to individuals to ensure their access to basic needs, foods, and services. It should thus help to protect people from hunger or homelessness or to guarantee their access to fundamental education and health services. In this way, individuals will be rescued from poverty and become economically more active through reaching basic goods, services and transfers (Caracciolo, 2010; Cichon and others, 2011, p.38). Thanks to the discussion fueled by social protection floors, importance of collaboration between employment and social protection, and, also, non-contributory and contributory pillars of social security has been revealed (Cetrángolo and others, 2015, p.13). In the context of these principles, basic guarantees of a social protection floors have been listed in the recommendation as below (ILO, 2012; Cichon and others, 2011, p.39);

- *“Access to a nationally defined set of goods and services, constituting essential health care, including maternity care, that meets the criteria of availability, accessibility, acceptability and quality;*
- *Basic income security for children, at least at a nationally defined minimum level, providing access to nutrition, education, care and any other necessary goods and services;*

- *Basic income security, at least at a nationally defined minimum level, for persons in active age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity and disability; and*
- *Basic income security, at least at a nationally defined minimum level, for older persons.”*

There is no global financial source that can support the Recommendation no: 202. Also, in spite of individual quality of staff, human resources of ILO is not sufficient to persuade or monitor the recommendation's aims and result in global level. Mainly due to shortage of staff, ILO is represented with limited number of staff in country level and, most cases, one expert is responsible for more than one country or all countries in one region. Due to ILO has no coercive power sourcing from its constitution, in most cases, there is no normative measures in its documents. ILO experts' main aim is to convince their national counterpart (in different level) by using their technical knowledge and leaning on national social partners ad balance between them and governments. These situations force to ILO experts to take multiple roles in country level. On the one hand, they have to work as a technical experts and carry out meeting with national experts, on the other hand, they need to convey negotiations with politician as if they are diplomats. Since social policy and its implementations have direct link with economic and financial situation in a country, ILO experts need to negotiate with not only labour and social policy related ministries, but also, in some cases to greater extent, finance and economy related ministries. This multitasking creates heavy work load and limited the number of request coming from countries that ILO can deal with. As a solution of this density, ILO is using unofficial prioritization and choosing to meet requests first, coming from less developed the world (Interviews, 2016).

Also, mentioning about unique standards for national social security floors may not be correct. Instead of this, need of a minimum social protection standards constructed in the scope of national conditions and provided enough services for providing decent life has been emphasised in the Recommendation, repeatedly. This understanding will lead the establishment of a system which accepts social protection as a basic human right. Therefore, minimum social protection turns into a policy field that is irreplaceable and unretrenchable (Robert and others, 2012, p.1).

In this context, the recommendation contains flexible elements for increasing national adaptations and it makes references to importance of national capacity. According to the Recommendation,

- Benefits should be determined considering national capacity. However, minimum income that can cover basic foods, goods and services should be provided for all.
- The transfers should be made via universal benefit schemes, social insurance schemes, social assistance schemes, negative income tax schemes, public employment schemes and/or employment support schemes. All the nations can implement their role, on the condition that the system provides basic guarantees for all who in need without additional conditions.
- Thanks to this flexible structure, social protection floors approach becomes coherent with any social protection systems. Four minimum mandatory guarantees only establish a minimum benchmark or standards for outputs instead of identify ideal social protection system (Cichon ve others, 2011, p.40; ILO, 2012)

Recommendations are very easy tools since they do not require any ratification process. Once they are accepted, they become valid all member countries. However, the recommendations are only reflecting good practices and containing some benchmarks. Their effectiveness completely depends on how countries take them serious. This flexible structure and unbinding nature causes major criticisms about the recommendation. It is claimed that due to these two reasons, the recommendation has been levelled down exist ILO standards on social protection. ILO's answer against these criticisms is to advocate two dimensional strategies for universal coverage of social protection which envisages gradual extension. According to this multi-steps strategy, social protection floor has been accepted a major and initial step towards universal protection and ultimate goal of the strategy is to reach comprehensive social protection for all (Ehmke and Skaletz, 2009, p.6; Interview, 2016).

ILO claimed that national social protection floors is not a passive measure that only provides income supports, but also it is strong reinforcement instrument for active employment policies in Social Protection Global Policy Trends 2010-2015 Report. According to report, various country examples that proves efficiency of policies similar to social protection floors can be found since beginning of 2000s. It is stated in the report that (ILO, 2014, p.44 - 50);

- Social protection floor is combating poverty and inequality. The transfers made in the scope of the floors are more efficient than growth related trickle-down theory. These transfers do not only help

poverty alleviation, but it reduces poverty gap, as well. Even minimum level of guaranteed social protection makes enormous contribution against hunger and malnutrition. It also helps to achieve more equal income distribution. In the scope Oportunidades Programme in Mexico, poverty rate and poverty gap has reduced by 10% and 30%, respectively. Parallel but brighter results could also have observed in Kirgizstan via Social Protection Programme. Poverty rate and poverty gap has declined by 24% and 42%, respectively in this country. Similar programs in South Africa has contributed to increase schooling rate and to decrease drop outs, child labour rates and endemics such as AIDS. Another striking example from South Africa is that the children who benefit from social program are five cm taller than the ones who cannot benefit. Not only some less developed countries but also some middle income countries such as Brazil has introduced basic income schemes for elderly people. These schemes have very positive effect on life quality of elderly people and their families, especially children (Hagemejer, 2009)

- National social protection floors are supporting decent works and inclusive growth. Common features of social protection programmes are to help poor and disadvantages individuals to access decent and efficient works via cash transfers, family support programmes and active employment policies. Especially in case of unemployment, the cash transfers facilitate job searching period and creates opportunities for joining trainings and gaining new abilities. The attendance rate is 15% more in individuals who benefit from the cash transfers than the one who does not in South Africa. Especially for the disadvantages groups, these kind of supports help to fight against discrimination not only for employment but also other areas such as education, healthcare and financial services (Caracciolo, 2010).

As it stated after 2008 crisis, cooperation between ILO and Bretton Woods Institutions became more visible. However, according to ILO experts, even if a close cooperation can be observed between very high level officers of ILO and IMF/World Bank, this illusion of cooperation has not trickled down to expert and country office level, in most cases. There are strong but unfair competition between experts coming from ILO and other two organizations. Two simple reasons of unfairness can be underlined. Firstly, IMF and World

Bank's financial and human resources abilities to conduct projects and to impose their idea incomparable higher than ILO. Secondly, without exception, ministries of finance are more powerful than ministries of social policies within national governments. This relative weakness of social policy related politicians effects negotiation power of ILO against both IMF/World Bank and local actors. If ILO can have IMF and World Bank support in any subject, this collaboration create great opportunity to achieve its goal for ILO. This support causes in two cases. First, if there is a fiscal space for further extension in social policy spending in a country, IMF or World Bank may ask ILO's assistance. Second, more clear cooperation can be possible in the subjects that accepted as basic human rights by IMF and World Bank (Interview, 2016).

CONCLUDING REMARKS: LESSONS FROM SOCIAL PROTECTION FLOORS APPROACH FOR TURKEY

As it mentioned before Turkish welfare system has not been produced benefits for informal workers. In addition to this, Turkish welfare regimes has shared similar features with Southern European countries (Gal, 2010, p.284) and it is far from providing universal social security benefits to all citizens except universal health insurance. The system mainly designed for formal relations and it is not suitable for covering risks that informal workers face. It is a fact that significant improvement can be achieved since 2000's about informal employment. However, informal employment rate is fixed around 30% in last years. One of the reason of this sticky figure is that the policies produced so far have targeted mainstream informal sectors which can be easily reached and monitored by the state's apparatus. However, more disadvantages groups such as agricultural workers and self-employed that need more specialized solution have been excluded from policies due to lack of information about their special situations and specific measures for dealing with these groups.

As a result of combination of global and local factors such as patchy social safety nets, lack of group specific policy making, losing power of traditional protection networks, various marketization processes and shifting towards flexible and deregulated labour market structure, a need of universal protection mechanism for individuals (and their families) who works informal jobs and are not covered by social security legislations has been rising in Turkey. These kind of mechanism is needed for not only providing a coverage against short and long term risks but also ensuring access to education, nutrition and health services for workers and their families especially children. This is the

only way to break the cycle from low level education and health conditions to precarious, informal jobs and vice versa (Yakut-Cakar, 2007).

As an international consensus point, social protection floors approach mainly was formed as a synthesis of good examples about coverage extension coming from developing countries. In that sense, it does not provide radical and magical solutions. However, it offers systematic and flexible approach that all countries can implement, basically with their own sources instead of international funds. Also, establishment of minimum social protection floor is not the final target. On the contrary, it provides a minimum but strong baseline for the ones who are currently out of coverage and it is open to upgrades in the scope of vertical extension strategy (Kapar, 2015, p.20). But maybe most importantly, it leans on right base approach and it accepted social protection as an irreversible human rights. In that sense, regardless from working relations, social protection floors approach is proposing to extent social protection in a way to cover all informal workers as it can be seen in the 15th article of the Recommendation no. 202.

In this scope, these suggestions can be derived from ILO's minimum social protection floors approach and its recommendation for extension social protection to informal worker as a mean of preventing poverty in Turkey;

- A strategy for progressively extension of social security towards the groups out of social security system should be prepared in the coordination with related public policies such as health and education. The strategy also should seek effective coordination between contributory and non-contributory schemes and, also, between passive and active labour market policies. In this way, the coverage will contain not only passive and compensatory measures but also support individual development and, eventually, extension of formal sector. In that sense, strong cooperation among Social Security Institution, Turkish Employment Agency, Ministry of Family and Social Policy and, inescapably, Ministry of Finance and other economy related public institutions should be established.
- Social dialog in this process will, absolutely, produce great benefits. After all, ILO and the understanding represented by it base on social dialog. As the outermost group of labour market, informal workers are the ones who mostly need support and protection coming from the unions.
- Any strategy produced for tackling informality should take sub-groups of informal workers into consideration. Special and different

incentives are needed for enabling joining of agricultural workers, unqualified workers or small self-employers to contemporary social security system or in general words, welfare system.

- In a county like Turkey which has very developed structures and financial resources compare with third the world countries, ultimate aim of the strategy should not be providing minimum protection for informal workers, but it should be rescuing them from informal jobs and ensuring high standards social protection for everybody.
- Taking technical assistance and finding international funds for establishing the floor can be beneficial. In that sense, ILO experts who have experience on other comparable countries can contribute, greatly. However, due to above mentioned constrains, instead of leaning only ILO sources, forming an approach which can answer national needs via using national sources is the most convenient way to promote national ownership and sustainability.
- Since informal employment is common in poorest groups of the society, increasing social protection level of informal workers and their family via income security, access to health services, education and training and child benefits will contribute preventing of relative poverty and income inequality, dramatically. Strong first step social protection will provide shelter for most vulnerable groups in labour market against global economic effects.

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