

## Public PAYG Social Security in Turkey: What Has Changed?

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### Abstract

With rising sustainability concerns, the public PAYG (pay-as-you-go) social security system of Turkey was subject to major reforms between 1999 and 2008. These reforms were in line with the World Bank (1994) perspective, introduced the private sector to the social security system in Turkey and changed the structure of the public PAYG system. The institutionally fragmented nature of the public PAYG system was unified through the formation of a single institution. There has been an attempt to harmonise the divergent practices of the three public social security institutions. The generosity of the public system was reduced. This manuscript aims to analyse how core aspects of the public PAYG system has changed. The analysis focuses on two main questions. Firstly, how has the demographics of social security changed? One reform concern was to increase retirement ages. After almost two decades, is it possible to see the impact of the increased retirement age in the passive population? Second reform concern was related to the financial sustainability of the system. How have the systems budget aggregates have fared? Using data from statistic reports by the Social Security Institute, this manuscript presents a descriptive analysis of the stated questions.

**Keywords:** Social security; Public pensions; Social security reform

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