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**PROVINCIAL STRUCTURE OF SOCIAL SECURITY  
INSTITUTION**

**(THE CASE OF ANKARA)**

**THE DEFICITS IN APPLICATION AND SOLUTION  
PROPOSALS**

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*To my mother and father...*

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**February, 2011**

## **ABSTRACT**

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**February, 2011**

### **PROVINCIAL STRUCTURE OF SOCIAL SECURITY INSTITUTION (THE CASE OF ANKARA): THE DEFICITS IN APPLICATION AND SOLUTION PROPOSALS**

The People by their first step on the world may face some difficulties and challenges due to their invalidism or some risks they encounter during the life. As a consequence of such problems the people might be alone, disabled or needy to the others held. Even though there are some few people who passed away without the help of the others in general most of the people need the supports of the other people. The people who doesn't need any help of the others, at least need the help of the others for funeral when they die

The foundations, healing houses, the Lonca system, and the institution alms and some further social solidarity institutions established and run by the people who had lucrative positions in bureaucracy had an important role for social security. They stood well till the collapse of the empire as inspiring organs for many social security systems in the world as well as for Turkey. However, the Ottoman Empire collapsed by the beginning of the 20th century in natural process as Ibn Khaldun professed in his monumental work, Muqaddimah. By the industrial revolution, the amount of the "premiums" collected by the old social security organs became unable to satisfy the needs of people.

The social security system starting from the Ottoman time has evolved till today and a sui generis system of social security appeared. The social security organs the SSK, Bağkur and the Retirement Fund were the last names of those organs. They served to the people in different ways and amounts, using different legal regulations.

By 20th of June 2006, the law of 5502 was published in the Official Gazette and all the social security organs SSK, Bağkur and Retirement Fund were conjoined under a new social security system called Social Security Institution. The reform is widely known in public opinion as "The Social Security Reform". The meta-policy aiming to remove the problems was about reducing unfairness among citizens in the field in the long run.

## KISA ÖZET

Mehmet ÇETİN

Şubat, 2011

### **SOSYAL GÜVENLİK REFORMU ÖNCESİ VE SONRASINDAKİ KURUMSAL YAPI: REFORM SONRASINDA KURULAN TAŞRA TEŞKİLAT YAPISI VE ANKARA ÖRNEĞİ**

İnsanın dünyaya gözlerini açmasıyla birlikte, gerek doğuştan gelen birtakım özürleri, gerekse yaşamı sırasında karşılaştığı riskler sonucunda, muhtaç, kimsesiz, sakat veya başkasının yardımına ihtiyaç duyacak kadar düşkün hale gelebildiği görülmektedir. Hayatının sonuna kadar sağlıklı ve hiç kimsenin yardımına ihtiyaç duymadan ömrünü tamamlayan az sayıda insan olsa bile, insanların büyük bir çoğunluğunun yaşamı sırasında, mutlaka yardıma muhtaç duruma düştükleri bilinmektedir. Hayatının sonuna kadar hiç kimsenin yardımına ihtiyaç duymadan yaşayan insan olsa bile, ölümüyle birlikte, en azından cenaze işlemlerinin yapılması için mutlaka bir kurum veya kişilere ihtiyaç duymaktadır.

Bu ihtiyaçların karşılanması ise, bir başkasının merhamet veya fedakârlık duygularına bırakılmayacak kadar önemlidir. Tarihsel süreç açısından bakıldığında, ülkemizdeki sosyal güvenlik kurumlarının çok eskilere dayandığı görülmektedir. Gerek Selçuklular, gerekse Osmanlı Devleti döneminde, bu günkü anlamda kanuni düzenlemelere dayanmamakla birlikte, güçlü bir inanç sistemi ve toplumsal yardımlaşma ilkeleri üzerine kurulu, batı ülkeleri için ise ütopya diyebileceğimiz nitelikte bir sosyal güvenlik sisteminin kurulup işletildiği bilinmektedir.

Vakıflar, Şifahaneler, Lonca Teşkilatı ve Zekât Müessesesi ile gerek halk gerekse devlet büyükleri tarafından kurulan ve işletilen sosyal yardım kuruluşları, Osmanlı Devletinin yıkılma dönemine kadar dimdik ayakta kalmışlar ve dünya üzerindeki birçok yardım kuruluşuna da ilham kaynağı olmuşlardır. Ancak, İbn-i Haldun'un devletler teorisine uygun olarak, Osmanlı Devleti de insanlar gibi doğmuş büyümüş ve ölmüştü. Sanayi devrimiyle dünyaya yayılan kapitalist düşünce ve insanı bir meta imiş gibi gören anlayış karşısında, bu tür yardım kuruluşlarının yerini ya karşılığında prim ödeme ya da primsiz ödemeler üzerine kurulu, devlet aygıtı tarafından kurulup işletilen sosyal güvenlik sistemleri almıştı.

Ülkemizde, Osmanlı Devletinin son yıllarında başlayan kurumsal yapılanma çalışmaları çok farklı aşamalardan geçerek günümüze kadar gelmiştir. Cumhuriyet dönemi ile birlikte, insanımızın hayatında önemli yer tutacak olan SSK, Bağkur ve

Emekli Sandığı adı altındaki sosyal güvenlik kurumları kurulmuş ve kurumlar eliyle toplumun değişik kesimlerine sosyal güvenlik hizmetleri götürülmüştür.

20.05.2006 tarihli ve 5502 sayılı Kanunun Resmi Gazetede yayımlanması ile birlikte, eski sosyal güvenlik kurumları olan SSK, Bağkur ve Emekli Sandığı tarihin tozlu sayfaları arasındaki yerlerini almışlardır. AK Parti Cumhuriyet Hükümeti tarafından “Sosyal Güvenlik Reformu” adı verilen bu yeni düzenlemeyle halka, işçi-memur-esnaf ayrımı gözetmeksizin kendi şartları içerisinde eşit, adil ve sürdürülebilir tarzda bir sosyal güvenlik sisteminin sunulacağı vaat edilmiştir.

İşte bu tezde, sosyal güvenlik reformu öncesi ve sonrasındaki kurumsal yapı incelenmekle birlikte, reform sonrasında kurulan yapı içerisinde, en az merkez teşkilatlı kadar önemli olan ve vatandaşın ayağına kadar hizmet götüren taşra teşkilatının yapısı ile uygulamada yaşanan aksaklıklar ele alınacak ve öneriler getirilecektir.

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## INTRODUCTION

The first step of the people to the world may bring some difficulties and challenges due to their invalidism or some risks they encounter during the life. As a consequence of such problems the people might be alone, disabled or needy to the others held. Even though there are some few people who passed away without the help of the others in general most of the people need the supports of the other people. The people who doesn't need any help of the others, at least need the help of the others for funeral when they die. Satisfying the needs of people cannot be let to the mercy or sacrifices of the others.

The social security institution regarding history has long record in Turkey. Both in the Seljukid and the Ottoman times albeit not depending on legal regulations there had been a strong social security system depending mostly on belief system and solidarity feelings.

The foundations, healing houses, the Lonca system, and the institution alms and some further social solidarity institutions established and run by the people who had lucrative positions in bureaucracy had an important role for social security. They stood well till the collapse of the empire as inspiring organs for many social security systems in the world as well as for Turkey. However, the Ottoman Empire collapsed by the beginning of the 20th century in natural process as Ibn Khaldun professed in his monumental work, *Muqaddimah*. By the industrial revolution, the amount of the "premiums" collected by the old social security organs became unable to satisfy the needs of people.

The social security system starting from the Ottoman time has evolved till today and a *sui generis* system of social security appeared. The social security organs the SSK, Bağkur and the Retirement Fund were the last names of those organs. They served to the people in different ways and amounts, using a different legal regulation.

By 20th of June 2006, the law of 5502 was published in the Official Gazette and all the social security organs SSK, Bađkur and Retirement Fund were conjoined under a new social security system called Social Security Institution. The reform is widely known in public opinion as “The Social Security Reform”. The meta-policy aiming to remove the problems was about reducing unfairness among citizens in the field in the long run.

In this study, the structures of social security before and after the reform are going to be analyzed. Since the provincial organization of the social security became much more important by the reform, the provinces as well as the center are going to analyzed as well.

## **CHAPTER I**

### **THE CONCEPT OF SOCIAL SECURITY AND ITS HISTORICAL DEVELOPMENT**

#### **1. The Concept of Social Security**

##### **1.1. Social Security in Narrow Sense**

The concept of social security used first in the first years of the 20th century. The word “social” is of Latin origin. When it is used together with “security” the term refers to solidarity, equality and justice among the individuals that make society.

The concept of security is used” as contrary to the word” danger” and necessarily refers to “safety”. The word danger, in general; is defined as cases and positions in which people are prone to hazards of their bodily and material well-beings and belongings, out of their will. In that sense each person in society runs those potential risks. Thus, the essence of the social security is providing people with a decent life without help of the others.

If the annulled Social Security Law 506 is evaluated from the perspective of “social security in narrow sense”, it counts down protection of Turkish citizens against, accidents of work, job diseases, illnesses, maternal problems, problems of old age, maluliyet, dead insurances and risks in the context unemployment which is really difficult to be utilized.

##### **1.2. Social Security in Broad Sense**

Although it has many definitions, the concept of social security, when defined addressing the abovementioned definition, it refers to “a collection policies aimed

towards removing inequalities in income distribution and/or re-allocating the income distribution in order to enhance satisfaction and as a natural outcome of it preventing any potential conflicts among social groups and individuals in society”<sup>1</sup>

As can be understood from that definition social security is not only paying premium for certain days and in turn getting some supports from some insurance branches, but at the same time all policies, precautions and legal arrangements providing people with decent life standards. From that perspective, a newly adopted Social Insurances and General Health Insurance Law of 5510 dated 01.10.2008, covers all citizens under a specified income level, children below 18, non-citizens and even refugees are taken under the umbrella social security. The new law from that view has some fundamental amendments in the field of social security.

## **1.2. The risks as the subject of the social security**

The concept of “danger”, defined above, includes many items including material damages or losses. However, from social security perspective it addresses health, income, nutrition and sheltering and similar needs vital for human well-being in the first hand. Therefore material losses are out of concern from social security view. Even though the needs mentioned are universally accepted, they vary among countries. The risks bringing social security concept are two in kind; physical and economical.<sup>2</sup>

### **1.2.1. Physical Risks**

Physical risks in general can be listed as: work accidents, job illnesses, illness, maternity (birth and after birth), maluliyet, old age, dead, being widow and orphan etc.

### **1.2.2. Economic Risks**

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<sup>1</sup> Yusuf ALPER, Türkiye’de Sosyal Güvenlik (Sosyal Sigortalar), Ekin Kitap Evi, Genişletilmiş ve Gözden Geçirilmiş 4.Baskı, 2003, s.3.

<sup>2</sup> Turan YAZGAN, Ders Notları, Türk Dünyası Araştırmaları Vakfı, İstanbul-Birinci Baskı, 1992, s.23.

Economical risks in general are: unemployment and inadequacy of national income per capita in family.

The two groups of risks mentioned above are as old as humanity and directly related to demographic structure, socio-economic infrastructure, traditions and habits and cultural structure of society.

Those risks, when evaluated in historical context, have all been tried to be removed by modern, traditional or supplementary techniques.

As a matter of fact, since relational ties, neighborhood and charity feelings are strong and humane values are scored as high in Turkish society, the traditional and modern techniques have always been in cohabitation. Those values, as differently handled in Western societies, the modern and state-sponsored guarantees are much prevailing.

### **1.2.3. The purpose of the social security**

The purpose social security aims to protect people against the risks mentioned above and the other risks as the subjects of social security. Social security systems, in that context, want people not to be prone to physical and economical risks and their effects and results. In case they are in need, the systems never let them alone and struggle against those risks by themselves. In that way, a kind of social protection is sustained, poverty is removed and social justice and peace are acquired.

### **1.2.4. The importance of the social security**

Whatsoever their political and administrative systems are, sustaining social security is one of the most urgent necessities if not the first it is. As a matter of fact, social security has been defined as something non-alienable and indispensable rights of human beings since it is under guaranty of constitutions, international law and other legal documents.

In that context, regarding social security for its aims and the parameters to be qualified by it, it has an essential role in human life.

### **1.2.5. Historical development of social security in world**

The first country that applied social security system developed on obligatory insurance techniques in historical development has been Germany in the years of the beginning of 1880s. The mentioned application was initiated by then the German Chancellor Bismarck, thus the model is named as Bismarck Model.

Almost all the countries have all paid strenuous efforts to structure and develop social security systems till the last quarter of the 20th century. The studies about social security have got a momentous in 21st century. The international agreements (mostly ILO agreements) have all been signed by many countries under light of trying to fix some international standards and removing the problems regarding social security issues.

The two models have all been appropriated in the beginning of the 20th century. One of them was the “Bismarck Model” mentioned above and the other one was the “Beveridge Model”. Social security system in Turkey was too much influenced by Bismarck Model in which an obligatory insurance has been assigned to workers from time being they are in work. Professional activity is the prime concern to be insured and subsequently officials, employees and employers were defined in the system in plural way.<sup>3</sup> By the last social security reform, the system became another closer to the American system which is a unitary structure.

The Beveridge Model was the by-product of the report prepared by Sir Henry William Beveridge. The British government had forecasted that the problems came to fore after the First World War would be repeated once more after the Second World War. In order to get rid of those problems the government requested such a report to be prepared. In this model; a decent level of income is quarantined, in case of unemployment, illness, job accidents, old age, birth, death, marriage etc. the system works and a certain level of income is accorded for the employees.

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<sup>3</sup> Ali GÜZEL, Sosyal Güvenliğin Yeniden Yapılandırılması Semineri, Türkiye İşveren Sendikaları Konfederasyonu, Ankara, 7-8 Aralık 2006, ss.25-26



Beveridge, saying that “poverty brings hatred” underlined the importance of social security especially from the perspective of fairness in income distribution.<sup>4</sup>

### **1.3. Historical development of the social security in turkey**

The Turkish social security system from the point of its roots has a long historical record. As a matter of fact, the Turkish social security system has emerged by the emerge of the first Turkish state However, for the sake of the subject matter of the thesis we will mention about the social security system from the Ottoman till today throughout the Republican time.

#### **1.3.1. The Period of the Ottoman Empire**

The era of Tanzimat by the declaration of the Edict of Tanzimat (1836) brought some substantial changes and developments in political field. Besides, one of the changes was on the social security system. Thus, the social security system in Ottoman time should be divided into two: the system before and after the era of Tanzimat.

##### **1.3.1.2. The Era Before Tanzimat**

Even though the population of the Ottoman Empire was mostly resided in rural areas before the Tanzimat era, the cities; İstanbul, Bursa, Saloniki, Damascus, Cairo, Konya, Baghdad had some substantial amount of population as well.<sup>5</sup> In that time, the cities were composed of workers and employers; craftsmen and artisans with closed job organizations in high solidarity. The large familial structures and communitarian social systems were prevailing.

Before the era of Tanzimat the religious life in society was very vivid. The social security system was structured and maintained voluntarily by from the sultans to state officials, craftsmen to military officials even without any contribution of the state.

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<sup>4</sup> Kadir ARICI, Sosyal Güvenlik Ders Notları, Ankara-1999,s.275.

<sup>5</sup> ALPER, Türkiye’de Sosyal Güvenlik ve Sosyal Sigortalar, s.26

In the era mentioned, the Turkish familial structure was patriarchal and very large. The elderly were respected in the family; the crippled and ill people had to be supplied with aid they need. Islamic values were welcomed and digested well by Turkish traditions and mores resulting in a stronger familial structure. Accordingly, those cohesive values and coherent structure; grandmother, grandfather, mother, father, sisters and brothers in need had to be backed up by other family members who are healthy and good in economic conditions.

The other side of the coin was similar as well. Strong social relations and a communitarian type of organization in society brought about a high solidarity between parts of the society. Islamic discourse about social solidarity was in common parlance. For instance, “If one who is well in conditions does not care neighbors he/she is not among us”, was like an motto at the beginning of almost all chapter of social life.

Although some misconception of social security system, as if, addressed to the commiseration of people the reality was different. The two Islamic institutions, “zekat” and “fitre” were the main pillars of the social security system. Except “sadaka”, a type of social solidarity mechanism worked as giving some individual aids to the needy in merciful feelings, “zekat” and “fitre” were fixed in time and amount. The institutions were substantially contributing to the re-distribution of income in society. Those institutions were effective, comprehensive and common in income transfer in due course.

“The vaqfs” (foundations), on the other hand, had comprised the fundamentals of the Ottoman social security system. The system, today, is somehow applied from the United States to Europe in successful manner. As a part of a state or individual initiation, the vaqfs, had been established by donation of a certain amount of economic value for a specific end. They, of course, in that sense, had been acquiring a legal corporate entity. As one of the most important social security system established throughout the human history, the vaqif institution had religious, economic and social solidarity dimensions.

The vaqıfs, did not function only for social security purposes. The “avarız vaqıfs”, aimed to provide the needy people with help. As a matter of fact, such vaqıfs had mostly focused on social security issues. The vaqıf, as an institution had reached the zenith in the Ottoman time.<sup>6</sup>

Other than payment in cash or aid in kind, the vaqıfs functioned in health and educational fields as well. To give examples, Yıldırım Dar-üş Şıfa in Bursa in 1399, Fatih, Haseki, Hürrem Sultan, Süleymaniye, Nurbanu Valide Sultan, and Sultan Ahmed I. Dar-üş Şıfa established in İstanbul in 1470, 1550, 1556, 1583 and 1617 respectively, had all been for abovementioned purposes. Two important other Dar-üş Şıfas, Bayazıd II. in 1488 in Edirne and Murat III. in 1591 in Manisa established for the same purpose as well.<sup>7</sup>

Factually, there have been so many institutions in the forms of Dar-üş Şıfa at different parts of Ottoman landscape. Dar-üş Şıfas were functioning as hospitals of the time. From that perspective, it can easily be deduced that the social security system had a strong pillar in the form of hospitals before Tanzimat Era, during the heyday of the Ottoman Empire.

Ahilik, (a kind of social brotherhood organization) was another pillar of the institutionalized Ottoman social security system. The medium funds and solidarity funds had been established in those organizations as one of the first prototypes of social security systems. The Lonca Funds as well as a part of social security system, was collecting tolls on voluntary base. Those tolls had generally been collected during the entitlement of the people with permission of mastership and head clerkship ceremonies. The monthly or weekly payments by the member craft branches were other resources of the loncas as well.<sup>8</sup>

Those financial aids had been used, in a closed system, for the families of the craftsmen who had some elderly, ill, crippled members. Of course, in case of death the families needing financial support had been backed up by that money. On the

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<sup>6</sup> ALPER *ibid*, s.27

<sup>7</sup> ALPER, *ibid*, s.27

<sup>8</sup> ARICI, Gazi Üniversitesi Ders Notları, s.290.

other hand, the head clerks and apprentices had been treated by masters as if their children and provided with food and sheltering facilities.

The system of Timar (Beneficium) was making up the main place for social security system before the Tanziamt Era. It was really a progressive system regarding that it included today's elderly and disability insurances. Timar (as beneficium) was not only given to military personnel who are successful at wars and caring certain number of soldiers but to successful statesmen, elderly of the retired state officials and even to ones who are dismissed from the state bureaucracy.

The application in that field was first initiated during the time of Sultan Suleymen the Lawgiver. Kasım Paşa, after working for state service for a long time, wanted to retire and was given 200.000 akce. Later, that application was extended to all viziers. Even though he was dismissed from his office in 1523, Piri Paşa, was paid with the same amount as well.<sup>9</sup>

The payments were delivered to the viziers at the beginning was extended to kazaskers, kadıs, şeyhülislams and other high rank state officials. The lands comprising the resources for those payments had been named as "arpalık". Widows, orphans and needy people were also paid from the resources generated by "arpalıks".

Besides the people aforementioned, the Janissaries were in retirement system too. Ones who couldn't fulfill military business were recorded in accession fee(ulufe) books and were paid once in three months. Retirement payment of the Janissaries later, after 1566, had a permanent character as an item in state budget and was paid regularly. As a matter of fact, the state officials, as today, were first cared and socially guaranteed in the first hand in the Ottoman Empire.

As for the short conclusion for this part, a comprehensive and common social security system had been established throughout the years. Needless to say it was not

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<sup>9</sup> ALPER, Türkiye'de Sosyal Güvenlik ve Sosyal Sigortalar, s.29.

a modern system. However the system, both at the center and provincial parts of the empire, was effective in conditions of the time. The religious and social solidarity feelings had a prevailing effect on that structure.

### **1.3.1.3.. The Era after Tanzimat**

The Tanzimat era overlaps with the era of industrial revolution. The Ottoman Empire was no more in progress in that time. Actually, the empire was in the phase of decline and collapse in social, economic, political and military fields. The social security systems as well, had all been dramatically influenced by that decay.

The mentioned time had posed the most deadly dangers to vaqıfs and medium funds as main pillars of the social security system. Economic deterioration, ongoing failures at wars, decline in employable and young population have all caused the social security institutions becoming weaker by years.

Many of the vaqıfs had turned to be intermediaries evading property from state and started to own the properties in permanent manner. Naturally, the vaqıfs lost their initial meanings.

The professional organizations inclined to lost their prominence in business environment. The privileges given to the Westerners by “the capitulations”, the commodities coming from Europe and disability of the Ottoman craftship’s competitive skills with that of the Europeans have led to closure of economic initiations in the empire. The masters, head clerks, and workers left the economic field and caused economic profitability wither away.

The migrations from the peripheral places of the Ottoman Empire caused some pressure over scarce resources. The migrations happened mostly due to loss of territories once belonging to the empire.

By the Edict of Tanzimat the state structure was also in a journey of a change. Military factories, state offices, mines were employing people in permanent way. The regular wage concept had a ground.

Regular wages for state officials and retirement issues were being regulated by newly established social security organizations. The main ones are mentioned below.<sup>10</sup>

1-Military Retirement (Tekäüt) Funds (1866)

2-Civil Servants Retirement) Funds (1881)

3-Seyri Sefain Retirement Sandığı (1890)

4-Military and Administrative Retirement Sandığı (1909)

5-Charity Company Retirement Sandığı (1917)

The word “tekaüt” all regards about sandıks above is an “Ottoman” word and literally means “retired” or “in old age”.

The sandıks named above, in the first hand, aimed to cover state officials. They included pension, disability and dead insurances. This system and a similar one that was first established in Germany for workers in 1881 are almost on the same date.

The era after Tanzimat not necessarily included state officials. The people working as workers have also been included in the system by some regulations aiming for betterment of working conditions. Besides the regulations had paid attention to social security as well.

The main regulations of those are as follows:

1-Dilaver Paşa Regulation (1865)

2-Maadin Regulation (1869)

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<sup>10</sup> ALPER, *ibid*, s.31.

3- Military Factories Regulation (1909)

4-Regulation about the Royal Dockyard Workers and Related Personnel's Retirement (1909)

5-Regulation about Supporting the Officials and Workers of Hicaz Railway (1910)

Dilaver Paşa Regulation among those regulated the compensation issues due to injuries and fatalities caused by employer failure that occurs to the workers in Ereğli coal basin workers.<sup>11</sup>

Maadin Regulation proposed some principles as such; compensation payment to the injured workers, compensation to the families of workers died at work, keeping medical doctor and pharmacist at mining places.

On the other hand, during same years there was another social security institution called "The Society for the Injured and Crippled Military Personnel at War". The society was established at 1868 and it was very similar to the Red Crescent Society of today. Another social organization of the time was "Dar-ül Aceze" (House of...) the organization aimed to help people who are poors, beggars, and elderly and so on. The organization was trying to provide those people with a decent life, hosting elderly and improving conditions for children in need.

The war orphans had a house as well. The conditions of the First World War brought a catastrophic atmosphere. Some children had lost their families because of war or their hometowns had been invaded by foreign armies. Dar-ül Eytam (House of Orphans) was established for betterment of life conditions of those children.<sup>12</sup>

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<sup>11</sup> ALPER, *ibid*, s.32.

<sup>12</sup> ALPER, *ibid*, s.32.

Even though they were well functioning institutions both Dar-ül Aceze and House of Orphans, couldn't be sufficient enough from the point of necessities after the First World War. Actually, the industrial revolution, together with the war, was the primary reasons of social change and the institutions couldn't respond them in the amount of deterioration they caused. Thus, the social security system was about to collapse. The institutions of the Ottoman State from the earlier times did not walk well along with the new environment.

#### **1.4. The Republican Time**

There are vast of legal amendments and regulations in the republican time including social security issues. The institutional structure of social security had been ameliorated for the necessities of time. Regarding the mentioned amendments, changes and newly issued laws, regulations etc. we can analyze the republican time under four time frequencies: 1920-1923 term, 1923-1946 term, 1946-1999 term and from 2008 till now in which the 1999 Social Security Reform is tried to be applied.

##### **1.4.1. 1920-1923 Term (The First National Assembly Term)**

The term starting from the opening of the First National Assembly till the Declaration of the Republic, three years time is, though short, has specific qualities about the social security reforms. The newly structured government with no recognition outside, even inside the country; because of so many war orphans and people with severe needs due to wars and poverty, the social security was an absolute necessity of that time.

Grand National Assembly had issued the first legal document including some principles of social security on 28th of April 1921 about "Zonguldak and Ereğli Coal Basin Coal Dusts' Assignment for the Workers' General Benefit" The law stipulated some principles generally saying; the material benefits from the sales of the coal dusts are to be shared for satisfaction of the workers needs.<sup>13</sup>

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<sup>13</sup> ALPER, *ibid*, s.33.



The other law issued in same term was issued on 10th of October 1921 and named as “The Law About Workers’ Rights of Ereğli Coal Basin”.<sup>14</sup> By that law, the first insurance institution for the workers had been established. It was “Union of Workers”. First and foremost the law regarded free medically treatment of workers who are ill and crippled; paying compensation to the families of workers who dies at work due to working accidents and sustaining presence of medical doctor at work place. Besides, the law proposed laying solidarity and reserve funds. By “The Direction of Reserve and Solidarity Funds” the funds had been laid for each mine.

One of the most important social security institution established that time was “Himaye-i Etfal Society” later its name was converted to Social Services and Child Protection Agency<sup>15</sup> The society was established in 1921 and it was redesigned later under a new name in 1935.

As an important economic policy activity of the time, The First Economic Congress of İzmir reached some economic policy decisions about social security as well. Those were the advisory decisions. The advisory decision the most calling attention were about maternal permission to the women at work before and after birth, paying compensation to the workers at certain sectors in case they are injured or ill, keeping medical doctors at work places and insuring workers for accidents, old age and life.

#### **1.4.1.1. 1923-1946 Term**

We believe that, the social security and other legal arrangements work parallel to political powers’ decisions. Some governments have been more sensitive to some issues some others have been sensitive to some other issues. In that sense, the single party era, 1920-1946 has some unique characteristics.

The amendments and new regulations about social security were not handled solely, rather were taken into account in other legal texts and regulations in indirect

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<sup>14</sup> ARICI, Gazi Üniversitesi Ders Notları, s.299.

<sup>15</sup> ALPER, Türkiye’de Sosyal Güvenlik ve Sosyal Sigortalar, s.34.

ways. Some important new developments happened by adopting The Turkish Obligatory Code in 1928 by the number 808. By the command of that law, the employees had to insure workers privately. In the article of 112 by the mentioned law, it is said; “An employer, in order to fulfill his legal responsibilities towards the employees, insures them who are working for him; and the employees, if paid at least the half of the insurance payment to the system, all the rights accrued by insurance specifically pertains to them.” However, the principle had not been applied.

By the article 332 of the Obligatory Law of 808, proposed some commands upon employees. The employee had to protect the employers’ in good health conditions and in case they died had to pay some compensation to the family of the employer. Needless to say the principle urged the employer in case he is mistaken.

Another regulation was also done by the article 328 of the same law. According to the article, “an employee had to be paid in a short time by the employer in case he is obliged for military service or he/she is ill out of his/her mistake.” However, since the article did not stipulate a specific duration for that time the article couldn’t be applied either.

As we mentioned earlier, some of the indirect legal arrangements were done by “The Law of General Hygiene” numbered 1593 and dated 24th of April 1930. the articles 173 and 180 had plenty of commands about social security in indirect ways. Especially the regulations about women and children regarding their protections at workplaces, providing people with good health conditions and treating them medically in case needed. Besides, for the workplaces having over 50 employees, the legal arrangements regarded that the workers have to be supplied with health aids in case they are ill, give birth. They were also given permission about maternal case before and after birth including permission time for feeding baby for a certain time.

The most important arrangement to be paid attention was issuing The Law of Labor numbered 3008 in 1936. The law was the first in the sense of bearing new articles both about social security and labor issues. The law regulated social security issues at length under the title of “social aids”. Compulsory insurance as the first

time taken into consideration by that law and condition of utilizing the stipulation was being a Turkish citizen.

However the law couldn't generate legal results since it was not in power till 1945. Actually, it was proposed to be in power in a year after its publication. Even though it was planned that the law was about to regulate insurance branches, a gradual transition to insurance, laying the social insurance systems in that time, it couldn't be in power since it was postponed to be applied, as sharing the same destination of The Law of Labour (The law 3516 was postponed two times).

In that era of the republic, the retirement funds were started to be established for the state officials as happened after the Tanzimat era. The most important ones are as follows:

1-“The Military and Administrative Retirement Law” numbered 1683, accepted in 1930.”

2-“The Retirement Fund for Istanbul Local Administration and Ankara Central Municipality Officials numbered 2264, accepted in 1933.”

3-“The Law of Retirement Fund for the All Officials of State Railway and Port Management numbered 2454, accepted in 1934.”

4-“The Law of the General Directory of the Monopolies numbered 2921, accepted in 1936.”

5-“The Law of Funds for Seaways, Akay Managements and Pools Administrations ‘Officials and Servants numbered 3137 accepted in 1937.”

6-“The Law of Ziraat Bank Retirement Fund, guided by article 55 of the Law 3202.”

7-“The Law of The Central Bank Retirement Fund numbered 3492 and accepted in 1938.

8-“The Law of Retirement Fund for Village Teachers and Village Health Officials numbered 3808 and accepted in 1940.

9-“The Law of Retirement Fund for “State Economic Enterprises’ Officials numbered 4222 accepted in 1942.<sup>16</sup>

In the same term too, the law 408 was issued in 1924 to pay monthly for the families of the army officials as martyrs of the national independence war. Other regulations for retired officials’ monthly payments were also done.

#### **1.4.2. 1946-1999 Term**

The term is known as “the period of construction” in terms of social security system. Most of the legal arrangements were done in that time interval and today’s social security system was established. The infrastructure of the Retirement Fund, Social Insurances Institution and General Directory of Bağkur was established in that process.

The mentioned time is also important from another point of view. The constitutions of 1961 and 1882 were adopted and the constitutions regarded “social state” as a principle. The principle was to be said as socio-economic rights of people. In order sustain that right the state had to establish necessary institutions and structures constitutionally. Both constitutions drew the boundaries of duties of social security in the same manner: ... “(the state) fulfills its function taking economical stability and financial resources’ adequacy into account.”

In historical context, the term should be evaluated from various points: It was just after the Second World War. Turkey was somehow under influences of social, political and economical developments. Firstly, in our history the syndical rights were accepted. The Ministry of Labour was established and the labour law numbered 3008 was accepted in the 1st January 1946.

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<sup>16</sup> ALPER, *ibid*, s.36.

The legal arrangements in the same period were really remarkable; “The law of Workers Insurance Institution” in 1945, and in the same year “The law of Labour Accidents and Labour Illnesses” numbered 4772 and “The Law of Maternal Insurance”; “The Law of Elderly Insurance” numbered 5417 in 1950; “The Law of Maternal and Illness Insurance” numbered 5502 in 1951 and in 1957 “The Law of Siaability, Elderly and Dead Insurances” numbered 6900 were accepted. By “The Law of Press Labour” in 1952 and “The Law of Sea Labour” in 1954 the workers in those fields were considered in the context of the law numbered 3008.

The Law of Social Security which is accepted in 17th July 1964 with number of 506 had a distinct place in the system of social security. However, there were lots of amendments in the law and subsequently in the system with their expanding scope. It was in power till the last amendment and some substantial changes that brought a single umbrella covering whole social security system. The law covered; the places of work with employees between 4-9 in areas with population over 50.000; the places with 4 employees in between municipal borders and the places with 8 and more employees out of municipal borders in 1965; all the places with 1 employee in 1971; the family members of whom the employee has responsibility in 1973 regarding the insurance branches from the point of application and lastly the family members of the employees who have responsibility towards in 1975.

The institutionally of the system starting from 1500s with elderly payments to Janissaries till the establishment of The Military Retirement Fund in 1866, the system had some substantial changes in the system. In that way, the state officials had their social security's by time. The system was tried to be gathered under a system in Republican times with expanding scope by the law called “The Law of Retirement Fund of the Turkish Republic” accepted in 1949 and had power in the 1st of January 1950. Even though with hundreds of amendments through time the law enabled the system to enhance and run itself.

The arrangements about people whom we see in Ahilik and Lonca systems before the Tanzimat had their reforms very lately. The independent tax payer (or with chamber registration) workers had their legal formats with “The Law of Social

Security for Artisans and Craftsmen and Other Independent Workers” accepted on 2nd September 1971 and had power throughout the country on 1st October 1972. The system, shortly known as “Bağkur”, started health service as well in 1985.

The farmers and farming on their behalf was the last people taken into the social security system. The law with the numbers of 2925 and 2926 were accepted on 17th October in 1983 and had its power on 1st January in 1984.

Last but not least, one of the most important legal layouts of the time with number of 2022 deserves to be mentioned here. The law is known among people as “the law of 65 ages.” Firstly, the law took people over 65 without any income, needy, powerless and crippled into account, and then expanded to people below 65 with same negative qualities.

#### **1.4.3. The Term From 1999 (Including Social Security Reform) Till Today**

The system also suffered from the same problems after 1999. Those problems are first and foremost financial problems and others pertaining to financial problems as; no requirement of age for elderly pension payment, use of premiums in useless areas in inefficient manners and some other trivial issues like green card use in health area. Thus, those problems brought ongoing new burdens over social security institutions; caused lower retirement payments and distorted structuring in health area. The problems were heavily been discussed in that term too.

The financial statements of the institutions deteriorated due to some wrong applications. The politicians strategies regarding vote ballots, like removing age requirement for retirement, super retirement issue, taking the revenues of social security institutions’ as debt and repaying them with zero interest rate and such.

Other issues calling attention in that time were; privileged health services for some officials and for personnel who work at some public offices (including ones at TGNA). They were entitled to go any hospital they wanted and spent huge amount on their health. However, ones who work as workers in the context of the law 506 and ones who work on their behalf in the context of the law 1479 have been utilizing

very limited health service. Actually there emerged big chasms among different segments of society, regarding social security services that would have been caused social tension. The coalition governments, unfortunately, couldn't apply any policies towards reducing the stress.

The discussions related to the subject were, in the first hand, handled by 57th government. The meta-policy aiming to remove the problems was about reducing unfairness among citizens in the field in the long run.

The term after 1999 is deserves to be mentioned as a separate era due to the power of law upon its publication in the Official gazette in 1999 with the number of 4447. The law was a brand new one for it mentioned age requirement for retirement; raising premium amounts for some insurance branches; deepening the gap between the lower and upper limits which are subject to social security premium; taking new precautions against unregistered employment and finally introducing unemployment insurance.

The law aforementioned was considered by low income segment of society as a kind of one prepared for betterment of financial statements of the social security institutions especially for it raised the age of retirement to 58 and 60 for women and men respectively. As a result of the suit brought to the court, the age requirement article of the law for retirement was annulled by the Constitutional Court. Later, by another law numbered 4579 on 23rd of May 2002 a gradual pass to raise age requirement was accepted and applied in the same sense.

In this term, beside the works done for the Retirement Fund, some other rearrangements were made up on the structures of the Social Security Institution and General Directory of Bağkur (we will touch the subject later while examining their provincial branches). By the Decree Law (KHK) of 616 on 4th of October 2000 upon the law of 4588, the Social Security Institution acquired the status of "chairmanship" Another KHK, 618 entitled the establishment of the Social Security Institution attached to the Ministry of Labour and Social Security. The institutions; Social Security Institution, General Directorate of Bağkur and the Labour Institution of Turkey were legally considered as the attached (bağlı) institutions of the Social

Security Institutions. There had been some reorganization efforts for the structure of the General Directorate of Bağkur with the law 619. However, upon the annulment of all the KHKs mentioned above by the Constitutional Court there emerged some severe loopholes both from administrative and insurance applications point of views. Almost all the actions by the social security institutions lost their legal bases. The case led some people utilizing the case and bringing many suits against the institution.

Three subsequent laws were issued after the annulment of the Constitutional Court. The law of Social Security Institution numbered 4947 on 24th of July 2003, the law of Bağkur numbered 4956 on 2nd of August 2003 and the law of Chairmanship of Social Security Institution numbered 4958 on 6th of August 2003 removed the legal catastrophe in the field and in a way made up the infrastructure of the social security system.

The Chairmanship of Social Security Institution as an umbrella organization for social security had the legal life together with two other institutions; the General Directorates of Bağkur and the Retirement Fund on 20th of June 2006 by the publication of law 5502 on the official gazette. The organizational structure, before and after the social security reform, will be examined in the second part.



## **CHAPTER II**

### **THE ORGANIZATIONAL STRUCTURES OF THE SOCIAL SECURITY ORGANIZATIONS (SSI, BAĞKUR and RF )**

As we mentioned in the previous part the law of 4588 empowered KHKs 616, 617, 618 and 619 which aimed to restructure the social security organizations' structure before the reform. However, upon the annulment of the law 4588 and all the KHKs mentioned above by the Constitutional Court there had emerged some severe loopholes both from administrative and insurance applications point of views. Those loopholes have been alleviated by the law 4947 which had power on 24th of July in 2003 since the law had established the Social Security Institution. The rearrangement as the last step before the reform had included SSK, Bağkur and Turkish Labour Institution while leaving the General Directory of the Retirement Fund out.

By the publication of the law 5502 on 20th of May 2006 on the official gazette 26173 Turkey gained a brand new social security organization under a single umbrella. The institutions; the Chairmanship of the Social Insurance Institution, Bağkur and the General Directory of the Retirement Fund are now under that umbrella. The most important point to be underlined here is exclusion of the Turkish Labour Institution and inclusion of the Retirement Fund. As a matter of fact what gave a reform character to the rearrangement was that point. Otherwise would have happened the reform wouldn't be a new one.

Before examining Social Insurance Institution (SII), Bağkur and the Retirement Fund's organizational structures' pre-reform, we had better analyze their process of appearance:

Regarding both its institutional scope and the number of insured people (including green card holders) the Social Insurance Institution (SII) was the biggest part of the whole. As mentioned above, the very bases of the Social Insurance

Institution had been founded on the 1<sup>st</sup> of January 1946 by the law of the Workers Insurance numbered 4792.<sup>17</sup> As the 1961 Constitution had regarded special articles about the social security, all the regulations in various laws about the people work under the title of employee had been revised, collected and published in the law of Social Security that was accepted as the 506 on 7<sup>th</sup> of July 1964. By its power on the 1<sup>st</sup> of March 1965 the Workers Insurance Institution was renamed as Social Insurance Institution. Naturally, the employees in the status of worker gained some new and contemporary rights and facilities.

“The Social Security Institution of the Craftsmen, Artisans and Other Independent Workers”, shortly known as Bağkur, has been established on 2nd of September 1971 by the law 1479.<sup>18</sup> The propositions of the law about insurance were to be applied on the 1st of October 1972 and the people who are subject to that law started to get health services on the 1st of January 1986. The people who work on the name of themselves in agriculture sector have been subjected to social security and started to get health service from 1999 onwards.

For the social security of the public officials so many funds have been established from the very years the republic. For instance, a wide spectrum of officials from the General Directory State Railway, village teachers to health officers between 1934-1947, 11 different funds have been established.<sup>19</sup> However, that system, over time has caused complicated cases, inequalities and injustices among the public officials and there emerged an idea of social security policies to be handled from a single organization. Naturally, a single legal text to be applied for the public officials has also gained ground. As a matter of fact, the Law of T. R. Retirement Fund with number of 5434 on 8th of July 1949 was accepted and had legal power on 1st of January 1950.<sup>20</sup> By that law, all other retirement funds and retirement propositions in those laws had been annulled. By the establishment of the General Directory of the T.R. Retirement Fund a coherent structure of social security

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<sup>17</sup> 16/07/1945 tarihli ve 6058 sayılı Resmi Gazete’de yayımlanmıştır.

<sup>18</sup> 02/09/1971 tarihli ve 13956 sayılı Resmi Gazete’de yayımlanmıştır.

<sup>19</sup> Kurumun Tarihçesi için bkz. [www.sgk.gov.tr](http://www.sgk.gov.tr)

<sup>20</sup> 17/06/1949 tarihli ve 7235 sayılı Resmi Gazete’de yayımlanmıştır.

was established which depended upon cutting premium from the officers. The system started to function from a single hand as well.

The organizational structures of social security institutions before and after unification have been summarized. Now the organs organizational structure and functioning of the Social Security Institution will be analyzed.

## **2. The organizational structure of the former social insurance institution (ssk) which was handed over**

The Social Insurance Institution's organizational structure was reshaped by the law 4958 before the establishment of the umbrella organization.<sup>21</sup> The annulment of the KHK 616 and the power law by the constitutional court, a new law was issued on 6th of August 2003 with the number of 4958 that converted SSK to a "Chairmanship". Two general directories have been established under that chairmanship as; the General Directory of the Insurance Issues and the General Directory of the Health Issues. The law's first article defined the establishment aims and the legal status of the institution as follows: "The Social Security Institution is established; under private law provisions as a public corporate body with administrative, and financial autonomy; in order to sustain social security of the insured people subject to the Law of Social Insurance 506 and people who are subject to the Law of Social Security of the Agricultural Insurance, 2925. The institution also regards the other laws' provisions pertaining to social security."

As can be understood from the letter of the law the SSK had the status of public corporate body from administrative and legal points of view, had financial autonomy and subject to the provisions of private law.

The to be underlined here is that even though the institution was defined as autonomous in law, it was the related organization of the attached organization of the

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<sup>21</sup> 06/08/2003 tarihli ve 25191 sayılı Resmi Gazete'de yayımlanmıştır.

Ministry of Health. The SSK was an attached organization of the Ministry of Health in the organization just before the current situation. Thus, even though it was defined as financially autonomous it was prone to political effect.

Before the unification of the three organizations the SSK was composed of the organs below.

- a) The General Board
- b) The Administrative Board
- c) The Chairmanship

### **2.1. The General Board**

As stated in the law of 4958 the General Board was composed of the minister or the one authorized by the minister, the personnel of ministry, and representatives of the unions (both employees' and employers'), academics and representatives of the Turkish workers who work outside the country.

Rather than being an executive organ, the General Board asserts opinions and offers about the duties and activities of the institution. Its frequency of meeting also shows that it is not an executive organ; it meets one time in three years in June by the call of the minister.

### **2.2. The Administrative Board**

The Administrative Board is the most important organ, which carries out administration, decisions, duties and responsibilities of the institution. It is composed of a chairman and seven members. One of the members is from the ministry to which the Secretary of Treasury is attached and one another are from appointed by joint decree upon proposal of the minister. Most of the representatives are from the institutions of laborers and employers. Two members, one permanent and one substitute are chosen to represent the people who get monthly payments. The chairman of the Social Insurance Institution, the General Director of the Insurance

Issues and the General Director of the Health Issues are naturally members of the Administrative Board.

The main duties of the Administrative Board are; setting personnel policies, fulfilling necessary financial transactions among the budget parts, deciding on balance sheet, income-expenditure statements, examining and deciding about activity report, proposing to establish, close or changing the structures and qualities of the provincial branches of the institution and defining about authorization in the institution.

### **2.3. The Chairmanship**

Even though the Administrative Board carries out administration, decision, authorization and responsibilities of the SSK as the highest administrative organ, the chairman runs all the activities of the institution under the Administrative Board's monitoring regarding the related legal documents. The political and personal identity of the Chairman has profound effects on the power of the Administrative Board. In other words, the personality of the chairman may allow the board to be powerful or refrain it to be weak.

The organizational structure of Chairmanship is composed of the Chairman, Auditing, Advisory and Auxiliary units, the General Directory of Insurance Issues, the General Directory of Health Issues and provincial organization.

The provincial organization of the SSK was composed of the General Directory of Insurance Issues attached to Chairmanship and Provincial Directors who were attached to the General Directory of Health Issues. That is, both Provincial Directory of Insurance Issues and the Provincial Directory of Health Issues functioned at provinces.

The main duties of the Chairmanship were about running all the activities of the institution under the Administrative Board's monitoring regarding the related legal documents; representing the institution in front of judiciary, administrative

organs and real and corporate bodies; putting decisions in application taken by the Administrative Board according to provisions of the law 4958.

After examining the structure and legal status of the SSK before its merge under a single umbrella the other institution in the same structure, the General Directory of Bağkur, will be examined.

## **2.2. The structure of the general directory of bağkur which was handed over**

Bağkur was established on 14th of September 1971 and the law 1479 that established Bağkur was published in the Official Gazette. It is the institution of the craftsmen, artisans and other independent workers' social security institution. It is subject to private law provisions. Bağkur is the related institution of the Social Security Institution which is attached to the Ministry of Labour and Social Security. Thus it has an autonomous structure.

The law of Bağkur is a foundation law of the organization and also includes the arrangements about insurance issues. The organizational structure of SSK, however, did not define insurance issues. The insurance issues are defined in another law, 506, the Law of Social Insurance.

Bağkur, before the unification was, like SSK subject to the High Board of Auditing. By the unification with the law 5502, however, the auditing of the three institutions (SGK) became subject to the High Court of Auditing (Sayıştay)

The organs of the General Directory of Bağkur are as follows:

- a) The General Directory Foundation
- b) The Administrative Board
- c) The General Board

### **2.2.1. The General Directory Foundation**

The General Directory is the executive organ of the institution. The General Directory is composed of three vice-directors and central and provincial structures. The main duties of the General Director are; running all the activities of the institution according to legal documents, representing the institution in front of the administrative and judicial authorities.

### **2.2.2. The Administrative Board**

The Administrative Board of Bağkur is a decision making body. It carries out the highest decisions, authority and responsibilities of the institution. The Administrative Board is composed of a General Director; two members determined by the Ministry of Labour and Social Security, one from the vice-directors of the institution; two members, one of them is determined by the Ministry of State to which The Undersecretary of Treasury is attached and the other one is from professional organizations which are runned by the related law; a member is as representatives of the professional organizations established by the law 2926. The representatives of the ministries are appointed by a joint decision.

The main duties of the Administrative Board are; submitting the consolidated budget of the institution, which is prepared by the General Directory, and proposals of the investment programs to the approval of the Minister of Labour and Social Security after analyzing and doing necessary changes on them; doing necessary transfers among the parts of the budget upon the proposal of the General Directory; submitting the balance sheet and activity report of the institution, together with estimated budget items of them; approving the organizational activities necessary for the personnel; submitting the report about the financial position of the institution to the General Board.

### **2.2.3. General Board**

The General Board of the General Directory of the Bağkur, just as the General Board of the Presidency of SSK, is composed of the chairman at the top pointed by the ministry; representatives of the ministry, representatives of unions, academicians, institutional personnel and the representatives of the people who are

monthly paid by Bağkur and representatives of the people who have gains from Bağkur.

As in SSK as well, the General Board is rather an organ proposing and offering about future policies, duties and responsibilities of the institution. It is not necessarily an organ of executive issues. It meets one time in three years in May, different than SSK, upon the call of the minister. Its frequency of meeting proves that it is not an executive organ.

After those explanations I will investigate about the Retirement Fund, a large organization runned by the law 657, the Law of State Personnel, that has vast an array of people from servants to the President of the Republic.

### **2.3. The structure of the general directory of the retirement fund which was handed over**

As expressed in the introductory part, the retirement fund of the Turkish Republic started to function after it was established by the law 5434 on 17th of June in 1949 and its publication on the official gazette on 1st of January in 1950.<sup>22</sup>

Unlike the SSK and Bağkur which were attached to the Ministry of Labour and Social Security, the Retirement Fund is belonging to the Ministry of Finance. It is less likely under influence of the political authority due to its less number of personnel and its well structured and insulated bureaucracy compared to other social security institutions.

The organs of the Retirement Fund are;

1. The General Board
2. The Administrative Board

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<sup>22</sup> 17/06/1949 tarihli ve 7235 sayılı Resmi Gazete’de yayımlanmıştır.



### 3. The General Directory

### 4. The Board of Health

Different than that of the SSK and Bağkur the fund has the Board of Health. It is calling attention for that type of difference. Besides, again differently from the other social security institutions, the fund is “The General Board of the State Economic Enterprises” which is defined in the law 3460.

#### **2.3.1. The General Board**

The General Board is the highest decision making authority and responsible organ of the fund. The General Board the Fund is composed of the General Director, two vice-directors, and two other members; one is appointed by the offer of the the Prime Minister and the other is appointed by the offer of the Minister of Finance. The General Director is the head of the executive board at the same time. In the absence of the General Director, the board is headed by the vice-director who was determined by the chairman.

The duties of the Administrative Board are as follows: Examining the budgets and personnel which is prepared by the General Directory; doing the necessary transfers among the parts in the budget; looking up and determining the further necessary transfers as a proposal; preparing another proposal about additional and extraordinary payment offers; examining the plans of investments prepared by the General Directory and submitting them to the Ministry of Finance and the Customs. Again, informing the Ministry of Finance and the Customs for the determined general policies about the privatization offers which is prepared by the General Directory. Lastly, fulfilling all other duties and handling the responsibilities given by laws and by-laws.

#### **2.3.2. The Board of Health**

The Board of Health is composed of three members, an army officer medical expert doctor and two other doctors who are appointed by the ministry. The main duties of the Board of Health are; examining and deciding about the disability

reports, deciding about the disability degrees, expressing its opinions during the applications of the disability provisions.

### **2.3.3. The General Directory**

The General Director runs the activities of the fund according to laws, by-laws and regulations and represents the fund as the General Director. The duty of representation can be held by her/him directly or by her/his vice-directors or somebody appointed by her/him.

Now it is turn of the explanations about the Social Security Institution (SGK). Even though it was established some three years ago it is not known well enough. Here onwards, we will scrutinize the structure of the institution and novelties brought by the reform in the structure of SGK.

### **2.4. The merge of the social security institutions under the same umbrella**

The Social Security Institution (SGK) has merged three social security institutions serving to five different groups of segments under the same umbrella: those groups are; state officials, the wage earners working under service acts wage earners at agricultural field, the people who work for their accounts and the people who work at agriculture for their accounts. The reform tried to integrate five different retirement regimes under a single one in which the responsibilities and the rights are equally shared. Three social security regimes; SSK, Bağkur and the Retirement Fund have been merged together. The mentioned novelty in the field of social security is called Social Security Reform by the government (AK Party) the Turkish Republic.

The main aims of the SGK are expressed in the law of structure 5502. They are; contemporary and sustainable social security from financial, actuarial points of view with the principles of accessibility, effectiveness and fairness.

The duties of the institution have been redefined under the changes and new approaches of social security in the world. Those are:

- a) Applying social security strategies and policies regarding the national development policies and the yearly application programs; and studying towards the enhancement of those policies.
- b) Informing the corporate and real identities it served, about their rights and responsibilities and easing the use of rights and fulfilling the responsibilities.
- c) Following the international developments about the social security; cooperating with the European Union and other international institutions about the developments of social security, running necessary studies about the social security agreements signed together with foreign countries, applying the international agreements which are properly in power.
- ç) Sustaining coordination and cooperation among the public offices on social security issues.
- d) Fulfilling the all other duties which are given to the institution by that law.<sup>23</sup>

By the reform of social security both on structural and insurance fields some novelties have been done. However, as stated at the beginning of the study the novelties and changes in the field of insurance applications are not going to be examined.

While examining the newly established organizational structure of SGK the General Boards and the Administrative Boards will not be examined too much since there has been no big change in the mentioned structures except the structure and functioning of chairmanship which was subject to most of the reforms especially the general directories attached to the chairmanship.

The organization of the Chairmanship is composed of central and provincial organizations; the central organization is composed of main, auxiliary and advisory

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<sup>23</sup> 20/05/2006 tarihli ve 26173 sayılı Resmi Gazete’de yayınlanmıştır.

service units. The top unit of the Chairmanship, the Chairman is responsible from the Chairmanship and other lesser units and personnel's activities in front of the Administrative Board.

The prior job of the Chairman is; managing the institution according to the constitution, laws, national development plans, annual application programs and complying with policies and strategies accorded by the cabinet.

The point to be underlined regarding the organizational structure of the Chairmanship is; newly established general directories and head of departments.

The mentioned main units are;

- a) The General Directory of Social Insurance,
- b) The General Directory of Health Insurance,
- c) The General Directory for Payments without Premiums,
- ç) The General Directory for Service Offer,
- d) The Chairmanship for Guiding and Auditing,
- e) The Chairmanship for Actuary and Fund Management.

In the entities of the abovementioned general directories, at most, eight head of departments can be established by the decision of the administrative board.

The most important point as a newness to be underlined here is, the establishment of the General Directory of Common Health Insurance. In other words, for first time being in Turkey a general health insurance application came to fore.

The second important change is about payments without premiums. The state, by establishing the General Directory for Payments without Premiums, defined some compensation and aid calculations by some private laws (for instance the payments done in the context of the law 2022) and people like soldiers, sergeants and civil

employees. The General Directory for Payments without Premiums runs the salary and payment issues.

Another change is the establishment of the General Directory for Service Offer. The main duties of the mentioned general directory are; sustaining the service offer towards the corporate and real entities without any interruption, defining the work processes, collecting and analyzing data about the executed issues, together with related institutions, defining work processes, developing work processes, running the issues about establishing or abolishing the provincial institutions, running all the information issues of the central and provincial organizations of the institution, creating social security database and integrating it with other public institutions databases, updating the information of the social security database and keeping it for effective institutional activities.

The organizational structure of the SGK can be followed from the table<sup>24</sup> below after such short presentation.

## **2.5. The provincial organization before the social security reform**

Upon the publication of the law 5502 on 20th of June 2006 the Social Security Institution was established. Its provincial structure was composed of the SSK, Bağkur and the Retirement Fund that was handed over in the context of the same law.

Before the law of 4958 the SSK had insurance directories, branches, payment offices, health facility units and other service units widespread throughout the country. In order to increase efficiency of the service delivered by the SSK, the system had 92 insurance directories and 14 payment offices especially located in the provinces where the currently employed people (insured people) and the employees were more in number. Besides, there were the Health Issues Directories in Ankara, İstanbul and İzmir; in İstanbul and İzmir The Construction and Real Estate

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<sup>24</sup> [www.sgk.gov.tr](http://www.sgk.gov.tr)

Directories; and in Ankara and Istanbul the Purchasing Directories and the Old-Age Insurance Directories to run the retirement issues. Another directory, the Legal Issues for Insurance Directories in Istanbul and Ankara were working actively. The Regional Directories, 15 in number, composed of an important part of the SSK. The Regional Directories have been established by the law 3917 on 8th of December 1993.

The works to deliver the health facility structures of the SSK to the Ministry of Health were initiated in 2002. The law 5283 regulated those deliveries by its publication in the Official Gazette on 19th of January 2005. Till that time the SSK tried to run all the health services by its own health facility institutions. The provincial health facility institutions of the SSK had an important place in the main structure till 2005. The number those institutions were as numbers; the hospitals 117, the dispensaries 148, the mouth and tooth health centers and the health stations 232 in 1997.<sup>25</sup>

Some other social and educational facilities as well like the 6 Health Profession Schools, an old age asylum, 6 kindergarten and an Industrial Medical Equipments and Medicine Institution were working. The SSK was trying to satisfy the needs of a well number of people composed of working in the context of the Social Insurance Law and their family members and the green card holders. They had almost composed the 65 % of the total population.

According to the law 4958 the provincial structure of SSK was composed of the Provincial Directories of the Insurance Issues and the Provincial Directories of Health Issues which were established in provinces where necessary. As a complicated structure the provincial organizations of the SSK run the issues over the Construction and Real Estate Directories; the Purchasing Directories, the Old-Age

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<sup>25</sup> Yusuf ALPER, Türkiye’de Sosyal Güvenlik ve Sosyal Sigortalar, SSK-Bağkur, Alfa Kitapevi, Genişletilmiş 2.Baskı, 1999, s.75.

Insurance Directories the Legal Issues for Insurance Directories the Old age Asylum Directories and the Payment Offices.

However, as stated above, those directories were not in a city. For instance, the Old-Age Insurance Directories were in Ankara and Istanbul. For the cities which had more than 30.000 insured people the Insurance Directories were allowed to be established other than the Directories of Insurance Issues.

The health institutions as stated in the law of 4958 were composed of educational hospitals, regional hospitals, service hospitals, expertise hospitals, special branch hospitals, and hospitals for the professions, professional illness hospitals, mouth and tooth health hospitals, dispensaries and the health stations. Those units were attached to the Health Issues Provincial Directories, if there were no such directories to the authorized hospitals and the health institutions out of those were directly attached to the General Directories of the Health Issues.

The provincial organization of the General Directory of Bağkur, was, at first, composed of the Regional and Branch Directories. But, that structure was converted to provincial directories after 1981. The Chairmanship of Auditing and the Undersecretary of Law were attached to the general director, the office chairmanships and provincial directories were attached to Vice-General Directors. The provincial Directors, as will be discussed in the last chapter, were attached directly to the Chairman of the institution after the changes in the social security reform.

The provincial organization of General Directory of Bağkur had been revised many times in order to sustain better and effective service targets to the right holders and the insured propel. By the time passed the system depending upon regional and branch structures, had turned to an obsolete one. Thus, what done between 1981 and 1984 was structuring a new organization over provincial units. By the establishment

of new provinces from out of the sub-provinces the number provincial units mushroomed. In 1997 March the number provincial units dramatically rose to 80.<sup>26</sup>

The provincial structure of Bağkur in short was composed of the directories units in provinces and branch directories where they were thought to necessary by the law 4956.

The Retirement Fund has been established as an under unit of the Ministry of Finance to run the retirement issues as stated in the law. It has a corporate entity with a center in Ankara. As was a public economic enterprise by the decree in power of law 233, that redesigned the Public Economic Enterprises, the Retirement Fund was not in list of the 60th article. However, on 27th of September 1984 the article 10th of the law 2046 which regulated the establishment and the duties of the ministries, the Retirement Fund was accepted as an attached institution of the Ministry of the Finance upon the authorization of the abovementioned article and by the offer and acceptance the President of the Republic.<sup>27</sup>

The provincial organization of the Retirement Fund was composed of the regional directories at some main provinces. The regional centers and the attached provinces were as follows:

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<sup>26</sup> ALPER, *ibid*, s.291.

<sup>27</sup> Ali Güzel & Ali Rıza OKUR, Beta Yayınevi, 4.Baskı-Ekim İstanbul, 1994, ss.335-336.



**Table 2.1. Regional Centers**

Regional Centers	Attached Provinces
<b>İstanbul</b>	İstanbul, Edirne, Kırklareli, Tekirdağ, Kocaeli, Sakarya
<b>Bursa</b>	Bursa, Çanakkale, Balıkesir, Bilecik
<b>İzmir</b>	İzmir, Manisa, Aydın, Muğla
<b>Adana</b>	Adana, Niğde, Kahramanmaraş, Gaziantep, Hatay, İçel, Aksaray
<b>Samsun</b>	Samsun, Sinop, Amasya, Tokat, Giresun Ordu, Trabzon, Rize
<b>Diyarbakır</b>	Diyarbakır, Elazığ, Malatya, Adıyaman, Şanlıurfa, Siirt, Mardin, Bitlis, Van, Hakkari, Batman, Şırnak
<b>Erzurum</b>	Erzurum, Artvin, Gümüşhane, Bayburt, Erzincan, Tunceli, Bingöl, Muş, Ağrı, Kars, Ardahan, Iğdır
<b>Ankara</b>	Ankara, Zonguldak, Bolu, Çankırı, Konya, Kırşehir, Kayseri, Yozgat, Nevşehir, Kırıkkale, Sivas, Çorum, Kastamonu, Bartın, Karaman
<b>Afyon</b>	Afyon, Eskişehir, Burdur, Isparta, Antalya, Denizli, Kütahya, Uşak

## 2.6. The provincial organization after the social security reform

Before discussing the provincial organization after the social security reform we had better discuss the aims and the proposed and planned provincial organization. Because we need to know what type of a provincial organization was aimed to be established.

In the 9th five-year development plan the general aim of the reform was summarized as: “a social protection system which is fair, accessible, effective against poverty, and financially sustainable.” The general framework of the social security system model is explained as well: “The social security reform is composed of four complements. First, developing a nationwide general health insurance financing an

equal, protective, qualified health service. Secondly, creating a social security system for all the needy parts of the society with objective criteria by conjoining all the scattered payments, payments without premium and social aids. Thirdly, making a working, unified retirement system for the short and long run insurance branches out of health insurance. The fourth and the last complement is creating a new well functioning contemporary, effective structure to ease the daily life other citizens in direction of the principles mentioned in previous three principles.<sup>28</sup>

Even though there are some criticisms towards the new structure focusing staying in the principle of multiplicity and creating a much more modern system as in European countries; as stated in the 9th five-year development plan a structural reform was thought to be implemented in order to ease the daily life of the citizens under lights of effectiveness and contemporariness.

The system, that was tried first in the former Eastern Bloc countries, Hungary and Poland and partly in Czech Republic and was claimed to be prepared by the World Bank experts, is really a subject of curiosity regarding its expected results.

The system is not going to be studied from financial point of view since its out of the scope of that thesis. However, it is a fact that, for the system was reformed, better to say, brand new a system was made during not the coalition government but the single party government time increases expectations from the system. As long as the party in power was supported by great majority of the population then the expectations are high.

The former system; different as for artisans and craftsmen, insured workers, the public officials, some elite parts of high bureaucracy and the security systems, SSK, Bağkur and the Retirement Fund were differently functioning for those parts; was inciting the feelings of inequality in society. Conjoining all those systems under a single roof during the AK Parti government should be considered remarkable an

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<sup>28</sup> IX. Beş Yıllık Kalkınma Planı, 44, 2007 Programı, 68

accomplishment. The structure after the social security reform is going to be analyzed after that short evaluation.

### **2.6.1. The General Structure of Provincial Directories**

The aim of the institution was expressed in the law 5502 which was published and had power in 20th of May 2006 with the number of 26173: “The Social Security Institution is established with public corporate identity, financially autonomous, subject to the private law provisions in case of no provisions in that law and entitled to apply all the provisions of the other laws that authorizes the institution with that law. The center of the institution is Ankara.”

By the mentioned law all the personnel all the properties including real estate, service buildings, vehicles, tools, equipments, rights, debts, shared businesses, files, written and electronic documents with the all other ones of the Social Insurance Chairmanship, Bağkur and the General Directories Retirement Fund would be handed over to the Social Security Institution without any other procedure with the time of its publication and its power. The duties were handed over as well.

The general structure of the SGK was mentioned in the previous part, however its provincial organization is going to be mentioned here. The cadres of personnel of the handed over institutions, both in the central and provincial organizations, to be accorded to the law 5502, at most in three years and the extension of the time till two years by the decision of the cabinet was taken under provision. The point to be attended here is the personnel in those institutions wouldn't be deprived of their rights and status by paying attention the process. The time was short for such unification; however a comparative success was attained in the process. The works and duties in the center and the provinces of the former institutions were to be fulfilled by their personnel in the center and provinces.

The unification the gigantic institutions with their budgets and structures were really hard a process. As a matter fact hard a study started by the publication of the law 5502 on 20th of May 2006.

As the second chairman of the institution after the unification, Birol Aydemir had a pivotal role in that fast and healthy process. Having a successful career in the State Planning Organization he used his experiences in the Social Security Institution.

In the first instance, by the decrees issued the SSK, Bağkur and the Retirement Fund had the adjective of “HANDED OVER” before their names. During that time it is decided about what units to be attached where. The annulment of the law 5510 by the Constitutional Court regarding the principles and foundations about insurance, payments without premiums, and other procedures, had given time to the bureaucrats of the institution till its application time in October 2008.

The provincial organizational structure of the SGK came to fore as brand new institution after that process with social security provincial directories in each provinces and with social security centers attached to those social security provincial directories.

The criteria to open social security centers are; the population of the provinces and sub-provinces, the number of insured and generally insured people, the number work places and the scope of the procedural things.

Now, we had better see duties of the roof structure of provincial organization of the SGK which is composed of the provincial directories. The duties are:

Fulfilling the duties which are given to institution by the law of the Social Security and General Health Insurance, 5510 and the duties which are given by the other laws.

1. Determining or making to be determined the employee, insured people, people who live on the work of the insured people, right holders, people with general health insurance in the scope of its area.
2. Doing or having done all the procedures about realizations, announcements, cancellations, postponements, returns, payments, accounts and similar duties.

3. Defending the institution, raising objection, demanding appeals and redresses in case of disputed issues in front of the judiciary organs in the name of the head of the institution.
4. Running the application of the judicial decisions.
5. Expressing views about the application of laws to the employees and insured people and informing them for their rights and duties.
6. Running the educational and social services in the scope of the province and making the social facilities be managed.
7. Running data analysis and information issues, statistics, data collection, human resource management, purchasing, hiring, examining, compromising and other duties and procedures about the social security services.
8. Securing the people and institutions about the service purchasing issues whether they hold the acts, protocols accordingly and controlling them in their places and removing the deficits.
9. Examining and evaluating the demands and complaints about the institution.
10. Following the unregistered employment operation in the scope of the provincial directories.
11. Examining the protocol and acts done by the companies and other institutions which supply medicine, medical stuff and curing products to the insured people whether they have been done according to legal documents; and entitling some people with auditing of people, institution and companies,
12. Running or annulling the acts and the protocols about service purchasing signed with the companies, institutions and persons, on the direction of the related General Directory,
13. Running the processes about the work place medical doctors in the province,

14. Controlling and paying for the medicine, medical properties and ailing stuff which are bought (as import and domestic) by the right holders by themselves in the context of the institutional regulations,

15. Paying the amount of receipt and prescription and controlling the other documents given by public and private institutions to the right holders, who as insured people use health facilities in the context of social security acts signed by Turkey and preparing necessary documents as bills or prescriptions as soon as possible and sending those documents to the center of the social security institution for repayment.

16. Running the kindergartens, daycare and educational and social facilities which are attached to the Directory of the Province.

17. Fulfilling other duties about the social security given by the Chairmanship as related to its responsibilities.<sup>29</sup>

As can be seen, the Provincial Directories of the Social Security has a wide range of duties from crusading towards unrecorded employment to collecting premium; service purchasing to running health facility organs. It has some other duties which couldn't be counted down and as some spontaneous duties. Simply to say, its wide range of duties are stemming from the complex unification that is mentioned in detail above.

### **2.6.2. The Duties, Authorities and Responsibilities of the Provincial Directors**

The highest authorities in the provinces became the Provincial Directors by the new changes and they are given vast authorities. The Provincial Directors had gained a powerful an authority similar to former Regional Directors of the Retirement Fund with their number personnel, wide range of services and strong

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<sup>29</sup> Sosyal Güvenlik Kurumu Taşra Teşkilat Yönetmeliği Taslağı

budgets. In that sense they are one of the most important cells of the state power in the provinces.

The duties, authorities and responsibilities of the Provincial Director according to the Regulation of the Provincial Organization of the Social Security Institution, which is in preparation process, are as below.

#### **2.6.2.1. Duties and Authorities**

1. Providing the duties, which are given to the Provincial Directories by that regulation, in time with supposed quality; and coordinating the Provincial Directory, social security centers, childcare houses and educational and social facilities in that connection,
2. Doing the betterment of work processes and pleasure for people in its duty area evaluating the general picture and taking views from the social security centers as well. Then, developing proposals and sending those to the related units.
3. Having good contacts with people in the provinces in which its entitled; listening the expectations and views of the people and coherently directing the people towards the aims of the institution,
4. Following the performances of the personnel and following policies developing their performances. Rewarding the personnel in its own authority and keeping records about disciplinary actions,
5. Planning the needs of the provincial directory and other attached units for better working satisfying needs and charging the personnel with temporary jobs in the province,
6. Observing and evaluating the coordination and cooperation possibilities with the central organization and other social security provincial directories,
7. Representing the institution in its own provinces and doing coordinated activities together with other public offices and institutions,

8. Setting an effective work environment and having coordinated works with other units in order to sustain a better work environment for the personnel secondary to itself and sustaining work security and health precautions,

9- Being fulfilling all other duties and following the processes which are given and entitled by the Chairmanship.

#### **2.6.2.2. Responsibility;**

1- The Provincial Director is responsible towards the responsible people and the Chairman for using the delegated authorities by the Chairman, abused authorities which he/she himself/herself delegated and fulfillment of the duties according to the regulations and in time.

2- The Provincial Director, as mandatory of payment, is personally responsible towards to the Court of Auditing for money collection processes, together with money collector, accountant, auxiliary of the provincial director, chief and other officials. In case he/she is to be questioned by the Court of Auditing.<sup>30</sup>

#### **2.6.3. The Duties, Authorities and Responsibilities of the Auxiliary Provincial Directors**

The Auxiliary Provincial Directors have been charged with some authorities, duties and responsibilities. As a consequence of unification the directors' work load has substantially been increased. Actually, appointing an auxiliary is one of the classical attitudes of the Turkish administrative structure.

The Provincial Directors, especially in cities like Ankara, İstanbul, İzmir Bursa, have been managing the whole structure as a chief via the auxiliary directors. Now we had better look at the duties, responsibilities and authorities of the auxiliary directors.

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<sup>30</sup> Sosyal Güvenlik Kurumu Taşra Teşkilat Yönetmeliği Taslağı, [www.sgk.gov.tr](http://www.sgk.gov.tr)



### **2.6.3.1. Duties and authorities;**

- 1- Fulfilling the duties and running the processes which are given to itself by that regulation and other legal documents in a desired quality; and in the same course coordinating all other services attached to itself,
- 2- Developing offers about the work processes regarding its area of duty and sharing them with its superior,
- 3- Having well contacts with the citizens in his/her province being aware of their expectations and views and directing the citizens' parallel to the aims of the institution,
- 4- Choosing appropriate educational policies in order to enhance the ability and performance of his/her lower personnel passing those policies approaches to its superior; organizing on-duty education of the personnel and directing them for better ends,
- 5- Taking precautions for its personnel's better performance, rewarding them and keeping their disciplinary records,
- 6- Planning the needs with the coordination of the central organization, for effective work of the Provincial Directory and attached units and supporting the Provincial Director in the same course,
- 7- Having contacts with the central organization and other equal level administrators and following the coordination and cooperation possibilities with them,
- 8- Representing the institution in his/her province and having good contacts with other public officers,
- 9- Supplying his/her superior with the proposals and offers for better work place for the officials under his/her control; keeping his/her work place safe and healthy regarding work security; and trying to sustain an effective work atmosphere,

10- Fulfilling all other duties and responsibilities given by the Provincial Director.<sup>31</sup>

#### **2.6.3.2. Responsibility;**

The Auxiliary Provincial Director, together with other related personnel, is responsible towards the Provincial Director for all the responsibilities, authorities handed over by the Provincial Director. He/she has to handle all the responsibilities and authorities in good will and accorded as in the regulation and timely.

#### **2.6.4. Social Security Centers (SGMs)**

Social Security Centers as representatives of the social security system in their functioning places are the most important provincial organizations after the Provincial Directorates. They are established under certain principles. As the first initiated in the social security system, they are well functioning units as supplying the citizens with very close services in efficient manner from the perspective of their productivity.

In the earlier section we mentioned about the provincial structures of the Social Insurance Institution, Bağkur and the Retirement Fund and their units were discussed. Those former institutions' provincial structures had places mostly in social security centers in the new system. For instance, Bağkur Provincial Directorate in Ankara is named Yenışehir Social Security Center, SII Provincial Directorate is named as Ulucanlar Social Security Center, and the Retirement Fund Office Directorate for Health is named as Bahçelievler ve Beşevler Social Security Center after the reform.

The critical question to be asked here is, the only thing that changed were their names or more came by change. If nothing changed why such a reform was needed. We can reply the question in affirmative sense. Because the social security centers run not only insurance, Bağkur and retirement issues. They are also planned to run, all the issues about the social security issues. For example, Ankara Provincial

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<sup>31</sup> Sosyal Güvenlik Kurumu Taşra Teşkilat Yönetmeliği Taslağı, [www.sgk.gov.tr](http://www.sgk.gov.tr)

Directory Sincan Social Security Center gives SSI e-declaration, e- without debt, registration of employees and insured people, Bağkur insurances, allowance, agricultural Bağkur issues and activation for share holders of the Retirement Fund (for people started to work after 1st January 2008

Since will be examined in the last part we can have look for general establishment criteria and names of that important structure. The Social Security Centers are established by the Executive Board as attached to the Provincial Directories in order to fulfill the duties and responsibilities given to the institution by the law 5510 and other laws.

#### **2.6.4.1. The Social Security Centers from Administrative and Issues and Processes;**

- a) Insurance social security centers,
- b) Health social security centers,
- c) Social security centers for without payments,
- ç) Social security centers for legal issues,

as in four categories.

#### **2.6.4.2. The Principles Followed for the Establishment of the Social Security Centers:**

- a) Insurance social security centers;

1- In Provincial centers where there is the Provincial Directory,

2- In industrial places where the number of insured people is above 5000 and in central work places,

3- In places where the number of the insured people is above 5.000 and in sub-provincial centers in which the population is above 30.000.

b) Health social security centers; in provincial places where the number of people under general health insurance is above 300.000. Besides, if the number of people under general health insurance is above 1.000.000, then, more than one center can be established.

c) Social security centers for without payments; can be established at provinces and sub-provinces.

ç) Social security centers for legal issues; in provinces where the number of suit files and bailiff files number are more than 5.000 in one calendar year.

The establishment, closure, name and category changes of the social security centers are decided by the Executive Board.

If there is more than one social security center in a province or sub-province, then their duty area, borders and activity issues are accorded by the Chairmanship approval upon the proposal of the provincial directory.<sup>32</sup>

The establishment aims of the social security centers in various decisions by the SGK Executive Board are defined as: using the public resources in efficient and effective manner, easy accessible citizen centered service approach, running the services without any interruption due to excess number insured people, geographical difficulties, high number of population in some places, and big number of work places. For those aims, there are 399 social security centers, 39 Health social security centers, 3 Legal social security centers have been opened throughout Turkey.

Examining the current structure it can be seen that among the four types only insurance and health social security centers have been opened. Three legal social security centers opened in Ankara, İstanbul and İzmir beforehand were closed by the decision of the Executive Board on 13th of November 2009 that was declared by

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<sup>32</sup> Sosyal Güvenlik Kurumu Taşra Teşkilat Yönetmeliği Taslağı, [www.sgk.gov.tr](http://www.sgk.gov.tr)

2009/366 numbered institutional decree. A declaration was announced on 28th of May 2009 with the number of 2009/75. It is said: “The aims of the social security centers were about using the resources in efficient and effective manner, preventing rush in social security units, running the services without any interruption, and delivering the services in citizen oriented manner. However, since the legal social security centers were observed as passive sustaining the aim of the centers. The legal social security centers that had been established in three provinces were thought as deteriorating the standardization. Thus the legal social security centers established in Ankara as Kızılay legal social security centers, in İstanbul Boğaziçi legal social security center and in İzmir Bayraklı legal social security center were decided to be closed”.

A similar “The Big Employees Tax Office” which is also known as VIP Employees Tax Office with another example in the Ministry of Finance were tried to install in the structure of the provincial directories after social security reform. In Ankara, İstanbul (one in Anatolian side the other in European side) and in İzmir “The Big Employees Tax Offices” were established by the decision 2009/90 on 26th of February 2009. The employees employ more than 50 insured people have their social security issues run in those places.

In that sense the employees who sustain high amount of employment in their provinces were given a special importance by the reform which was not the case before the reform. Following the premium and collection of the premiums are now an easy case.

The mentioned centers’ places, equipments, personnel and other logistic needs planning for needs, budgeting and application studies and cooperation with other units are all being runned by the Service Supply General Directory.

The social security centers just completed their second years, are on the way to supplying daily needs of the citizens in contemporary and effective way as expressed in 9th five year development plan. Furthermore, they are experiencing a healthy institutionalization process.

The point to be underlined here is the social security centers shouldn't be patronized for political and nepotistic ends. While opening the centers the cost-benefit analysis should be done carefully and the settlement areas should be regarded well.

#### **2.6.5. The Duties, Authorities and Responsibilities of the Center Directors**

The social security centers as the public side of the institution act as capillary vessels. Considering their functions and the number people they serve, the management of the direction of the centers is vitally important. The directors of the centers as head of the institutions have experienced a very successful career. Their efforts and dexterity at the beginning proves that the human factor in social security has a pivotal importance.

As a high official in provincial organization of the institution my observations and evaluation about the directors appointed to the social security centers is as follows: The officials, young, dynamic, industrious and on the reform side who worked in the institution as chiefs are much successful part of the people. Actually, the directors from different units of the institution, with some exceptions, have inadequate energy and suffer from former bureaucratic habits. Thus they have adaptation problems to the new system. The young people, however, as former chiefs and auditors, by the motivate power of being rewarded by a new position in the institution are much willing to shoulder the burdens of the new positions.

After that short explanation about the expected visions and qualities of the directors of the centers now, we can consider the duties, authorities and responsibilities of the center directors.

##### **2.6.5.1. Duties and Authorities;**

1- Fulfilling all the duties as director of center in the context of the regulation and other legal documents. He/she should do the duties in necessary quality and coordinating works of social security center,

2- Paying attention to the betterment of work processes and evaluating views from the units for citizen pleasure, then passing those evaluations to the provincial director,

3- Having well contacts with the citizens in his/her work area, gathering their expectations,

4- Following the performance of the personnel, rewarding them in his/her authority and running the disciplinary acts,

5- Planning the needs for effective work of the center and trying to sustain the needs,

6- Following the possibilities of coordination and cooperation possibilities and evaluating them,

7- Representing the institution in best manner in the working area and having good contacts with other public officials,

8- Setting up an effective work place for the personnel for a better job security and job health and having good contacts with related units,

9- Running all the issues about; human resources, documents and achieves, public relations, goods and service purchase,

10- Running the process of data collection for observation and evaluation,

11- Having responsibility all other similar issues about the social security which are given by the provincial director,

12- The director of center uses all the authorities given by the all legal documents.<sup>33</sup>

#### **2.6.5.2. Responsibility;**

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<sup>33</sup> Sosyal Güvenlik Kurumu Taşra Teşkilat Yönetmeliği Taslağı, [www.sgk.gov.tr](http://www.sgk.gov.tr)

1- The Social Security Center Director, together with other related personnel, is responsible towards the Provincial Director for all the responsibilities, authorities handed over by the Provincial Director and he/she accords the authorities himself/herself handed over. He/she has to handle all the responsibilities and authorities in good will and accorded as in the regulation and timely.

2- The director of the center, as mandator of payment, is personally responsible towards to the Court of Auditing for money collection processes, together with money collector, accountant, auxiliary of the provincial director, chief and other officials. In case he/she is to be questioned by the Court of Auditing

#### **2.6.6. The Services Established Under the Directors of Centers**

The services planned to be established and some others which were already established are mentioned below. A close scrutiny can easily see that the services run by social security institutions before the reform are going to be run by different units in social security centers after the reform.

The services are:

- a) Social security auditing unit,
- b) The unit against unregistered employment,
- c) The insurance register and service unit,
- ç) Work place register and e-insurance unit,
- d) Premium allowance and collection unit,
- e) The unit for bailiff preparation,
- f) Bailiff and sequestration unit,
- g) Bailiff selling unit,



- ğ) Short-run insurance unit,
- h) Insured retirement unit,
- ı) The unit for abroad issues,
- ı) Public official's retirement process unit,
- j) Human resource unit,
- k) Auxiliary service unit,
- l) Public relations and information unit,
- m) Documents and achieve unit,
- n) Data evaluation unit,
- o) Health and payment without premium unit,
- ö) Administrative and financial processes unit.

(2) In the sub-provinces where there is insurance social security center, if there is no social security center and social security center without premium payment, then health and payment without premium unit can be established.

(3) The units mentioned in the 1st item can be established more than one regarding the number of personnel, and acts and activities amount or they can be merged.

(4) The administrative and financial issues unit can be established regarding the number of personnel and acts and activities instead of human resource unit, auxiliary service unit, public relations and information unit, documents and achieve unit.

(5) When they on duty at social security centers the advocates use the duties, authorities and responsibilities which are denoted in the article 12 of that regulation.

In the context of the e-state studies some of the services are computerized, both the employers and the citizens can now follow some processes online.

Many of the processes, however, are done at the centers. The citizens and the employers still must go to the centers and in that way the burden over the centers are still heavy. The activities and issues are run by the units mentioned above like e-declaration, e- without debt, registration of employees and insured people, crusade against the unregistered employment, insurance, auditing, bailiff, sequestration, retirement, temporary disability to work etc.

#### **2.6.7. Other Administrative Duties and Status of the Personnel in Provincial Directories**

There is not position for vice-directors in provincial directories. That position is filled by authorized chiefs. The branch director as a position has not been established either. That position also filled by the personnel who are in the cadres of chief as well.

According to the law 5502 the cadres of provincial director, insurance director, health issues director in the handed over social security institutions have been converted to directory counselor staff.

The provincial structure of the institution has various staff and titles. Provincial directors, auxiliary provincial directors, social security center directors, chiefs, officials, cook, distributor, inspector officials, bailiff officials, medical doctor, dentist, nurse, technician, and other expert staff are all in the cadres of the provincial part of the institution.

The status of the personnel is accorded by the law 657 according to principles in the law of 5502. The point to be underlined here is that as long as there are some continuous and core services given by the social security officials they are subject to, from that perspective, to the law 657. The social security of the personnel on the other hand is going to be sustained by the law 5434, The Retirement of the Turkish Republic.

The personnel, who started their career as officials after October 2008, are subject to the law 5510 article 4/c. All the disciplinary acts and actions of the personnel of the institution are going to be accorded by the laws which accord the other state officials' disciplinary acts and actions.

## **CHAPTER III**

### **THE CASE OF ANKARA IN THE STRUCTURE OF PROVINCIAL ORGANIZATION OF THE SOCIAL SECURITY INSTITUTION**

#### **3.1. Ankara case**

While examining the provincial structure of the Social Security Institution (SGK) it is thought that an explanatory example would be better to talk about the dimensions of the reform. The question to be asked here is “why Ankara is chosen as an example”. First and foremost, Ankara had both provincial and central structure of the former social security institution which was handed over. Secondly, the new institution is placed in Ankara. Last but not least, it is the capital city. Besides, Ankara Social Security Provincial Directory is a successful example and indispensable part of the newly established system.

Ankara had not been so remarkable a place either in Seljukid or in Ottoman period. However, by the establishment of the new republic and being declared as the capital on 13th of October 1923, it experienced fast economic, social, military, cultural developments. Today, it is highly developed in all sectors and the second biggest metropolitan city of Turkey.

Statistically speaking, Ankara, with one hundred thousand employer, two million active and passive insured people, the service bought 4060 pharmacies and several hospitals, dialysis centers, and other health institutions, is a gigantic place. All the social security centers in Ankara have 820.000 records monthly and ten million yearly. All the private and public are served. Now let's see the other properties of Ankara.

#### **3.1.1. Geographical Location**

Ankara is geotropically located in Central Anatolian Region. It is surrounded by Kırşehir, Aksaray, Bilecik, Eskişehir, Çankırı, Bolu and Konya. Ankara is between different climatic and topographic places. On one side Konya and Aksaray with vast plains and Bolu and Çankırı on the other side with mountains and forests.

### 3.1.2. Demographic Structure

Ankara with the population of 404.581 in 1927 was a moderately big city. However, it grew ten times in last 73 years and has population of 4.007.860 in 2000 and it rose to 4.466.756 in 2007. The average rate of population increase was 34.7 between 1927-1935. That rate dropped to 21.37 1990-2000. Its share in the general population was 3.3% in 1927. The percentage rose to 6 and 6.33 in 2000 and 2007 respectively. Population mass was about 16 in 1927 and 163 in 2000 and 182 in 2007. In 2008 the rate was estimated as 163.

The average household scale is in the trend of decline. It was 7 in 1955 and dramatically dropped to 3.8 in 2000. The percentage of Ankara born people in the population was 80% in 1935 but it dropped to 53% in 2000.<sup>34</sup>

**Table 3.1. Urban and Rural Population According To the General Censuses**

URBAN AND RURAL POPULATION ACCORDING TO THE GENERAL CENSUSES										
Population	1990	%	1997*	%	2000	%	2007**	%	2008**	%
Village	399.576	12,3	400.283	11,0	467.338	11,7	325.866	7,3	150.051	3,3
City	2.836.802	87,7	3.231.329	89,0	3.540.522	88,3	4.140.890	92,7	4.395.888	96,7
<b>Total</b>	<b>3.236.378</b>	<b>100,0</b>	<b>3.631.612</b>	<b>100,0</b>	<b>4.007.860</b>	<b>100,0</b>	<b>4.466.756</b>	<b>100,0</b>	<b>4.548.939</b>	<b>100,0</b>

\*1997 population is for residence.

\*\*According to Address Based Census.

<sup>34</sup> Sosyal Güvenlik Kurumu Ankara İl Müdürlüğü 2009 Yılı Faaliyet Raporu

**Table 3.2. The Population Of Ankara Subprovinces According To Censuses**

<b>THE POPULATION OF ANKARA SUBPROVINCES ACCORDING TO CENSUSES</b>						
<b>Name of subprovince</b>	<b>1990*</b>	<b>2000*</b>	<b>2007**</b>	<b>2008**</b>	<b>Difference</b> (between 2007 and 2008)	<b>Change(%)</b>
<b>Akyurt</b>	12.507	18.907	23.354	24.312	958	4,10%
<b>Altındağ</b>	422.668	407.101	370.735	367.735	-36.366	-0,81%
<b>Ayaş</b>	20.806	21.239	13.159	9.554	-8.080	-27,40%
<b>Bala</b>	39.057	39.714	23.505	12.345	-16.209	-47,48%
<b>Beypazarı</b>	45.977	51.841	46.884	34.319	-4.957	-26,80%
<b>Çamlıdere</b>	19.365	15.339	9.329	4.589	-6.010	-50,81%
<b>Çankaya</b>	714.330	769.331	792.189	785.330	22.858	-0,87%
<b>Çubuk</b>	52.041	75.119	83.826	74.507	8.707	-11,12%
<b>Elmadağ</b>	38.032	43.374	48.013	41.238	4.639	-14,11%
<b>Etimesgut</b>	70.800	171.293	289.601	313.770	118.308	8,35%
<b>Evren</b>	6.928	6.167	4.027	2.980	-2.140	-26,00%
<b>Gölbaşı</b>	43.522	62.602	73.670	82.968	11.068	12,62%
<b>Güdül</b>	18.698	20.938	10.676	10.075	-10.262	-5,63%
<b>Haymana</b>	55.527	54.087	39.310	40.537	-14.777	3,12%
<b>Kalecik</b>	22.989	24.738	17.007	10.318	-7.731	-39,33%
<b>Kazan</b>	22.714	29.692	36.147	36.741	6.455	1,64%
<b>Keçiören</b>	536.051	672.817	843.535	779.905	170.718	-7,54%
<b>Kızılcahamam</b>	34.008	33.623	25.288	16.767	-8.335	-33,70%
<b>Mamak</b>	410.359	430.606	503.663	520.446	73.057	3,33%
<b>Nallıhan</b>	36.779	40.677	31.768	12.630	-8.909	-60,24%
<b>Polatlı</b>	99.965	116.400	118.454	89.024	2.054	-24,85%
<b>Sincan</b>	101.118	289.783	413.030	434.064	123.247	5,09%
<b>Şereflikoçhisar</b>	60.701	59.128	34.808	27.602	-24.320	-20,70%
<b>Yenimahalle</b>	351.436	553.344	614.778	609.887	61.434	-0,80%
<b>Toplam***</b>	<b>3.236.378</b>	<b>4.007.860</b>	<b>4.466.756</b>	<b>4.548.939</b>	<b>458.896</b>	1,84%

Source: Turkish Statistical Institution

\*According to General Census.

\*\*Address Based Census

\*\*\*The provinces newly added to the population of province.

**Table 3.3. Distribution of City And Village Population By Gender**

<b>DISTRIBUTION OF CITY AND VILLAGE POPULATION BY GENDER</b>			
	<b>Total</b>	<b>Male</b>	<b>Female</b>
<b>City</b>	4 395 888	2 192 094	2 203 794
<b>Village</b>	150 051	75 685	77 366
<b>Total</b>	4 548 939	2 267 779	2 281 160

**Source:** Turkish Statistical Institution

\* According to Address Based Census

### **3.1.3. Industrial Sector Base**

ISO conducted a research among the biggest 500 firms of Turkey. Ankara has 36 firms, registered to Ankara Chamber of Industry, among the biggest of Turkey in 1994. Except one (it is not declared); 10 of the biggest firms are belonging to public and remaining 25 are belonging to private sector. Ankara Chamber of Industry on the other hand supports the organized industrial regions and works to that end.

In the context of those works first organized industrial region was opened in 1990. The second one had its infrastructure prepared. Industrial sectors in Ankara are mainly clustered around the petroleum and chemical sectors. However, other some developed sectors are present as well in Ankara.<sup>35</sup>

**Source:** Sosyal Güvenlik Kurumu Ankara İl Müdürlüğü 2009 Yılı Faaliyet Raporu

<sup>35</sup> Sosyal Güvenlik Kurumu Ankara İl Müdürlüğü 2009 Yılı Faaliyet Raporu

### 3.1.4. The Number of Workplaces and Sectoral Structure

According to the law 5510 Social Insurance and General Health Insurance the people who were subject to Social Insurance Institution are now considered in the article 4/a the people who were subject to Bağkur are now considered in the article 4/b and the people who were subject to Retirement Fund are now considered in article4/c. Thus, the article used in table below is the articles of 5510.

**Table 3.4. The Number Workplaces by March 2009 (4/A)**

<b>The Number Workplaces by March 2009 (4/a)</b>					
Number Of Work Places					
	Permanent	Seasonal	Public	Private	Total
<b>ANKARA</b>	<b>84.911</b>	<b>11.463</b>	<b>1.867</b>	<b>94.507</b>	<b>96.374</b>
<b>TURKEY TOTAL</b>	<b>1.007.573</b>	<b>139.585</b>	<b>30.699</b>	<b>1.116.459</b>	<b>1.147.158</b>
<b>PERCENTAGE</b>	<b>8,43%</b>	<b>8,21%</b>	<b>6,08%</b>	<b>8,46%</b>	<b>8,40%</b>

**Source:** Sosyal Güvenlik Kurumu Ankara İl Müdürlüğü 2009 Yılı Faaliyet Raporu

### 3.1.5. The Number of Insured People

The number of employed people in Ankara mostly composed of former SII registered people (4/a). The point to be attended most is the number of officials (4/c) mostly employed in Ankara with the number 358.527.

**Table 3.5. Actively Insured People (2009 April)**



<b>Actively Insured People (2009 April)</b>					
<b>Actively Insured</b>	<b>4/a</b>	<b>4/b</b>		<b>4/c</b>	<b>TOTAL</b>
	<b>(SII)</b>	<b>1479</b>	<b>2926</b>	<b>(Retirement Fund)</b>	
		<b>(Bağ- Kur )</b>	<b>( Agriculture Bağ-kur)</b>		
	<b>802.980</b>	<b>135.044</b>	<b>31.060</b>	<b>358.527</b>	<b>1.327.611</b>
<b>Percentage</b>	<b>60,48%</b>	<b>12,51%</b>		<b>27,01%</b>	<b>100,00%</b>

**Source:** Sosyal Güvenlik Kurumu Ankara İl Müdürlüğü 2009 Yılı Faaliyet Raporu

To illustrate the employed people in Ankara in a diagram as worker, official member of Bağkur and Agricultural Bağkur:<sup>36</sup>

In the previous title I focused on the criteria about the opening of the social security centers. One of those criteria was about establishing SSC (Social Security Centers) in sub-provinces with population 30.000 or with the number of 5.000 insured people. From the perspective of those criteria the table below gives us an idea of the sub-provinces in which the SSCs can be established. I will examine the sub-provinces with SSC in the following title.

**Table: 3.6. The Number of Workplaces By April 2009**

<b>SUB-PROVINCES</b>	<b>THE NUMBER OF WORKPLACES BY APRIL 2009 ( 4/a ) ACTIVELY</b>
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<sup>36</sup> Sosyal Güvenlik Kurumu Ankara İl Müdürlüğü 2009 Yılı Faaliyet Raporu

	APRIL 2009	INSURED PEOPLE
<b>ALTINDAĞ</b>	<b>14.446</b>	<b>107.209</b>
<b>AYAŞ</b>	<b>173</b>	<b>1.533</b>
<b>BALA</b>	<b>155</b>	<b>1.431</b>
<b>BEYPAZARI</b>	<b>633</b>	<b>3.165</b>
<b>ÇAMLIDERE</b>	<b>130</b>	<b>762</b>
<b>ÇANKAYA</b>	<b>39.880</b>	<b>344.047</b>
<b>ÇUBUK</b>	<b>991</b>	<b>14.126</b>
<b>ELÇİLİKLER</b>	<b>38</b>	<b>762</b>
<b>ELMADAĞ</b>	<b>607</b>	<b>7.617</b>
<b>EVREN</b>	<b>6</b>	<b>19</b>
<b>GÜDÜL</b>	<b>132</b>	<b>681</b>
<b>HAYMANA</b>	<b>157</b>	<b>957</b>
<b>KALECİK</b>	<b>132</b>	<b>2.230</b>
<b>KIZILCAHAMAM</b>	<b>284</b>	<b>2.230</b>
<b>NALLIHAN- ÇAYIRHAN</b>	<b>320</b>	<b>4.368</b>
<b>POLATLI</b>	<b>1.761</b>	<b>12.340</b>
<b>ŞEREFLİKOÇHİSAR</b>	<b>353</b>	<b>1.894</b>
<b>YENİMAHALLE</b>	<b>16.681</b>	<b>138.505</b>
<b>GÖLBAŞI</b>	<b>1.459</b>	<b>17.390</b>
<b>KEÇİÖREN</b>	<b>6.809</b>	<b>42.393</b>
<b>MAMAK</b>	<b>3.281</b>	<b>16.657</b>
<b>SİNCAN</b>	<b>4.036</b>	<b>35.163</b>
<b>KAZAN</b>	<b>917</b>	<b>11.205</b>
<b>AKYURT</b>	<b>404</b>	<b>9.204</b>
<b>ETİMESGUT</b>	<b>3.968</b>	<b>27.009</b>

<b>BİLİNMEYEN İLÇE</b>	<b>19</b>	<b>83</b>
<b>TOPLAM</b>	<b>97.772</b>	<b>802.980</b>

**Source:** Sosyal Güvenlik Kurumu Ankara İl Müdürlüğü 2009 Yılı Faaliyet Raporu

Even though it is the capital city the sub-provinces of Ankara, out of the center provinces, live mostly on agriculture. For that reason, the center sub-provinces have large number of compulsory insured people registered as tax payers and chamber enrollment. The sub-provinces out of center have Bağkur insured people due to agricultural activities.

**Table 3.7. The Number of Insured People By Sub-Provinces (4/B)**

<b>THE NUMBER OF INSURED PEOPLE BY SUB-PROVINCES (4/b)</b>			
<b>SUB-PROVINCES</b>	<b>ACTIVELY INSURED PEOPLE BY APRIL 2009 (4/b ) (BAĞ-KUR ) <u>1479</u></b>  <b>(Compulsory Insurance, Insurance by Will, District Administrators (Muhtar)</b>	<b>ACTIVELY INSURED PEOPLE BY APRIL 2009 (4/b) (BAĞ-KUR )</b>  <b><u>2926 Agricultural Insurance</u></b>	<b>ACTIVELY INSURED PEOPLE BY APRIL 2009 TOTAL (BAĞ-KUR )</b>
<b>ALTINDAĞ</b>	<b>38843</b>	<b>750</b>	<b>39593</b>
<b>AYAŞ</b>	<b>817</b>	<b>873</b>	<b>1690</b>
<b>BALA</b>	<b>2000</b>	<b>3750</b>	<b>5750</b>
<b>BEYPAZARI</b>	<b>2981</b>	<b>3168</b>	<b>6149</b>
<b>ÇAMLIDERE</b>	<b>750</b>	<b>652</b>	<b>1402</b>
<b>OSTİM-YENİMAHALLE</b>	<b>8810</b>	<b>655</b>	<b>9465</b>
<b>ÇANKAYA</b>	<b>12143</b>	<b>546</b>	<b>12689</b>
<b>ÇUBUK</b>	<b>3600</b>	<b>3700</b>	<b>7300</b>
<b>GÜDÜL</b>	<b>562</b>	<b>857</b>	<b>1419</b>
<b>ELMADAĞ</b>	<b>2000</b>	<b>750</b>	<b>2750</b>
<b>SİTELER-MAMAK</b>	<b>7230</b>	<b>0</b>	<b>7230</b>
<b>HAYMANA</b>	<b>2250</b>	<b>5500</b>	<b>7750</b>
<b>KIZILCAHAMAM</b>	<b>2449</b>	<b>1088</b>	<b>3537</b>
<b>NALLIHAN-ÇAYIRHAN</b>	<b>1464</b>	<b>1735</b>	<b>3199</b>
<b>POLATLI</b>	<b>12282</b>	<b>0</b>	<b>12282</b>

<b>ŞEREFLİKOÇHİSAR- EVREN</b>	<b>5868</b>	<b>3464</b>	<b>9332</b>
<b>GÖLBAŞI</b>	<b>2942</b>	<b>1752</b>	<b>4694</b>
<b>KEÇİÖREN</b>	<b>4978</b>	<b>250</b>	<b>5228</b>
<b>SİNCAN</b>	<b>11000</b>	<b>650</b>	<b>11650</b>
<b>KAZAN</b>	<b>2825</b>	<b>850</b>	<b>3675</b>
<b>PURSAKLAR- AKYURT-KALECİK</b>	<b>4900</b>		<b>4900</b>
<b>ETİMESGUT</b>	<b>4350</b>	<b>70</b>	<b>4420</b>
<b>GENEL TOPLAM</b>	<b>135044</b>	<b>31060</b>	<b>166104</b>

**Source:** Sosyal Güvenlik Kurumu Ankara İl Müdürlüğü 2009 Yılı Faaliyet Raporu

### **3.1.6. Wage and Salary Earners**

To see the number of retire people from the former SII Bağkur and Retirement Fund (4/a, 4/b, 4/c).<sup>37</sup>

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<sup>37</sup> Sosyal Güvenlik Kurumu Ankara İl Müdürlüğü 2009 Yılı Faaliyet Raporu

**Tablo: 3.8. The Number of Passively Insured People By January 2009**

THE NUMBER OF PASSIVELY INSURED PEOPLE BY JANUARY 2009									
PASSIVELY INSURED PEOPLE (Wage earners)	4/a (SII)		Toplam	4/b (BAĞ-KUR)		Toplam	4/c (RET. FND)	GRAND TOTAL	
	506	2925		1479	2926				
The total number of people with income and wage File	316.544	376	316.920	94.802	13.267	108.069	248.230	673.219	
The total number of people with income and wage Person	338.313	411	338.724	101.048	14.061	115.109	267.103	720.936	
Disability	4.388	12	-	710	49	-	3.346	8.505	
Old age	240.077	297	-	69.479	9.461	-	188.873	508.187	
Wage earners over died people (Right holders)	87.514	102	-	30.859	4.551	-	74.193	197.219	
Wage earners over died people (File)	67.115	67	-	24.613	3.757	-	55.320	150.872	
Permanent Disability Income Holders	2.541	-	-	-	-	-	-	2.541	
Income holders over dead people (Right holders)	3.793	-	-	-	-	-	-	3.793	
Income holders over dead people (File )	2.423	-	-	-	-	-	-	2.423	
Disability at work	-	-	-	-	-	-	691	691	
People called as Vataniler	-	-	-	-	-	-	3.809	3.809	

**Source:** Sosyal Güvenlik Kurumu Ankara İl Müdürlüğü 2009 Yılı Faaliyet Raporu

The collection of the premium for Ankara, from the point of former member of SII people was fulfilled by only Ulucanlar and Dışkapı (new name is Rüzgarlı) social security centers by the year 2009 the other SSCs as well started to collect premiums. The considered collections are mostly done by the banks and the rate of

the collections drastically dropped during the hearsays about cancellation of the debts and economic crisis.

**Tablo: 3.9. The Rates of Accrue and Collection**

	Accrue	Collection	RATE
<b>ULUCANLAR SSC</b>	1.796.914.857,92	1.392.372.852,05	77,49%
<b>DIŞKAPI SSC</b>	1.603.678.749,50	1.350.027.349,71	84,18%
<b>TOTAL</b>	<b>3.400.593.607,42</b>	<b>2.742.400.201,76</b>	<b>80,64%</b>

**Source:** Sosyal Güvenlik Kurumu Ankara İl Müdürlüğü 2009 Yılı Faaliyet Raporu

### 3.1.7. Statistical Data of the Year 2009

According to provincial directory of Ankara social security 2009 activity report: Ankara has **1.356.991** actively insured people and 673.219 passively insured people with income and wage and over file. Active /passive rate is **2,02**.

Actively insured people at Social Security Institution and passively insured people over file are **15.293.784** and **8.060.923** respectively. Provincial directory of Ankara social security's active and total file based insured people's and actively and total file based insured's rate to the total number of insured people at the same type are **%8,87** and **%8,35** respectively.

At the end of the year the number of actively insured people's rate to the total population **4.548.939** in 2008 was, by December, **29.83%** ,the number of passively insured people and people insured over file in the same time frequency was **14.79%**.

The number of people in the context of the social security in general in Ankara was 4.079.240 (%89,67) (including green card). Of those;

- 1.356.991 (**%29,83**) actively insured,
- 720.936 (**%15,85**) passively (wage/income) insured,
- 1.848.449 (**%40,63**) people who must be looked after,
- 152.864 (**%3,36**) green card holders,
- 496.699 (**%10,91**) out of social security.

According to the law numbered 2022, **34.220** people get old age, disability, in validness and below 18 year old in validness. The number of green card holders are **152.864**.

The total active workplace number (in the context of 4/a) is **98.590** and it composes **%8,41** of the general of Turkey (**1.717.810 workplace**). Of the present workplaces, **1.826** belong to public and **96.202** belong to private businesses.

The workplaces in Ankara(in the context of 4/a);

- **85.344** are permanent,
- 12.684** are seasonal workplaces.

The number of compulsory insured people (in the context of 4/a);

- **581.707** permanent insurance,
- **167.444** seasonal insurance,



- **72.242** insured people at public workplace,
- **676.909** insured people at private workplace,
- **175.936** insured women,
- **573.215** insured men.

The number of registered workplace by Ankara provincial directory is 2166 and the number of the files dismissed from the scope of the law is 197.

There are **114.729** workplaces with debt to the provincial directory and the number of the files in bailiff is **88.613**. Total amount of the debt to be collected is **438.696.717.TL** and **407** files are in bailiff but they were to be paid by installments.

The number of active workplaces attached to provincial directory (in 4/a context);

- 750** workplaces with the number workers between **100** to **499**,
- 50** workplaces with the number workers between **500** to **999**,
- 28** workplaces with the number workers over **1000**.

The number of active workers in workplaces attached to provincial directory (in 4/a context);

- 142.193** workers in workplaces with the number of workers between **100** to **499**,
- 31.911** workers in workplaces with the number of workers between **500** to **999**,
- 42.787** workers in workplaces with the number of workers over **1000**.

Ankara provincial directory has payments at regional level. The region considered here is composed of Bolu, Çankırı, Kırıkkale, Kastamonu, Diyarbakır, Van, Hakkari, Siirt, Şırnak, Elazığ, Bitlis, Bingöl, Mardin and Batman provinces

health service suppliers. The bills sent by those provinces are examined and paid by the Ankara provincial directory.

The total health service suppliers in Ankara region invoiced 4.169.952.234,56 TL to the institution. The monthly payment is about 347.496.019,51 TL dir.

The number of health service suppliers which sent invoice to the institution in Ankara region are;

**Table: 3.10. Ankara and Attached Provinces**

<b>ANKARA AND ATTACHED PROVINCES (Bolu,Çankırı, Kırıkkale, Kastamonu, Diyarbakır, Van, Hakkari,Siirt,Şırnak,Elazığ,Bitlis,Bingöl,Mardin.Batman)</b>	
<b>TOTAL NUMBER OF HEALTH INSTUTION</b>	
PEE,MUNICIPALITY AND MINISTRY 2. DEGREE HEALTH INSTUTIONS	1
MINISTRY OF HEALTH 2. DEGREE HEALTH INSTUTIONS	133
MINISTRY OF HEALTH 3. DEGREE HEALTH INSTUTIONS	16
PRIVATE -2. DEGREE HEALTH INSTUTIONS	350
UNIVERSITY HEALTH INSTUTIONS	14
<b>TOTAL</b>	<b>514</b>

**Source:** Sosyal Güvenlik Kurumu Ankara İl Müdürlüğü 2009 Yılı Faaliyet Raporu

The total amount of money paid to the universities over invoices is 199.575.190,80 TL.

The amount paid to the hospitals as 21% public 2. degree, 24% public 3.degree, 32% private 2.degree and 23% university health institutions.

Monthly average number of the patients is 2.721.979.

The total ADNK population in Ankara and attached provinces is 11.369.151 and the 59 % of that population, 6.746.328 people are in social security and get health service over Medula system (except green card holders, actively

employed people in Retirement Fund system and people who must be looked after).

The people in Medula system got 6 times que number per person in 2008.

The number of patients at the hospitals are; as 35% at public 2. degree, 20 % as public 3. degree 35% as private 2. degree and 10 % as university health institutions.

The total of the invoices paid to the hospitals as for simple cure without bed; 26% public 2. degree, 21% public 3. degree, 35% private 2. degree, and 17 % university health institutions.

The total of the invoices paid to the hospitals as for curing at bed; 14% public 2. degree, 25% public 3. degree, 29% private 2. degree, and 32 % university health institutions.

The total number monthly patients as for cured without bed; 37% public 2. degree, 19% public 3. degree, 35% private 2. degree and 9% university health institutions.

The total number monthly patients as for cured at bed; 26 % public 2. degree, 22% public 3. degree 30% private 2. degree and 22% university health institutions.

The number of pharmacies signed acts in Ankara region is cumulatively 2.701 and 2.364 are active and 337 are passive.

The monthly amount of the prescriptions as invoiced to the institution is 140.460.381,39 TL, and the number of monthly prescriptions is 3.064.928.

The total ADK population in Ankara and the attached provinces is 5.770.248 in 2007 and 76% of the population, 4.387.341, is in social security context (except green card holders, actively employed people in Retirement Fund system and people who must be looked after) and they send prescriptions to the institution from the pharmacies over the Pharmacy Provision System.

The rate of the population that send prescription to the institution in Ankara region to the total population over the Pharmacy Provision System in 2008 is 8,38.

The monetary amount over the prescriptions is of 1% blood products, of 41% B group prescriptions and of 58% A group prescriptions.

The number of prescriptions as accepted to the institution over the pharmacies are; of 88% B group, of 12% A group and of 0% is blood products.

The number of optical institutions that sent prescriptions to the institution are 484 in number.

The total amount of invoice paid to the optical institutions is 2.442.201,58 TL monthly.

The total amount of money paid to the imported medicines in 2008 is 34.436.150, 65 TL and its monthly average is about 2.869.679, 22 TL.

The invoice paid to the real persons in total is about 2.798.561, 6 TL.

The payment for short run health insurance branch in 2008 (work accidents, job illnesses, illness, maternity, birth and feeding baby) was about 37.830.456,52 TL to 101.759 number of insured people.<sup>38</sup>

### **3.2. The Development of Ankara Provincial Directory and Its Administrative Structure**

By the law 5502, Social Security Institution Law, which is the establishment law of SGK and it was accepted on 20 May 2006 with the number 26173 in the official gazette, the provincial structure of the institution was established. The Provincial Directory of Ankara Social Security established in that context, is one the

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<sup>38</sup> Sosyal Güvenlik Kurumu Ankara İl Müdürlüğü 2009 Yılı Faaliyet Raporu

most important institution regarding its position mentioned above. As other provincial directories Ankara directory's main service units are also composed of social security centers. The centers are coordinated by provincial directory.

The main units which were handed over to SGK Provincial Directory of Ankara after the reform are as follows:

The units which were attached to Social Insurance Institution (handed over);

Ankara Provincial Insurance Directory,

Ankara Insurance Directory,

Old age Insurance Directory,

Purchasing Insurance Directory,

Law Issues Insurance Directory.

The units which were attached to Social Insurance Institution Health Issues General Directory;

Ankara Health Issues Provincial Directory,

The units attached to the General Directory of Bağkur(handed over);

Bağ-Kur Ankara Provincial Directory,

The units attached to The General Directory of the Retirement Fund (handed over);

By being handed over the Health Issues Head Office over became one of the biggest organs of the Social Security Institution.

The directories before the unification and units after the unification are summarized in the graph below.

The decisions by the Executive Board of the institution taken on 23 May with the number 2008/155, 12 June 2008 with the number 2008/191 and on 19 December 2008 with the number of 2008/495, 21 social security center, 4 health social security center and 1 law social security center were established as attached to the Ankara Provincial Directory. However, as discussed over, law social security center was closed down by the decision of the Executive Board of the institution.

The abovementioned directories that made the structure before the reform turned to the social security centers by the reform are as follows:

Ankara Provincial Insurance Directory

Ankara Insurance Directory, The Dışkapı Social Security Center (later the Rüzgarlı Social Security Center),

Old Age Insurance Directory, Sıhhiye Insurance Directory Sıhhiye Social Security Center

Law Issues Insurance Directory, Kızılay Law Issues Social Security Center (later Law Unit),

Bağ-Kur Ankara Provincial Directory, Yenişehir Social Security Center.

The Units of SSK Ankara Health Issues Directory (handed over) are named as;

The unit at Ankara Konur Sokak, as, Kocatepe Health Issues Social Security Center,

The service unit at Kavaklıdere, as, Kavaklıdere Health Social Security Center,

The service unit at Bahçelievler, as, Bahçelievler Health Social Security Center.

The health service head office of GSS General Directory Müdürlüğü at Beşevler was turned to Beşevler Health Social Security Center.

The former Ostim Payment Unit, which was the prototype of social security centers, was serving to all Social Insurance Institution, Bağkur, Turkish Labour

Institution, Labour Health and Work Security; Labour Security General Directory had all been merged into a single unit in Ostim again as Ostim Social Security Center.

Ankara Social Security Provincial Institution has; 25 insurance social security centers. Four of them composed of by handing the former institutions over and 16 of them were created newly. Two of them had been converted from SSK Health Issues Provincial Directory and Retirement Fund Provincial Directory and another two of them were created newly.

### 3.2.1. The Personnel Case

According to Ankara Provincial Social Security Directory data the number of the personnel is about 2504 in total at provincial centers and social security centers.

**Table 3.11. Personnel According to Positions**

Provincial Directory	Present Cadre			On Duty			Service Purchasing		
	Officier	Personnel with Act	Worker	Officier	Personnel with Act	Worker	Cleaning	Security	Driver
Provincial Directory	2144	51	8	84	0	1	19	8	8
Social Security Centers	0	0	0	2060	51	8	161	96	9
Total	2504								

**Table 3.12. Personnel According to Education**

Educational Position	Total
Primary School	26
Secondary Education	121
High School	445
Vocational School	218
Pre-University(2 Years)	244
Pre-University (3 Years)	6
University (4 Years)	1031
University (5 Years)	12
University (6 Years)	93
Graduate and PhD.	7
Total	2203

The number of total personnel at the Ankara Provincial Social Security Center according to gender is as follows;

**Table 3.13. Personnel According to Gender**

According to Gender	
Women	953
Men	1.250
Total	2.203

The numbers of personnel working at Ankara Social Security Provincial Directory according to title are as follows.<sup>39</sup>

<sup>39</sup> Sosyal Güvenlik Kurumu Ankara İl Müdürlüğü 2009 Yılı Faaliyet Raporu



**Table 3.14. Personnel According to Title**

TITLE	NUMBER OF PERSONNEL	TITLE	NUMBER OF PERSONNEL
SOCIAL SECURITY PROVINCIAL DIRECTOR	1	V.H.K.İ	648
SOCIAL SECURITY AUXILIARY PROVINCIAL DIRECTOR	6	OFFICER	430
SOCIAL SECURITY CENTER DIRECTOR	24	HEALTH TECHNICIAN	3
INSURANCE AUXILIARY DIRECTOR (upon person)	7	HEALTH TECHNICIAN (UPON ACT)	19
INSURANCE AUXILIARY DIRECTOR OF PROVINCE (upon person)	8	HEALTH TECHNICIAN	3
BRANCH DIRECTOR	21	HEALTH TECHNICIAN (UPON ACT)	2
DIRECTORY COUNSELLOR	77	TECHNICIAN	6
SOCIAL SECURITY CONTROL OFFICER	54	TECHNICIAN	22
EXPERT MEDICAL DOCTOR	30	AUXILIARY TECHNICIAN	5
DOCTOR	66	BIOLOGIST	6
OFFICE DOCTOR	1	BIOLOGIST (UPON ACT)	16
OFFICE DOCTOR (UPON ACT)	0	CHILD DEVELOPMENT EXPERT	1
DENTIST	12	WORKER FOR CENTRAL HEATING	1
ADVOCAT	49	SECURITY GUARD	0

PHARMACIST	187	SECURITY GUARD CHIEF	1
NURSE	25	SOCIAL WORKER	0
NURSE (UPON ACT)	2	RECEPTIONIST	0
ENGINEER	8	PAY OFFICE CASHIER	0
CHIEF	183	LABORANT	4
PROGRAMMER	1	CLERK	152
ACCOUNTANT	5	DISTRIBUTOR	13
RESEARCHER	6	COOK	3
APK EXPERT	1	WATCHMAN	17
EXPERT	11	WORKER	8
LABORANT	0		
BAILIFF OFFICER	57		
EBE (HEALTH PERSONNEL UNDER NURSE)	1		
TOTAL			2203

**Table 3.15. The Number of Personnel According to Provincial Directory and Social Security Center**

<b>CENTER</b>	<b>NUMBER OF PERSONNEL</b>
Ankara Social Security Directory	84
Ostim Social Security Directory	37
Ulucanlar Social Security Directory	265
Bahçelievler Health Social Security Directory	159
Rüzgarlı Social Security Directory	267
Ulus Sosyal Güvenlik Merkezi	55
Sıhhiye Social Security Directory	222
Yenişehir Social Security Directory	127
Kocatepe Health Social Security Directory	252
Kavaklıdere Health Social Security Directory	240
Sincan Social Security Directory	42
Şereflikoçhisar Social Security Directory	5
Beypazarı Social Security Directory	9
Kızılcahamam Social Security Directory	6
Kazan Social Security Directory	11
Çubuk Social Security Directory	17
Polatlı Social Security Directory	9
Siteler Social Security Directory	26
Beşevler Health Social Security Directory	129
Etimesgut Social Security Directory	13
Pursaklar Social Security Directory	11
Haymana Social Security Directory	1
Elmadağ Social Security Directory	1
Gölbaşı Social Security Directory	1

Mamak Social Security Directory	1
Accountant Unit	29
Etlik Archieve Unit	12
Law Unit	95
Directory Counsellor	77
TOTAL	2203

### 3.2.2. The Position of Ankara Provincial Directory

Examining Ankara Social Security Provincial Directory it can be seen that; Ankara even though its the capital with heavy bureaucratic relations and with many high level state officials, the citizens can easily access to the directory and raise their complaints and demands. Besides, the personnel at the center can get in touch with the politicians in easy manner.

Ankara Provincial Directory; both having excess number of insured people in between the borders of provincial directory and again having high number of public officials in the province, serves great number of people.

Almost with equal number of personnel to that of some general directories (for instance the number of personnel at Turkish Labour Institution is about 3000) the service delivered is really a remarkable issue. The use of that high number of personnel is alone a matter of administration.

Almost all other public offices and institutions deliver services to a definite number of people. However since SSI deliver services to all people, the acts and activities handled are really diversified and complicated. To explain it with an example; the Ministry of Finance, as one of the oldest growing institution of Turkey, can not collect tax from citizens and institutions in fully fledged manner, besides it is not expected to collect tax in perfect manner. However SSI, provincial directories, as composing provincial structure, are expected to serve in very wide area in order to collect insurance premiums from public offices, public institutions, citizens and

firms. They also deliver some many other services as well. Those services mainly are:

- Giving the document of “without debt” to the firms which are about to participate in adjudication,
- Temporary payment for disability of work (for workers or craftsmen who are ill),
- Doing health activation issues (handling the issues after the removal of health record books),
- Paying temporary and permanent out of work document to the workers who suffered from work accident and paying for cure,
- Bağkur insurance issues,
- E-declaration and registry issues,
- Old-age pension issues,
- Paying for health expenses to individuals and firms,
- Paying to hospitals, pharmacies, branch centers and individuals for medical and optical expenses and examining the bills form those institutions,
- Replying the “no record” applications of the citizens,
- Doing the main issues about KEY payments,
- Auditing about; fictitious marriages, out of record employments, examining complaints and denunciations,
- Following the work suits as long as SSI is the legal opponent,
- Organizing educational workshops, conferences and similar meetings in order to raise the awareness in society about social security.

Ali Pekten, a remarkable figure in social security reform especially regarding his studies about building institutional identity, establishing 10 social security centers and institutionalizing the administrative structure after the reform, has explained the social security reform with the following evaluations in personal interview with him on 24th of September 2010.

Pekten explained that; “The institution has matured its structure to certain extent. It is responsible for all individuals for raising the welfare to the highest possible

degree, improving the life standards of all people, developing awareness about social security and making all works accepted by the whole society.

For Pekten, some studies have been done for institutionalization of the social security in the last years after the reform. The provincial organization have also been improved in the same manner as parallel to the central organization. Such similar studies are to be made in the following years.

Another novelty done is about reducing and removing some obstacles in bureaucratic formalities. In order to remove such informalities, doing some useful applications for public good, reducing the costs of bureaucracy to contribute positively to economy and crusading against out of record employment, the institution has initiated some new studies such as working over the least trivial documents etc.

The self-sacrificed work of the personnel has been the base for those novelties. Here, the personnel at all level worked very diligently in order to reach the goals we aimed. Our units have been experiencing very big changes and the working atmosphere is getting much lively.

Even the remotest branch of the institution is comfortable like a bank branch. The point that we achieved is welcomed both by us and our fellow citizens. The result was not so easy to reach. However, the works will not stop and go further with the possible highest speed.

Almost 100 thousand employees, two million active and passive insured people are served in the borders of Ankara. The pharmacies 4060 in number, the hospitals, dialysis centers and other health service serve to the citizens. All the social security centers issue 820 thousand processes monthly and 10 million yearly. Regarding the number and diversity of the services the citizens are given really standard services in clean places with the highest possible technology.”

## CONCLUSION

The Social Security Reform, accorded by Ak Parti government, is a remarkable activity. The social security system has been revised many times during the republican era. However, the last one is qualitatively different than the previous one paying attention to its philosophy especially from the point of equality and single retirement regime efforts.

The warnings with their pros and cons before the reform by academics and bureaucrats were all taken into account. Since the idea of conjoining three social security institutions SSK, Bağkur and Retirement Fund, was shared by the public opinion and criticisms were gathered from all sides. Those criticism became major cornerstones during the reform.

As a matter of fact, there was a huge risk to be handled by the political power. However, that risk when compared to its possible negative ramifications in the future was too small since the social security systems were alarming in Turkey.

Though some of the articles of the reform were annulled by the constitutional court and the law of Social Insurance of General Health numbered 5510 was postponed to be in power till the 1st of October 2008, it became a reality after that time. The new reform did not affect the officials who were on duty before that time. By that reform the Turkish citizens have experienced some substantial changes regarding their rights and responsibilities.

As for its revolutionary character, the reform aimed and succeeded to remove the gaps, or make gaps approvable between workers, state officials and artisans and craftsmen.

The bureaucratic reforms not necessarily in the field of social security but at almost all levels have a fast moving in the recent years. The center and peripheral differences in Turkey over the center and provincial organizations of the bureaucratic institutions are seemingly clear. The central institutions have good physical and

technological facilities; however, the provincial parts of the same institutions are depriving of many of those facilities. In recent years the picture is upside down and provincial branches are affirmatively reformed. From the point of the citizens as taxpayers an idea of fairness is getting root in Turkish bureaucracy. Turkey as a country with historically central development tradition is trying to open that impasse again from a central initiation, the government, but with a different philosophy: equating the center and periphery by a central operation.

From the points of the public officials as well, the system is bringing some advantages. By physically supporting the provincial parts of the public offices the officials are in-service in much willing way. By doing their jobs with new technological facilities and physically adequate places they are able to serve in proper ways and the citizens are less likely to blame them by pejorative words for the bureaucracy.

As a tradition of the system, the qualified and harmonious personnel were tried to keep at the center and the discarded, politically weak and unqualified personnel were sent to the provincial branches of the institutions. The reform also aimed to remove such an atmosphere by trying to follow the principles of merit in strict sense.

The mere regulations in legal field without any regulations in physical and technological innovations and changes mean almost nothing because of discord between two sides of the issue. From that perspective the Turkish bureaucracy was a Janus-faced bureaucracy. From legal point of view it seemed good, however from service point of view it was obsolete. The betterment works on the other side has affected the Turkish bureaucracy. Clean, spacious, technologically able; objective, non-political, administratively powerful structure is tried to be established by the reform.

A weak provincial structure headed by a provincial director who applies the command from central figures, general or office directors, however with almost no intention of increasing the service quality for the fellow citizens cannot be acceptable



for the Social Security Institution from now on. The politically accorded cadres after the reform, are not acceptable and either.

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