

**THE SOCIO-ECONOMIC
SITUATION AND OUTLOOK
OF THE TURKISH HOUSEHOLD**

***A report on the findings
of a nationwide survey***



TURKISH INDUSTRIALISTS' AND BUSINESSMEN'S
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THE TURKISH HOUSEHOLD

A Report on the Findings of a Nationwide Survey

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Abstract

This paper presents the results of a survey of Turkish households' socio-economic situation and outlook in 1986. Results on the structure and socio-demographic characteristics of the household, patterns of household income and expenditures, the standard of living, economic priorities and probable areas of spending, expectations for the future and preferences for government policies are discussed.

Introduction

Empirical studies of the social, economic and political structure of Turkish society are few and far between. More specifically, surveys attempting to gather data on a nationwide scale on basic issues such as socio-cultural values, patterns of savings and expenditures, income distribution and standard of living, needs and future expectations are rare indeed. The few available studies (1) are by now considerably outdated so that any discussion of these issues has to be conducted in the absence of relevant and adequate data. Obviously, this is a highly undesirable situation for people who are in policy-making positions in both private and public sectors as well as for those interested in the scientific analysis of social structure.

The current research was designed and conducted to provide reliable, even if limited, data on these issues. The intention was to obtain a rough snapshot of the socio-economic situation and outlook of the Turkish household at the current point in time, that is, the summer of 1986. The research was designed to cover the following specific areas:

1. The Structure and Characteristics of the Household: The size and composition of the household as well as the socio-demographic characteristics of the household members, including variables such as education and employment.

2. Household Income: Types (i.e. wages, interest, profits, rent, etc.) and amounts of household income.

3. Household Expenditures: The pattern of distribution of expenditures among various areas such as food, clothing, health-care, education, housing and the degree to which these expenditures meet the needs of the household.

4. Standard of Living: Characteristics and ownership of housing and durable consumer goods, such as refrigerators and television sets, in the household.

5. Economic Priorities and Probable Areas of Spending: Household heads' perceptions of their needs and the priorities they assign to basic household needs such as health-care and education. The manner in which unexpected income would be handled.

6. Comparison with the Past and Expectations for the Future: Household heads' perceptions of changes in their socio-economic situation in the recent past and their expectations for meeting their needs in the future.

7. Preferences for Government Policies: Household heads' preferences for the allocation of public resources.

It should be fairly clear that each of these issues involve complex questions and that each could well be researched in depth, on its own. A general research project such as the current

one can only attempt to cover the most general aspects of these issues. This paper reports a summary of the findings of the project. Where the sample size allows for it, an attempt has been made to present comparative results for different geographical areas and socio-economic groupings.

In the next section we present an overview of the methodological aspects of the research such as the design of the interview schedule and the drawing of the sample. The following sections summarize the results relevant to each issue listed above.

The Interview Schedule and the Sample

The methodology employed in this research is that of the sample survey. The adequacy of the sample survey as a research tool is a perennial topic of discussion (2). However, in this particular case, as the sample survey is the only methodology applicable to the research problem at hand, there is no reason to enter into lengthy discussion of its merits and shortcomings. Care will be taken, however, to point out findings which could be biased, or artifactual because of the particular methodology involved.

The sample survey poses two main problems of design: The questionnaire and the sample. Each will be discussed in enough detail to allow for the evaluation of the results. The reader who is not especially interested in methodology may prefer to skip the rest of this section.

The basic unit of analysis is the household, which is defined for purposes of this research as those people who live in the same house and have a joint budget (cf. Chander et. al., 1980, Grootaert 1986). The questionnaire, therefore, was designed to collect data on the household as a whole. As it is impractical, if not impossible, to interview all members of each household, it becomes necessary to decide exactly who is to be interviewed. In this particular case, it was decided to interview the head of household with spouse present whenever possible and to allow, even to encourage, the head to consult other members of the household when necessary. The head of household is defined as the oldest economically active male present. In cases where

there is no economically active male, the senior economically active female is considered the head of household. In households in which there are no economically active members, the senior male, and in those in which there are no males the senior female, is taken to be the head of household.

In formulating the questions, use was made of questionnaires employed in earlier research (3), and the initial interview schedule was reviewed by experts who were not members of the research team. This initial interview schedule was pretested on 50 Istanbul households and was revised on that basis. The actual application of the interview schedule was carried out by approximately 50 interviewers who were especially trained in both the intricacies of the questionnaire and the general principles of interviewing. The field work showed that there were no serious problems with the questionnaire and the interviews as such. The interviewers were uniformly well received and cooperated with. The refusal rate was practically nil.

The sample was designed as a multistage stratified probability sample. Stratification was disproportionate among the major strata and proportionate among the minor strata which will be described later. The stages of the sample were mostly determined by the administrative districting of Turkey. The country is divided into 67 "provinces" (il), and each province is divided into a number of "districts" (ilce), with about 10 districts to a province on the average. Districts are further subdivided into subdistricts, a division which was not used for purposes of sampling and subdistricts are partitioned into

"wards" (mahalle) in urban areas and "villages" (koy) in rural areas. Thus the sampling procedure involves the selection of provinces at the first level, the selection of districts at the second level, the selection of wards at the third level, the selection of streets at the fourth level and the selection of residences at the fifth and final level. The selection at each level was according to "probability proportional to size" techniques. The sampling frame sometimes involved somewhat unusual procedures because up to date census statistics and street maps of settled areas were not available.

Since Turkey is a country of great diversity both in terms of the geo-cultural characteristics and the degree of development of its different regions, any nationwide sampling frame has to be stratified in terms of these variables. Before the general stratification, however, the three main metropolitan areas of the country, that is Istanbul, Ankara and Izmir were taken as self representative areas. The remaining 64 provinces were categorized into five geographical groups as the Marmara-Aegean, Central Anatolian, Mediterranean, Black Sea and Eastern-Southeastern regions. Since population is the foremost concomitant of the degree of development, the provinces were also grouped into three population size categories. However, the actual measure used for this purpose was the number of registered voters for the 1983 elections. Voter registration for the 1983 elections was mandatory by law and actually carried out by house visits on a day of nationwide curfew, and thus was the latest reliable measure of population available. Crossing the three

population categories with the five geographical regions yielded 14 strata as there were no provinces in the most populous category in the Eastern-Southeastern region. One province was randomly selected from each stratum, and thus the sampling frame covered 17 provinces, including Istanbul, Ankara and Izmir.

At the next stage of selection, that of districts, all the districts of the province of Istanbul, the urban districts of the provinces of Ankara and Izmir, and the central (i.e. seat of provincial governor) districts of the other provinces were selected by design. In addition, two districts were randomly selected in each province except Istanbul. In each of the districts in the sampling frame, all places of settlement were grouped into two categories: places with less than or more than 10,000 registered voters. All places with less than 10,000 voters were pooled together to make up one rural stratum. Thus the sampling frame comprised 18 "major" strata. These strata are presented in Table I.

Within the urban strata all wards were listed and categorized in terms of the "socio-economic status" and the "political tendencies" of their residents. The Ministry of Finance published street by street assessed land prices for the urban areas of the entire country in 1986. These values were used to categorize wards into socio-economic status groups. The number of groups varied from two to four depending upon the distribution in each province. The percentage of votes for the Populist Party in the 1983 elections was used to categorize the wards into two or three groups. The crossing

of these two groupings yielded from three to eight "minor" strata within each major stratum. In the rural stratum villages were divided into five "minor" strata on the basis of size (i.e. number of registered voters) and political preference. The number of wards (or villages) to be selected from each major stratum was determined disproportionately because of the expected differences in the internal homogeneity of the strata. The metropolitan areas were sampled at the highest, and the rural areas at the lowest rate. The actual numbers are given in Table I. Within each major stratum, however, the number of wards was allocated proportionately to each minor stratum. The wards or villages were then selected randomly with probability proportional to size.

TABLE I
The Sampling Frame

Stratum	Province	Districts(*)	Number of Wards
1	Balikesir	Dursunbey, Ivrindi	18
2	Aydin	Karacasu, Kuyucak	8
3	Tekirdag	Corlu, Malkara	4
4	Adana	Ceyhan, Osmaniye	9
5	Mugla	Bodrum, Milas	8
6	Isparta	Egridir, Gelendost	4
7	Konya	Cihanbeyli, Karaman	6
8	Kayseri	Bunyan, Felahiye	7
9	Kirsehir	Cicekdag, Kaman	4
10	Samsun	Terme, Vezirkopru	5
11	Tokat	Erbaa, Niksar	5
12	Gumushane	Bayburt, Kelkit	-
13	Malatya	Dogansehir, Hekimhan	8
14	Erzincan	Ilic, Kemah	4
15	Istanbul	All districts	50
16	Ankara	Altindag, Cankaya, Cubuk Yenimahalle, Polatli	25
17	Izmir	Karsiyaka, Bornova, Dikili, Foca	20
18	----	----	60

* In addition to the central districts.

For the wards selected from the urban strata, lists of streets showing the total number of residences on each were drawn up from the files of the State Institute of Statistics, and two streets were selected from each ward. Three or four residences (and a number of substitutes), depending on the particular stratum, were then chosen randomly from each street. In the villages of the rural stratum, six households were directly random sampled from the village roster in the field.

The actualization of the sample, however, fell a little short of the design. It turned out to be infeasible to carry out field work in two provinces (Konya and Tekirdag) because of organizational problems. As there is no particular reason to believe that the exclusion of these provinces introduced a systematic bias, this is not too serious a problem. The actual sample consisted of 1444 households, yielding a maximum of approximately 2.5% sampling error at the 95% level of confidence for the overall results.

The Structure and Characteristics of the Household

The structure of the household is best described by its size and type. Table II below gives the distribution of household sizes, broken down by type of settlement.

TABLE II
Distribution of Size of Household

Number of members	Rural %	Urban %	Overall %
1	1.6	2.8	2.1
2	7.8	13.5	10.3
3	12.4	17.6	14.6
4	15.1	26.7	20.0
5	14.5	21.2	17.3
6	11.2	7.9	9.8
7	8.2	5.4	7.0
8	9.6	2.1	6.5
9	7.2	0.8	4.5
10+	12.7	1.8	7.9
Average Household Size	5.8	4.2	5.1

The modal family size is 4 for the country as a whole as well as the rural and urban areas separately. However, the mode is much more pronounced in the urban than the rural areas. In general, it is clear that the urban households are smaller than the rural households. That urbanization involves a reduction in household sizes is to be anticipated. However, the dramatic difference between the two environments is a little unexpected: Fully 12.7% of rural households have 10 or more members, whereas less than 2% of urban households are of this size. Considering

that the average household size was 5.7 for the 1975 census and 5.3 for the 1980 census, the current value of 5.1 seems to be an indicator of ongoing modernization.

The same trend can also be observed when household types are examined. The household can either consist of individuals related by marriage or by blood, that is, a "family," or it can consist of unrelated individuals living together. This second type of household was found to be practically nonexistent in this survey. Thus a consideration of household types is tantamount to examining family types. The family types to be considered are the "nuclear" family consisting of a married couple and unmarried children living together; the "transitional extended" family, consisting of the married couple and children plus one or more of the parents of the couple; and the "extended" family where more than one generation and/or married couples live together (Timur, 1972). The frequencies of these family types are given in Table III below. The few cases of non-family households have been lumped with the extended family.

TABLE III
The Distribution of Family Types

Family Type	Rural(%)	Urban(%)	Overall(%)
Nuclear	60.4	79.3	68.4
Transitional Extended	9.4	7.3	8.5
Extended	30.2	13.4	23.1

When the overall figures are considered, it is clear that with 68.4%, the dominant family type is nuclear. This percentage was reported to be 59.7 in 1972 (Timur, 1972) and 62.9 in 1981

(Kagitcibasi, 1981) so that there seems to be clear evidence of a trend. Once again there are striking differences between the rural and the urban areas, with the extended family being very much on the wane in the urban areas but still quite common in rural areas. However, it should be noted that the nuclear family is the dominant form in the rural areas as well.

Another important characteristic of the household is the number of people who are gainfully employed in the household. The distribution of this variable is given in Table IV.

TABLE IV
Employment of Household Members

Number Employed	Rural(%)	Urban(%)	Overall(%)
0	9.6	19.2	13.7
1	41.1	53.6	46.4
2	18.4	20.5	19.3
3	11.2	4.9	8.5
4+	19.7	1.8	12.1

The modal category for the number of individuals employed is one, and this is true for both rural and urban areas. However, the mode is considerably more pronounced in the urban setting. Quite a large proportion of rural households, 19.7%, have four or more people employed. These are, of course, farm households where practically every member works on the farm. It is also worth noting that in the urban setting where the majority of households have a single worker, a considerable proportion, 20.5%, have two workers. Given the prevalence of the nuclear family, this high frequency of two-worker households seems to be an indication of modernization trends.

To obtain a general understanding of the nature of the household, it is also helpful to take a look at the characteristics of the population in general. The survey of 1444 households covered 6760 individuals about whom data were collected. Table V below presents the results on employment.

TABLE V
Employment

Employment Status	Percentage of Individuals
Working	32.6
Not working	66.0
Unemployed	14.8
Housewife	18.4
Retired	2.8
Student	16.5
Child	13.6
Uncertain	1.4

The table shows that the percentage of individuals who are actually employed is quite low, 32.6. This is partly explainable by the fact that the Turkish population is quite young: The percentage of the population under 20 is 43.9, and the percentage of those over 60 is 8, leaving only 51.2% in the 20 to 60 age group. This fact is also reflected by the relatively high percentages of children and students in the table above. The percentage of the population who are housewives is also quite high, reflecting the still traditional aspects of social structure. An interesting point, however, is raised by the sex distribution of the unemployed: Fully 64.3% of the unemployed are women. Especially since unemployment was determined by self report, this means that significant numbers of women consider

themselves as members of the work force, certainly not a traditional attitude.

The overall percentage of the unemployed is 14.8, but as should be clear from Table V this value is computed for the total population including children. The percentage rises to 17.2 if computed only for the adult population. That this is a value too high for comfort is clearly reflected in the findings to be reported later. One interesting fact is that the unemployment rate varies very little by type of settlement (i.e. metropolitan, urban and rural) and by educational level. Rather, unemployment seems to be a nationwide problem affecting society uniformly throughout the country.

To complete the employment picture, the occupational distribution of the employed is given in Table VI.

TABLE VI
Occupational Distribution of the Employed

Occupation	Rural(%)	Urban(%)	Overall(%)
Public Employee-Managerial	0.1	1.5	0.7
Public Employee-Other White Collar	5.1	20.3	10.6
Armed Forces Officer	-	0.4	0.2
Armed Forces NCO	-	0.3	0.1
Private Sector-Managerial	0.1	1.9	0.8
Private Sector-Other White Collar	1.3	10.1	4.5
Blue Collar	4.9	23.6	11.8
Farmer	28.0	1.1	18.2
Farm Worker	51.2	0.5	32.7
Professional	-	3.8	1.4
Merchant-Industrialist	0.3	3.3	1.4
Artisan and Small Trader	6.6	24.2	13.0
Informal Sector	1.5	6.5	3.3
Other	0.9	2.2	1.4

The most obvious pattern visible in this table is the considerable difference in the distributions for the rural and

urban areas. This, of course, is entirely in line with expectations. An interesting point to emerge from the table is the proportion of the employed who work for wages. If farm workers are excluded from this category -- as they should be, since most of them work on their family farms or are paid in terms of a portion of the crop rather than being paid a wage -- the first seven categories in the table, from Public Servant to Blue Collar, constitute the wage earners. Looking at the overall values, the total percentage of those in these categories is 28.7. This is obviously a very low figure and reflects the fact that from this point of view, the structure of society is quite traditional. At the same time, the high proportion of the self-employed may help explain how Turkey has been able to sustain high levels of inflation for a long period of time without serious social unrest.

Education is, of course, one of the most important characteristics of the population from any point of view. The results of this survey show that 84.8% of the population over six years of age can read and write. Compared to the census results of 1980, 66.7%, this is a dramatic increase. In fact, one would be inclined to suspect sampling errors were it not for the fact that this high value is corroborated by other sources (4). Of those who are literate, 26.9% have no formal school degree and 3.5% are university graduates, the rest being graduates of primary and secondary schools. As expected, levels of education are generally higher in the urban areas and among males.

Perhaps even more important than the current levels of

education are the school attendance statistics. The pattern of schooling today will determine the level of education of the population and therefore the quality of manpower resources of the country in the near future. Table VI below summarizes the school attendance statistics.

TABLE VI
School Attendance

Age Group	Rural(%)	Urban(%)	Male(%)	Female(%)	Overall(%)
0 - 6	4.1	2.1	2.0	4.3	3.2
7 - 11	78.0	87.4	80.3	83.1	81.6
12 - 18	30.6	60.0	49.9	33.8	41.5
19 - 24	4.1	22.2	14.2	8.9	11.4
24+	1.0	1.8	1.4	1.3	1.4

Considering the rural-urban and male-female differences, it is clear that the male-female difference is the lesser of the two. Although the male attendance rates are higher than female rates for the secondary school and university age groups, the differences are not surprising. The secondary school and university attendance rates in the rural areas are quite low compared with the urban areas. Looking at the overall picture, there is reason to be optimistic: A considerably larger proportion of the population will be at least primary school graduates in the future; the numbers of those with secondary schooling will increase significantly, at least partially satisfying the current need for intermediate level manpower, and the proportion of university graduates will be more than doubled.

The general socio-demographic picture is one approaching industrial social structure in the increasing nuclearization of the family and the increasing levels of education including

women, but one which is still basically traditional, with dramatic rural-urban differences, high structural unemployment, a large percentage of the population self-employed and the generally low levels of education.

Household Income

Quite obviously, "taking a rough snapshot of the socio-economic situation and outlook of the household" has to start by taking a look at income. However, it should be pointed out that this research is not primarily focused on income distribution as such. Income distribution research is usually carried out on much larger samples to allow household, regional and sectoral comparisons. In addition, where possible, techniques such as keeping diaries are used to obtain precise data. This research project was not intended as a study of income distribution but is concerned with income as an attribute of the household.

Another reservation has to be stipulated on the use of survey data on income: People generally do not like to report their income (Scott et. al., 1980). This aversion sometimes takes the form of refusal to answer income questions and sometimes the form of underreporting (the latter occurs especially in traditional cultures); these facts should be kept in mind while examining the results reported here. There were two direct questions on monetary income in the interview schedule. One probed the total monetary income of the household over the last year, and the other for the last month. Income in kind was estimated from a number of different questions. The basic results are reported in Table VIII below.

TABLE VIII
Basic Income Statistics

	Previous Year's Total	Previous Month's Total	Annual In Kind Income
Mean (T.L.)	1,519,751	142,754	250,015
St.Dev.	2,550,374	227,349	394,195
N of Responses	1298	1032	1444
Minimum	32,000	0	0
Maximum	50,000,000	6,300,000	4,855,000

The U.S. Dollar parity of the Turkish Lira at the time of the field work was approximately 750 T.L. per U.S.\$.

Regarding previous year's total income, several points should be made. Roughly 10% of the sample refused to answer this question, which, given the expectations concerning this issue, is a more than satisfactory response rate. Both the magnitude of the standard deviation, which is quite large, and the placement of the mean in the range indicate considerable positive skew, which is standard for income distributions. These considerations are also valid for previous month's income; the low response rate should not be taken as a serious problem, since monthly income is not a relevant concept for certain households, especially in the rural areas. It should also be noted that income in kind is a very rough estimate by the respondents themselves and is very likely to underestimate the true value since hard to evaluate items like home food production have been excluded from its computation. Even so, in kind income makes up roughly 16% of the total household income.

That the income figures are underestimated is most obvious when they are compared with expenditures. The average total expenditures of the households, although the expenditure data collected in the interviews are probably not exhaustive, exceeds the mean annual income by 482,069 T.L., clearly not a small amount. However, this is no reason to regard the income data as unreliable. When the difference between income and expenditure is correlated with income, the Pearson correlation value obtained, .72, is quite high. This indicates that underreporting is linearly related with income, so that the comparative use of the income figures poses no problems. Furthermore when the income figures are corrected by the expenditure difference and the estimated in kind income is added on, the resulting figure, 2,251,835 T.L., is equal to 93.2% of the household disposable income figure estimated from macroeconomic data. This indicates that the obtained income data are quite reliable even if biased.

To understand the economic structure of the household it is necessary to look at the sources of the household income. Table IX presents the relevant data.

TABLE IX
Types of Household Income

Type	Percent of Households
Profit-Production	47.6
Profit-Commerce	24.5
Wages and Salaries	53.3
Rent	9.0
Interest	3.8
Other	8.2
Total	146.4

Several interesting facts emerge from this table - perhaps the most interesting of which is the total percentage of 146.4. What this indicates is that roughly half of the households have more than one kind of income, which is probably another reason why the household has withstood high inflation successfully. The high percentage of households with income from production and the low percentage with capital income indicate clearly that the social structure from the economic point of view is still somewhat traditional. Traditional structure, of course, is consistent with high levels of in kind income. An examination of the types of in kind income, however, reveals a more complex picture (see Table X).

TABLE X
Types of In Kind Income

Type	Percentage of Households
Traditional In Kind Income	
- Goods	19.0
- Services	8.1
Home food production	71.7
Provided from place of work	13.6
Health services	
- Among the 526 households to see a doctor in the last three months	20.3
- Among the 158 households to visit a hospital in the last three months	26.6

Traditional in kind income represents items like crops from the village sent to the migrant in the urban area and help from neighbors to build a new shack. Income in kind from place of work covers items like free or subsidized lunch and clothing as well as executive perquisites like a company car. This type of

in kind income is clearly not of a traditional nature. Neither are free or subsidized health services which appear to be available to a not insignificant percentage of the households. On the other hand, the unexpectedly high percentage of households which produce foodstuffs at home speaks for a traditional pattern. Home production of foodstuffs does not consist merely of an occasional jar of jam either - 48.8% of the households produce at least half of the foodstuffs they consume. It should also be noted again at this point that the monetary estimate of in kind income does not include home food production because of difficulties of estimation. The prevalence of home food production, however, makes it clear that the estimate is very conservative at best.

It is possible to obtain an insight into the nature of in kind income by looking at its distribution among various groups: The geographical area with the highest mean is Istanbul; the educational grouping with the highest mean is university graduates; and the occupational group with the highest mean is professionals. These latter facts also do not fit the traditional pattern. The general picture with respect to in kind income is one that calls for in depth research.

The variation in household income by various groupings of the households follows generally expected patterns, although there are a few unanticipated details. When grouping the households by place of settlement, the highest mean annual income is found in Istanbul (2,501,000 T.L.) and the lowest in the rural areas (1,301,000 T.L.). When the occupation of the head of

household is considered, the highest income group is the self-employed professionals who surprisingly outstrip the merchants and industrialists with a mean of 3,390,000 T.L., compared to 3,104,000 T.L.. The occupational group with the lowest income is the so called "marginals" (informal sector) who average 850,000 T.L.. The runners up for the lowest income are laborers and public employees with respective means of 1,131,00 and 1,344,000 T.L.. Farmers, artisans and small traders fall in between but closer to the lower end of the scale.

Somewhat surprisingly, as it is contrary to current opinion education of household heads and income are strongly related. Mean income steadily rises for higher levels of education starting with 962,000 T.L. for those with no diploma and increasing to 3,100,000 T.L. for university graduates.

Although this is not meant to be a study of income distribution, it is instructive to take a look at the general distribution of income (Table XI).

TABLE XI
Household Income Distribution for Quintiles
(As Percentage of Total Income)

Quintiles	Overall	Metropolitan	Other Urban	Rural
1	3.9	5.3	6.1	3.3
2	8.4	8.5	10.4	8.0
3	12.6	12.1	13.9	12.7
4	19.2	19.0	19.5	19.6
5	55.9	55.1	50.1	56.4
Gini Coeff.	.46	.44	.39	.47

Considering the overall figures, the first quintile, that is the twenty per cent of the households with the lowest income,

has 3.9% of the total income, and the fifth quintile (the top twenty per cent) has 55.9% of the total. Thus the top twenty percent has approximately 15 times the income of the lowest twenty per cent. This overall result is very similar to the results of the 1973 income distribution survey of the State Planning Organization, which is the last survey of its kind to have been carried out in Turkey (5). Table XII presents a more detailed comparison of the current results with those of the 1973 survey.

TABLE XII
Comparison of the Income Distributions of 1973 and 1986

Income Groups (Five %)	Average Income in 1986 *	Percent of Total in 1986	Percent of Total in 1973
1	118	.4	.4
2	266	.9	.8
3	344	1.1	1.0
4	459	1.5	1.3
5	500	1.7	1.6
6	600	2.0	1.9
7	677	2.2	2.2
8	746	2.5	2.4
9	818	2.7	2.7
10	945	3.1	2.9
11	1000	3.3	3.3
12	1065	3.5	3.7
13	1200	4.0	4.0
14	1340	4.4	4.5
15	1506	5.2	5.1
16	1773	5.8	5.9
17	2018	6.4	7.1
18	2658	8.8	8.8
19	3574	11.8	11.7
20	9004	28.7	28.9

* 1000 T.L.

It is necessary to make one point about this table: Income groups defined in terms of five percent intervals mean that each

income group consists of 65 households for the current survey, as there were a total of 1298 responses to the income question. This is not an adequate sample size. Despite this reservation, however, the similarity between the two distributions is quite striking. Of course, it cannot be concluded that the income distribution in Turkey has remained stable for the past fifteen years as it is quite possible that a series of changes have resulted in a return to the same distribution. Furthermore, it is also possible that the overall distribution remains the same while changes do occur in different sectors which cancel each other out in the aggregate. Some hint of this is contained in Table XI in the distributions for the different types of settlement. The Gini coefficient, which is a measure of the degree of inequalities in income distribution, makes simple comparisons between different distributions possible. The Gini values reported in Table XI indicate that the income distribution is most skewed in the rural area (Gini coef.=.47) but that it is almost equal to the overall Gini value (.46 rounded to two decimal places), the distribution is somewhat less skewed in the metropolitan areas (.44) and least skewed in other urban areas (.39). The results of the 1973 survey are broken down in different ways so an exact comparison is not possible. However, the overall Gini coefficient is .50 and that for the metropolitan areas is .45 (Dervis and Robinson 1980). Thus, there seems to be less difference between metropolitan areas and the rest of the country today than before. Similarly, the Gini value for the "agricultural" sector in 1973 was .56. As it is reasonable to

assume that the agricultural sector corresponds to the rural area of this survey, it appears that the difference between the rural area and the rest of the country is less today as well. It may well be the case that since 1973 the distribution in metropolitan areas has become more skewed and the distribution in rural areas has become less skewed with the overall distribution remaining the same.

Household Expenditures

It should be clear that obtaining precise data on expenditures from a single interview is not possible since people are unlikely to remember their expenditures exactly over any extended period of time. Precise data can only be obtained by asking respondents to keep diaries and by visiting them at intervals over a long period of time. All the same, the results of a single interview can certainly give an approximate idea of the patterns and magnitudes of household expenditures. In fact, since questions about expenditures are somewhat less subject than income questions to the underreporting bias, the responses are more reliable. This is quite evident from the fact that the mean yearly household expenditure is found to be 1,946,378 T.L., considerably higher than the mean income. For this reason, the economic strata used for the analysis of results in the following sections have been defined in terms of expenditures rather than income.

Looking at the variation of total expenditures by various socio-economic groupings reveals pretty much the expected patterns, as expenditure is more or less linearly related to income, but with a few minor discrepancies: The highest mean expenditure is in Istanbul but the lowest is in the non-metropolitan urban areas rather than the rural areas. Similarly, the occupational group with the highest expenditures is the self-employed professionals but the one with the lowest is

the blue collar workers, rather than the marginally employed. Level of expenditures rises uniformly with level of education, except that junior high school (ortaokul) graduates spend more than high school (lise) graduates. The magnitudes of these anomalies are, however, too small to merit speculative discussion.

Looking at expenditures by economic strata, defined in terms of quintiles of total expenditure (i.e. the 20% with the highest total expenditures make up the "upper" economic stratum, the 20% with the next highest total expenditures, the "upper middle" economic stratum, etc.), the picture is quite similar to that of income distribution with the expected difference that the ratio between highest and lowest economic strata is less in terms of expenditures than in terms of income. The difference is the least in the Ankara metropolitan area, where the upper stratum spends 7.8 times as much as the lower stratum. The biggest difference is in the rural area, where the highs spend 9.65 times as much as the lows.

The domestic domain of expenditures is obviously of as much interest as the magnitude. Three domains of expenditure -- food and clothing as being the most basic, education, and health as being socially important -- are singled out and the variations in these areas by various socio-economic groupings are presented in Table XIII.

Expenditures on food and clothing show the greatest variability among economic strata and the least among places of settlement; the socio-economic grouping with the highest mean is

the upper economic stratum. This pattern is clearly a reasonable

TABLE XIII
Household Expenditures
(1000 T.L.)

Socio-Economic Grouping	Food/Clothing	Education	Health
Settlement Area			
Istanbul	1,401	187	299
Ankara	1,169	160	231
Izmir	1,077	135	216
Other Urban	912	113	308
Rural	964	92	384
Economic Stratum			
Upper	2,111	211	758
Upper Middle	1,164	134	349
Middle	882	93	164
Lower Middle	628	47	141
Lower	335	38	81
Level of Education			
No diploma	758	88	356
Primary School	1,018	103	370
Junior High School	1,172	150	497
High School	1,233	144	254
University	1,740	240	204
Occupational Group			
Merchant/Industrialist	1,803	347	162
Private Sector Employee	1,461	217	171
Self Employed Professional	1,934	197	237
Public Employee	1,054	115	182
Blue Collar Worker	751	94	217
Farmer	1,032	95	501
Overall Mean	1,027	115	349

one. Considering the expenditures on education, a similar picture emerges, except that the socio-economic grouping with the highest expenditure on education is the occupational group of merchants and industrialists. This is probably due to the presence in the upper stratum of a high proportion of farmers who have low educational expenditures. Health expenditures show a rather

different pattern than the others types of expenditure. Although the high and low variability groupings are the same as before, health expenditures increase from the metropolitan areas to the rural, the no diploma educational group has a relatively high level of expenditure, and farmers have the next to highest mean of any group. This is probably because of the lack of adequate health facilities in the rural areas which forces the resident to travel to metropolitan areas for health care, thereby incurring extra costs.

The pattern of expenditures may be better viewed in relative terms. Table XIV gives expenditures for various needs as a percentage of total expenditures.

TABLE XIV
Expenditure Patterns by Economic Strata
(Percentage of Expenditures in Various Domains) *

Economic Strata	Food / Clothing	Rent	Housing / Utilities	Education	Health
Upper	48	14	7	5	15
Upper Middle	55	15	9	6	16
Middle	61	19	10	6	11
Lower Middle	64	20	11	5	14
Lower	64	25	17	7	17

*The percentages do not sum to 100 because each has been computed among those households which have that kind of expenditure, i.e. in the lower stratum, those who live in rentals spend 25% of their expenditures on rent.

The patterns exhibited in Table XIV are quite in line with expectations. The largest expenditure is for food and clothing followed by rent, health services, utilities and education, in that order, for all social strata. Looking at these rates across strata, the proportion spent for food and clothing

increases going down the economic strata. However, even for the upper economic stratum, a very high percentage (48%) of expenditures is allocated for food and clothing. This should not cause surprise since economic strata are defined relatively: The upper stratum is composed of that 20% of the households which have the highest total expenditures. It is by no means necessary that these households be wealthy in everyday terms. The same pattern can be seen for rent: the lower the economic strata, the greater the percentage spent on rent increases. The same, however, does not seem to be true for education and health. Households apparently allocate approximately the same percentage of their expenditures to these areas regardless of economic stratum.

The picture of the upper stratum as not particularly wealthy, as indicated by the high percentage of expenditures which goes to food and clothing, is obviously not very pleasing. The picture presented by the lower economic stratum, not surprisingly, is even less pleasing: The lower economic stratum household which lives in rental housing has to devote 89% of its expenditures to food, clothing and rent, leaving very little indeed for other areas. However, what is more important than any "objective observer" evaluation of the households' economic situation is the household members' own perception of their situation. The interview schedule contained a number of questions designed to probe this issue. Among these questions, some were aimed at obtaining the household heads' perception of the adequacy of the household expenditures (Table XV).

The table gives the percentage of households where the head considers the household expenditures adequate by economic strata

TABLE XV
The Adequacy of Household Expenditures
(Percentage of Household with Adequate Expenditures)

Economic Strata	Place of Settlement				
	Istanbul	Ankara	Izmir	Other Urban	Rural
Upper	46	46	26	47	20
Upper Middle	28	33	20	40	37
Middle	27	15	24	30	17
Lower Middle	15	15	15	25	25
Lower	26	24	24	35	30

and place of settlement. The one noteworthy fact is that there is no grouping where more than half the households have adequate expenditures. Examining places of settlement, the lowest rates of adequacy are in the rural areas, followed by Izmir. The fact that Izmir has considerably lower rates of adequacy than the other metropolitan areas is a little surprising and has no ready explanation. Considering rates of adequacy across economic strata, the lowest rates are uniformly found in the lower middle stratum rather than the lower stratum. This is clearly a function of the fact that perception of inadequacy is a question of comparison levels as well as the actual situation; it appears that the lower middle stratum is less resigned to their economic situation than the lower stratum. It is obvious that all these figures can be interpreted from two different viewpoints: One as indicating a depressing economic inadequacy and the other as indicating a society alive and demanding. Therefore it appears worthwhile to look at the adequacy of expenditures in greater

detail. The questionnaire also included a comparative question on the adequacy of expenditures in different domains. Table XVI gives the percentage of households considering each domain the most inadequate, broken down by economic strata.

TABLE XVI
The Adequacy of Expenditures in Different Domains
(Percentage of Households Considering Domain Most Inadequate)

Economic Strata	Domain of Expenditures			
	Food / Clothing	Rent / Utilities	Education	Health
Upper	38.3	20.1	10.8	32.4
Upper Middle	43.3	18.4	11.6	26.6
Middle	53.7	23.6	8.7	12.1
Lower Middle	53.0	17.5	11.5	19.3
Lower	63.8	19.3	4.3	15.0
Overall	50.5	19.8	9.4	21.1

It is clear from this table that food and clothing are seen as the domain where expenditures are the most adequate. It does appear a little surprising that the upper economic stratum not only spends an inordinately high proportion of its disposable income on food and clothing, as previously noted, but also considers the expenditure inadequate. There is little variation across economic strata in the percentages considering rent and utilities and educational expenses most inadequate. The picture, however, related to health expenditures is quite different -- the upper economic stratum considers health expenditures most inadequate compared to other economic strata. This is most likely to be the case because of the upper economic stratum's adoption of Western standards of health care, as they already are

spending considerably more on health care than the other economic strata. The same explanation can be extended to cover the fact that the fewest complaints on this score come from the middle economic stratum: These households spend more on health care than the lower strata but have not adopted Western standards like the upper stratum.

When variations in adequacy of expenditures in different domestic domains across occupational groups and place of settlement are examined, no striking differences are found. However, a few points may be worth recording. Private sector employees have the highest inadequacy rates in housing related (rent and utilities) and educational expenditures, and the farmers in health expenditures. Farmers and government employees have the highest rates in food and clothing expenses. The largest percentage of inadequacy of housing related expenditures is in the metropolitan Istanbul area, and of health expenditures in rural areas. Inadequacy of food and clothing expenditures is felt most in Izmir.

The overall picture is one in which people are not satisfied with their food and clothing expenditures. It can only be speculated that it is the considerable proliferation of consumer commodities in the Turkish marketplace over the last few years which has led to these high levels of dissatisfaction with food and clothing. Housing and health care appear to be the other two areas where households are not satisfied with their lots.

The Standard of Living

The notion of "standard of living" covers many different issues, ranging from the level of nutrition to access to cultural resources. Some of the issues taken up in the earlier sections of this paper, notably the last section on household expenditures and their adequacy, obviously are very much a part of the standard of living. This section presents further data on what are generally considered to be the primary indicators of the standard of living: housing conditions and the ownership of durable consumer products.

The first question to be considered with respect to housing is ownership (see Table XVII).

TABLE XVII
Home Ownership

	Istanbul	Ankara	Izmir	Other Urban	Rural
Own	63.7	61.5	62.6	55.2	92.1
Rent	32.3	34.6	33.1	39.6	2.1
Other	3.9	4.0	4.3	5.2	5.8

In urban areas roughly 60% of the households own their own homes, while in rural areas more than 90% live in their own houses. The percentage of households who neither own nor rent their housing (i.e. employer provided housing, relative-owned free housing, etc.) is quite small across the board, as would be expected. It is interesting to inquire into how housing is acquired; only 2.3% have purchased their housing through a

housing cooperative, while 86.2% have not used any institutional form of credit (about one third have used personal loans). Thus, house acquisition appears to be a family business, basically financed through personal and family means.

A primary indicator of housing quality is the type of fuel used for heating. The large majority of houses use either coal (41.5%) or wood (36.4%) for heating, while the third most frequently used fuel is dried dung (13.6%). Other major characteristics of housing are summarized in Table XVIII.

TABLE XVIII
Housing Characteristics

Characteristic	Percentage of Housing
Seperate Kitchen	80.6
Seperate Bathroom	69.2
Traditional Water Closet	86.2
Western Water Closet	17.0
Running Water	68.6
Central Heating	5.6

The percentage of housing with central heating is quite low, while the percentage with running water quite high, considering that the latter is a fairly recent development in rural areas. The percentages of houses with traditional and Western water closets sum to more than a hundred because there are houses which have both kinds. In the case of independent kitchens it is hard to decide whether one should say that fully 80% of houses have their own seperate kitchens, or that 20% of houses are without their own seperate kitchens. The same is also true for seperate bathrooms.

Table XIX gives the statistics on the ownership of durable

household goods.

TABLE XIX
Ownership of Consumer Durables
(Percent of Households Owning Product)

Product	Istanbul	Ankara	Izmir	OtherUrban	Rural	Overall
Refrigerator	96	97	96	92	64	77
Kitchen range	61	62	55	45	18	33
Wash. machine	75	71	55	50	11	32
Vac. cleaner	62	55	46	39	6	24
Sew. machine	61	64	65	65	52	57
Dishwasher	4	2	1	1	0	1
Radio	79	88	67	73	71	73
Tape recorder	51	60	54	50	41	46
B/W TV	56	60	63	66	59	60
Color TV	58	56	48	35	11	26
Hi-Fi Set	21	12	11	5	3	6
VCR	16	16	11	4	1	5
Home Computer	3	5	1	0	0	1
Automobile	21	19	13	12	7	11
Telephone	35	33	21	20	6	15

It is clear from an examination of Table XIX that refrigerators have become standard, whereas kitchen ranges and washing machines are only common. The dishwasher and the home computer are seldom-seen rarities. In general, however, electronic recreational equipment is quite widespread, with color as well as black and white television sets to be found in a high proportion of households. Even the video cassette recorder, a fairly recent and expensive item, is to be found in 16% of Istanbul and 5% of all households. Looking at the overall numbers 11% of the households have cars and 15% telephones. In general the frequency of most items decreases going from Istanbul, the most developed metropolitan area, to the rural area -- which, of course, is only to be expected.

Economic Priorities of the Household

The needs of the household have been partly explored in the examination of patterns and adequacy of spending. However, the needs of a household can constitute a very intricate complex which cannot be simply understood by looking at whether the household spends enough on food and clothing. Indeed, the question of what constitutes a need is a question of philosophical complexity. Consider nutrition, surely the most basic of all human needs, and yet the need for food, in kind and in style, is so much a social product that it is difficult to say whether a particular demand for food is a basic need or a luxury. It seems most sensible to adopt a phenomenological attitude, and to accept as a need whatever people feel is so. With this in mind, the interview schedule included a question which asked the head of household what he thought his household's most important need was. The responses to this question are tabulated in Table XX.

TABLE XX
The Most Important Need of the Household

The Need	Percentage
Housing	27.9
Durable Consumer Goods	14.4
Work Related Equipment	12.6
Health Services	7.8
Automobile	7.3
Durable Luxury Goods*	3.6
Educational Services	2.7
Others	23.7

* These are items like TV sets, VCRs, home computers and dishwashers.

Housing is the most common need by a wide margin, being cited almost twice as frequently as the next most common need -- consumer durables such as refrigerators and washing machines. Work related equipment which ranks third consists mostly of items such as tractors, which are perceived as a need by the rural household, whose production function is very much a part of its nature. The "others" category contains a large number of items, none of which was mentioned frequently by itself, and were not easily classifiable. The needs of a household are obviously determined in large part by the economic stratum the household belongs to. Table XXI gives the percentages of households citing a need as the most important, broken down by economic strata.

TABLE XXI
The Most Important Need of The Household by Economic Strata

The Need	Economic strata				
	Upper	UpperMid	Middle	LowerMid	Lower
Housing	29.5	30.1	30.3	30.3	19.3
Consumer Durables	11.3	13.3	16.2	12.1	18.8
Work Equipment	16.8	10.0	9.9	12.6	13.6
Health Services	7.7	6.7	8.0	6.5	10.4
Automobile	7.5	11.3	8.8	6.3	2.5
Luxury Durables	4.2	4.4	3.9	2.5	2.8
Educational	2.6	3.2	4.9	2.5	0.4
Other	20.4	20.9	18.1	27.1	32.4

The first thing to be noted in Table XXI is that the need for housing is fairly stable across the economic strata, and is not peculiar to a particular income group. This need is least cited by the lower economic group, which is probably explainable by the fact that the majority of the households in this stratum are from the rural area where housing does not appear to be a

serious problem. The upper group cites housing almost as frequently as the other groups, which seems to lead to the speculation that the need for housing expressed by this group is a need for better housing, rather than the basic need for shelter. Not surprisingly, the greatest need for durable consumer goods is expressed by the lower economic stratum, and the least by the upper group. At the same time, that 11.3% of the upper economic stratum states that their most important need is for consumer durables does appear surprising. Perhaps, the statement that the upper economic stratum is not necessarily composed of the wealthy is an understatement. The need for a car appears to be highest in the upper middle stratum; the upper stratum probably has mostly met this need, as 15% of the households do have cars. This need decreases in the lower economic strata as it tends to be considered a luxury. The need for educational services is depressingly low for all economic strata, and the other items do not call for particular comment.

The variation in most important needs across places of settlement does not reveal any unexpected patterns: The need for housing is greatest in urban and least in rural areas, while the need for health services and for work related equipment is highest in rural areas. It is also instructive to look at the variation in needs by educational level -- the following table contains the relevant data.

The overall pattern to be seen in Table XXII is that for most items need increases with educational level. This is best seen in the case of housing, where more than twice as many

TABLE XXII
The Most Important Need of the Household by Educational Level

The Need	Educational Level				
	NoDipl.	Primary	Jr.High	High	Univers.
Housing	20.1	29.1	33.5	32.2	44.9
Consumer Durables	14.4	12.3	14.4	23.4	16.7
Work Equipment	11.9	16.6	8.0	4.2	2.3
Health Services	12.2	6.8	4.6	5.4	3.1
Automobile	2.3	7.6	9.2	15.8	13.0
Luxury Durables	1.1	3.8	9.2	3.3	7.0
Educational	1.0	2.8	4.8	4.8	4.2
Other	37.1	20.9	16.2	10.8	8.8

university graduates as those with no formal degree cite housing as their foremost need. This trend is reversed for two items -- work related equipment and health services. Both items are primarily wanted in rural areas and the observed pattern emerges because education levels tend to be lower in rural areas.

In most research on economic priorities, needs are also assessed indirectly by asking where increases in income would be channeled and what individuals would do with an unexpected lump sum of income. The same technique was utilized in this survey. One of the questions asked how the household head would spend additional cash income if his yearly income were to be doubled. The responses to this question make it clear that the extra income would not be spent on education (5.6%) and health (9.3%) and that it would not be saved (10.5%). Instead, the responses cluster in housing related expenses, starting or expanding business and food and clothing expenses. The percentages of household heads stating that the greatest part of

the new income would be spent in these domains broken down by economic strata are given in Table XXIII below.

TABLE XXIII
The Allocation of Increased Income
(Percentages of Households)

Allocated to:	Economic strata				
	Upper	UpperMid	Middle	LowerMid	Lower
Daily expenses:					
Food and Clothing	21.0	28.0	29.0	39.0	42.0
Housing Related Expenses	20.8	22.2	22.6	17.0	12.8
Starting or Expanding Business	26.4	21.8	20.1	17.3	20.1

The very high share of food and clothing among the household expenses has been commented on before; the above table indicates that even if incomes were to be doubled, food and clothing would continue to be the major domain of domestic spending. Even among the upper economic stratum households, 21% state that they would spend most of their increased income on food and clothing. This percentage, as would be expected, increases steadily going down the economic strata, attaining a value of 42% in the lower stratum. Housing related expenses tend to receive more attention among the higher strata, with the low strata indicating little interest in spending money on housing related items. The pattern for starting or expanding business is somewhat different: The upper stratum clearly has more interest in this category than the other groups, but there seems to be little difference among the others.

The doubling of income is a believable contingency, a change

of jobs, promotion, an increase in trade could all result in doubling of income and such things are expected, planned for or at least dreamed about. Thus the responses received to the previous question should reflect the results of conscious, deliberate thought. The next question tries to get at deeper wishes by postulating an unlikely event, a truly hypothetical situation. The question is what the head of household would do if he were to win ten million liras in the national lottery. Table XXIV presents the responses to this question.

TABLE XXIV
"If I were a Rich Man"

I would:	%
Buy a house	36.0
Start a business	11.5
Expand my current business	8.5
Buy land	6.6
Put my money in the bank	4.7
Buy work related equipment	4.2
Buy a domestic car	3.4
Renew home furnishings	3.2
Travel	2.0
Buy an imported car	1.9
Buy gold	1.1
Buy foreign currency	0.3
Buy State Bonds	0.3
Other	16.3

It is clear that even in the hypothetical universe home ownership remains the primary preoccupation of the household heads. Although it may be the case that some of the people who say that they would buy a house are thinking in terms of investment, given the previous results on the need for housing, the primary motivation must be home ownership. The second

motive to appear seems to be owning a business. If the categories of starting a business, expanding current business and buying work related equipment are combined the resulting percentage is 24.2, a sum which far outstrips any considerations other than housing. Two further motives, although far less prevalent, also emerge from this table: Speculative investment such as buying land or gold, and saving, that is, putting money in the bank or buying government bonds. Combining these items, it is instructive to look at how these motives vary across economic strata.

TABLE XXV
The Allocation of Windfall Income
(Percentages of Households)

Allocated to:	Economic strata				
	Upper	UpperMid	Middle	LowerMid	Lower
Buying a home	32.4	36.0	40.7	38.9	31.9
Business	28.7	21.7	22.5	27.1	21.2
Savings	4.1	5.3	5.6	4.6	5.8
Speculation	9.6	6.6	7.7	9.2	6.7

The general finding is that there is not much variation among economic strata in terms of these basic motives. Many people of all economic groups would like to buy a house, few would like to save. There are a few points worth noting: The desire to buy a house is most prevalent in the middle economic stratum; the desire to speculate and to allocate to business is maximized in the upper stratum; and the propensity to save is greatest in the lower stratum by a very small margin.

Evaluations of the Past and Expectations for the Future

The economic condition of the household should not be examined solely in terms of income and expenditure figures. The psychological orientation or set of the people is equally important for an evaluation of the "economic situation" of the household. How people feel about their economic situation influences their behavior and certainly, at least partly, determines the course of inflation, a major concern in Turkey, and the future of elected governments. Furthermore, the psychological set need not be in line with objective realities; it is quite possible that people feel negatively about their economic situation while, in fact, their economic lot is objectively improving, or the reverse. The investigation of psychological set by means of brief interviews is obviously very difficult, and for this reason the current survey did not attempt to probe this issue in detail, but only tried to obtain a rough indication of the placement of household heads on an optimism-pessimism continuum.

The heads of household were asked how they compared the economic situation of their households to the situation five years ago. The time period of five years is long enough that people have to respond in terms of general attitudes rather than attempting objective comparisons and yet, it is short enough that people feel they can make the comparison reasonably well. The responses to this question, broken down by economic strata are

presented in Table XXVI.

TABLE XXVI
The Economic Situation of the Household
Compared to Five Years Ago
By Economic Strata

Economic Strata	Percentage Believing *		
	Worse Today	No Change	Better Today
Upper	57.5	16.2	26.2
Upper Middle	54.3	16.3	29.5
Middle	60.4	21.0	18.7
Lower Middle	47.2	22.3	19.6
Lower	51.5	26.5	22.0
Overall	54.1	20.6	25.3

* Households which did not exist five years ago have been excluded from the computation of percentages.

Looking at the overall figures it is clear that heads of household do not view the recent past in a very positive light. Slightly more than one half think that their situations got worse over the last five years, and only one fourth believe that their lot improved. This situation may be at least partially due to the fact that over the last five years Turkey has become increasingly integrated with European markets, with resultant dramatic increases in consumer goods available in the marketplace, leading to feelings of relative deprivation on the part of those who cannot afford these goods. However, whatever the reasons for the negative attitudes, the picture is not a pleasant one.

A somewhat surprising result is obtained with respect to differences between economic strata - there is very little variation in responses in the different economic groups. The upper economic stratum has as many people responding negatively

as any other group. This lends support to the idea that people's economic outlooks are determined by factors other than their actual situation. However, the fact that the maximum negative responses are in the middle category is probably meaningful, as Turkey has been going through a period of inflation, and inflation generally hurts middle income households deeply. As the effect of inflation is different on different types of income, it is interesting to examine these responses in terms of the occupational group of the household head.

TABLE XXVII
The Economic Situation of the Household
Compared to Five Years Ago
By Occupational Group of Head of Household

Occupational Group	Percentage Believing		
	Worse Today	No Change	Better Today
Public Employee	56.1	18.7	25.2
Private Sector Employee	56.2	11.9	31.9
Farmer	50.9	20.6	28.5
Professional	45.7	17.5	36.7
Blue Collar	53.0	25.0	22.0
Merchant/Industrialist	34.7	20.3	45.0
Artisan /Tradesman	54.9	20.2	24.8
Informal Sector	65.4	18.2	16.4

Examination of Table XXVII shows that there is considerable variation in percentages of negative responses by occupational group. The most positive responses come from merchants and industrialists. In fact this is the only occupational group where there are more positive responses than negative. This result is not altogether surprising since government economic policy over the last five years has been a free market oriented policy. The highest rate of negative responses come from the marginally

employed which does not lend itself to a ready explanation. However, the fact that the employees of both the public and private sectors rank next in terms negative responses is easily explained -- inflation works against the wage earner. A final table on this issue gives the results broken down by educational level.

TABLE XXVIII
The Economic Situation of the Household
Compared to Five Years Ago
By Level of Education of Head of Household

Level of Education	Percentage Believing		
	Worse Today	No Change	Better Today
No Diploma	48.3	26.4	25.3
Primary School	55.6	18.3	26.1
Jr.High School	54.9	24.5	20.6
High School	65.2	11.7	23.2
University	51.0	18.8	30.2

Table XXVIII shows that there is considerable variation in responses by educational level of head of household. However, the differences do not fit any simple pattern. The least negative responses come from those with no diploma and the most negative from the high school graduates. It may be that most of the no diploma group comes from rural areas, where inflation has less effect, and that the high school graduates are mostly in the middle income group, which seems to have been most affected by inflation.

Although the evaluation of the recent past is quite meaningful, the optimism - pessimism dimension is probably better represented by expectations for the future. The interview

schedule also contained a question probing how heads of household expect the economic situation of the household to change over the next five years. The overall responses, as well as the breakdown by economic strata, are given in Table XXIX.

TABLE XXIX
The Expected Economic Situation of the Household
In Five Years Time
By Economic Strata

Economic Strata	Percentage Expecting			
	Worse Than	No Change	Better Than	Don't Know
Upper	51.3	9.6	24.0	15.0
Upper Middle	43.7	10.5	29.9	15.9
Middle	40.7	13.0	26.0	20.3
Lower Middle	31.5	11.2	26.3	31.0
Lower	37.2	12.4	24.0	26.4
Overall	40.9	11.4	26.0	21.7

The general pattern is quite similar to the evaluation of the past. By and large, respondents' expectations are less than positive. Overall, only about one fourth of the household heads believe that their economic situation is going to improve in the next five years. The percentages of those who expect a worse situation are lower than the percentages of those who thought their situation got worse over the last five years, but this is probably due to the fact that a sizeable proportion of the respondents did not make a prediction. It is interesting to note that the most negative responses are in the upper economic stratum, although what this means is far from clear. Table XXX gives the breakdown of these responses by the occupational group of the household head.

There appears to be greater variation in expectations for

the future than there was in the evaluations of the past by

TABLE XXX
The Expected Economic Situation of the Household
In Five Years Time
By Occupational Group of Head of Household

Occupational Group	Percentage Expecting			
	Worse Than	No Change	Better Than	Don't Know
Public Employee	41.4	18.7	28.6	11.3
Private S. Employee	21.6	18.9	47.5	12.0
Farmer	42.8	7.7	23.6	25.9
Professional	27.6	13.1	40.5	18.7
Blue Collar	42.9	11.9	25.5	19.6
Merchant/Indust.	15.0	19.0	55.1	10.9
Artisan/Tradesman	36.7	12.8	30.6	19.9
Informal Sector	55.1	1.7	18.4	24.8

occupational groups, which is only to be expected. However, the variation shows the same general pattern. The most optimistic are the merchants and industrialists, more than half of whom expect the next five years to improve their household situations. They are followed, if not too closely, by the self employed professionals, and the artisans and tradesmen. The public and private sector employees who evaluated the past negatively in a similar way differ in their expectations for the future, the private sector employees being considerably more optimistic. The farmers and the blue collar workers have the most negative outlook. To continue the examination of expectations for the future, Table XXXI gives the responses broken down by educational level of head of household.

The general tendency seems to be one of increasing optimism by increasing educational level with the university graduates the most optimistic of all. However, the junior high school

graduates break this pattern by being almost as optimistic as

TABLE XXIX
The Expected Economic Situation of the Household
In Five Years Time
By Educational Level of Head of Household

Educational Level	Percentage expecting			
	Worse Than	No Change	Better Than	Don't Know
No Diploma	42.5	6.3	21.4	29.8
Primary School	42.4	11.3	26.3	20.0
Jr.High School	30.5	11.3	39.1	19.2
High School	43.8	17.8	25.3	13.2
University	27.4	21.7	39.9	11.0

university graduates, and a great deal more so than high school graduates. There is no obvious explanation for this finding.

Given all the variations by grouping, however, the general picture is one in which the typical household head thinks that things are not going well for him and that they are not very likely to go well in the future either.

Preferences for Government Policies

As a final issue, the questionnaire tried to assess respondents' expectations concerning government policies. Especially in a situation where the needs of most households are far from being met, it is clear that people will expect a great deal from the government. Just what priorities the people want their government to set in its economic and social programs and how these are related to their own needs are the basic questions taken up in this section.

The interview schedule contained a question asking heads of household which two areas of spending or investment they would prefer the government to allocate most funds to out of a list shown to them. The respondents were reminded that allocating funds to an area meant that there would be less for other areas as the funds available to the government were not infinite. Respondents who said they preferred alternatives other than those listed were allowed to enter them. Selection was limited to two and recorded in order of preference (see Table XXXII).

Unemployment appears as the clearcut preferred area for government spending with no close second alternative. Summing the percentages for the first and second choices, it can be seen that nearly half the respondents, 47.5%, consider unemployment to be one of the most important two problems the government has to deal with. The second most frequently preferred alternative is health services and the third, agricultural subsidies. No other

TABLE XXXII
 Preferences for Areas of Government Spending
 (Percentage of Household Heads Preferring Given Area)

Area of Spending	First Preference	Second Preference
Health Services	13.2	15.1
Social Security	6.0	6.8
Educational Services	8.4	9.4
Transportation Communication	2.7	5.7
Energy Infrastructure	4.0	4.6
Housing Development	7.3	7.4
Unemployment	30.0	17.5
Heavy Industry	3.9	4.6
Agricultural Subsidies	15.2	9.7
Industrial Subsidies	3.1	5.6
Export Subsidies	0.2	2.0
Other	2.5	4.8
No Response	3.6	6.3

area was mentioned with significant frequency. It is interesting that housing, which was the outstanding need of the households, does not turn out to be an area of preferred government spending.

TABLE XXXIII
 Preferences for Government Policies
 By Economic Strata
 (Percentages of First or Second Choice)

Area of Spending	Economic Strata				
	Upper	UpperMid	Middle	LowerMid	Lower
Health Services	28.2	28.2	25.7	35.0	32.1
Social Security	11.3	11.8	15.6	12.3	17.0
Educ. Services	19.7	21.9	20.9	20.2	9.6
Transport.Comm.	16.6	8.6	6.6	6.8	15.0
Energy Infrastr.	8.8	8.5	8.5	10.7	8.4
Housing	12.2	18.1	18.3	17.4	13.7
Unemployment	49.0	46.0	43.4	49.2	51.6
Heavy Industry	18.7	16.4	19.4	10.1	10.1
Agricultural Subs.	38.4	32.8	20.0	27.4	30.1
Other	0.4	9.7	12.0	10.9	12.4

It is worthwhile looking at the variation in preferences for government policy by economic strata. Table XXXIII gives the

breakdown by economic strata for the sum of the two choices; that is, the percentages are those of household heads who picked a particular area as either first or second choice.

Unemployment is the clear first choice in all the strata and shows little variation between strata. The difference between the lower stratum, where it is maximum, and the middle stratum, where it is minimum, is fairly small. The picture is somewhat different for health services and agricultural subsidies, the overall second and third choices, respectively. Health services turn out to be the third choice for the upper and upper middle strata and the second choice for the middle, lower middle, and lower strata. In the upper middle stratum, 35% vote for health services where only 25.7% do so in the middle stratum. When agricultural subsidies are considered, it is observed that there is considerable variation among the strata - the upper stratum prefers farm subsidies at the 38.4% level, while the medium stratum does so at the 20.0% level. Obviously there are few farmers in the middle economic stratum. The question of who prefers which policies is an interesting one worth pursuing further. The first choice responses are tabulated by the "most important need of the household," which has been discussed before, in Table XXXIV. The policy alternatives of lesser interest are excluded from the table for the sake of compactness.

The striking thing about this table is that in general heads of household do not primarily prefer government policies in line with the most important need of their households. The only exception to this seems to be the case of health services: Heads

TABLE XXXIV
 Preferences for Government Policies
 By Most Important Need of Household

Need of Household	Area of Spending				
	Health Services	Educational Services	Housing	Unemployment	Agri. Subsidy
Housing	10.7	9.9	16.1	33.0	9.5
Consumer Durables	10.0	8.7	6.4	38.4	9.1
Work Equipment	6.4	7.4	2.7	33.0	26.7
Health Services	34.9	5.3	1.7	26.7	12.9
Automobile	14.7	8.9	4.9	27.8	19.3
Luxury Durables	21.3	12.1	7.8	17.9	21.2
Educational	26.3	14.0	2.6	33.0	6.5
Other	13.2	8.0	3.7	29.1	19.4

of household who perceive health services as their most important need want the government to invest in this area more than in any other, but even here the percentage is rather low. That is, 34.9% of household heads who think health services are their most important need pick health services as the first area the government should invest in. On the other hand, only 16.1% of household heads who cite housing as their most important need want the government to invest in this area first, while 33.0% prefer the government to invest in measures to decrease unemployment. Similarly, only 14.0% of household heads who state the most important need of their family to be educational services pick this area as the first one for the government to allocate funds to. There are, probably, at least two different reasons underlying these findings. In the first place, most people are likely to differentiate between the needs of their own household and the common needs of the country. In the second place, there probably are norms with respect to proper spheres of

government involvement. It appears that housing is not seen as an area the government should be involved with, but that health services are considered a proper area for government intervention.

Concluding Remarks

At this point, the stated aim of "obtaining a rough snapshot of the socio-economic situation and outlook of the Turkish household . . ." has been largely accomplished. We have presented a fairly large number of findings covering a number of basic issues ranging from the structural characteristics of the household to the preferences of the heads of household for government policies. In conclusion, we would like to highlight some findings which strike us as particularly important.

With respect to income, an important finding is the prevalence of in kind income. Although in kind income is common in traditional societies, the extent to which it exists in Turkish society is surprising. Furthermore, our findings indicate that the types of in kind income which are common are not all of traditional nature. It seems clear that more attention should be paid to in kind income and more detailed and precise data should be gathered on amounts and kinds of in kind income.

A fundamental finding is the low percentage of wage earners among the economically active population. Only about one third of the work force works for wages, while the rest are self-employed in one way or another. Furthermore, self-employment is not simply a behavioral regularity, but is apparently a part of folk ideology - starting one's own business is a highly popular response to what people would do with unexpected income. We

believe further research on this issue is necessary if Turkey's efforts to modernize its economy are to be successful.

These two findings, together with a third, the existence of multiple sources of household income in a large proportion of cases, we believe, constitute a reasonable explanation of how Turkey has been able to maintain high levels of inflation without serious damage to the social fabric. Most households are not fixed income households and among those which have wage earning heads, a large proportion has another source of income such as rent, interest or profit. It would be very interesting to investigate whether, and to what extent, this structural pattern developed as an adaptive response to inflation.

Among the other interesting results are findings concerning the extensive need for housing and the fact that people do not seem to expect the government to invest in housing development. Thus, it looks as if the image of government as a benevolent provider is not confirmed in our study.

Perhaps the single most outstanding and unanticipated finding is the extreme similarity of the household income distribution to that of 1973. It is hard to believe that no changes in the income distribution have occurred over the thirteen years separating 1973 and 1986. These years have been years of constant economic and social change. The Turkish economy has been subject to high levels of inflation reaching a three-digit value at one point during this period. There have been fundamental changes in the economic structure and organization of the country brought about by radically different government

policies. A free market oriented government policy aiming to integrate the national economy with that of the Western World has replaced a mixed economy model largely dependent on public economic enterprises as the main driving force of the economy. At the same time, the country has undergone upheavals at almost all levels of socio-political organization. The population shift from rural areas to the urban centers has reached record levels in this period. Widespread political violence has culminated in military intervention and suspension of democratic process. The same period also includes the restructuring of the state machinery and a return to civilian rule. To think that all this has had no effect on the distribution of household income is difficult indeed. It seems more plausible to assume that changes in the income distribution have brought us back to the same point as in 1973, rather than the distribution remaining the same. One can only be sorry that no other surveys on income distribution have been conducted during this period. Had there been regular surveys we would certainly be in a much better position to understand the complex relationships that result in socio-economic change.

Notes

1. See, for example, Bulutay, T., Timur, S. and Ersel, H. (1971); D. P. T. (State Planning Organization) (1976); Kagitcibasi, C. (1981).
2. See Frankel, M. R. (1971); Marsch, C. (1982); Weisberg, H. F. and Bowen, B. D. (1977).
3. See references in Note 1 and The World Bank (1980-1986).
4. See Hacettepe Universitesi Nufus Etudleri Enstitusu (1986).
5. D. P. T. (State Planning Organization) (1976).

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