



Time and Consumption Poverty in Turkey

THOMAS MASTERSON, EMEL MEMIS, and AJIT ZACHARIAS

February 11, 2014

The official measure of poverty in Turkey stipulates a minimum level of consumption expenditures that is supposedly required for attaining a minimum standard of living. As in other countries, the stipulation ignores the fact that unpaid household production activities contribute to the fulfillment of material needs and wants that are indispensable for attaining this standard. Consequently, for households that lack the time necessary for performing such activities, the official consumption poverty line understates the requisite expenditures. If the household does not have the time to perform the essential activities of household production, it will have to spend money on market substitutes in order to reach the basic living standard—a fact that is not reflected in the official poverty line. To get a more accurate calculus of poverty, we have developed the Levy Institute Measure of Time and Consumption Poverty (LIMTCP), a two-dimensional measure that takes into account *both* the necessary consumption expenditures and the household production time needed to achieve a minimum standard of living.

Our estimates for 2006 showed that the LIMTCP poverty rate of individuals was *10 percentage points higher* than the official rate (40 percent versus 30 percent). Ignoring time deficits in household production resulted in undercounting the poor by a large margin: the ranks of the poor stood at 29.0 million by our reckoning, compared to 21.4 million persons according to the official measure, indicating the existence of 7.6 million hidden poor. The consumption shortfall of poor households was also greater than implied by the official statistics (1.74 times greater). Among the rural areas of Turkey, where poverty is generally considered more pervasive, we found that 58 percent of individuals lived in poverty, compared to 30 percent in urban areas. Differences in the incidence of poverty between urban and rural areas reflect differences in demographic structure, as well as deep-rooted disparities with respect to employment opportunities and earnings.

Long hours on the job are the main proximate cause of time deficits for both men and women—but the effect on women is more drastic. Among full-time workers, the time poverty rate of women was nearly twice that of men (70 percent versus 37 percent), and among part-time workers it was more than nine times as high (37 percent versus 4 percent). This suggests that the source of the gender difference in time poverty does not lie mainly in the discrepancy in hours of employment; rather, it lies in the greater share of household production activities undertaken by women. In fact, we estimated that about one million nonemployed women were time poor because of the relatively high share of household production activities they were required to fulfill.

We also found a higher incidence of time poverty in consumption-poor as compared to nonpoor households (65 percent versus 37 percent). Similar

disparities across the poverty line can also be observed for employed men (42 percent of the consumption-poor were in time poverty, versus 29 percent of the consumption-nonpoor) and women (68 percent versus 48 percent). Consumption-poor urban and rural women had the highest rates of time poverty. Since the majority of the rural, time-poor employed women work without pay on the family farm or enterprise, the impoverishing effects of time deficits may be harder on them than on wage workers. Making work pay and providing the support needed to reach the minimum required consumption is vital for the rural population.

The official poverty rate for adults may be reduced from 26 to 11 percent and the LIMTCP rate may fall from 36 to 26 percent if every nonemployed but employable adult becomes employed in a job that best fits (in a statistical sense) their characteristics (such as age and educational attainment). These substantial reductions in poverty—suggested by our microsimulation model—would still leave much to be desired. Under the prevailing patterns of pay and hours of employment, the simulated LIMTCP poverty rate is practically identical to the actual (presimulation) official rate. Women's conditions of employment are crucial for the impact of job creation on poverty alleviation, because most of the employable (but currently nonemployed) persons are women. The occupational segregation and earnings disadvantages confronting women workers are well known. Our study also points toward the impoverishing effects of time deficits on women with low potential earnings.

Despite a recent rise, an exceptionally low female labor force participation rate, far lower than that of countries with similar levels of per capita GDP, still remains as a “Turkish puzzle.” In fact, in recent years, promoting women's employment as a contributor to higher economic growth has become a key priority for policymakers. In the context of the current policy agenda, our findings highlight the potential of carefully designed employment-centered policies to move the country toward inclusive economic growth and gender equality.

A forthcoming Levy Institute report on time and consumption poverty in Turkey will provide a more detailed discussion of these issues.

Research Scholar THOMAS MASTERSON is director of applied micromodeling and Senior Scholar AJIT ZACHARIAS is director of the Distribution of Income and Wealth program at the Levy Institute. EMEL MEMIS is a research associate in the Gender Equality and the Economy program and assistant professor of economics at Ankara University. The authors gratefully acknowledge the support of the United Nations Development Programme in Turkey.