Research on social security reform in Turkey

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Introduction

For the development of sound policies for social protection in Turkey, there is a strong need for research activities and collection of data by units within the social security institutions.

The warnings produced by such research activities can play a determining role in securing the sustainability and viability of the social security systems.

In spite of this need, the scale of the research activities of social security institutions in Turkey has remained limited for many years.

During the periods of restructuring social security policies in Turkey, research projects providing the basis for the formation of new social protection policies have been contracted to organizations outside the social security institutions, and development of the research capacities of the institutions themselves has been neglected.

Such research contracted to outside organizations could be undertaken only occasionally and on a case-by-case basis; hence the need for continuous research activity, which would form the basis of the policy for a sustainable social security system, remained unsatisfied.

The discontinuous character and contracting-out of such research activity was also a disadvantage for the data production capacity of these institutions.

The "Social Security Reform Project", which we shall describe in this paper was contracted out to ILO by the Turkish Government in September 1994 and was financed by a World Bank Credit. This research Project formed the basis of major changes in the social security policies in Turkey and had some limited influence on the improvement of the research capacity of the social security institutions.

An evaluation of the impact of the "Social Security Reform Project" on the research capacity of the Social Security Institution (SSK), which is the biggest among the social security organizations in Turkey with respect to the number of people served, forms the main purpose of our study.
1. Brief description of the project

In accordance with a credit agreement between Turkey and the World Bank, dated 03.07.1994, a "Privatization Implementation Assistance and Social Safety Net Project" was put into implementation. Studies to analyse options for the reform of social insurance/pension systems in Turkey and develop a unique identifier system for Turkish citizens were financed through this loan. The general aim was to produce a report on reform of the social security system in Turkey. The project was supervised and monitored by a Steering Committee of 7 people, coordinated by the Treasury, with 2 participants from the Treasury, 1 each from the State Planning Organization, the Ministry of Labour and Social Security, Social Security Institution (SSK), Pensioner's Chest (ES), and Social Security for the Self Employed (Bağ-Kur).

The overall studies were undertaken on two pillars: social security and health care. The "Social Security Reform Project" aimed at the development of a system for the reform of existing retirement pensions and the program of social assistance. Another aim was to improve the administrative capacity and efficiency of the social security institutions. ILO was selected to carry out the Project and started its work in May 1995, completing the Project on March 1996. The Project was carried out in accordance with the World Bank contract procedures, the total contract value being USD 1.1 million. As a result of the studies, 20 technical, statistical and interim reports were submitted to the Steering Committee. A Final Report was submitted to the Treasury on March 1996 (ILO, 1996a; 1996b).

The second pillar of the overall Project related to the possible reform of the financing and delivery of health care in Turkey, and was contracted to the Australian Health Insurance Commission (AHIC). The Joint Report prepared by the ILO and the AHIC, entitled Reform of Health Financing, Pension and Social Assistance Systems in Turkey, was submitted to the Treasury in 1996 (AHIC, ILO, 1996).

2. The context in which the project was carried out:
The problems of the Social Security System

The social security system in Turkey comprises the Social Security Institution (SSK), Pensioner’s Chest (ES) and the Social Security for the Self Employed (Bağ-Kur) as the main organizations, and various insurance funds, social assistance and social services.

SSK serves workers in the private sector, public workers, agricultural workers and individuals on optional insurance. BAĞ-KUR covers tradesmen, artisans and other self-employed persons, farmers and certain other individuals on optional insurance (housewives, village/neighbourhood head). ES covers civil servants. Out of the 58.5 million who are actively, passively and dependently insured; 61 percent is covered by SSK, 28 percent by Bağ-Kur and 11 percent by ES.

In the early 90s, the social security system in Turkey entered a crisis due to the neglect of actuarial balances and institutional inefficiencies, and the system became unsustainable. The social security institutions, having depleted their accumulated resources, began to show deficits from 1991. The deficit/GNP ratio increased from 1 percent in 1994 to 3.7 percent in 1999. The basic problem in Turkey did not arise primarily from demographic factors such as the ageing of the population or the rise in the life expectancy, as was the case in developed countries.
We can group the problems of the Turkish social security system under two headings as parametric problems and structural problems.

2.1. The parametric problems of the system

These can be summarized as:

- the high rate of system dependency, defined by the ratio between the numbers of pensioners and numbers of actively insured;
- the low rate of labour force participation and the high rate of informal employment;
- the low rate of contribution collections;
- the low levels set for insurable earnings;
- the early retirement ages;
- the payment of benefits not covered by contributions;
- the laws allowing for indebtedness to the system;
- increase in the payment of benefits and health care due to the increased average life expectancy;
- the weak link between contributions and benefits;
- the amnesties on delay penalties for unpaid contributions;
- administrative and institutional inefficiencies.

2.2. Structural problems of the system

Structural problems can be grouped under three sub-headings. First, problems causing low coverage and a low level of contribution collection; second, administrative and human resources problems; and third, problems related to health care insurance.

Problems causing low coverage and a low level of contribution collection:

- inadequate information on the total number of insured persons;
- failure to identify individuals liable for taxes and to bring them within the Bağ-Kur scheme;
- no data exchange between the institutions where information on the insured can be obtained;
- lack of a transparent, adequate and up-to-date database or management information system;
- partial electronic transfer of information on collection of contributions;
- failure to inform individuals on their contribution obligations and on changes in the systems;
- failure to take legal action for collection of debts due to lack of information and human resources;
- problems in book-keeping due to inadequate data.

Administrative and human resources problems:

- vertical and centralized organization in the distribution of authority and responsibility;
- ambiguity in job descriptions, existence of repetitive / unnecessary functions;
- the dissatisfaction of employees due to a low level of earnings and social rights;
- inefficiency of the control mechanisms;
- incompatibility of job descriptions with the qualifications of the employees;
• lack of a system of professional expertise;
• inadequacy of systematic staff training in line with job requirements, inadequacy of staff motivation for problem solving/solution finding.

Problems of health insurance:

• the weak link between contributions and benefits in the health insurance;
• inefficient control of patient-hospital-doctor-pharmacy relations;
• the difficulty in providing a rational basis for the pricing of health services;
• lack of a transparent, adequate and up-to-date database or management information system;
• the misuse of health care assistance;
• the lack of a health database of the insured and dependants;
• the delay in the fulfilment of obligations towards health care providers;
• problems in bookkeeping due to inadequate data.

3. Further information on the social security research project

The project started with an overview of the structure and performance of the social security system, and actuarial projections up to year 2050 were made. As the starting point, the researchers were asked to identify what would happen to the pension system if no reforms were undertaken. The Terms of Reference then required the International Labour Office (ILO) to examine a number of different pension reform alternatives and to analyse social assistance for the poor, elderly and disabled, the possible reform of institutions, the consequences of the reform for the capital markets, and prospective changes in legislation.

The alternatives were determined as follows:

• Alternative 1: A reconstructed pay-as-you-go (PAYG) social security system, similar to the existing system and run by public agencies;

• Alternative 2: A mandatory, fully funded retirement savings system, operated by private pension funds;

• Alternative 3: A mixed, two tier system which would combine a first tier PAYG social security scheme with a mandatory second tier savings scheme;

• Alternative 4: A mixed, two tier system which would combine a first tier PAYG social security scheme with a voluntary second tier savings scheme.

The researchers were then asked to provide long and short-term projections of the impact on the economy and the consolidated budget (especially on the public sector deficit), contribution and benefit rates, the impact on contributors and beneficiaries with varying levels of income, and the viability of the social security institutions.

The researchers were also asked to examine the compatibility of social security and social assistance reform proposals with those suggested for the reform of the health care system in Turkey.
The projections made with the help of the actuarial model prepared by the ILO indicated that without an improvement in the existing schemes, the system was not financially sustainable in the long run.

Starting with the fact that the existing social security system was no longer sustainable and that the level of social assistance was not adequate to address poverty, a thoroughgoing reform of the social security and social assistance programs for the poor, elderly and low income disabled were suggested. The Project provided empirical confirmation of these judgments. The four reform alternatives were examined in detail and a range of options, ranging from the restructuring of the existing system to the passage to private pension systems, were presented.

Issues concerning privatization, private pension systems, the level of state support, the increase in the age of retirement and the deficit of social security institutions were the main topics of debate at the time of the research project. The Project indicated that there were a number of common remedial actions required in all reform alternatives, such as an increase in the retirement age, an increase in the definition of insurable earnings, a stronger link between benefits and contributions, and an increase in the efficiency of the social security institutions.

4. Health financing project

The main objective of health financing project was to investigate ways of extending health insurance to the whole of the Turkish population. Turkey’s health expenditure is low compared to other OECD countries (4.3 percent of GNP in 2002), and the average use of health services is less than in other countries at a comparable stage of development.

The health financing project indicated that extension of health insurance was an achievable target provided that certain changes in the institutional structure and financing structure were made. More effective and equitable utilization of funds and substantial changes in the financing structure were required for the success of the health reform in the long run (Avustralya Sağlık Sigortası Komisyonu, 1996).

5. The conclusions of the joint report

Some of the conclusions of the AHIC/ ILO Joint Report were as follows (AHIC, ILO, 1996):

- there was a need for a supplementary pension system;
- minimum basic pensions, protected against inflation, should be provided for all eligible insured persons;
- social protection should be strengthened;
- the financing of pension insurance and health care insurance should be separated;
- a link should be established between the collection of social security contributions and collection of taxes;
- there should be a substantial increase in the age of retirement;
- there should be an increase in the definition of insurable earnings;
- there should be a stronger link between social security contributions and benefits;
- the efficiency of the institutions should be improved and the regular collection of contributions should be secured;
- the existing rights of the people covered under the contribution schemes should be maintained;
• suggestions should be developed for the inclusion in the system of people not covered under contribution schemes;
• for people not currently entitled to health insurance, a publicly administered general health insurance scheme should be established, and membership of this scheme should be voluntary; and
• the suggested reforms would bring Turkey into line with practices in countries of the European Union (EU).

6. The evaluation of the project by the social parties

6.1. The evaluation of SSK

As the largest social security institution, SSK published a report on its evaluation of the Project. The conclusions reached by SSK were as follows (SSK, 1996). (Also see SSK, 1999):

• The deficit of social security institutions and the consequent burden on public finances were the main reasons for the initiation of the "Reform Project".
• The establishment of a link between contributions and benefits appeared to be a major problem. The majority of those insured under SSK paid their contributions on the basis of minimum earnings, thus causing a big imbalance between incomes and payments.
• Governments determined rises in pensions, and political influence on these decisions was notable. Pension rises should not be higher than the increase in average national earnings, which was a new concept for Turkey.
• Voluntary and private pension systems were not appropriate for Turkey. With high levels of unemployment, only a publicly supported social security system could secure the regular payment of contributions and could create confidence in the system.
• Complementary private pensions should only work as a mechanism to compensate the low level of pensions.

6.2. The evaluation by TÜRK-İŞ, The Trade Union Confederation of Turkey (TÜRK-İŞ, 1996)

TÜRK-İŞ was able to obtain the final reports of the project; the technical reports were not available for TÜRK-İŞ study. In its report on the evaluation of the project TÜRK-İŞ emphasized the following points:

• The social security reform project was based on the examination of alternatives proposed in accordance with the priorities of World Bank. The alternatives, with the exception of Alternative 1, assumed the opening up of the system either wholly or partially to the private fund management. The privatization of social security funds would never be an alternative for Turkey.
Both the social security research and the health care research proposed elements of privatization which were not compatible with the realities of Turkey.

The research teams were not familiar with the conditions of Turkey. Foreign experts should not have been commissioned with the task of offering solutions to the social security problems of Turkey.

The role of political intervention by governments in the social security system, the growth of the informal sector and the effect of chronic inflation had been overlooked in the studies.

Some of the conclusions of the reports were based on empirical findings and as such these could be a good source of information for other researchers.

6.3. The evaluation by TİSK, The Confederation of Employers’ Organization in Turkey (TİSK, 1996)

TİSK published its basic views on social security reform on 09.07.1996 (TİSK, 1996). (Also see TUSİAD, 1997; Istanbul Ticaret Odası, 1999). The main conclusions were as follows:

- the basic problem of Turkish social security system was its high level of deficit and the need for a transfer of budget funds to the system;
- one important reason for the crises of social security system was political intervention by governments;
- the practice of early retirement, benefits not covered by contributions, informal employment and non-payment of public employers’ contributions all aggravated the problems;
- a high rate of contributions and increasing the labour costs discouraged employment, damaged the competitiveness of Turkish industry and favoured informal employment practices;
- TİSK favoured an increase in the retirement age and other measures to eliminate the deficit in the system. It also favoured state participation in providing contributions and objected to any increase in the employers’ contribution rate;
- the institutions should be autonomous and the political intervention of governments should be avoided;
- private pension funds and private insurance systems should be encouraged.

7. Social security reform

After the "ILO Project", a comprehensive, two stage social security reform aiming to re-establish long-term actuarial balances and develop institutional efficiency was designed and put into implementation from 1999.
7.1. First stage

The Law numbered 4447, which provided for urgent basic measures forming the first stage of the reform plan and included substantial changes in the basic parameters of the social security system, was adopted and published in the Official Gazette on 08.09.1999.

The first stage was centred on the medium and long-term actuarial balances of the social security institutions, thus aiming to create financially sustainable structures.

During the first stage, the retirement age and the minimum period for payment of contributions were increased, the replacement rate was decreased for both SSK and Bağ-Kur, the reference period for the calculation of the pensions was taken as the whole of the working life, pensions were indexed to inflation, the minimum and maximum levels of insurable earnings were increased, the social assistance program from SSK funds was nominally frozen, and measures to prevent informal employment were adopted.

During the first stage, unemployment insurance was also introduced. Alongside unemployment insurance and unemployment insurance benefits, training was provided for job search and for the development and acquisition of qualifications.

Very limited arrangements were made concerning the Pensioners’ Chest (ES). The retirement age for members of ES was changed in parallel with the other social security institutions. But since the retirement arrangements for civil servants were an extension of the public personnel regime, the basic parameters of the actuarial balances, such as the calculation of pensions and contribution bases were not changed at this stage. Pensions in the public personnel regime remained more as a payment related to the position of the insured before retirement, rather than a benefit tied to the contributions paid during the working life.

7.2. Second stage

The second stage of the reform measures implemented for the medium and long-run aimed at the following:

- institutional and technological restructuring of the social security institutions, with the aim of increasing efficiency and productivity;
- the establishment of private pension schemes;
- restructuring of the health services;
- establishment of an extended social assistance system.

In this context a serial of laws were adopted for the institutional restructuring:

The Social Security Organization was established (Law numbered 4947, dated 24.07.2003 for the Organization of the Social Security) as an umbrella organization within the Ministry of Labour and Social Security, with the aim of securing norm and standard unity of the insurance programs of the existing social security institutions, the creation of a joint database between these institutions and the monitoring of the actuarial and financial balances of these institutions.

Under the Law on Social Security Institution (06.08.2003), the Social Security Institution was reorganized under a board of directors, with two separate general directorates responsible
for insurance and health affairs. Previously there was one general directorate responsible for both insurance and health affairs.

Under the Bağ-Kur Law (2.08.2003), Bağ-Kur was reorganized and a finance and actuarial department was established.

Under the Employment Institution Law (5.07.2003), the old employment institution İş ve İşçi Bulma Kurumu was replaced by a new employment agency İş-Kur, responsible for active employment policies and the implementation of unemployment insurance.

Under the Law on Individual Pension Saving and Investment System (07.04.2001), a complementary private pension system based on voluntary participation was established. Tax incentives were provided for participants and for employers who contributed to the system on behalf of their employees.

In addition to the legal arrangements, restructuring of work practices is also planned. The three social security institutions shall work together to:

- create a central database;
- develop a management information system based on advanced, country-wide automation;
- form a joint accounting system;
- inform the public on the new developments.

8. A general evaluation

It should be noted that many of the proposals of the research project have been realized in Turkey by legal and organizational changes in the social security system. In the adoption of new laws and institutional arrangements, Turkey’s adoption to the European Union acquis has played a role (DPT, 2001).

However the financing of the social security system in Turkey, where the rate of unemployment and the numbers not covered by social security schemes are high, remains a major problem.

It is understandable that in the short run and with transition periods (such as transition periods for the changes in the retirement age) targeted results cannot be achieved. The changes are expected to become effective in the medium term.

Since the legal changes concerning the institutional set up of the social security institutions have been generally completed, these institutions and particularly SSK should be expected to develop their own research practices. The aim is to develop administrative capacities and increase the effectiveness of these institutions. In this framework, the social security institutions shall benefit much from sharing experiences with other countries. Project development for the increase in research capacity should be a main concern for the social security institutions.
9. The impact of the "Social Security Reform Project", on the research capacity of the Social Security Institution (SSK)

9.1. Research in the Social Security Institution

It can be said that, at the time of the establishment of the Social Security Institution (1946), the research function related to the social security was with the Actuarial Directorate, which was one of the central units under the technical Deputy General Directorate. Later, the Directorate for the Etude and Organization was formed. This Directorate was restructured as Research and Planning Coordination Department in 1973. The mission of this Department was defined as the development of ideas and proposals, making evaluations and plans concerning health and social security services. In 1983, The Actuarial and Statistical Directorate was merged with the Research and Planning Coordination Department (Fişek, Özşuca, Şule, 1997).

Kılıçdaroğlu, one of the former General Directors of SSK, sees the closure of the Actuarial and Statistical Directorate and the cancellation of actuary positions as a step backward with respect to the research capacity of the institution and states that this change also played a role in the financial crises of the institution in later years (Kılıçdaroğlu, 2004).

The Economic Analysis and Statistics Department formed in 1994 under Law 3917 (1993) was entrusted with the task of making cost analysis and actuarial evaluations, collecting and evaluating statistics. The statisticians employed in the Economic Analysis and Statistics Department were mainly concerned with the collection of data and with publication of the statistical yearbook. In 1994, under the same Law 3917, a separate Department of Finance was formed.

Under Decree 616, dated 24.8.2000, the Economic and Financial Analysis Department was abolished and the Finance and Actuarial Department was formed. The basic tasks of the Finance and Actuarial Department were defined as the monitoring of social security developments in the world and in Turkey, making actuarial projections, administration of cash and similar assets. Attempts were made to strengthen the personnel position of the Department, and social insurance experts and assistant experts were employed after special examinations. In-house training of assistant experts was emphasized.

Under Law 4958 (29.7.2003), the Research and Planning department was abolished and research and planning functions were also given to the Finance and Actuarial Department, its name being changed to Finance, Actuarial and Planning Department. Thus, finally, all research functions relating to finance, planning and actuarial tasks were unified in one Department.

Currently the Department is doing research on the following topics (some of which are ongoing):

- the cost to the institution of the early retirement schemes and social assistance programs not covered by contributions;
- the impact on employment of the difference between minimum insurable earnings and minimum wages;

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- the comparison of contribution rates and the weight of contributions in labour costs in EU member countries, EU candidate countries and OECD countries (Turkey included);
- actuarial technical balance sheet study for SSK (Güney, 2004).

A Finance and Actuarial Department was also formed within the new Social Security Organization established in 2003. The tasks of this Department are collection and evaluation of data and information from the social security institutions, preparing such information for publication every four months, monitoring the financial operations and tables of the institutions, preparing the necessary reports for presentation to the Ministry, and work on the creation of a joint database for the institutions.

20 social security expert positions were allocated for the Social Security Organization. These experts may play an important role in the future research capacity of the Organization

9.2. The impact of the “Social Security Reform Project” on the research capacity of the institution

We should firstly underline the fact that the "Social Security Reform Project" was not carried out by the research units of the social security institutions themselves.

One reason behind this fact was the inadequacy of the research capacity of the social security institutions. Therefore, when social security reform was placed on the agenda at different times, the research on which the policy proposals was to be based was contracted to outside organizations.\(^1\) Shortly before the 1996 ILO Project, the Social Security institution had contracted another research project to ILO on its own initiative. With this project, which cost the institution just USD 7,000, the institution tried to define its problems and explore possible solutions (Kılıçdaroğlu, 2004).

There are various reasons for the inadequate development of the research capacities of the social security institutions.

- The provision of similar services to different user groups, in different standards and in a scattered organizational structure has been an important obstacle to the development of research capacities. When research covering the whole system needed to be done, it was contracted to outside organizations.

- Different laws adopted at different times formed the social security system. These laws were not based on research activities, which should take into account the harmonization of the different sections in the system. The management of the institutions had limited means to intervene in the system by administrative decisions and they could use this right only in so far as the laws permitted. Therefore the environment had not been supportive of the research instincts of the Institutions.

- The fact that the social security institutions had a centralized structure, with decisions being taken at the centre, and that they were open to political interventions also played a negative role in the development of research capacity. The Institutions are

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\(^1\) One other example was the Report prepared by the ILO expert Zelenka in 1971 (Zelenka, 1971).

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said to have administrative and financial autonomy, but in reality they are not autonomous organizations. The majority members of the board of directors are appointed, and the general congresses do not have the right to remove the management. Instead of the actuarial balances, political balances are taken into account. Management changes are frequent (in SSK, the average assignment period for a general manager has been 1.7 years). All these factors had a negative impact on the development of research units and capacities.

- As the role of contributors and beneficiaries in the management of the social security institutions was limited, the efficiency of the social parties was substantially reduced. The influence of employer and worker representatives in the management of the institutions was weak, and the social parties were not sufficiently informed on the formation and implementation of the policies or the working of the institutions. Since the social parties were not able to participate in the workings of the system, their demands for data and information were also quite limited, with consequent negative effects on the development of research capacity.

- On the other hand it can be said that the social parties themselves, as contributors and beneficiaries, are not involved in their institutions as they should be. The representatives of the social parties to the management of the institutions are elected by their organizations and there is no legal definition of qualifications required.

- The general congresses should be the highest organs of the institutions where the accounts and activities of the management are discussed. However, the functions of the general congresses of the social security institutions, where the social parties are widely represented, are limited. There has been no pressure from the general congresses for the development of research capacity.

- Social security institutions should develop their current policies on future developments and plan their next 50-60 years. The people best placed to realize these plans and projections are actuaries. The actuary positions of the SSK were weakened after 1980 and the already inadequate research capacity was further reduced. It is necessary that expert positions in the social security institutions, and in particular the number of actuaries, be increased.

- The actuarial programs of universities developed only recently, their number still being insufficient. This has been another reason for the lack of expert personnel for research.

In short, it can be said that deficiencies in the social security system caused the under-development of research capacities, and this in turn has been one reason for the social security crises.

As mentioned above, the "Social Security Reform Project" was undertaken within the context of the credit agreement between Turkey and the World Bank as a part of the "Privatization Implementation Assistance and Social Safety Net Project" and was implemented under the coordination of the Treasury. This has caused a financial focus in the analysis of the social security problems. With a financial focus, the development of the research capacity could not become a priority issue.

Even though there were representatives of the social security institutions in the Project Steering Committee, the role of the Treasury in coordination and the role of the ILO and

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private firms in implementing the research prevented the internalization of the Project by the institutions.

Within SSK, a working group consisting of an inspector from the Board of Inspectors Department as chair and two personnel from the data processing department was formed to provide data and information to the ILO experts. This working group was also given the task of evaluation of the interim reports prepared by the ILO experts, and with furnishing information to the SSK Deputy General Director in the Steering Committee.

Since the work of the ILO experts was in English, there was no participation from the other units of SSK except data provision (Güney, 2004).

It can be said that the Project had some indirect influence on the activation of the Finance, Actuarial and Planning Department of the SSK.

During project implementation, it became clear that the institution was in need of research on issues related to the institution and that expert personnel, especially on actuarial issues, were lacking. Within this framework, two statisticians from SSK were sent to the United States for actuary certificate training, and the chair of the working group was sent to the UK for graduate studies in actuarial work (Güney, 2004).

Since the data for the project was secured from the social security institutions, the need was felt for the extension of the existing range of data collection in SSK. SSK has published a statistical yearbook since its foundation, and the research project proved that further and more varied data production was required.

The evaluation of the research by the social parties caused them to grasp more the importance of information on the workings of the institution. This realization may lead the social parties to demand long-term actuarial projections to be submitted to the general congresses.

Other than the above-mentioned influences, it cannot be said that the research project had a decisive influence on the development of the research capacity of the social security institutions. No major research was undertaken within the social security institutions after the 1996 ILO research.

Law 5018 (10.12.2003) on Public Financial Management requires that any law proposal concerning the social security should contain at minimum 20 years of actuarial projection (Article 14). This may encourage the development of institutional research capacity and promote the continuation of research.

The basic lesson to be learnt from the research project is that research on social security systems, carried out by researchers and actuaries employed in research units within the social security institutions, can make a substantial contribution to the viability of the social security institutions. Research prompted by the pressures of public finance deficits in developing countries may not contribute much to the development of the research capacities of social security institutions.

Social security institutions should consider research as a continuous service area, and the organizational structure of these institutions should be designed with this understanding. The research should be multi-dimensional, going beyond a financial focus. The cooperation between institutions and with universities should become regular.

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The results of the institutional research should not be kept within the institutions, but should be presented to the public so that decision makers, contributors and beneficiaries can make informed choices.

The International Social Security Association (ISSA) has much to contribute to the development of the research capacities of social security institutions in developing countries. Comparative studies on different country experiences and technical assistance to the research units of social security institutions may be mentioned as areas of contribution by ISSA.

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