

## **Reflections on INGEV's Study "Attitudes and Perceptions Toward the Economic Situation in Turkey"**

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This paper aims to draw attention to a few important points regarding Turkey's economic trajectory and its social cohesion impact through the findings of the *HUMAN DEVELOPMENT MONITOR ("IGM")* research conducted by INGEV between December 2021 and January 2022. Within the scope of the research, some basic economic status indicators were examined as of the beginning of 2022. In particular, the relationships between access to livelihoods and various indicators of social cohesion were examined. The main findings from the study are listed in the following seven items:

### **1. As of the beginning of 2022, the level of life satisfaction in Turkey is decreasing.**

The first striking result of the study carried out by INGEV is that there has been a considerable decrease in the rate of those who feel "high satisfaction with life" in 2022. The average for this rate for the period between 2019 and 2021 was 28%. In 2022, this rate dropped to 22%<sup>1</sup>. The data collection phase of the study is just the beginning of 2022. Therefore, it can be thought that this decrease mainly occurred in 2021. The rate of those who felt "low satisfaction with life " increased from 24% in the period 2019-2021 to 32% in 2022.

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<sup>1</sup> Remembering that 2018 was a year of economic crisis, it can be speculated that this average rate of 28% for "life satisfaction" for the period between 2019 and 2021 would have been lower before 2019. There seems to be a strong relation between life satisfaction and the economic situation, which we will talk about below.

## **2. Indicators signify that the Economic Growth is not evenly distributed among the society**

2021, when this significant decrease in life satisfaction was experienced, was also a year in which the economy has achieved an 11% growth rate in real terms. However, as we see in this study, economic situation and life satisfaction can be closely linked variables. In this year of record growth, the rate of those who say "I can subsist comfortably" has dropped to 15%. The average of this rate from 2019 through-2021 however was 21.7%. This thus makes for a very dramatic drop. On the other hand, almost 1 in 4 of the people interviewed say "I can't subsist at all" in their current situation. This rate increased at the beginning of 2022, and the average of this rate between 2019 and 2021 had been 19.4%.

When we look at the decrease in the rate of those who say, "I can subsist comfortably" and the increase in the rate of those who say, "I can't subsist at all", we see that the 11% growth has brought a very serious income inequality. Growth is unevenly distributed. In fact, it should be assumed that some people, let alone getting a share from this growth, have suffered from erosion of real income, i.e., their purchasing power has decreased. This year, with an official inflation rate of 36%, personal income should increase by 47% in nominal terms for a person's income to undergo 11% of real growth. Each person whose income grew below this rate was only able to get a smaller share of the newly generated income. Those whose income growth was below inflation also suffered a loss of purchasing power. This data thus tells us that those who have lost their purchasing power have increased.

## **3. Hopes that the economic situation will improve are low.**

Strikingly, according to the findings of the research, the belief that the deteriorating economic situation can improve in the future is weak. The percentage of those who say "I believe my children will live in better economic conditions than I do" is in the minority (32%). Those who say "I believe my economic situation will be better in the coming years" are also in the minority (30%).

The deteriorating economic situation also showed itself in the loan debt statistics. Nearly half of the society has loan debt (45%) and 71% of these loans are consumer loans.

#### **4. There is a strong relationship between Economic Condition and Life Satisfaction.**

We suggested that there is a strong link between life satisfaction and economic status. The results of this study support this argument. Approximately 3 out of 4 (76%) people who state they “can subsist comfortably” express a high level of happiness in life. On the other hand, the rate of those who express high life happiness among the people who “cannot subsist at all” is only 8%. While the rate for high satisfaction with life among those who can make their loan payments on time is 42%, only 21% of those who do not make their payments on time feel high level of happiness. Only 1 in 4 (24%) of those who feel anxious about their economic situation have a high level of life happiness, while more than half of those who do not feel anxiety (52%) express a high level of life happiness.

#### **5. Economic situation is strongly associated with social cohesion indicators such as perceptions of social tension and lifestyle barriers.**

The link between life happiness and economic status appears to be strong. The results obtained from the study also shed light on the link between “ease of subsistence” and some political and sociological indicators (which can also be evaluated as components of life satisfaction).

While only 11% of those who state they "can subsist comfortably" indicated that they have encountered an obstacle in achieving the lifestyle they want, 38% of those who "can't subsist at all" said that they encountered obstacles to their lifestyle. Similarly, only 5% of those who “can subsist comfortably” stated that they

have been discriminated against because of their ethnic identity. This rate is 14% among those who “can't subsist at all.” Therefore, it is possible that there is a link between economic power and the removal of some barriers to lifestyle and lower likelihood of discrimination on the basis of ethnic identity.

#### **6. There is a strong relationship between economic situation and perception of being represented in politics.**

The links between economic situation and perceptions toward political representation as well as social tensions are evident. While 46% of those who “subsist comfortably” say that their "opinions are represented in politics", this rate is 12% among those who say they "can't subsist at all". While 47% of those “who can subsist comfortably” feel strong tension between Turks and Syrians, those who “can't subsist at all” feel this tension at a significantly higher rate (66%). Likewise, 30% of those who can “subsist comfortably” report that they feel strong tension between the rich and the poor in Turkey, while those who “can't subsist at all” feel that tension at a higher rate (53%).

#### **7. “Ease of subsistence” has a stronger relationship with the indicators in this study than education level does.**

On the other hand, this study shows that those who state they “cannot subsist at all” do not coalesce at the same level of education, and that there are people from different education levels among them. However, the rate of those who have a "university or higher education" among those who say "I can't subsist at all" is lower than the general population. In other words, it is still possible to say that education has some degree of positive relationship with higher ease of subsistence.

What can be said about the relationship between the level of education and indicators such as happiness in life, lifestyle barriers, ethnic identity, ethnic and economic tensions?

The study helps us answer this question, just as it does for “ease of subsistence.” In general, the following can be said:

“Educational status” has a correlation with some of the examined indicators, just like “ease of subsistence” does. However, this bond is weaker than that of ease of subsistence. For example, ethnic identity is an indicator for which such a relationship with educational level is almost nonexistent; all education levels report being discriminated against almost at equal rates. The expectation about whether children will have better economic conditions does not vary according to the level of education. The same can be said for the perceived tension between the rich and the poor. Although some of the other indicators display stronger relationships with education level, a breakdown according to the “ease of subsistence” indicator still exhibits greater variability in all these indicators. In other words, compared to education level, “ease of subsistence” has a stronger relationship with indicators such as "high life satisfaction", "obstacles to lifestyle", "thinking that your views are represented in politics", "being irritable with people around you due to your financial stress.”

However, there are cases where the opposite is true. When it comes to indicators such as attitudes towards minorities, perceptions toward women's place in society, and attitudes towards climate change, breakdown according to education level does generate greater variability than ease of subsistence. Hence, there are important sociological indicators that cannot be improved by only focusing on the ease of subsistence. For them expanding education may provide greater help.