

## TRANSFORMATION OF SOCIAL SECURITY SYSTEMS DURING THE NEO-LIBERAL ERA

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**Abstract-** Social security system has entered into a change especially in the 1980s in many countries after economic and social problems which forced system to change. Especially financial deficits of social security institutions due to aging population emerged as a major problem.

The aim of this study is to analyze the reasons which caused the change of social security systems. Even the visible reason is financial problems due to aging population, it is not the only reason. The process of globalization which forces developed economies to take measures against the international competitiveness which became a burden for producers is the major reason.

**Keywords-** neo-liberal era, globalisation, social security

### Introduction

social security system has entered into a change especially in the 1980s in many countries after economic and social problems which forced system to change. Especially financial deficits of social security institutions due to aging population emerged as a major problem. Even the visible reason is financial problems due to aging population, it is not the only reason. The process of globalization which forces developed economies to take measures against the international competitiveness which became a burden for producers is the major reason.

In the historical process, it is claimed that the state has emerged with the need for a structure that will ensure the confiscation of the class owning social surplus resulting from social production. Therefore, the existence of the state is historically based on a class basis(Yaşar, 2011,165). Today, the functioning of the capitalist state is more than just a matter of repression. It is emphasized that the capitalist state cannot maintain its existence only by meeting the needs of the class of property. In other words, it is stated that the working class should legitimize itself in terms of the working class(Ulutürk ve Dane, 2009,118).

As a result of the fact that welfare state has started to be effective and therefore social policies have become a broad meaning, the understanding not only limited to basic rights and freedoms but also to the addition of economic and social rights has also been very effective in institutionalization of social security systems. Social Security, initially, has programs covering only wage earners except a few exceptions, but

with this period, it has started to concern all individuals. At the same time Social Security has been regarded as a fundamental human right, as mentioned in the previous sections, and this right is guaranteed by national constitutions and international instruments.

Important developments and achievements in the field of social security was realized through the economic, political and social environment after World War II. The protective structure of Social Security has covered a large part or all of the population, the number of social risks covered by the social security guarantee has increased, the level of social security precautions and aids has been increased, the duration has been extended, especially for low-income or needy sectors, and free aid (social public Aids) has been provided beyond insurance understanding(Tuncay).

Social security expenditures increased significantly with the opportunities of economic growth in the framework of the welfare state in the 1960s. In this period, it is understood from the data that the conditions for Social Security income to cover expenditures are appropriate. Adequate employment has facilitated appropriate social and demographic structure for financing. But after emergence of process of globalization especially at the fields of production and trade, welfare state's expenditures became a burden for economic system.

### **Neo-liberal era**

In the 1980s, especially in many countries, governments began to enter an intersection in terms of the future of Social Security Systems. There were two cases at this point: To allow the bankruptcy of social security system by insisting on traditional social security system; or to restructure the system so it can exist(Akgeyik,2006).

It is known that the welfare state is engaged in restructuring efforts in accordance with changing economic and social conditions within the framework of policies that emerged in the process of exit from the crisis that the capitalist system entered at the end of 1970s. Today, rather than a short-term change in the field of Social Security, a transformation is taking place in a wide-ranging period of time. During the last 35-40 years, social security issues have been one of the most comprehensive discussions of the economic and political agenda around the world. Especially as a result of the spread of neo-liberal policies, it is seen that changes in Social Security are beginning to take place(Kapar,2005).

Changing economic and social conditions significantly affected existing social security systems and necessitated the transformation process in Social Security Systems. Especially in developed countries, the aging of the population, the change in family structure, the emergence of a global contraction in employment and the social problems it creates have been quite effective in the transformation of Social Security. On the other hand, the loss of power of unions, which have a decisive role in the development of the welfare state, has led to the questioning of the welfare state and Social Security Systems, which are one of the most important instruments in the implementation of the welfare state, as a hindrance of welfare state practices in integration with the global markets(Gökbayrak,2010).

In the background of the transformation, developments in the 1970s led to the abandonment of welfare state practices that were effective in the context of Keynesian economic policies. The essence of the transformation is not the welfare state or any other phenomenon, but the crisis experienced in the capital accumulation of capitalism.

## Conclusion

The neo-liberal essence of globalization is expressed as the strengthening of market forces. It is claimed that it will increase economic well-being by creating efficiency in resource allocation of the fully-normalized free market economy. It is emphasized that the process of globalization of the economies is accompanied by the process of suppression of social dimension; that the ways of shifting everything that is social in front of profit maximization is sought(Özşuca,2003).

With the globalization process emerging as a result of rapid developments in communication and transportation, both institutions and companies have started to move to countries where Labor is cheaper in order to reduce costs and increase profit rates. After this development, the social security became a burden for governments. To challenge this situation almost all countries tried to restructure their social security systems.

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