Income Inequality and Poverty in Turkey

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The social crisis, exacerbated by the economic crisis and increasing authoritarianism, continued to deepen in 2025. Issues such as high inflation, widespread poverty affecting large groups of society, mass unemployment and precariousness, grave income inequality, increasing indebtedness, and the erosion in community living, grew increasingly severe.

Turkey has been among the world's five most fragile economies since 2013, and this has not changed in 2024-2025. In a list of the worlds five most fragile economies published by the Centre for Global Development, Turkey was identified as a country with increasing fragility, alongside Egypt, Indonesia, Qatar and Tunisia. Having a fragile economy means high inflation, weak growth, a high external deficit, high indebtedness and dependence on foreign capital, and Turkey leads the way in these indicators.

The most critical economic tendencies for 2024-2025 are high inflation, steep rises in foreign exchange rates due to the depreciation of the Turkish lira, and wage erosion. However, according to Turkish Statistical Institute (TUIK) data, the Turkish economy grew by 2.3 per cent in the first quarter of 2025 and by 4.8 per cent in the second quarter. It is claimed that the economy grew, but as is always the case, the workers' income has decreased, while poverty and indebtedness have increased.

This report assesses the effects of the current economic crisis, felt across all spheres of life during the 2024-2025 period, on individuals and workers, based on the latest data. The main highlights outlined in the report are as follows:

- Two out of every ten people in Turkey are in poverty.
- The poverty line in Turkey has increased twelvefold over the last ten years.
- Eleven per cent of people are in poverty despite having a job.
- The minimum wage is below the poverty line.
- 4 out of every 10 children are at risk of poverty and social exclusion.
- Women are at a higher risk of poverty or social exclusion than men.
- Turkey ranks first in Europe in terms of income inequality.
- The richest 20% earn nine times more than the poorest 20%.
- Average monthly household consumption expenditure has doubled in the last year.
- Turkey has one of the lowest per capita national incomes among European countries.
- Six out of every ten people are in debt.
- Capital accounts for 42 per cent of GDP, while labour accounts for 37 per cent.

Two out of every ten people in Turkey are in poverty. At least 17 million 821 people do not have sufficient income to meet even their most basic needs.

Poverty is not only an economic crisis but also a social, political and humanitarian one. This process, which begins with a decline in per capita national income, directly affects various fundamental rights, from average life expectancy to adequate nutrition, access to healthcare and clean drinking water. The increasing economic and political crises in Turkey have worsened the living conditions of society.

The injustice has increased in every sphere of life, from the courts to the workers' wages. According to the TUIK's Income and Living Conditions Survey, at least 17 million 821 people in Turkey are in such poverty that they cannot meet even their most basic needs. As the poverty rate rose to 21.2 per cent, two out of every ten people became poor.

The poverty line in Turkey has increased twelvefold over the last ten years.

The poverty line has increased by 12 times compared to 2014. The poverty line, which was 6.665,00 TRY in 2014, rose to 81.742,00 TRY in 2024. This increase accelerated dramatically, particularly due to the impact of high inflation after the year 2022. It was 21.296,00 TRY in 2022, 38.531,00 TRY in 2023, and 81.742,00 TRY in 2024. The spike in the last two years shows that the economic crisis and increase in prices have caused household incomes to decline in real terms.

Table: *Number of People in Poverty and Poverty Rate by Equivalent Household Disposable Income and Type of Household (2014-2024)*

Year	Poverty Line (TRY)	Number of Poor (.000)	Poverty Rate (%)
2014	6.665	16.501	21,8
2015	7.495	16.706	21,9
2016	8.539	16.328	21,2
2017	9.532	15.864	20,1
2018	10.670	16.888	21,2
2019	12.952	17.207	21,3
2020	14.873	17.921	21,9
2021	16.841	17.636	21,3
2022	21.296	18.030	21,6
2023	38.531	17.873	21,3
2024	81.742	17.821	21,2

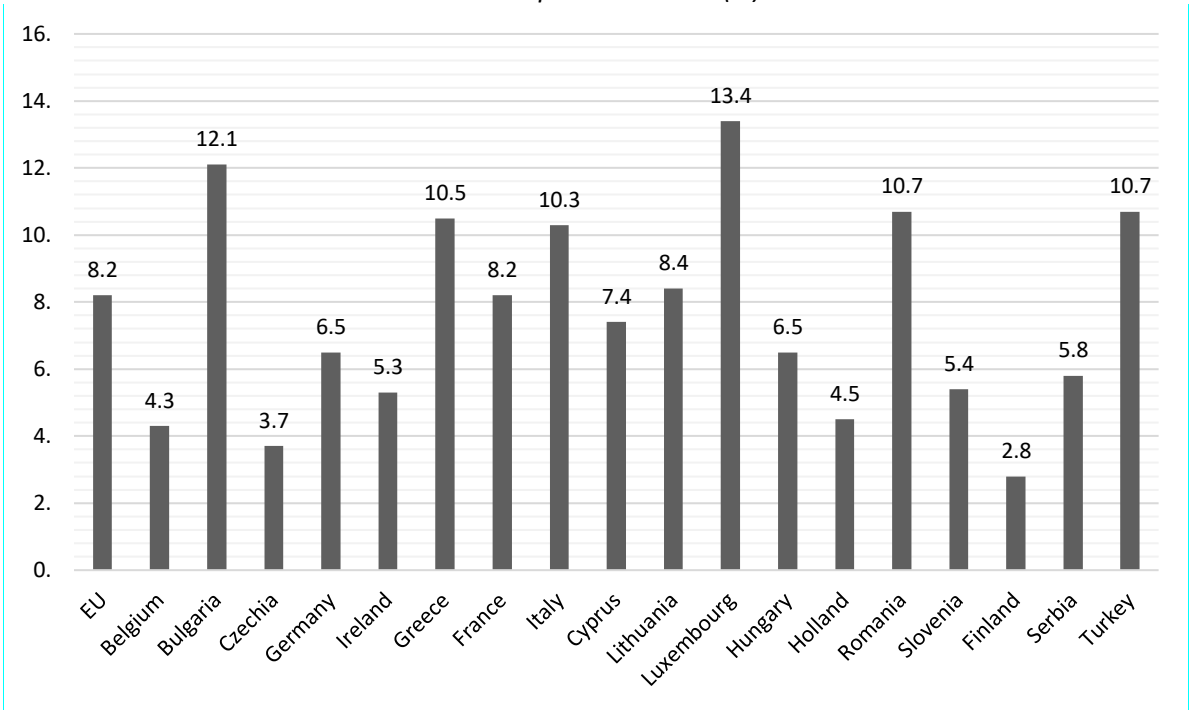
Source: *TUIK, Income and Living Conditions Survey, 2024*

Eleven per cent of people are in poverty despite having a job. 11 out of every 100 workers are in poverty.

Millions of individuals in Turkey are in poverty despite being employed, as they are unable to earn a wage sufficient to support themselves and their families or to enjoy decent living conditions. Inadequate minimum wages, heavy taxation, and unfair income distribution are exacerbating working poverty each day. In 2024, the poverty rate among workers in Turkey stands at 10.7 per cent. High

unemployment is causing this poverty to affect wider groups and families. On the other hand, working poverty in Turkey is higher than in many countries in Europe, standing at 2.5 percentage points above the EU average of 8.2 per cent.

Graph: *Working Poverty Rate in European Countries (%)*



Source: *Eurostat, 2024*

Turkey ranks first in Europe in terms of income inequality

The severe socio-economic crisis Turkey is experiencing has further exacerbated income inequality, making it the country with the highest income inequality in Europe. This situation has prevented national income from reaching broad sections of society, widened the gap between the rich and the poor, and led to the gradual disappearance of the middle class.

The data from Eurostat clearly demonstrates this fact, with the average Gini coefficient for EU countries standing at 0,344 and for Turkey it is 0,461. This ratio is not seen in any other European country. The record-high Gini coefficient is contributing not only to economic challenges but also to the deepening of social and political crises.

Table: *Gini Coefficient of European Countries*
*Values are indexed from 0 to 100 for ease of reference (Ratio*100)*

Czechia	27,1	**Slovakia**	27,9	**Poland**	30,4
Romania	30,8	**Hungary**	31,2	**Holland**	31,6
Norway	32,2	**Croatia**	32,2	**Belgium**	32,6
Austria	33,9	**Germany**	35,5	**Italy**	36,3
France	37,0	**Bulgaria**	41,7	**Turkey**	46,1

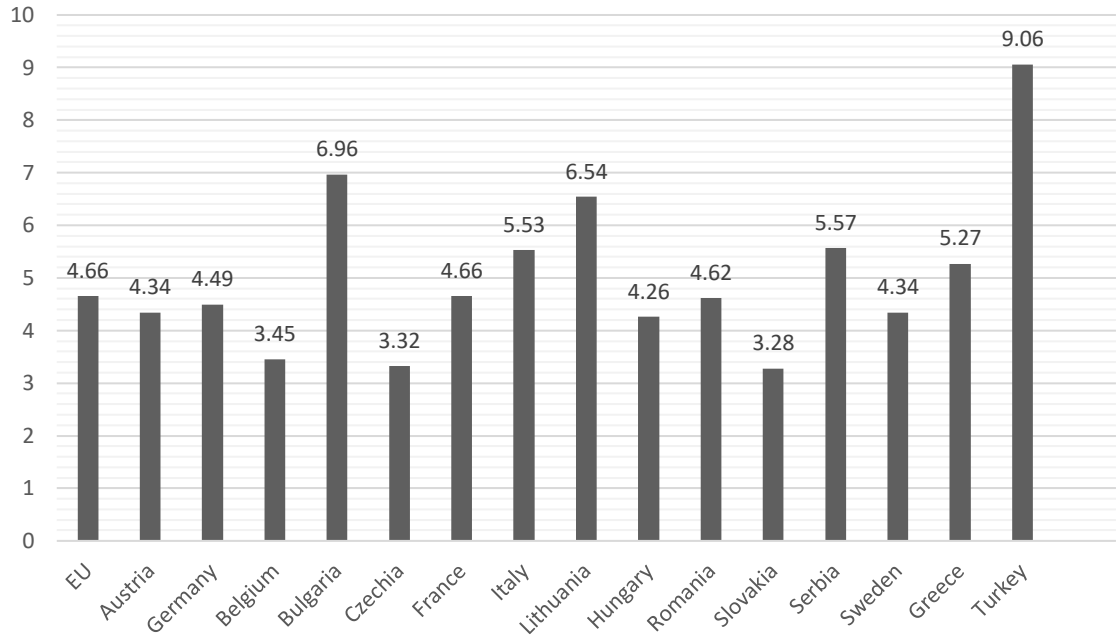
Source: *Eurostat, 2024*

The wealthiest 20 per cent of the population in Turkey has an income approximately nine times that of the poorest 20 per cent

The persistent increase in income inequality is widening the gap between the rich and the poor in society. According to Eurostat data, the S80/S20 ratio, which shows the income difference between the richest 20 per cent and the poorest 20 per cent in the EU countries, is 4.66, while this ratio is 9.06 for Turkey. The wealthy strata in Turkey have 9 times the income of the people in poverty, which is twice the average in Europe. This puts Turkey at the worst rank among European countries in terms of income inequality, as is the case with the Gini coefficient.

In many countries in Europe, such as Belgium, Germany, Slovenia and Norway, the S80/S20 ratio ranges between 3 and 4 times. In Turkey, however, the income of the richest groups is approximately 9 times that of the poorest groups. Among European countries, the closest value to Turkey is seen in Bulgaria, where this ratio is 6,96.

Graph: *Ratios of S80/S20 in European Countries*



Source: *Eurostat, 2024*

Policy recommendations for tackling income inequality and poverty:

- Economic policies that shift the burden of the economic crisis onto the public and workers must be abandoned.
- The disparity between labour and capital, which is the root cause of income inequality, must be eliminated. All wage earners should receive equal and fair compensation for the value they produce.
- Everyone should benefit equally from public services such as education, heath, care and housing, and these fundamental rights should be accessible and without pay.
- Fairness in income and taxation must be ensured, with the principle of taxing those who earn less, lower, and those who earn more, higher.

- A guaranteed living income should be provided for everyone.
- The minimum wage and other wage levels should be raised to a level befitting human dignity. The minimum wage should be calculated based on the expenses of a family of at least four people, not on the expenses of a single person.
- Realistic and protective economic policies should be implemented for tackling inflation.
- Social programmes should be established for tackling poverty, and social protection policies should be implemented for women and children, who are the most affected by poverty.
- To prevent working poverty, all wage earners, particularly those receiving the minimum wage, should be provided with an income guarantee that allows them to live in dignity.
- Social protection policies should be implemented to reduce indebtedness.
- Social assistance should be accessible to all, not just individuals, and should be provided in quality.