



# **Corporate Social Responsibility for All (CSR for ALL) Phase II**

CSR for ALL  
NATIONAL REVIEW STUDY  
Turkiye



# I. Introduction

## Objectives

- The second special objective is;
  - to include the companies' social, environmental, ethics, human rights and consumer concerns into their activities and basic strategies and to raise awareness of the employer organizations in the region in order to increase the positive effect in the eyes of the society, and to guide them for increasing their capacity.
  - These two special objectives have been attained thanks to the activities realized in the year 2013.
  - The sustainability researches, which shall be performed by negotiating the companies, are based on the questionnaire identified by IOE.

# I. Introduction

## Survey

- With the work performed on the basis of a list, layer information of which has been processed, 95% of confidence level and an error margin of +/- 3,00 has been achieved.
- According to this the total sample (p/q values hypothetically taken as  $p=0,8$ ,  $q=0,2$ ) is aimed to be 170 and in order to make the chosen companies to participate in the work, the question form has been sent to companies via e-mail.
- At the end of designated field work time, 130 companies gave feedback by answering the survey form. 110 surveys have been deemed as valid as a result of content control. Written/Oral support-according to their request- to the answerers have been given by the research center throughout the work.

## II. Country Profile

### General overview

- According to TUIK;
  - there are three poverty categories: starvation line, absolute poverty and relative poverty, and all of them are considered to be poverty. A person, who has the daily expenditure budget of USD 1, USD 2.15 or USD 4.30, is considered to be a poor person.
  - The literacy rate in Turkey has been increasing over the years. The literacy rate for the ages over 6 is 94.1%.

| AREA  |                         |
|-------|-------------------------|
| Total | 783,562 Km <sup>2</sup> |
| Water | 1.3 %                   |

| POPULATION       |            |
|------------------|------------|
| Total            | 77,695,904 |
| Age 00-14        | 24.3 %     |
| Age 15-64        | 67.8 %     |
| Age 65+          | 8.0 %      |
| Increase Rate    | 1.3 %      |
| Urban Population | 91.8 %     |
| Rural Population | 8.2 %      |

## II. Country Profile

### Economy

- Turkey is the Europe's 6th largest economy with the 800 billion dollars GDP. Average annual increase rate on real GDP has been 4.7%. Per capita GDP value was calculated 10 thousand 404 US dollars for the year 2014.
- Due to the increasing political and economic stability, Turkey became the top investing country in the Turkic Republics in the Central Asia. Moreover, as a reflection of this impact, Turkey drew the attention of the international investors and multinational corporations, especially in the field of privatization.

Table 1 Export of Turkey by years 2002-2015 (\$ 1.000)

| Years | Export Value |
|-------|--------------|
| 2002  | 36 059 089   |
| 2003  | 47 252 836   |
| 2004  | 63 167 153   |
| 2005  | 73 476 408   |
| 2006  | 85 534 676   |
| 2007  | 107 271 750  |
| 2008  | 132 027 196  |
| 2009  | 102 142 613  |
| 2010  | 113 883 219  |
| 2011  | 134 906 869  |
| 2012  | 152 461 737  |
| 2013  | 151 802 637  |
| 2014  | 157 616 885  |

## II. Country Profile

### Labour market

- When the labor market data is examined in Turkey;
  - it can be observed that as of January 2015, the unemployment rate is 11.3% and the non-agricultural unemployment rate is 13.4%. The young unemployment rate the age group of 15-24 is 20% and this rate for the age group of 15-64 this is 11.6%.
  - The number of employees is 25 million 454 thousand and the employment rate is 44.3%. The employment participation rate is 50%.

| [15+ age]<br>Employment status and economic activities | Total                    |              | Male         |              | Female      |             | (Thousand person) |
|--|--------------------------|--------------|--------------|--------------|-------------|-------------|-------------------|
|  | Number                   | %            | Number       | %            | Number      | %           |                   |
|  | <b>Employment status</b> | <b>25454</b> | <b>100</b>   | <b>17896</b> | <b>100</b>  | <b>7559</b> | <b>100</b>        |
| Wageworker or casual employee                          | 17132                    | 67,3         | 12351        | 69,0         | 4781        | 63,2        |                   |
| Employer   | 1103                     | 4,3          | 1011         | 5,6          | 92          | 1,2         |                   |
| At own account   | 4471                     | 17,6         | 3771         | 21,1         | 700         | 9,3         |                   |
| Unpaid family worker                                   | 2748                     | 10,8         | 763          | 4,3          | 1986        | 26,3        |                   |
| <b>Economic activities</b>                             | <b>25454</b>             | <b>100</b>   | <b>17896</b> | <b>100</b>   | <b>7559</b> | <b>100</b>  |                   |
| Agriculture  | 4842                     | 19,0         | 2710         | 15,1         | 2133        | 28,2        |                   |
| Industry   | 5350                     | 21,0         | 4 084        | 22,8         | 1 266       | 16,7        |                   |
| Construction   | 1697                     | 6,7          | 1630         | 9,1          | 67          | 0,9         |                   |
| Services   | 13 565                   | 53,3         | 9 472        | 52,9         | 4 096       | 48,3        |                   |

TUIK, Household Labor Force Research, January 2015

# III. CSR and sustainability in Turkey

## CSR profile

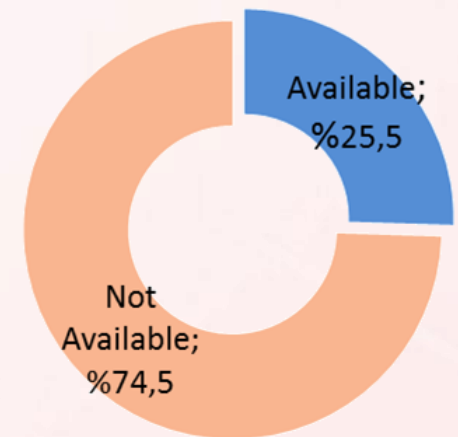
- The CSR perception of the companies carrying out activity in Turkey is mostly directed towards the works that concern the society.
  - In the community development field, education is the subject that is handled by the companies and demanded by the society mostly.
  - After education, health, environment, domestic violence and women's rights are the important subjects.
  - Within the project, when the survey from last term (2013) is examined, it is a noteworthy factor that the 52.9% rate of awareness level is increased to 95.5% in the application for the year 2015.
  - It is assumed that the works which have been carried out within the scope of the last term's project, the informative service of the CSR experts in the unions for working and companies and the award ceremonies and communication were effective for this positive achievement.

# III. CSR and sustainability in Turkey

## Sustainability reporting profile

- The companies are not aware of the advantages gained by the sustainability reporting is the most crucial factor.
- The sectoral companies mostly have the approach of obtaining short term outputs instead of the steps to be taken for the sustainability.
- The European Union aims the number of the CSR reporting, which is 2500 as of 2013, to reach 17.500 as of 2017.

Rate of the Companies  
Carrying Out  
Sustainability Reporting





# III. CSR and sustainability in Turkey

## The sustainability agenda

- In Turkey, the sustainability concept is developing in the business world with legal and national decisions.
- The companies adopting the sustainability concept have higher competitive power in the global market. The development of the sustainability reporting in Turkey is directly correlated with the entrance of the sustainability concept to the country's agenda and its progress.
- It is indicated that Turkey is rapidly taking the sustainability into its agenda, since the sustainable development was included in the tenth development program of Turkey, researches and reports are executed together with the Ministry, the sustainability Index is traded in İstanbul Stock Market.

## IV. Company survey

### Awareness level about CSR

- It has been determined that significant and positive changes have been achieved in the past two years in the CSR awareness level of the companies in Turkey.
- Within the project, when the survey from last term (2013) is examined, it is a noteworthy factor that the 52.9% rate of awareness level is increased to 95.5% in the application for the year 2015. It is assumed that the works which have been carried out within the scope of the last term's project, the informative service of the CSR experts in the unions for working and companies and the award ceremonies and communication were effective for this positive achievement.

## IV. Company survey

### Performing CSR activities

- Following the company's determination of CSR awareness, the status of performing CSR activities were also examined through the research.
  - With a general evaluation, it was observed that the 80% of the companies engaged in CSR activities.
  - It is noteworthy that, the CSR activities are significantly higher for the stock-exchange listed companies. It is understood that the being a stock-exchange listed company provides the company more transparency and accountability sense, and these companies encourage orientation towards the CSR applications with a similar change.

## IV. Company survey

### Companies having CSR management

- Publicly-traded companies are performing CSR systematically compared to stock-exchange unlisted companies, with a significant difference.
- While it is observed that four out of five stock-exchange listed companies (%78,6) performed their CSR applications within an unit management, it is observed that this rate was reduced to one out of two companies (53,5%) for the other companies.
- It is observed that the approach of managing the CSR applications by an expert department did not create a reasonable difference from the point of being domestic/foreign origin in the eye of companies having this approach.

## IV. Company survey

### Awareness of CSR for All project

- The 24.5% of the companies, which were examined, stated that they received training or consultancy services from the public or the private sector concerning the CSR activities. This rate goes up to 32% for stock-exchange listed companies. It is observed that while the personnel number of the company's increases and the Organization expands the rate of outsourcing service increases.
- So far, this rate has dropped to 16% for the companies who have not prepare such reports so far, it is 32,0% for the companies who prepare reports.

# Conclusion

- The companies concern the environment, reducing energy costs, energy efficiency, gender equality and education as the main focus points, there are quite critical areas among poor focus points such as renewable energy generation, the elimination of poverty based on regional development and people with disabilities.
- CSR awareness level is similarly high at listed and not listed companies, foreign and domestic headquarters companies. While CSR awareness level is around 95% at firms which have above 50 employees, this ratio is 87% at firms which have fewer than 50 employees.
- The listed companies compared to not listed companies implement CSR practices high frequently and systematically and manage with a specific unit. Four of every five companies (%78.6) listed on stock market manage their CSR practices, the ratio in other companies decrease one of the two companies (%53.5) level.
- It was determined that an important part of companies who are in the scope of the Project, look on CSR applications as a part of corporate communication (40,9%). This situation overlaps with the position of CSR in the eye of people which is CSR is an instrument of corporate communication or marketing.

# Recommendations

- 501 companies from 13 sectors which were selected based on BIST and Capital 500 list.
- The rate of reporting non-financial information in Turkey is 25.5%. The 38% of the companies, who publish reports, provide the information within the activity report. In addition to that, close to 43% of them publish sustainability reports. Approximately 65% of the companies publishing reports published their first report in 2009 and later. We can say that the awareness for reporting and preparing the non-financial information in Turkey has been formed within the last 5 years.

