

COUNTRY PROFILE



Turkey

GLOBAL RANK: 61st= of 104



Turkey ranks better in terms of Comparative Liveability (58th) than Economic Competitiveness (63rd), due to a strong family life and religious faith. Overall, it ranks 61st, tied with Colombia.

● BACKGROUND

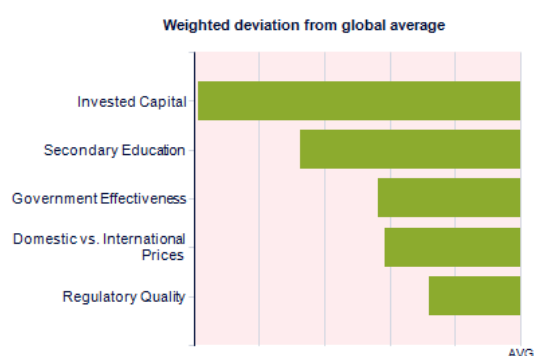
Turkey's population is 99% Muslim and its constitution secular. This combination has led to much discussion about Islam's relationship to the government. Turkey's transitional economy is overcoming a history of corruption and interventionism, with strong economic growth and particular strength in textiles and clothing production. However, a fifth of the population lives in poverty, and female literacy is amongst the worst in the OECD. The long-term goal of EU membership remains uncertain, with concerns about Turkey's political instability and its human rights record.

FAST FACTS

Population:	71.9 million (2008 est.)	FDI (net inflow):	2.19% (2006 est.)
Life Today	5.2 (2007 est.)	Exports	20.39% (2006 est.)
GDP (PPP)	\$888 billion (2007 est.)	Imports	33.25% (2006 est.)
GDP (Growth)	5% (2007 est.)	Unemployment:	9.9% (2007 est.)
GDP (per Capita)	\$12,900 (2007 est.)	Life Expectancy	73.14 years (2008 est.)
Political System:	Republican Parliamentary Democracy		
Foreign Aid:	0.12% (2006 est.)		

● KEY SCORE DRIVERS

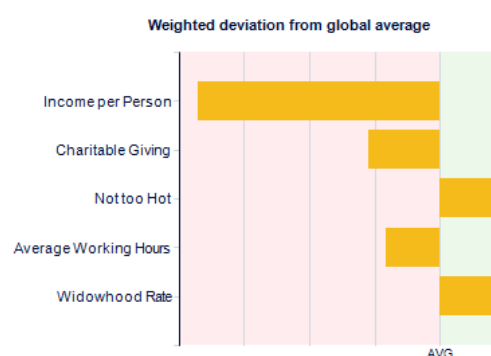
ECONOMIC COMPETITIVENESS



Turkey has an open and diversified economy. Growth has topped 4% annually since major reforms in 2002. However, the track record of recurring financial and political crises keeps investors wary of repeated turmoil and perpetuates fears about future uncertainties.

While levels of physical capital are acceptable, Turkey's relative weakness is in human capital. Mass education levels -- slightly more than a year of secondary education per worker -- are unusually low for a country at this level of the table. There is a corresponding lack of highly skilled human capital, as evidenced by indicators on research capability and patenting of innovation.

COMPARATIVE LIVEABILITY



Comparative Liveability indicators are influenced in part by Turkey's political tensions. Many Turks report that they lack satisfaction with freedom of choice to decide how their lives turn out. Despite economic progress, only half of the citizens believe that they can get ahead by working hard, according to the Gallup World Poll. Low incomes are another significant factor in reducing the life satisfaction of Turks.

The dissatisfaction translates into general social distrust and into limited community involvement. This may also be connected with Turkey's long working hours and low reported leisure time. More than 80%^w of citizens believe that people cannot be trusted, according to

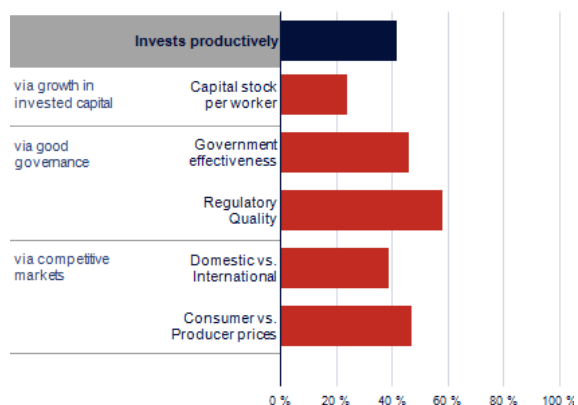
Governance remains weak in some areas, perhaps partially as a result of ongoing political tensions and a legacy of statism. Turkey produces a wide range of goods and avoids dependence on exports of primary commodities or on foreign aid. However, price level indicators suggest that the level of competitiveness in some economic sectors is still low.

the World Values Survey.

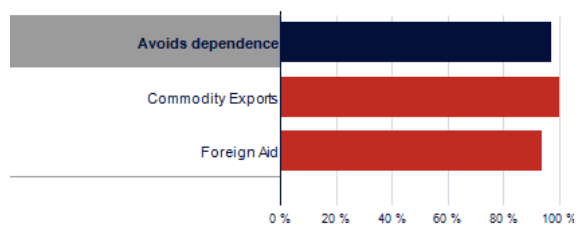
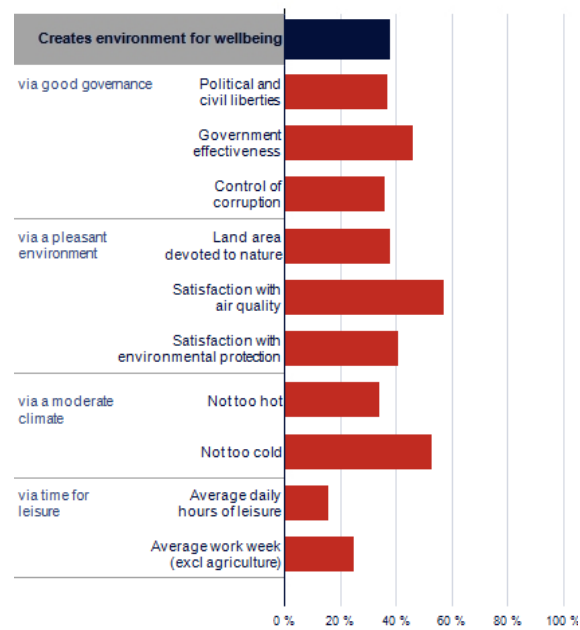
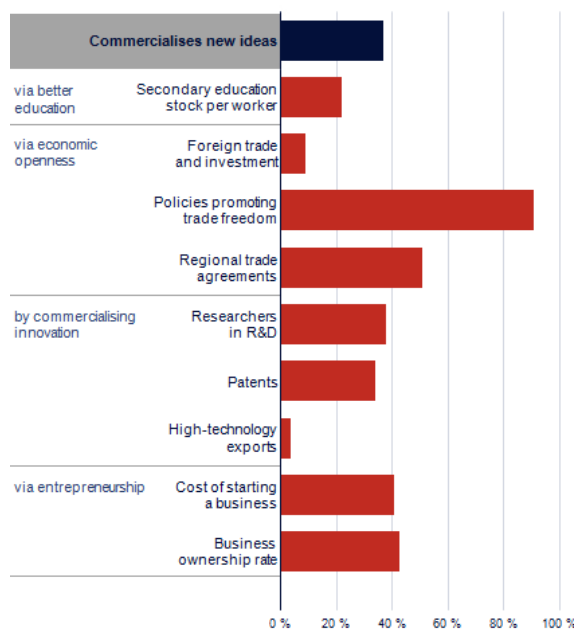
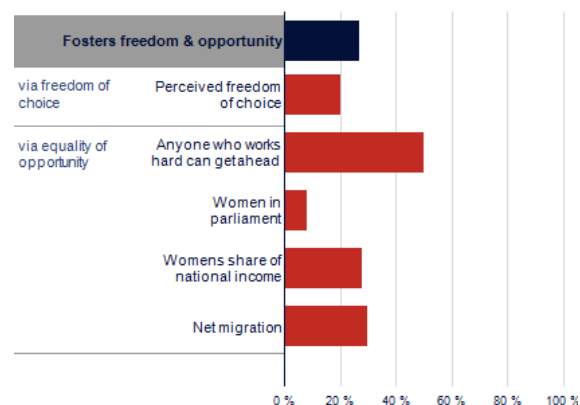
Despite Turkey's constitutional secularism, 96%^w of the population report that God is very important in their lives. The country's moderate score for religious freedom indicates a degree of private freedom of religion.

Although family life indicators are very positive in Turkey, the equality of opportunity indicators suggest a considerable gender inequality. Women earn only a third of men's share of national income and there are scarcely any women in the parliament.

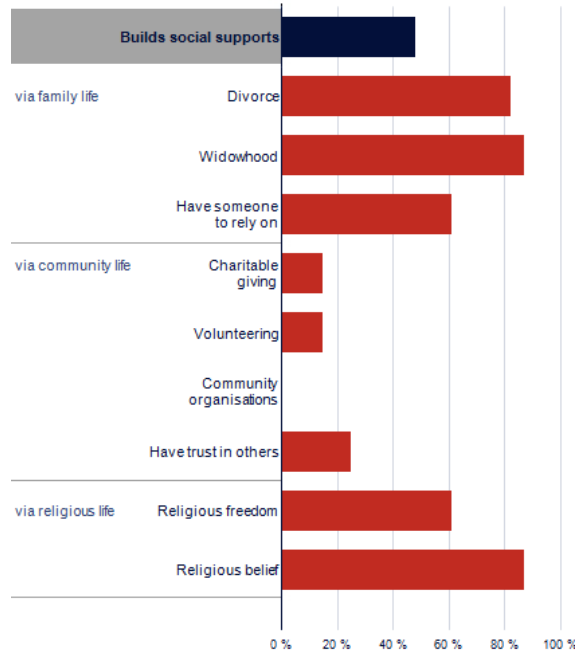
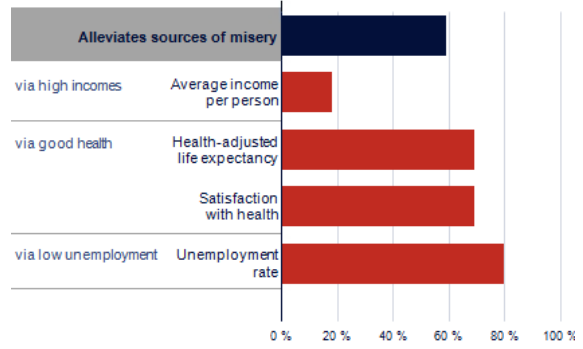
ECONOMIC COMPETITIVENESS: SCORECARD



COMPARATIVE LIVEABILITY: SCORECARD



All subindicator scores in the Index are shown unweighted, expressed as a percentage of the score for the best-performing country in the Index. Indicator scores (in dark blue) are derived from the weighted average of relevant subindicators. For more information on how the subindicator scores are weighted to produce indicator scores and an overall Index score and ranking, see Chapter Two of this report.



References:

^{9, w} See www.prosperity.com/references.aspx for further details including date of survey, sample size, and margin of error.