



LABOUR MARKET TRENDS AND POLICIES IN TURKEY

MINISTRY OF DEVELOPMENT

Planning Expert

Sinem CAPAR DIRIOZ

CONTENT

1. LABOR MARKET STRUCTURE IN TURKEY

2. PROBLEMS

3. POLICIES

4. IMPLEMENTATION

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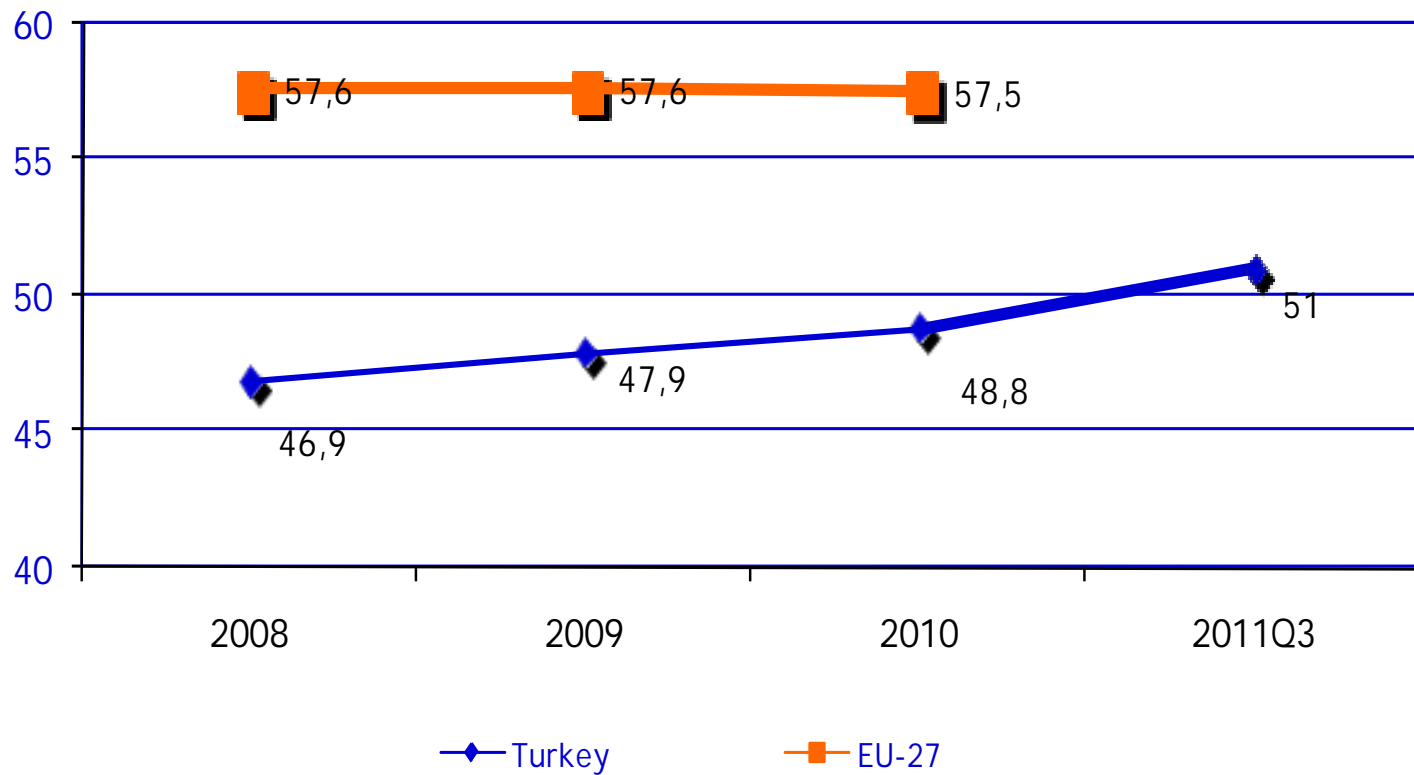
MAIN LABOUR MARKET INDICATORS

	Turkey				EU-27		
	2008	2009	2010	2011Q3 *	2008	2009	2010
Labor Force Participation Rate (LFPR)	46.9	47.9	48.8	51.0	57.6	57.6	57.5
- LFPR (Female)	24.5	26.0	27.6	30.0	50.2	50.5	50.5
- LFPR (Male)	70.1	70.5	70.8	72.8	65.5	65.2	64.9
Employment Rate	41.7	41.2	43.0	46.3	53.6	52.5	52.0
- Employment Rate (Female)	21.6	22.3	24.0	26.5	46.5	46.0	45.6
- Employment Rate (Male)	62.6	60.7	62.7	66.8	61.2	59.4	58.7
Unemployment Rate	11.0	14.0	11.9	9.2	7.1	9.0	9.7
- Unemployment Rate (Female)	11.6	14.3	13.0	11.5	6.7	9.1	9.7
- Unemployment Rate (Male)	10.7	13.9	11.4	8.2	7.6	9.0	9.6
Youth Unemployment Rate (15-24)	20.5	25.3	21.7	18.6	15.5	19.8	20.9
Non-Agricultural Unemployment Rate	13.6	17.4	14.8	11.9	-	-	-

* Q3: 3rd Quarter

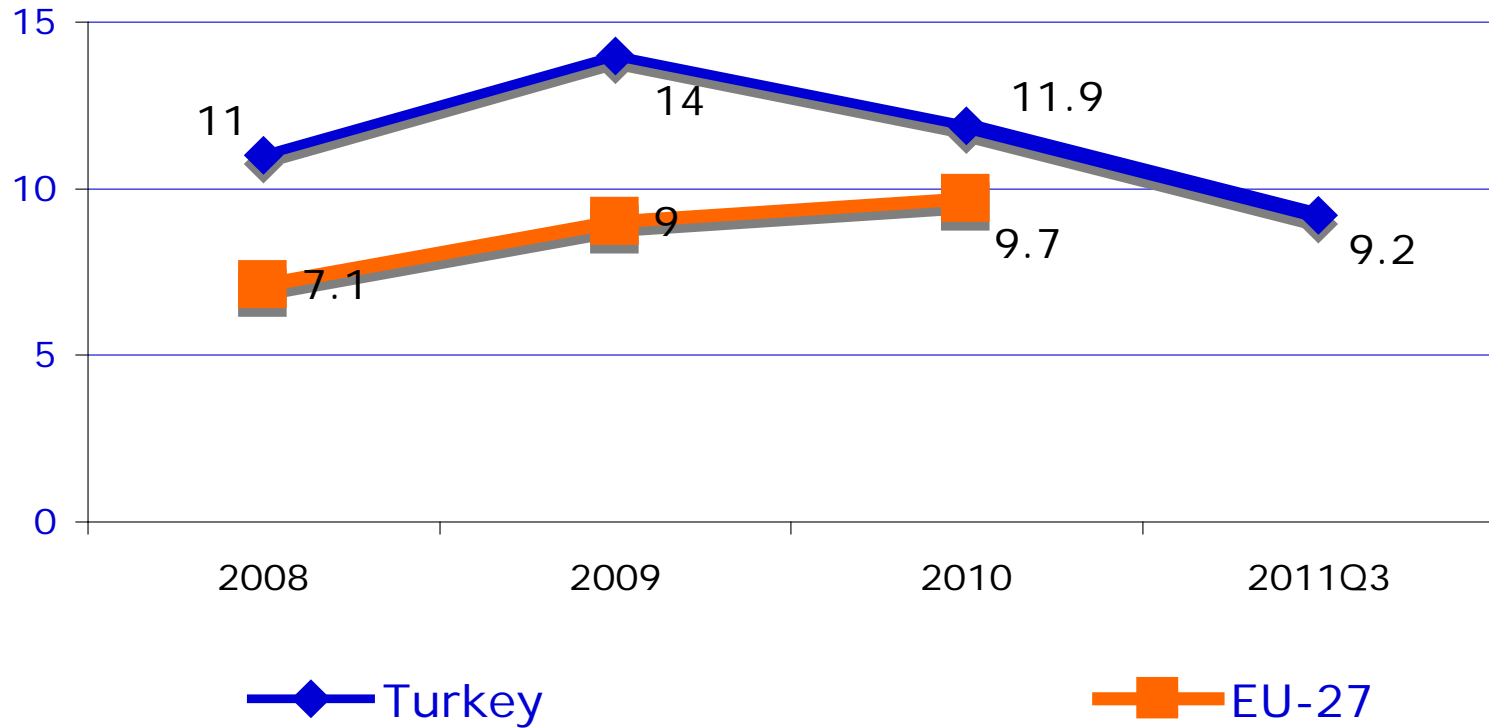
MAIN LABOUR MARKET INDICATORS

LFPR

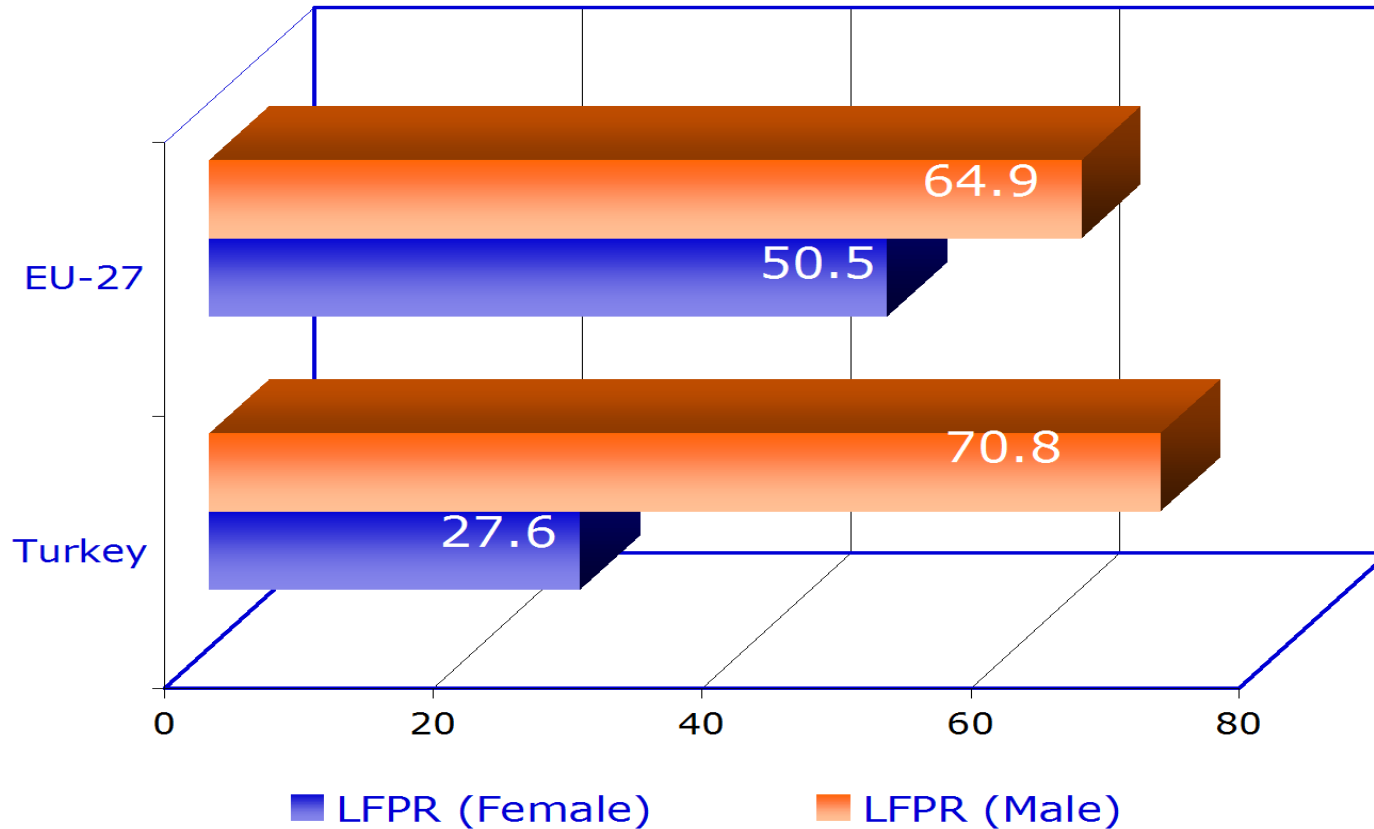


MAIN LABOUR MARKET INDICATORS

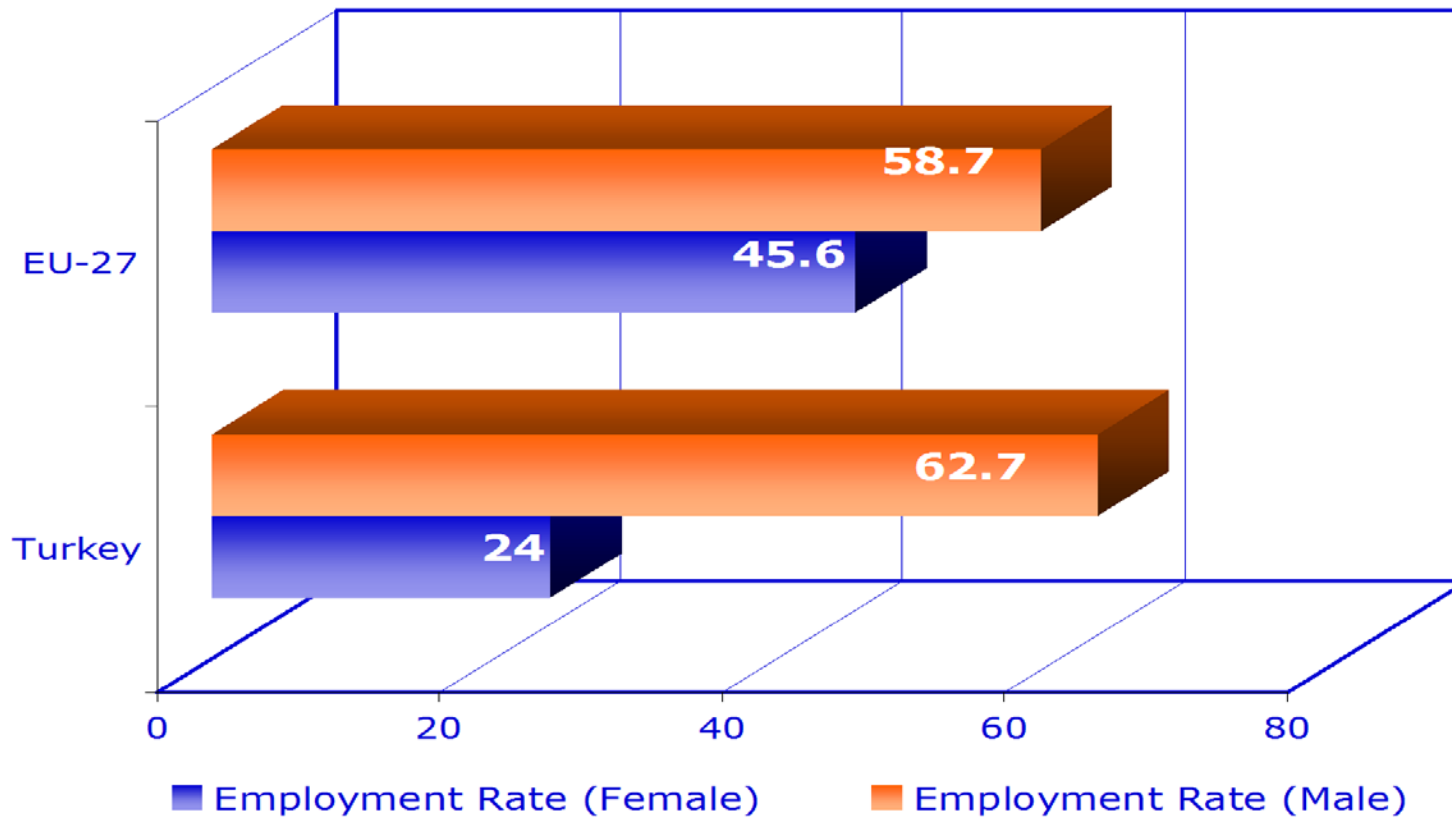
UNEMPLOYMENT RATE



LFPR-2010 (%)



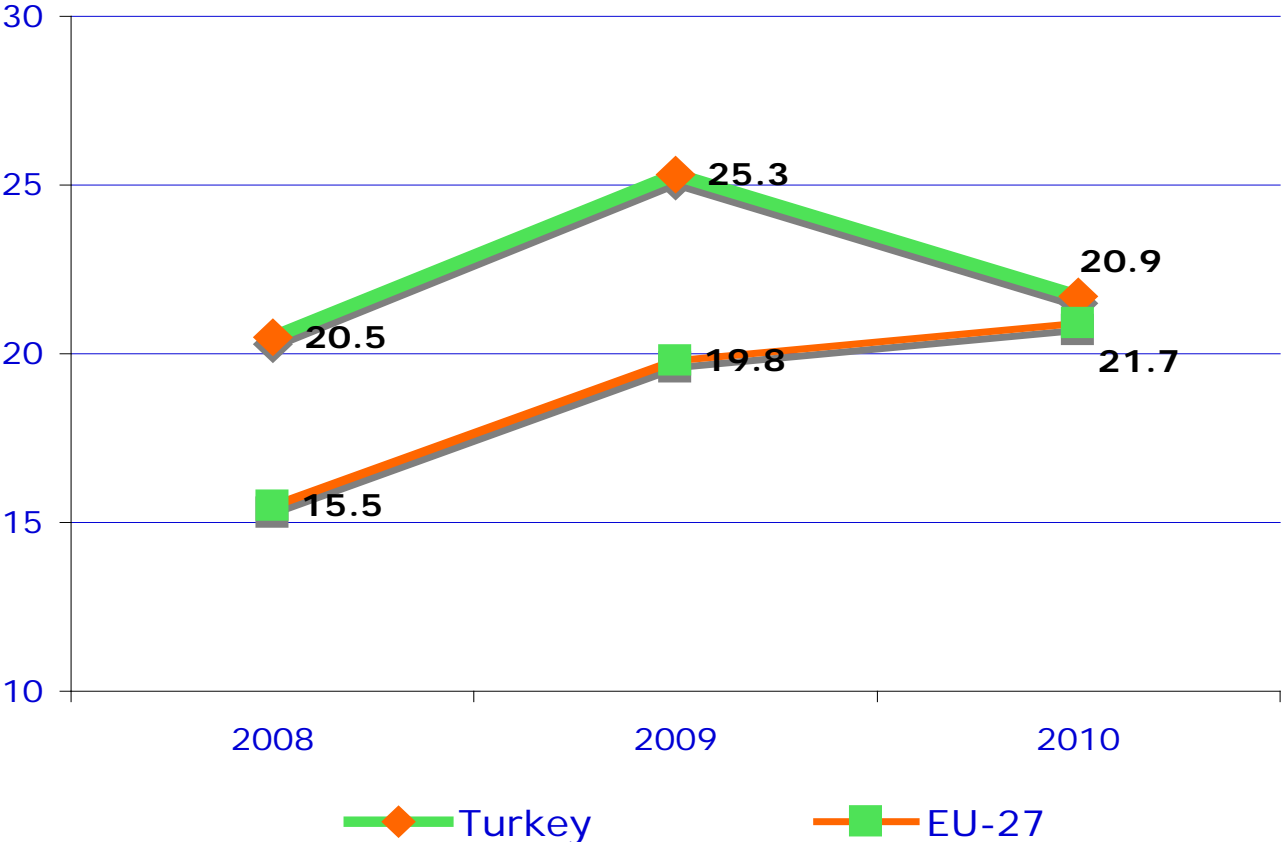
EMPLOYMENT RATE-2010 (%)



UNEMPLOYMENT RATE-2010 (%)

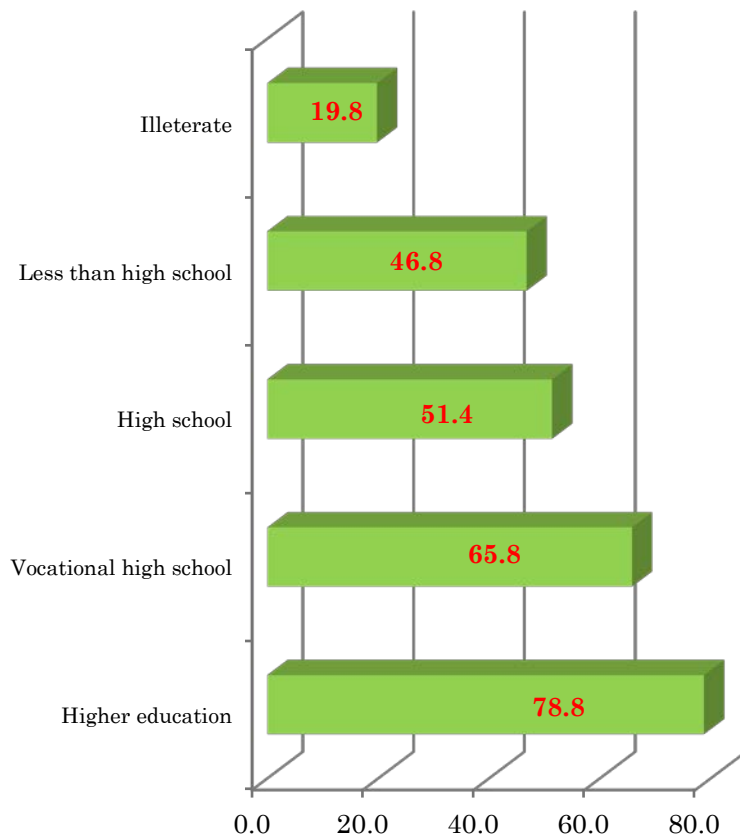


YOUTH UNEMPLOYMENT RATE

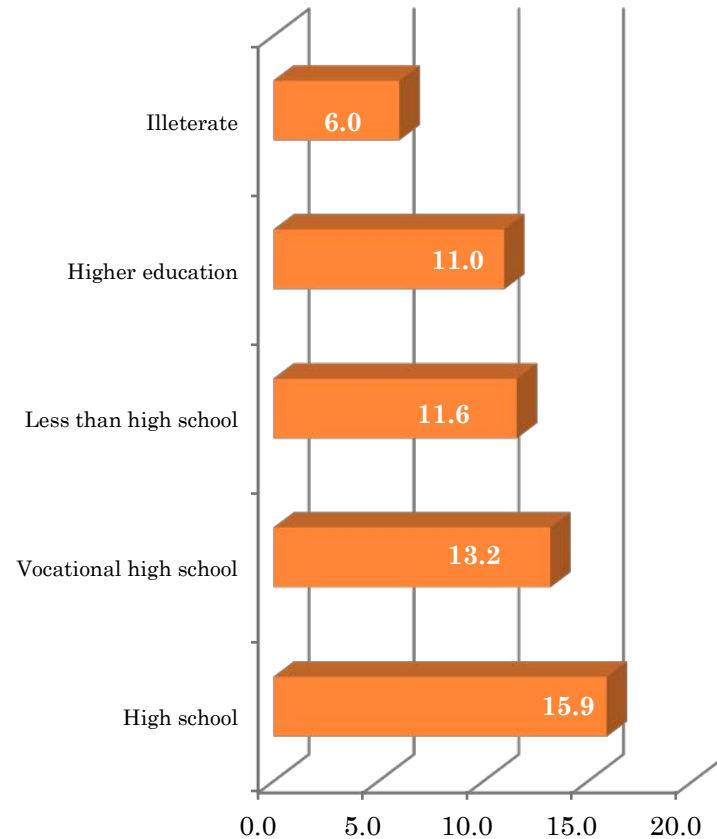


EDUCATIONAL LEVELS

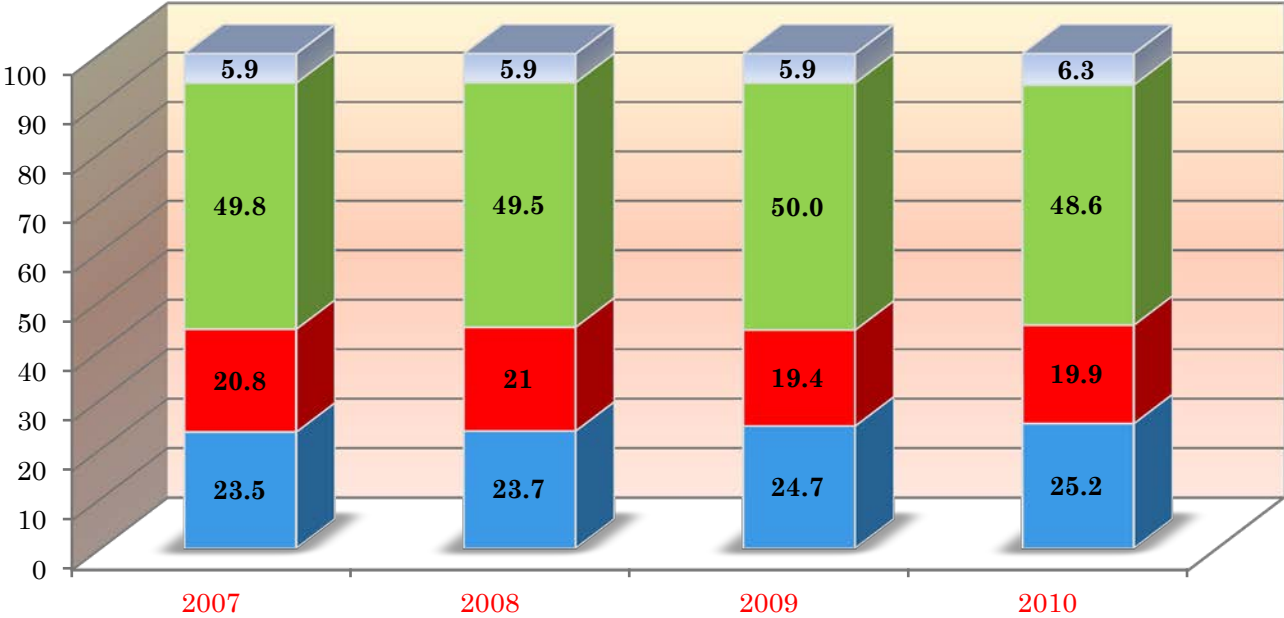
LFPR



Unemployment Rate



SECTORAL EMPLOYMENT (% Share)



■ Construction

■ Services

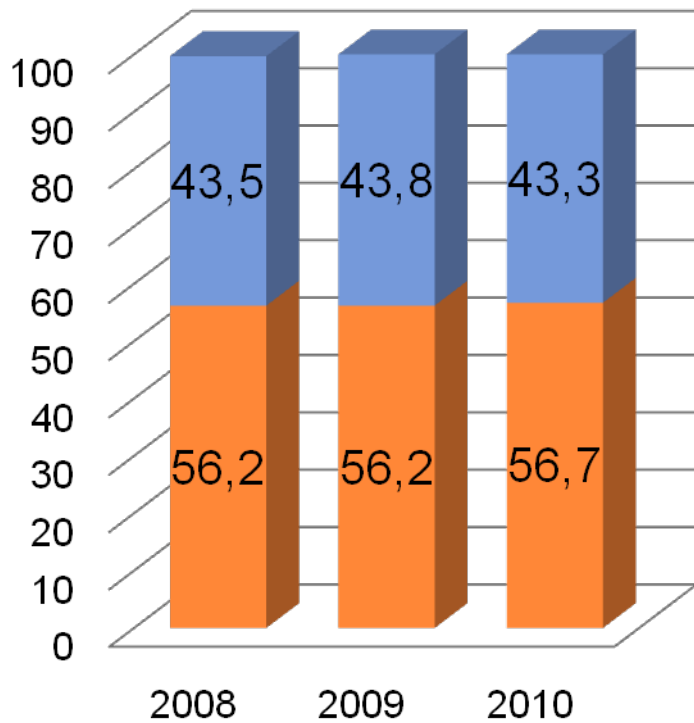
■ Industry

■ Agriculture



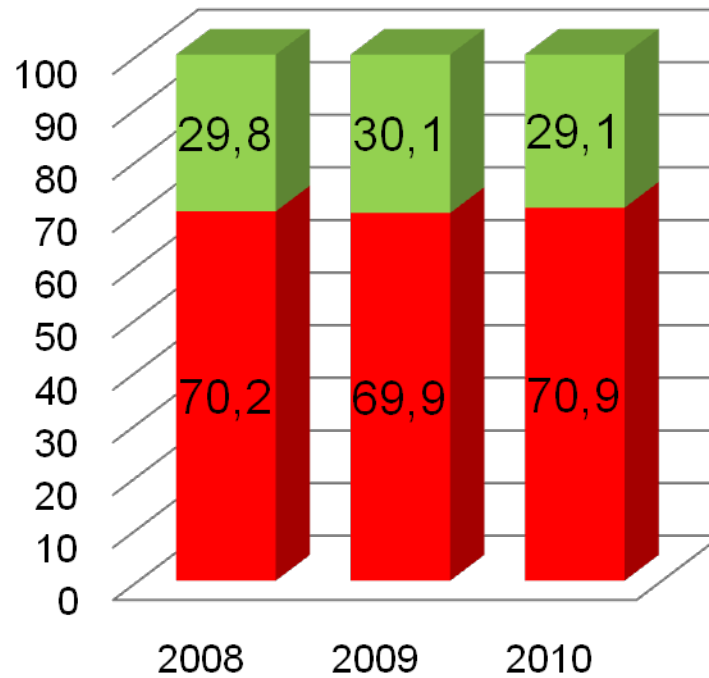
UNREGISTERED EMPLOYMENT

Total



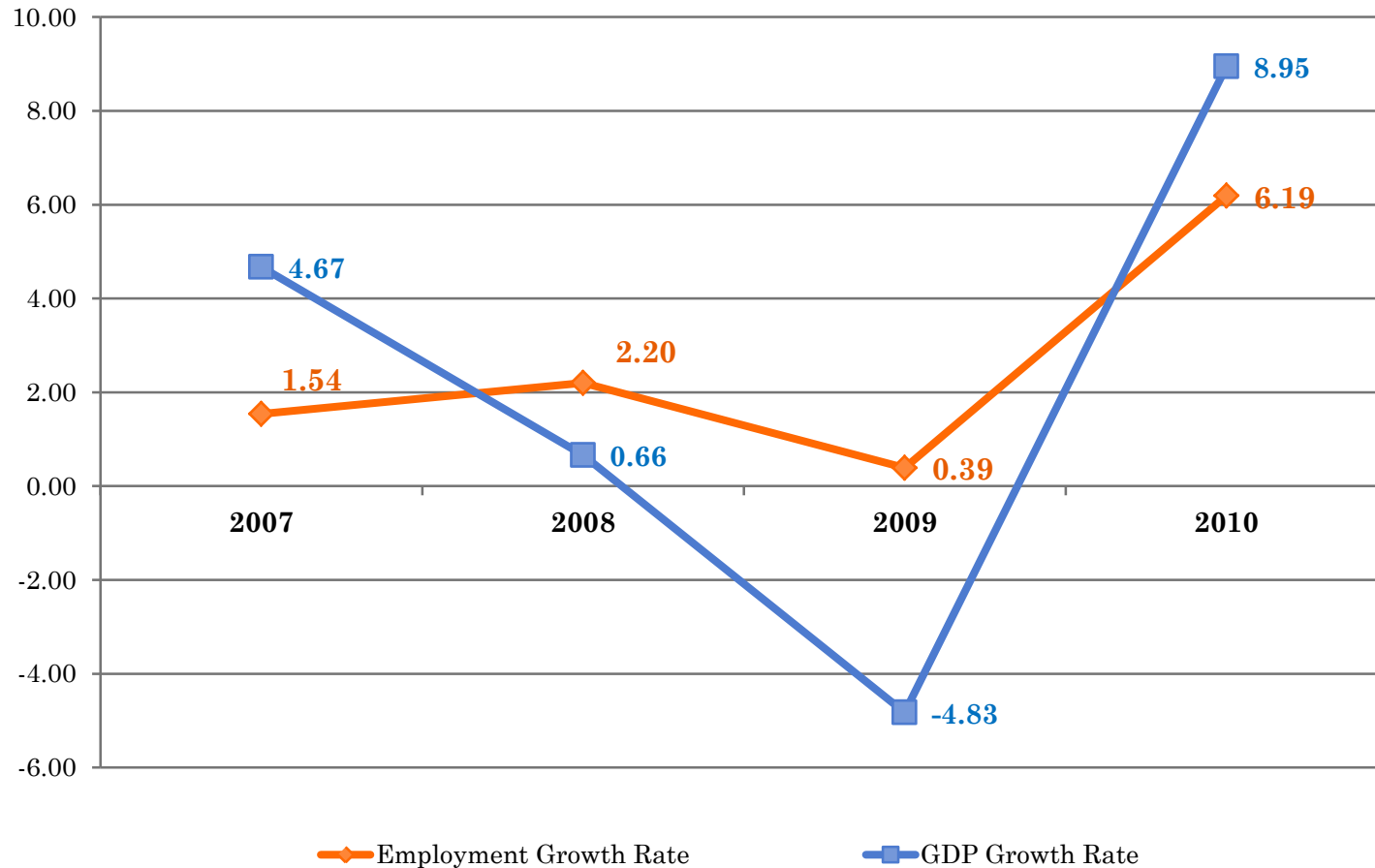
Registered Unregistered

Non-Agricultural



Registered Unregistered2

GDP AND EMPLOYMENT GROWTH RATES



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MAIN CHALLENGES FOR TURKISH LABOUR MARKET

- ❖ Low labour force participation and employment rates among women,
- ❖ Low educational level,
- ❖ High young unemployment rate,
- ❖ High level of unregistered employment,
- ❖ High share of agricultural employment,
- ❖ Weak linkage between social assistances and employment



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MAIN LABOR MARKET POLICY DOCUMENTS

- ❖ Development Plans (7 Year-period)
- ❖ Medium-Term Programs (3 Year-Period)
- ❖ Annual Programs

9TH DEVELOPMENT PLAN (2007-2013)

Increasing Employment Axis

- ❖ By evaluating flexibility and job security together, the labor market will be provided with a more flexible and active structure.
- ❖ The burden on employment will be gradually reduced.
- ❖ Equal opportunities will be provided, especially for the women, the young, and the longterm unemployed, the disabled and former convicts, who encounter difficulties in the labor market.
- ❖ The existing social dialogue mechanisms in Turkey will be strengthened. The social dialogue culture will be spread from enterprise to country level, and with this aim new mechanisms will be created.

MEDIUM-TERM PROGRAM (2011-2013)

FOSTERING EMPLOYMENT

- 1. Improving Labour Market**
- 2. Increasing Sensitivity of Education to Labour Demand**
- 3. Improving Active Labour Market Policies**

2012 ANNUAL PROGRAM

- ❖ New models will be created to facilitate the creation of additional employment by enterprises and to prevent informality.
- ❖ Flexibility in the labour market will be increased and implementation of the flexible working models will be facilitated.
- ❖ Supportive policies being pursued for the disadvantaged groups in the labour market will continue with additional new measures.
- ❖ Active labour market programs will be expanded in line with labour market needs and the impacts of these programs will be evaluated.
- ❖ For efficient implementation of active labour market programs, the institutional capacity of ISKUR will be strengthened.

NATIONAL EMPLOYMENT STRATEGY (2011-2023)

Aim: Form a comprehensive strategy in line with European Employment Strategy

Goals:

- ❖ Reducing unemployment,
- ❖ Increasing non-agricultural employment,
- ❖ Diminishing unregistered employment,
- ❖ Further improvement in the implementation of Active Labor Market Policies

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MEASURES TAKEN IN 2008: EMPLOYMENT PACKAGE-I

- ❖ Reducing the labour market costs, (cutting employers' social security premiums by 5 percentage points)
- ❖ Incentives aiming to increasing the employment of women, youth and disables, (unemployment Insurance Fund will subsidize SSK premiums of newly employed women and unemployed people between the ages of 18 and 29 for five years)
- ❖ Full payment of social security premiums for disabled workers entirely by the Treasury

MEASURES TAKEN IN 2008: EMPLOYMENT PACKAGE-I

- ❖ Revoking the obligation to recruit previously convicted individuals for companies employing 50 or more workers.
- ❖ Improving active labour market policies through increase of resources allocated to those policies,
- ❖ Facilitating the foundation of private employment agencies,
- ❖ Regulating the relation of sub-employers' status
- ❖ Reducing the bureaucracy for establishment of new enterprises

MEASURES TAKEN IN 2009: EMPLOYMENT PACKAGE-II

- ❖ Increase in resources allocated to community work programs and vocational training
- ❖ Reducing labour costs towards additional employment
- ❖ Improving trainings and consultancy regarding entrepreneurship
- ❖ Increase of short-time working benefit period
- ❖ Strengthening Active Labour Market Programs
- ❖ Support towards trainee programs of firms

RESULTS...

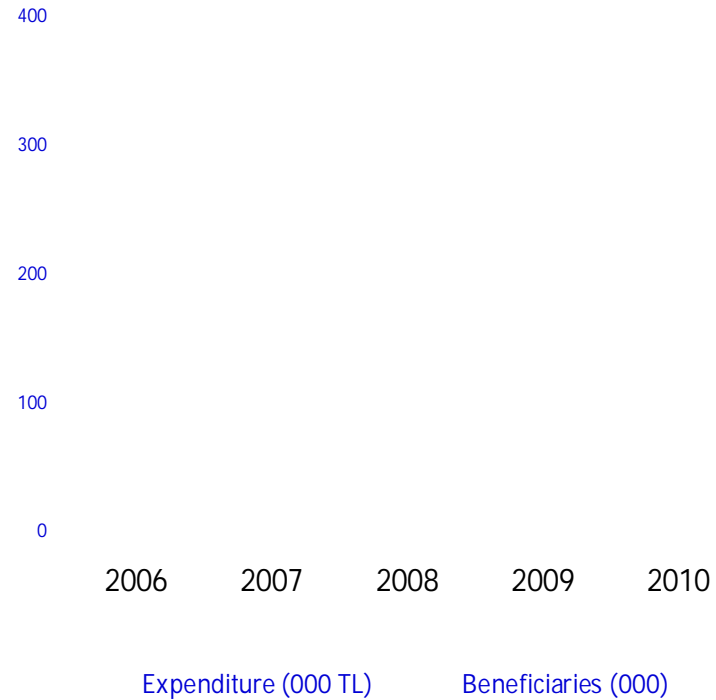
- ❖ Social security premium supports towards women and youth : 66,658 unemployed, 27,937 firms
- ❖ Social security premium supports towards disabled: 35,754 beneficiaries
- ❖ 5 point decrease in employers social security contributions: 839,051 beneficiary firms
- ❖ Social security premium supports towards additional employment: 71,872 beneficiaries
- ❖ Public works programs: 45.467 beneficiaries in 2009, 50,291 beneficiaries in 2010

MEASURES TAKEN IN 2011: FURTHER AMENDMENTS WITH NEW LAW

- ❖ Health insurance for beneficiaries of vocational trainings
- ❖ Unemployment insurance for part-time work
- ❖ Green card beneficiaries will not lose their rights due to vocational training. Taht will encourage people with green cards to join vocational training programs and discourage them to work in informal jobs
- ❖ Additional resources allocated for employment enhancing activities
- ❖ Increase in the amount and scope of short-time work benefits
- ❖ Scope of subsidies towards social security premiums increased

ACTIVE LABOUR MARKET PROGRAMS

Years	Expenditure (000 TL)	Beneficiaries
2006	27.974	17.106
2007	29.672	22.834
2008	35.511	31.927
2009	306.366	213.852
2010	392.644	211.627



IMPROVING THE LINKAGE BETWEEN SOCIAL ASSISTANCE AND EMPLOYMENT SERVICES - 1

EXISTING PROBLEMS

- Lack of coordination among institutions
- Targeting mechanism
 - creates dependency culture
 - disincentive for registered employment
- Passive social assistance programmes
- Intergenerational transformation of poverty



IMPROVING THE LINKAGE BETWEEN SOCIAL ASSISTANCE AND EMPLOYMENT SERVICES - 2

Action Plan on Improving The Linkage Between Social Assistance and Employment Services accepted by Economic Coordination Council on 02.03.2010

- ➔ Applicants for social assistance who are able to work will be directed to the Turkish Employment Agency
- ➔ Turkish Employment Agency will organize special vocational education programmes for beneficiaries of social assistance services
- ➔ Job search assistance will be given by The Turkish Employment Agency to beneficiaries of social assistance services



IMPROVING THE LINKAGE BETWEEN SOCIAL ASSISTANCE AND EMPLOYMENT SERVICES - 3

- ⇒ Application of means tests to better targeting of beneficiaries will be used for objective implementation of social assistance services
- ⇒ Inquiring of people in need will be done by electronic systems for healthy and fast implementations
- ⇒ Vocational education trainers and beneficiaries of public work programmes will continue to benefit from public health assistance programme (green card)
- ⇒ Institutional capacity of social assistance institutions will be improved to implement this action plan



SOCIAL SUPPORT PROGRAM

(SODES)

SODES is a human centered program in the areas of employment, social integration, culture, art and sports, which;

- ❖ aims to meet the needs associated with the problems such as migration, poverty, unemployment and the changing social structure
- ❖ consists of the projects planned and implemented at the local level
- ❖ carried out at the provincial level through the coordination of governors' offices
- ❖ implemented through a process in which local actors are, to a great extent, given authority
- ❖ targets to promptly respond to social problems

SOCIAL SUPPORT PROGRAM (SODES)

GOALS;

- ❖ Strengthen social integration
- ❖ Offer opportunities to the disadvantaged groups of society
- ❖ Increase the employability of the youth and women
- ❖ Expand the opportunities available in vocational education
- ❖ Encourage the children, youth and women to be involved in cultural, artistic and sports activities
- ❖ Motivate the children and the youth to socialize with their peers in the other regions of the country

SODES

PROJECT NUMBER AND BUDGETS (MILLION TL)

Components	2008		2009		2010	
	Number	Budget	Number	Budget	Number	Budget
Employment	81	6,8	157	17,3	195	22,6
Social Inclusion	121	17,4	300	46,2	491	57,2
Culture- Art - Sports	196	17,7	321	28,2	501	70,0
Total	398	42,0	778	91,8	1,187	150,0

THANK YOU