



ETF COUNTRY ANALYSIS 2006

TURKEY

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ETF COUNTRY ANALYSIS FOR IPA PROGRAMMING IN THE FIELD OF HUMAN RESOURCES DEVELOPMENT 2006

Summary

The key challenge for Turkey as regards human resources development is its population of almost 72 million people in 2005¹, of which 20 million are in the 0-14 age cohort. When combined with current trends in participation in employment and education, Turkey has a major opportunity that could be missed if substantial progress on modernisation and reform in human resources development (HRD) is not made.

The Turkish State Institute of Statistics has made projections until 2020 predicting that, by then, 40 million people will be in the 15-44 age group and 10 million in the 45-64 age group. This implies that almost 70% of the population will be of working age (15-64). This increase in the working age population represents a unique opportunity for Turkey for both economic and social developments, provided that there is a substantial increase in human resources development through

adequate investment in education and training. A continuation of the recent acceleration of economic growth will increase the need for medium and highly skilled workers.

Improving the quality of education and increasing educational attainment particularly at primary and secondary levels as well as amongst the adult population, are the overriding priorities in education. Serious investment now will pay off in the future. Consolidating, expanding and evaluating the reform initiatives already underway in the field of education, training and employment should be the main priorities for EU investment in the period 2007-2013. Progress in education and training will contribute to Turkey's social and economic development as it prepares for accession.

In particular, priorities for future investment should include objectives related to ensuring economic growth through higher competitiveness of the workforce and improving social cohesion by strengthening institutional capacities for designing and implementing policy actions. Specifically, HRD measures involving social partners and civic society organisations are necessary as is the reform of education and training within a lifelong learning strategy aimed at improving access, quality and meeting the requirements of the changing labour markets.

The finalisation of the EC - Joint Assessment Process (JAP) and EC - Joint Inclusion Memorandum (JIM) processes will further guide Turkey during the pre-accession period in aligning employment and social cohesion policies to EU benchmarks. Programmes should aim at enhancing the development and implementation of employment policies with a view to increasing active labour market measures that target gender equality and the participation of women and social cohesion.



¹ Source: Eurostat, average population source

There are major regional disparities and disparities between rural and urban areas. Addressing these differences will be an important challenge in the coming years. Increasing educational attainment in the eastern part of Turkey is a priority.

Analysis of human resources and labour market development in Turkey

Despite positive signs of economic recovery, Turkey has not been able to take full advantage of the “window of opportunity” stemming from its young population.

The macroeconomic policy and political stability achieved since the financial crisis of 2001 contributed to a GDP increase in 2004 of 8.9%. Economic growth however, is not equally spread throughout the country. It is generally acknowledged that the decrease in the inflation rate - down from 70% in 2002 to 8% in 2005 - and the increase in productivity, private consumption, imports and private fixed capital investments, together with price stability, have substantially contributed to this growth. The agricultural sector still employs one third of the labour force although the share of agriculture in GNP is just above 10%.

Higher employment has always been considered a top priority by the government and included in key strategic documents. However, no major improvements have been noted during recent years as the effects of economic growth and job creation have been poor.

The informal sector has expanded over recent years and now represents 37% of private sector employment, not including agriculture. Small firms tend to avoid taxes (corporate, value added as well payroll taxes). Employment in the agricultural sector has substantially declined. Nevertheless it still accounts for over one third of total employment, although its share in GNP is just over 10%, indicating a low level of productivity in the sector. Services, on the other hand, account for almost half of total employment with the remainder being employed in industry. Public administration provides employment for a significant number of wage earners who constitute almost half of the total employment.

As regards human resources development, at the moment the situation is the following:

1. Education and training

The overall educational attainment levels of the working population are very low compared to the EU25 or other candidate countries (nearly 60% of the labour force is composed of basic education graduates or people who dropped out from basic education). The average duration of education is 6.8 years for males and 5.3 years for females. Early school leaving is therefore a major problem.

Problems related to access to education by gender, rural/urban and social background (such as enrolment, dropout and graduation rates) still exist (12.5% of the population is illiterate - 4.7% of men and 20.1% of women). In addition, there is a strong bias towards general education in the system, and despite considerable efforts by public authorities to increase participation in vocational training (VET), it is not an attractive option for secondary education students (only 35% opt for VET)

Pre-school education facilities (for those aged 3-6) are very limited (the rate is about 15%) and are not supported by public funds.

Participation in lifelong learning as measured by participation in education and training by the 25-64 age group is higher in Turkey than Romania and Bulgaria. However, much of the training relates to basic skills training. There is considerable scope and need for improvement by strengthening the vocational skills content of adult learning. Similarly, in higher education the two year diploma programme does not emphasise learning generic competencies that would assist graduates participate in a changing labour market.

Turkey scores poorly in terms of quality in several international comparisons. Demographic pressures to expand may have had an impact on the quality of the education and training system. One example is the PIRLS (Progress in Reading Literacy Study) of the International Association for Evaluation (IEA), which refers to performance of 4th grade (9 year old) students in reading literacy. In 2001 Turkey scored the lowest in both subscales (reading for literacy and reading for information) with 448 (OECD mean 531) and 452 (OECD mean 527) respectively. Furthermore, in PISA, Turkish 15 year olds have scored among the eight lowest in reading, mathematics, science and problem solving.

2. Employment and labour market

The employment rate is low when compared to EU benchmarks, in particular for women - unregistered employment was 53% of the total in 2004 as a result of the ever-expanding informal economy in the country. When compared to the EU25 average, there is a lower employment rate in the prime age group (18-25) (54.1% compared to 76.8%) as well as in the older age group (26-60) (from 33.2% to 41%). This suggests that there are difficulties in entering the labour market and that there is a tendency for leaving early. In addition, there is a high segmentation of the labour market between rural and urban areas and between the informal and formal sector.

SMEs represent between 60 and 77% of total employment and around 95% of them are very small businesses (less than 10 employees), contributing only around a quarter of the value added economy. This is a consequence of the low level of productivity as a result of poor technology and human capital investments. Entrepreneurs tend to pay the minimum wage to new labour market entrants, irrespective of the educational level.

3. Social and territorial cohesion

Gender equality

Enrolment rates of girls continue to be considerably lower than for boys at all levels of education with high regional disparity in eastern Anatolia (91% of boys and 69% of girls are enrolled in basic education). In the south east of the country in particular, there is a low participation rate for girls in secondary education as well as non attendance or non enrolment in compulsory education. There is general absence of reliable data on relative dropout rates from all levels of education and on a regional basis.

The illiteracy rate in Turkey decreased substantially between 1990 and 2002², from 30% to 5% for men and from 58% to 16% for women. This indicates that the female literacy rate is still lower than that of males. The Ministry of National Education (MoNE) and NGOs have organised intensive literacy campaigns, which has seen a high participation of adult males. The age, the urban-rural residence and geographical variables all have a greater impact on the literacy of women than of men. Consequently, older rural women in eastern and south eastern regions of Turkey are most likely to be illiterate.

There is still much to be achieved in terms of increasing education levels as well as enabling female participation in decision-making and empowerment as women hold:

- 4.4% of seats in the Parliament;
- 30% of professional and technical jobs;
- 6% of administrative and managerial posts.

In the service sector, particularly with respect to jobs that are considered “suitable for women” urban women have had a steadily increasing presence over the years. This is also related to the fact that labour force participation rate for women with higher education has been found to be 69.2% (2001) while the corresponding rates are 39.4% for technical and vocational secondary school graduates and 30.8% for general school graduates.

As regards female participation in political life, this is still considered a male dominated environment and hence the number of seats in the Parliament is very low. It is estimated that 400 000 girls do not attend education in eastern and southern regions for reasons of economic conditions, tradition or absorption capacity and quality of education (size of classrooms and student/teacher ratio). Access to higher education appears to be less problematic for women as data show that, while many factors prevent girls from attending low and medium levels of education, those who study do achieve high levels. Since the establishment of the Republic, participation in higher education has increased at a rate of 2.5 times higher than that of their participation in primary education³. This

² 2005 OECD Review of National Policies for Education : Basic Education in Turkey

³ Prof. Feride Acar: ETF forthcoming working paper on “Gender mainstreaming policies in education and employment: Country Study on Turkey”.

indicates that social, structural and institutional mechanisms have a negative effect with regard to girls taking part in the education system at the lower and medium levels.

The employment rate for women decreased from 31% in the mid-nineties to 24.3% in 2004. This is due to the dropping share of women “as unpaid family workers” in the agriculture sector following migration from rural to urban areas, where they frequently encounter difficulties integrating in the labour market. The non-wage work is more or less the rule for women (65% overall) and it refers in particular to rural areas where three quarters of women are illiterate and employed as unpaid family workers without social security.

Social inclusion

In 2004, Turkey was ranked 88th in the UNDP Human Development Index; an improvement from 2003 when it was ranked 94th. According to the index, it is included in the category of “medium development index” countries.

Absolute poverty (in terms of a basket of basic food) is rare in Turkey, 1.3% according to a 2003 survey of the State Institute of Statistics (SIS). A total of 28% of the population (19.5 million people) is beneath the so-called “general” poverty line. The rural poverty rate was 37% and urban poverty 22.3% in 2003. Of the so-called working “poor”, 82% work in the informal sector, mainly in agriculture. The alarming observation is that all these rates are steadily creeping up compared to previous surveys.

The incidence of 'working poor' (informal sector, agriculture) rate is much higher than in any other Member State or candidate country, high poverty risk also for long-term unemployment. Child poverty is at a very high level (32%). The number of working children (age 12-17) has decreased from 1.3 million according to the labour force survey in 2000 to 700 000 in 2003. Most of the children are male and work in agriculture. In some towns the problem of 'street children' is particularly serious. This term refers to children living/working/begging in the streets. Projects implemented by social partner organisations and international institutions as well as public institutions in Turkey have greatly contributed to reducing the number of children in work.

The number of over 65s is increasing steadily and while 75% of the men have an income (usually a pension) this rate goes down to 38% for women. Elderly people do not show a higher poverty risk than average, but the lack of social and long-term care services leads to exclusion for the poorer elderly.

The risk of poverty among the working population is 22.7%, which is rather high compared to the EU average (7%). This implies that while in the EU Member States employment is the most important factor for preventing poverty and social exclusion, this does not apply to Turkey because of the low salary levels and working conditions.

Territorial cohesion

There are still major disparities between regions and in particular between the west and east of the country and, to counteract this imbalance, the Turkish authorities have undertaken the South East Anatolian Project (GAP) and considerable improvement has been noted. However, employment and education related problems persist in the eastern and south eastern regions. The income share of the South East Anatolia region is 4%, while its population share is 7% of the total population. The Employment Background Study (2003) reports labour productivity as 43% of the national average in Eastern Anatolia and 75% in South East Anatolia. Measured in terms of GDP the share of agricultural activities is 20% in Eastern Anatolia and 30% in South East Anatolia. Moreover, the contribution of industry to the region's income in East and South East Anatolia is limited to 15-17%⁴. The region in Turkey with the highest unemployment rate of educated young people is the South East with 45.2%.

Turkey's position vis-à-vis the EU Member States and other candidate countries in achieving progress in education and training and employment through the agreed EU benchmarks, is described in the following tables:

⁴ ETF Employment Background Study (2003)

The EU benchmarks in education and training

	EU 25	EU 2010	Candidate countries	South Eastern Europe Western Balkans
Early school leavers (2004) % of 18-24 year olds with at most lower secondary education (ISCED 2) and not in further education	15.9%	10%	BG 22.4% HR 8.4% RO 23.6% TR 52.9%	AL 61.2% MK 36.2%
Youth educational attainment % of 20-24 year olds having completed at least ISCED 3 (2004)	76.4%	85%	BG 76% HR 90.7% RO 74.8%	
Total tertiary education graduates in maths, science and technology (2001)	649 000	746 000 Increase of 15%	RO 18 400 BG 9 100	
% of pupils with low reading literacy Level 1 or below (PISA 2003)	CZ 19.4% HU 20.5% LV 18%	Decrease by 20%	BG* 40.3% RO* 41.3% TR 36.8%	AL* 70.3% MK* 62.6% SR 46.7%
Lifelong learning (2004) % of 25-64 participating in education and training	9.4%	12.5%	BG 1.3% HR* 2.1% RO 1.6% TR 2.3%	SR* 3.8% MK* 1.9%

Sources: Eurostat (Structural Indicators), OECD, (PISA database), ETF (Key indicators database) (*) most recent year for which data is available

The EU benchmarks in employment

	EU 25 (2004)	EU 2010	Candidate countries (2004)	South Eastern Europe Western Balkans (2004)
Employment rate	63.2%	70%	BG 55.1% HR* 53.4% RO 58.7% TR* 45.8%	AL* 53.7% MK* 39.3% <i>MON* 49.8%</i> SR* 57.9%
Female employment rate	55.7%	Over 60%	BG 51.6% HR* 46.3% RO 53.5 % TR 25.7%	AL* 40.1% MK* 30.7% <i>SR* 44%</i>
Employment rate of older workers	40.2%	50%	BG 33.3% HR* 28.4 % RO 38.5% TR* 33.5%	AL* 27.5% MK* 27.7%
Employment in agriculture (% of total)	5.2%[*]		BG 11% HR* 17% RO* 34.1% TR* 32.8%	AL* 51% MK 20% <i>MON* 21.4%</i> SR* 25%
Employment in services (% of total)	69.2%[*]		BG 56% HR* 46% RO* 35% TR* 26%	AL* 36% MK 49% <i>MON* 62.2%</i> SR* 46%
Unemployment rate	9.0%		BG 12.2% HR* 14.3% RO 8.1 % TR* 10.7%	AL* 15% MK 35.8% <i>BA* 43%</i> <i>MON* 23%</i> SR* 20.2
Youth unemployment rate	18.3%[*]		BG 24.5% HR* 35.9% RO 20.7% TR 23.7%	AL* 35.5% MK 61% <i>MON* 51.3%</i>

Sources: Eurostat (Structural Indicators Webpage), ETF (Key indicators database). Most recent year for which data is available, Cursive data from ETF Labour Market studies (to be published).

Analysis of relevant policies and identification of challenges in relation with the main priorities of the employment guidelines

1. Attracting and retaining more people in employment

The Turkish labour law was adopted in 2003. It is not yet fully compliant with the community *acquis*. Furthermore, the law on social protection was very recently adopted by the Parliament. It is difficult to assess the impact of the labour law to date.

The Turkish Employment Organisation (ISKUR) was established by law in 2003 following the closure of a previous institution IIBK, which was considered unable to keep up with the changes in the labour market. The main responsibilities of ISKUR set out in the law are:

- to help job-seekers to find jobs and to help employers to find workers;
- to provide job and career counselling services and training programmes for improving job search methods through vocational information centres;
- to implement active labour market programmes (in addition to usual training and employment services);
- to implement passive labour force programmes. A law on unemployment insurance was approved on 25 August 1999 and the first unemployment contributions have been paid since June 2000;
- to regulate private employment agencies and the employment of foreign nationals in Turkey.

In 2002, the EU provided ISKUR with a programme to strengthen institutional capacities, implement active employment measures and renovate provincial offices. Under the institution building component, key strategic documents have been elaborated, such as the draft of the National Action Plan for Employment, a National Strategy for Human Resources Development and ISKUR's business plan. These documents try to set out specific priority objectives and actions to increase employment for women, young people, and vulnerable groups. However, all relevant authorities have not yet officially adopted these documents and no specific actions are in the pipeline to tackle these issues. Institutional capacities are still weak, in particular at regional levels.

Although the budget for active labour market measures increased substantially in 2005, it still only accounts for 0.014% of GDP which is much lower than in the EU. However, through the active employment measures, some interesting lessons have been learnt, including at community level, how women are becoming more aware of the active role they can play in society and how important their contribution is to employment.

2. Promoting an inclusive labour market

During recent times, the public sector has no longer played a significant role in employment creation; on the contrary, state enterprises have been subject to privatisation with consequent restructuring and downsizing. Following the financial crisis of 2001, the banking system was also restructured and for the first time many white-collar workers had to look for alternative job opportunities.

As previously mentioned, a large share of SMEs are very small businesses with less than 10 employees, which tend to work in the informal sector with very low capital investment. Job turnover seems to be high in Turkey with an average of 21% in the manufacturing industry for the period 1980-2000. The job turnover rate is much higher in the private sector, especially among small establishments.

Two of the main challenges for job creation in Turkey – creating new jobs and reducing the size of the informal sector – require that close attention is paid to the tax and social security system.

The main challenge for the Turkish workforce is to move from agriculture-based low educated levels to a service oriented middle to high education level. This requires time, resources and adequate planning and implementation of policies with the full ownership and participation of the social

partners. In addition, the Turkish industrial relations system needs to be strengthened and trade union membership and collective bargaining encouraged. Social partners do however show commitment to participate in discussions about education and training. The challenge will be to find public and private funding partnerships to increase investment in lifelong learning, which will facilitate workers and enterprises' adaptabilities.

Turkey has a relatively low participation in continuing vocational training (CVT). With 2.3% of adults participating in lifelong learning Turkey is well below the EU average of 9.9%. A fund for CVT was abolished in 2001. There is a wide range of public and private training providers as well as NGOs. It seems that initial vocational schools have little involvement in adult learning. No coherent CVT strategy has been agreed among the main stakeholders.

3. Investment in human capital

The MoNE is responsible for administering the education system from pre-school to secondary level, including general secondary and vocational education and training. Compulsory education was extended from five to eight years in 1997.

The Council for Higher Education (YOK) administers the post-secondary system, which includes two-year vocational, four-year university and open university courses. The Council is an autonomous body reporting directly to the President of the Republic of Turkey. Cooperation with the MoNE is poor. This is a potential obstacle for the development of a lifelong learning strategy in the country.

The Government is giving a high priority to increasing budgetary support for education, and, as a consequence in 2004 the budget of the MoNE was the largest of all public agencies, equivalent to 8.4% of the national budget, but nevertheless it still receives 3.6% of GDP, well below the EU average of 5.1%.

Private investment is also very important for the Turkish education system, as demonstrated by research published by the State Institute of Statistics (SIS) in 2004. According to the results of this research, the total share of education expenditure in 2002 was 7.31% of GDP, of which 4.65% was from the public sector and 2.66% from the private sector. This would represent the highest private funding rate in Europe. However, very often private support goes directly to the school without any mediation from the Ministry, thus leading to a high risk of inequality in the educational offer.

The highly fragmented organisation of MoNE is an obstacle to the reform of education, in particular secondary education, including vocational education and training. There are six General Directorates or Departments (Secondary Education, Technical Education for Girls, Technical Education for Boys, Trade and Tourism Education, Apprenticeship and Non-Formal Education, and Department of Apprenticeship, Vocational and Technical Education Development and Expansion) that appear to have direct responsibility for secondary education.

The education system in Turkey is mainly designed to select and sort students on the basis of socio-economic status and gender, rather than principles of universal access for all students to education opportunities. The current university entrance examination and placement system managed by YOK represents the most significant instrument in selecting students and is a barrier to the improvement of secondary education. The current system is mainly aimed at measuring "aptitude" and not achievement in terms of knowledge and competence⁵.

The education system should become an instrument for social inclusion, ensuring equity of access between girls and boys, regions and urban and rural areas. Special attention should be provided to leadership, organisational structure and governance of the system as well as to financing and efficient use of resources, including human resources.

With EU support an important impulse has been given to the reform of the education system. Labour market analysis, competency-based curricula and teacher training have been key elements in the reforms. It is important to build on these pilot initiatives, deepen them and disseminate them to other schools throughout the country. The establishment of a Qualification Institute is under discussion. Turkey seems well positioned to join the EU discussions about the development of a national qualification framework aligned to the European Qualification Framework.

⁵ 2005 OECD Review of National Policies for Education : Basic Education in Turkey.

The development of a national qualification framework will give greater coherence to the organisation of adult learning by creating pathways between formal and non-formal sectors and is expected to reduce the marginal cost of training places in the context of expanding demand.

Analysis of EU and other donor support instruments in the field of employment and human resources development

With the support of the **EC funded programme to Support Basic Education**, a reform of curricula was introduced by the National Board of Education as from school year 2004/05 in 120 schools, involving around 50 000 students, and disseminated to the rest of the system from school year 2005/06. The objective of the new curricula is to have a consistent framework from grades one to eight and to prepare students as **free, democratic and capable citizens**. Working groups involving students, teachers, family representatives and inspectors, have been involved in the consultation process that identified standard basic skills and abilities. The main objective of the programme is to increase educational capacities in less developed regions, particularly through increasing the enrolment of girls. One hundred curricula for non-formal education centres have also been developed and training has been provided to teachers on the issues of children at risk, the education of girls and student-centred learning.

A large component of the programme is for the construction of 134 education buildings in 16 provinces. There was a delay in the tendering process of this component and therefore most of the buildings will not be available before the end of the programme (December 2007).

The **EC funded programme for “Strengthening of Vocational Education and Training” (SVET)** started in September 2002 with the aim of assisting the Turkish Government through the Ministry of National Education in the process of modernisation and adaptation of the VET system to the socio-economic needs of the country and to the principles of lifelong learning. The programme will end in December 2007. Under this programme, in the school year 2004/05, 105 pilot training institutions started the implementation of the 9th grade competence-based modular curricula, which is the first year of vocational or technical high school. In order to allow students to have a choice at the end of the 9th grade to continue in the VET stream or to move to general secondary education, only 15 % of the total teaching hours have been devoted to vocational subjects. Through this programme, a consistent modular approach is being introduced in the VET schools in Turkey with the adoption of a national classification system of sectors and job profiles.

Another **EU funded programme for “The Modernisation of Vocational Education and Training”** started in July 2003 and will end in September 2007. The objective of this programme, which is complementary to the SVET programme, is to strengthen the capacity of Turkish authorities to be able to organise and deliver a modern and efficient system of pre-service and in-service teacher training. New competence-based modular curricula will be developed in order to improve flexibility in the teacher training system. In the framework of this programme, the training standards for vocational teachers will be defined. A fourth component of the programme will address the strategic aspects of developing these teacher faculties in line with EU trends within the overall context of reforming higher education. Faculties are very positive on the achievements of the programme and have decided to extend these outcomes to other sectors with their own financial resources.

The **EU Programme on Active Labour Market Strategy** implemented by ISKUR came to an end in March 2006. It was a large project aimed at promoting active employment measures, such as training, vocational guidance, etc. Following two calls for proposals, 1 398 projects were submitted from all over Turkey, of which 245 have been selected for funding. 40% of the projects cover the field of education, 26% the field of vocational education, 25% the business development area and 8% the area of skills training. The number of direct targeted beneficiaries is around 50 000 people classified as follows: 6% disadvantaged groups, 15% youth, 50% unemployed, 12% women, 10% self-employed, 6% for mixed groups. As of data of March 2006, 46,000 people have been trained or participated in seminars/conference and 30% of them managed to find a job.

Participation in the Community programmes Leonardo, Socrates and Youth started in 2004 and implementation has been assessed so far as being successful. Other programmes have been financed by the EU in the field of industrial training mainly linked to textile and leather manufacturing.

Since the early 90s the main donor in the field of HRD has been the World Bank with support to education, labour market and redeployment programmes. The latter have been part of wider support to

restructuring state enterprises including a component for the implementation of active employment measures and entrepreneurial support.

Switzerland and Germany have provided financial assistance until recently to MEKSA, a foundation established by employers, trade unions and the MoNE, organising apprenticeship training following the dual system model. MEKSA has now become a fully self-funded organisation.

UNICEF is very active in providing support to the Ministry of National Education in promoting enrolment in basic education, in particular for girls.

The ETF is widely involved in various activities in Turkey including providing policy advice in the field of vocational education, training and the labour market as well as giving support to the monitoring process of EU programmes in the above fields. In addition, since 2001, the ETF has been very active in implementing an institution building project with the overall objective of providing tailor-made support and training/advice to national authorities and social partners in planning and designing projects in the field of human resources development within the local economic context.

Assistance appears to have had variable results, e.g., the ISKUR project was discovered to be only partially sustainable. EU programmes are ongoing and it is too early to provide a definitive assessment. The active labour market strategy is currently being evaluated with the results expected in 2007. Experience with providing assistance in Turkey suggests that implementation decisions are frequently centrally controlled whereas the implementation measures themselves require actions at the provincial level – successful implementation requires a balance between these.

The World Bank has been a significant donor to Turkey for several years and in the 1990s it provided a major loan to the Turkish Employment Service for occupational standards, vocational guidance and institutional building. One of the outcomes of this project led to the creation of a draft law on vocational qualifications that, in a modified form, provide the basis of new legislation for Turkey's National Qualification Framework. The World Bank has recently negotiated a new loan for the refurbishment of schools and the comprehensive introduction of ICT into schools. The progressive implementation of this project may affect EU curricula developments.

Analysis of governance and challenges for administrative capacity related to human resources development, employment policy and inclusion

The first and main challenge is to integrate economic, employment and education policies under a comprehensive strategy. There is a need to design a holistic approach and a combination of policy measures encompassing economic and social domains within a LLL perspective.

In order to cope with the first challenge, the following issues could be considered a priority from the policy-making point of view:

- Creating more and better quality jobs in the economy (considering recent trends of low-value and low-paid informal jobs created in service sector, the most urgent issue is to expand the service sector with better quality jobs);
- Special activation measures to increase the employment rate (particularly among women and young people) and to facilitate a shift in employment from the agricultural sector;
- Decreasing the share of the informal sector in the economy and employment;
- Measures to assist vulnerable groups to participate in employment and training;
- Increasing the efficiency of labour market institutions (particularly ISKUR) through better financial and human resources, and institutional capacity building measures;
- Creating a more flexible and adaptable labour market by reforming labour market regulations and policies;
- Linking labour market reforms with the expanding social safety net for the whole population (social security reform is extremely important);

- Increasing the involvement of all stakeholders (different public institutions, social partners, NGOs, private organisations etc) in strategies addressing the Lisbon goals.

The second challenge is represented by the need to develop strong partnerships at regional level among social partners, public institutions, NGOs, etc. Social services need to be supported. The practice of regional development is still at a very preliminary stage and the issue of human resources development in particular is still not well understood.

In order to cope with the **second challenge** a strategy should be adopted by regional authorities, with the aim of identifying priorities linked to the principles and objectives of the European Employment Strategy.

This strategy should be based on the analysis of local labour market demand and related offer of the education and vocational education and training system.

Priorities are:

- Developing partnerships between all stakeholders (different public institutions, social partners, NGOs, private organisations, etc);
- Developing a broad social dialogue, among others through strengthened capacity building of social partners at all levels;
- Strengthening the capacity of ISKUR and in particular its regional employment offices. Increasing attention will be given to active labour market measures. A focal point will be to develop effective strategies for the disadvantaged;
- Developing and coordinating regular systematic labour market analyses;
- Developing local partnerships and in particular school-enterprise cooperation as a tool for increasing the relevance of education.

The **third challenge** is aimed at the design and implementation of an overall education reform, within a lifelong learning perspective, with the aim of ensuring full access and higher quality and relevance of the education and training system according to the needs of a knowledge economy.

In order to cope with the third challenge, there is a need to continue, consolidate and expand the process of modernisation and innovation undertaken by the MoNE at the various levels of the system, namely:

- Increasing educational attainment at all levels (pre-school, primary, secondary general and VET, higher education);
- Reform of the education system to provide easier transition through better links and pathways between different types and levels of education;
- Ensuring a high quality education system providing students with key competences for lifelong learning;
- Adoption of a National Qualification Framework;
- Increasing the quality and relevance of education and training institutions;
- Better governance of the system (particularly through a re-organisation of MoNE) and supportive institutional capacity building measures and greater financial and human resources;
- Making the VET system a real and attractive option for the majority of students.

Suggested priorities for action and EU support

In order to address the first challenge, the following actions are needed:

- Assist Turkish authorities, through EU programmes, in the implementation of the recommendations of the JAP and the JIM for employment policy priorities focusing on the employment of certain population groups (women, young people, those leaving the agricultural sector);
- Strengthen the institutional capacity of ISKUR, in particular at regional level;
- Support the implementation of active employment measures, in particular targeting gender equality and social cohesion of vulnerable groups;
- Support the development of social dialogue and other types of partnership through institutional capacity building programmes at regional level for local authorities, NGOs, social partners;
- Support labour market institutions regional employment offices by increasing their capacity in the implementation of employment programmes and in particular the absorption capacity for active measures.

As regards the second challenge:

- Assist the elaboration of HRD regional plans, with a special focus on gender, based on labour market needs;
- Disseminate cases of good practice of active employment measures already implemented in Turkey and in the EU Member States.
- Training and capacity building for quality social services, in particular in disadvantaged rural and urban areas.

Specific actions to support the third challenge concern:

- Undertaking fundamental reforms in the role, mission and functions of the Ministry of National Education, including significant decentralisation to the provinces and schools;
- Expanding access to early childhood care, including extending universal access to pre-school education to all children aged three to five;
- Ensuring 100% enrolment in basic education of both boys and girls in all regions;
- Assessing the impact of the new curricula implemented in both basic and vocational education and adjusting them whenever necessary. Continuing to produce learning material for the new curricula;
- Designing and implementing new student assessment and examination systems in line with the European Qualification Framework;
- Promoting the transition to secondary education, in particular for girls, and flexibility within the system in order to make vocational education and training more attractive;
- Improving the quality of human resources: teachers, principals, school guidance counsellors and administrators at every level of the system.
- Expanding access to training for adults through the development for adult learning strategies and pathways between initial and continuing vocational education.

HOW TO CONTACT US

Further information on our activities, calls for tender and job opportunities can be found on our website: www.etf.europa.eu.

For any additional information, please contact:

External Communication Unit
European Training Foundation
viale Settimio Severo 65
I - 10133 Torino
E: info@etf.europa.eu
T: +39 011 630 2222
F: +39 011 630 2200