THE TURKISH LABOUR MARKET

VOCATIONAL TRAINING – RELATIONSHIP WITH EMPLOYMENT AND PARTNERSHIP APPROACH

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1. SLIDE: INTRODUCTION

2. SLIDE: OUTLINE

3. SLIDE: GLOBAL UNEMPLOYMENT RATES

Turkey's pre-crisis unemployment rate did not compare favorably with other countries. In the aftermath of the crisis, however, Turkey has benefitted from a stronger than average recovery compared to other countries.

4. SLIDE: LABOR MARKET KEY INDICATORS

- The labor force participation rate in Turkey has been steadily increasing over the years, leading to an improvement of more than three percentage points in spite of the impact of the crisis.

- The labor force participation rate for women is much lower than for men and well below the EU average. Although recently we have seen an increase in the number of women participating in the workforce, this growth has been limited.

- Similarly, although the youth unemployment rate has been declining steadily due to government incentives, it remains high.

When we focus on the characteristics of the Turkish labor force market, we observe that on top of the structural problems our country faces such low labor force participation rates and high unemployment, the Turkish unemployment rate has gone up after having been impacted by the 2008 financial crisis. The Turkish government has taken some measures in order to reduce the country's unemployment rate, which climbed to 14 percent in 2009.
These measures, which we may characterize as cyclical, have included insurance premium incentives, short-term employment payments, social work programs, and more.

5. SLIDE: MAIN PROBLEMS FACED BY THE TURKISH LABOR MARKET AS A RESULT OF THE GAP BETWEEN TRAINING AND EMPLOYMENT

As I mentioned before, the low labor force participation rate for women and the high youth unemployment rate are the most serious problems faced by the Turkish labor market.

• The disparity between training and the employment market coupled with the low employment generation capacity of the domestic labor market can be counted among other serious hurdles.

Another major cause of unemployment in our country is the imbalance between supply and demand, which is attributed to problems associated with the quality of the Turkish labor force. The low level of education among workers has a negative impact on labor productivity and economic growth. Based on data compiled by the Turkish Statistical Institute (TurkStat) for the year 2011, 63.1 percent of the labor force lacks a high school diploma.

6. SLIDE: CURRENT SITUATION (OVERALL ASSESSMENT)

Living in a world where globalization continues to expand, we are witnessing rapid change and transformations as a result of developments in the political, economic, administrative and social landscapes, enhanced by scientific and technological advances. It is a given that no country or organization can opt out of these changes and transformations. It is also clear that human capital, otherwise known as human resources, is the most important contributing factor to the development of countries and institutions and therefore plays a critical role in Turkey's position among the nations of the world.

What has been done and what is to be done?
Individuals who lack a vocation, who have not yet entered the labor market, or who lack the necessary education or skills are more negatively impacted by economic recessions compared to other groups. For this reason, our country has made major efforts to tackle the unemployment problems we face in cooperation with our social stakeholders. I have just mentioned that a number of cyclical measures have been taken in order to alleviate the negative impact of the financial crisis. I will focus the rest of my presentation on the structural measures that we have taken in cooperation with the relevant institutions and social stakeholders in order to find a sustainable solution to the Turkish unemployment problem.

7. SLIDE: STRUCTURAL MEASURES TAKEN IN TERMS OF VOCATIONAL TRAINING AND THE LABOR MARKET

8. SLIDE: THE NATIONAL EMPLOYMENT STRATEGY – I

Getting Turkey ready to brave the challenges of the 21st century depends on using the country’s know-how as economically, rationally, and exhaustively as possible. For this reason, it is of critical importance that the institutions, organizations, and social stakeholders that are responsible for delivering vocational training programs in the country plan and coordinate their actions on a macro scale.

I – THE NATIONAL EMPLOYMENT STRATEGY

A national employment strategy document has been drafted with the participation of all sectors of society in order to solve the structural problems faced by the country’s labor market and to find a sustainable solution to the unemployment problem by 2023.

This strategy has been prepared with the participation of government institutions, organizations, and agencies as well as professional associations, labor and employer confederations, NGOs, members of the scientific community, the media, and representatives of political parties.
The strategy has been built on four pillars:

- **Strengthening the link between training and employment**
  
  This pillar aims to establish a direct link between training and employment and training a labor force whose qualifications are compatible with the needs of the labor market.

- **Ensuring security and flexibility across the labor market**
  
  This pillar aims to introduce reforms throughout the labor market in order to make it more flexible, to make it easier to enter and exit the labor market, and to make the protection of the individual rather than the job a priority.

- **Promoting the employment of the underprivileged**
  
  This pillar aims to make it easier to employ women, the long-term unemployed, the disabled, and other underprivileged groups in the Turkish society by developing employment strategies that focus specifically on solving the problems these groups face.

- **Strengthening the link between employment and social protection**
  
  This pillar is aimed at developing a social protection system that does not prevent return to employment; that is comprehensive; that is compatible with existing economic, social, and fiscal policies; and that provides both safety nets and flexibility.


Some targets set for 2023:

- Reduce the unemployment rate to 5 percent
- Increase the employment rate to 50 percent
- Reduce the unregistered employment in the non-agricultural sector to 15 percent
- Increase the labor force participation rate of women to 35 percent
10. SLIDE: LABOR FORCE PARTICIPATION BY LEVEL OF EDUCATION

The labor force participation rate goes up as the level of educational attainment increases.

This is especially relevant in terms of women's entry into the labor market.

The importance of vocational and technical training and university education

11. SLIDE: “STRENGTHENING OF THE LINK BETWEEN VOCATIONAL TRAINING AND EMPLOYMENT” ACTION PLAN (IMEGEP) – I

The "Strengthening the Link between Vocational Training and Employment" (IMEGEP) Action Plan was developed in order to ensure that vocational and technical training are offered according to the needs of the country's labor market; that the link between vocational training and employment is strengthened; that active labor market policies are implemented in accordance with the principles of lifelong learning; and that the employability of the labor force is increased through enhanced cooperation and coordination between government ministries, government institutions, organizations, and agencies and private sector institutions. The action plan was launched in 2010.

12. SLIDE: IMEGEP – II

Following the enumeration of the measures

Out of the 38 measures that were taken by the end of 2011:

- 12 measures were successfully implemented
- 12 measures has been successfully implemented and maintained
- Efforts continue on schedule to implement four of the measures
- Efforts have begun for 10 of the measures but have not yet been implemented

13. SLIDE: ACTION PLAN (SVET) – III
A Follow-up and Evaluation Committee has been established in order to ensure that the activities mentioned in the action plan are carried out on schedule, to monitor these activities, and to take any necessary measures if required after making an assessment.

According to the follow-up and assessment carried out for the year 2011, the responsible parties and the number of measures to be implemented by each party are given below:

- Ministry of Labor and Social Security (CSGB), Turkish Employment Organization (ISKUR), and Vocational Qualification Authority (MYK) (14 measures)
- Ministry of National Education (MEB) (14 measures)
- Ministry of Science, Industry and Technology (BSTB) and Small and Medium Enterprises Development Organization (KOSGEB) (3 measures)
- Ministry of Customs and Trade (2 measures) and
- Council of Higher Education (YOK) (2 measures). Note: The number of measures to be taken is actually 40 (rather than 38) because the Ministry of National Education (MEB) and Council of Higher Education (YOK) have been assigned with implementing two measures jointly.

The responsible ministries, organizations, and agencies implement their respective measures in cooperation with many stakeholders including the Ministry for EU Affairs, the Ministry of Development, provincial government offices, local governments, professional organizations, NGOs, and labor and employer associations.

14. SLIDE: THE SPECIALIZED VOCATIONAL TRAINING CENTERS (UMEM) PROJECT – I

The Specialized Vocational Training Centers (UMEM Skills 2010) Project was implemented in order to provide a solution to the problem of unemployment caused by the imbalance between supply and demand by training a labor force equipped with the skills that the industry demands. Therefore, a new vocational training and skills development model, one that trains individuals whose skills are compatible with the requirements of the labor force and that allows employer participation, has been developed.
The Turkish Employment Organization (ISKUR) carries out its activities in accordance with the demands of the Turkish labor market and in cooperation with the relevant government institutions, organizations, and agencies and social stakeholders. As the primary steering bodies of the organization, the General Assembly and Executive Committee consists of members of the relevant government institutions, organizations, and agencies as well as labor and employer associations. A similar structure has also been created at the provincial level. The Provincial Employment Committee and Provincial Vocational Training Committee, which used to operate as separate entities, were consolidated into a new organization entitled the Provincial Employment and Vocational Training Committee in 2008.

Objectives

Factors that prevent individuals from participating in the labor market include lacking a profession, having vocational and professional skills that are not good enough to meet the demands of the labor market, and not having sufficient information or experience about how the labor market functions. Accordingly, Active Labor Force Programs have been implemented in order to increase the employability of these individuals and to meet employer demand for a skilled workforce. At a time when Turkey has achieved an unrivaled pace of economic growth, it has once again become clear how important vocational training and working together are to enhancing the knowledge and skills of individuals in line with the demands of the labor market.

- SOCIAL WORK PROGRAMS (TYCP)
These are programs that aim to provide the employed with short-term employment and training opportunities during periods of high unemployment and to render services that benefit society as a whole.

- **ENTREPRENEURSHIP PROGRAMS**
  These are programs that aim to train the unemployed to set up and manage their own businesses and draft business plans and to help them access the financial resources offered by KOSGEB and other agencies.

- **ON-THE-JOB TRAINING PROGRAMS**
  These are programs that aim to provide the unemployed with on-the-job training to improve their prospects for employment.

19. SLIDE: VOCATIONAL TRAINING COURSES

20. SLIDE: COMPARISON BY EDUCATIONAL ATTAINMENT

21. SLIDE: VOCATIONAL TRAINING COURSES (TOTAL BUDGET)

22. SLIDE: ACTIVE LABOR FORCE PROGRAMS (NUMERICAL DATA)

23. SLIDE: VOCATIONAL AND EMPLOYMENT COUNSELLING – I

24. SLIDE: VOCATIONAL AND EMPLOYMENT COUNSELLING – II

25. SLIDE: TRAINING AND EMPLOYMENT INCENTIVES

The incentives that the Turkish government offered with the aim of increasing employment by reducing burdens that prevent employers from hiring were re-evaluated with a renewed focus on training and employment in 2011. A new policy has begun to be implemented in
which the social security support contributions that used to be paid by employers who employ a well-trained workforce are now being paid by the government. What makes this incentive different is the fact that it strengthens the bond between training and the labor market and contributes to improvements in the quality of the labor force. Focusing on women over 18 years old and men between the ages of 18 and 29, this incentive will be available for 24 months under normal circumstances.

- Of note is the fact that individuals who have graduated from vocational and technical schools, who have successfully completed the courses offered by ISKUR, who hold a vocational qualification certificate, and have found work through ISKUR can benefit from this incentive for up to 54 months.

26. **SLIDE: JOB PLACEMENT ACTIVITIES**

27. **THE EU’S INSTRUMENT FOR PRE-ACCESSION ASSISTANCE (IPA) PROJECTS**

**CONCLUSION**

We have no doubt that the projects and structural measures implemented in cooperation with the concerned agencies, organizations, institutions, and social stakeholders have had a positive impact on our country's labor market. With the hope that this positive trajectory will continue in the coming period following the implementation of other measures and other projects that have been planned but not yet implemented or that are still in the action plan stage, I would like to thank all stakeholders who have contributed to this effort and to pay my respects to all who are with us today on behalf of myself and the organization I represent.