

The outlook of education and employment in Turkey after 2000: Development plans framework

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Abstract

In development plans, which are prepared every five years, the manpower needs of the country, manpower and employment relations, resources allocated to formal and non-formal education, distribution of these resources, measures for improving the quality of education and training are determined. Turkey has applied 9th development plan since the beginning of 2007. In 2006-2007 educational-years, in the education system there are 19.5 million students, 16 million of which are in the formal education and 2 million of which are in higher education. After 2000, the working age population, labor force and employment rose respectively. The employment created in Turkey during the 8th Plan period (2001-2006) has remained less than the increase in working age population and the labor force. Even though the GDP grew at an annual average rate of 4.4 per cent during the 8th Plan period, the total employment increase was realized as 0.4 per cent. Youth unemployment (15-24) had been steadily increasing since 2000 and reached 18.7 % in 2007. During the Plan period, the education system remained insufficient to meet the requirements of the labor market. A remarkable reduction in the unemployment rates of young and educated people could not be achieved as well. New mechanisms that would respond to the demands of the economy and the labor market and, particularly, increase the employability of young people are needed. In this study, the weak relationship between education and employment was examined in Turkey with the framework of 8th and 9th development plans.

Key words: Education, unemployment, 8th and 9th development plans, Turkey.

Jel Classifications: I28, J21, O20.

Introduction

Despite annually %4.4 average growth of GDP during the period of 2001-2006, output growth has not been fast enough to create enough jobs for Turkey's rapidly growing population. Moreover, Turkey has not translated output growth into job creation. Owing to weak job creation, the unemployment rate in 2007, at 9.8 percent.

While non-institutional civilian population has reached to 73 million 339 thousand persons, non-institutional working age civilian population has reached to 52 million 341 thousand persons in 2007. So, Turkey already has a large working-age population. This situation offers Turkey the possibility of benefiting from a population structure that is weighted towards potentially productive age groups. However, this productive potential will only be realized if the economy can generate adequate employment opportunities. Even at the currently low labor force participation rate at 37 percent for the 15-24 year age group (where the new entrants will largely come from), about 335,000 new jobs would need to be created annually just to address this new labor supply. Over time, increased school enrolment rates have been instrumental in reducing the unemployment rate among the 15-24 year age group. However, educational attainment does not appear to improve access to employment for the younger generations, a situation which may reflect both the lack of suitable job opportunities and some inadequacy in educational qualifications.

The structure of turkish education system

The National Education system has two main components; formal and non-formal education. Formal education covers institutions of pre-school, primary, secondary and, higher education. Non-formal education covers any educational programmes offered outside schools to adults for teaching literacy and other skills for living.

Figure 1

Formal Education

The formal education school system has four levels: Pre-primary education, primary education, secondary education and higher education.

Primary education

In Turkey, attending primary school is mandatory for children age 6-14. All state schools are free. Primary education consists of eight-year schools and is mandatory. At these schools, education is uninterrupted for a period of eight years and at the end, graduates are given primary school certificates. Primary education aims to be a process which takes into consideration students' interests, maturation, talents and vocational values in line with the aims of both Turkish education and modern education. During the 2006-07 school year, nearly 10.9 million students (including those in open primary schools) attended these schools. At the end of the Eighth Five-Year Development Program, the enrollment rate in primary schools was 96.4% (gross) and 90.1% (net). The Ninth Development Program calls for a primary school enrollment rate of 100%.

Secondary education

Secondary education covers general and vocational technical secondary schools which provide a minimum of four year of education for primary school graduates. The aim of secondary education is to provide students, through various programs, with general culture and to prepare them for higher education, life and business in line with their interests and talents. During the 2006-07 school year, the overall enrollment rate was 86.6% (gross) and 56.5% (net) and nearly 3.4 million students (including open secondary school students) attended these schools. The Ninth Development Program calls for a secondary school enrollment rate of 100%.

General secondary schools

The aim of these schools is to prepare students to contribute to the country's economic, social and cultural development and to prepare them for higher education. These schools offer a four-year education program. During the 2006-07 school year, over 2.14 million students (including open secondary school students) attended these schools.

Vocational and technical secondary schools

Vocational and technical secondary schools in the vocational and technical general directorates are institutions which train young people in commercial and vocational fields and prepare them for higher education. These schools also offer a four-year education program.

They are made up of:

- A. Technical education schools for boys
- B. Technical education schools for girls
- C. Religious education schools.
- D. Commercial and tourism education schools.

During the 2006-07 education year, over 1.24 million students (including open vocational and technical secondary school students) attended these schools.

Higher education

Institutions of higher learning lasting at least two years are based on secondary education. These institutions aim to meet society's requirements for skilled personnel at various levels. The development of countries in the modern world is determined by their level of education, science and technology. Turkey's basic aim is to reach international standards of higher education both qualitatively and quantitatively. During the 2006-07 school year, the number of universities (including private ones) reached 93, and presently over 2.4 million students (including over 845,000 open university students) are enrolled in these universities.

Non-Formal Education

Non-formal education, one of the two basic divisions of the national education system, covers education, training, guidance and applied activities which are not included in the formal education system. Non-formal education applies to individuals who lack a formal education, or who are currently at a particular stage. Non-formal education aims at providing adults with literacy skills and basic knowledge, furthering developed acquired knowledge and skills, and creating new opportunities for improving their standard of living. Non-formal education is made up of two main parts: general and vocational-technical education.

Education and employment in the 8th and 9th development plans

In development plans, which are prepared every five years¹, the manpower needs of the country, manpower and employment relations, resources allocated to formal and non-formal education, distribution of these resources, measures for improving the quality of education and training are determined. Respective measures are implemented in co-operation with the related organizations and institutions under the overall co-ordination of the State Planning Organization. Turkey has applied 9th development plan since the beginning of 2007.

Education and, Employment during the 8th Development Plan Period (2001-2006)

Important enhancements have been accomplished in the population's access to education. With the extension of compulsory education to eight years, a significant increase in the number of students has been achieved and the ratio of students passing from primary education to secondary education has increased. However, regarding the schooling rates, the rate for pre-school education remained at low levels, 100 per cent could not be achieved in primary education and the share of vocational education could not be increased in secondary education. Even though significant progress has been attained in terms of schooling rate for higher education, there is still an increasing demand for higher education. Fifteen new state universities were established in 2006 to meet this demand. While the obligatory requirements caused by increasing number of students can primarily be met with the allocated resources at all levels of education, the problem of quality in education still remains an important issue.

As a result of both the lack of integration of programs between vocational schools in higher education and vocational and technical secondary education institutions and the inability to update the vocational and technical education programs according to the demands of the labor market, employment rates for vocational and technical education graduates cannot be increased, thereby, the demand for vocational education decreases.

Employment

Even though the negative effects caused by rapid population growth in the country decreased during the 8th Plan period, problems related to increasing employment, reducing unemployment and education could not be solved, and the relation between education and employment could not be sufficiently established. While the rate of population growth was 1.41 per cent in 2000, it dropped to 1.26 per cent in 2005. During the same period, working age population, covering the age group 15-64, and senior population consisting of people older than 65 years, increased and their shares in total population increased from 64.7 per cent to 65.7 per cent and from 5.4 per cent to 5.9 per cent, respectively.

The employment created in Turkey during the 8th Plan period has remained less than the increase in working age population and the labor force. During this period, the working age population, labor force and employment rose by an annual average rate of 1.9 per cent, 1.3 per cent and 0.4 per cent, respectively. The employment figures, which declined following the 2001 crisis, displayed increases in 2004 and 2005. Even though

the GDP grew at an annual average rate of 4.4 per cent during the Plan period, the total employment increase was realized as 0.4 per cent.

The most important reason for the rate of increase of employment being lower than the growth rate is the decrease in agricultural employment. The share of the agricultural sector in total employment receded from 36 per cent to 29.5 per cent and employment in this sector was reduced by 1 million 276 thousand persons during the Plan period.

Table 1&2

Employment increased substantially in non-agricultural sectors, especially following the year 2003, creating 1 million 742 thousand persons of employment during the Plan period. Creation of employment for 1 million 162 thousand persons in 2005 suggests that this increase accelerated at the end of the period. Another reason for the low rate of total employment increase was that after the crises enterprises that used the labor force more efficiently needed additional employment at lower levels.

During this period, progress was not made in labor force participation and employment rates, which were lower than EU averages. Such low rates are caused by insufficient participation of women to the labor force and employment. The female labor force participation and employment rates are around one third of the rate for men.

As a result of the decrease in employment in the agricultural sector and with the impact of the 2001 crisis, the unemployment rate, which was 6.5 per cent in 2000 increased to 10.3 per cent in 2005. Non-agricultural unemployment rate, on the other hand, raised from 9.4 per cent in 2000 to 15 per cent in 2002 and declined to 13.6 per cent in 2005. The unemployment rate among young people, which is approximately twice as much as total unemployment rate, continues to be significant.

Education and unemployment

73.8 per cent of the labor force in 2000 and 67.3 per cent of it in 2005 consisted of those with a level of education below upper secondary education and illiterate. While the share of higher education and faculty graduates in the labor force was 8.8 per cent in 2000, it increased to 11.5 per cent in 2005. Even though the education level of the labor force rose during the Plan period, it continued to remain low compared to the EU average. This situation is an important problem in today's world, where it is essential to have a highly qualified and skilled labor force.

During the Plan period, the education system remained insufficient to meet the requirements of the labor market. A remarkable reduction in the unemployment rates of young and educated people could not be achieved as well. New mechanisms that would respond to the demands of the economy and the labor market and, particularly, increase the employability of young people are needed.

Even though difficulties are experienced in finding mid-level workers in those areas required by the economy, the unemployment rate of vocational education graduates is high. This rate increased from 10.9 per cent in 2000 to 13.3 per cent in 2005. This situation resulted from the fact that students with high cognitive skills do not prefer vocational education, the vocational education system is not of a nature to meet the requirements of the labor market, the current vocational education programs are not updated in collaboration with all the stakeholders, and there is lack of equipment and insufficient qualified education personnel.

Targets and Projections of the 9th Plan Period (2007-2013) About Education and Employment

The structural transformation observed in the labor market is expected to continue during the Plan period as well and the labor force leaving agriculture is estimated to shift to the other sectors. The transformation in the structure of employment is expected to be basically in favor of the services sector.

Table 3

Employment is estimated to increase at an annual average rate of 2.7 per cent during the Plan period as a result of new employment opportunities to be created in non-agricultural sectors by achieving employment focused sustainable growth, improving the business environment, enabling efficient functioning of the labor market, raising the level of quality and skills of the labor force and developing active labor market policies.

On the other hand, labor force participation rate is expected to increase by 2.1 percentage points during the Plan period through raising the level of education, increasing employability by active labor market policies, and facilitating and encouraging entrance into the labor market. The main determinant of this increase is expected to be the increase in female force participation rate.

Based on these developments, it is expected that the employment rate will increase by 3.2 percentage points, whereas the unemployment rate will decrease by 2.7 percentage points during the Plan period.

Table 4

During the Plan period it is aimed that significant increases in the schooling rates of pre-school and secondary education will be achieved. It is aimed to ensure all children to have primary level education with the contribution of the decrease in the population of this age group. Along with the rising schooling rate in secondary education, the higher education schooling rate is planned to reach 48 per cent in order to meet the increase in higher education demand.

Basic Aims about Education and Employment

Increasing employment

In the framework of an employment focused sustainable growth, creating skilled human resources required by a competitive economy and information society, improving employment opportunities, reducing unemployment and making the labor market more efficient will be ensured. The employment dimension will be taken into consideration in the regulations to be undertaken in the economic and social areas.

In preparing the National Employment Strategy, the issue of directing the labor force coming from agricultural sector due to the dissolution in this sector to non-agricultural sectors, will be emphasized. Development and encouragement of entrepreneurship, which is important for increasing employment, will be addressed with an integrated approach.

Improving the labor market

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 by taking actuarial balances into consideration as well, in such a way as to encourage the development of new employment opportunities, to increase the number of proper jobs and to reduce informal employment.

Wage policy based on basic wages, which will strengthen the wage-productivity relation, contribute to the flexibility of labor markets and support productive employment, will be followed.

Equal opportunities will be provided for the women, the young, and the long-term unemployed, the disabled and former convicts, who encounter difficulties in the labor market. With the aim of increasing the participation of women in the labor force and employment, their access to childcare and other similar services will be facilitated. Programs will be developed to provide the young with experience in the labor market.

In order for employment agencies to adapt to the changes in the labor market caused by globalization and technological advances, their capacities will be enhanced, service areas will be diversified, and target groups to which services are provided will be expanded considering the requirements at local level. In addition, communication with relevant organizations will be strengthened to ensure that the decisions taken at central level can also be efficiently implemented at local level.

Increasing the sensitivity of education to labor demand

A lifelong education strategy will be developed towards increasing the employment skills of individuals in line with the requirements of a changing and developing economy and labor market. In order to develop the skills and abilities of people, this strategy will cover mechanisms that will support increasing formal and nonformal education opportunities, strengthen the horizontal and vertical relationship between the types of education, structure apprenticeship and public education towards these types of education.

In order to develop the information systems related to the labor market, to provide the education and labor market with a more flexible structure, and to increase employment and labor productivity, work force will be trained in the areas demanded by the economy taking the life-long education strategy into consideration.

The necessary data including the education, employment and professions of households will be produced and compiled, and labor market requirement analyses will be conducted in order to determine the labor force supply and demand tendencies.

Transformation to a modular and flexible system in vocational and technical education will be realized. The vocational training at higher and secondary education will be transformed into a single structure that will take integration of programs as basis, and applied training techniques, which play an important role in educating a qualified labor force in vocational education, will be emphasized.

The vocational education system will bring up students, who possess the basic skills to work in groups, to take decisions, to solve problems, and to undertake responsibilities as required by the labor market.

In order to meet the intermediary personnel requirement of the economy, mechanisms that will ensure the broadening of vocational education activities in organized industrial zones, which creates an environment for clustering, will be strengthened through effective collaboration with the relevant service institutions and the private sector.

Activities of enterprises and non-governmental organizations towards training skilled labor force will be supported.

Enhancing the educational system

To ensure social development, productive and creative individuals who are of the information age with scientific and technological usage and production, appreciation for the arts, and have high level of skills will be brought up.

The education system will be handled with the integrated approach by taking lifelong education into consideration to support the development of human resources. The structure of the system which is based on efficiency, accessibility and equal opportunities, will be strengthened.

Conclusion

There are problems related to increasing employment, reducing unemployment and education in Turkey. Besides, the relation between education and employment could not be sufficiently established.

In 2007, while the unemployment rate is 9.8 per cent, the young unemployment rate is 18.7 percent. The unemployment rate among young people, which is approximately twice as much as total unemployment rate, continues to be significant. Unemployment rate among the young people who completed tertiary education was 30.9 per cent in 2005. This situation is an important problem in today's world, where it is essential to have a highly qualified and skilled labor force. In Turkey, new mechanisms that would respond to the demands of the economy and the labor market and, particularly, increase the employability of young people are needed. In this study, sources of the problems and, the solutions to these problems at the 9th development plan had been examined.

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FIGURE 1: General structure of the Turkish education system



Source: http://euspk.ege.edu.tr/1APPENDICES_250107.pdf

TABLE 1: Labor force status by non-institutional civilian population by years (thousand person, 15+ age)

	2000	2001	2002	2003	2004	2005	2006	2007 (April)
Non-institutional civilian population	66.187	67.296	68.393	69.479	70.556	71.611	72.606	73.339
Population 15 years and over	46.211	47.158	48.041	48.912	49.906	50.826	51.668	52.341
Labor Force	23.078	23.491	23.818	23.640	24.289	24.565	24.776	25.087
Employed	21.581	21.524	21.354	21.147	21.791	22.046	22.330	22.638
Unemployed	1.497	1.967	2.464	2.493	2.498	2.520	2.446	2.450
Labor force participation rate (%)	49,9	49,8	49,6	48,3	48,7	48,3	48,0	47,9
Employment rate (%)	46,7	45,6	44,4	43,2	43,7	43,4	43,2	43,3
Non-agricultural unemployment rate (%)	9,3	12,4	14,5	13,8	14,3	13,6	12,6	12,4
Unemployment rate (%)	6,5	8,4	10,3	10,5	10,3	10,3	9,9	9,8

Source: TURKSTAT, The results of Household Labor Force Survey

TABLE 2: Labor force status of "15-24 age group" by years (thousand person)

	2000	2001	2002	2003	2004	2005	2006	2007 (April)
Population between age 15 and 24	12.703	12.641	12.520	12.379	12.238	12.176	12.099	12.047
Labor Force	5.401	5.323	5.116	4.753	4.806	4.710	4.589	4.455
Employed	4.696	4.460	4.135	3.777	3.862	3.800	3.731	3.624
Unemployed	705	862	980	975	945	910	858	831
Labor force participation rate (%)	42,5	42,1	40,9	38,4	39,3	38,7	37,9	37,0
Employment rate (%)	37,0	35,3	33,0	30,5	31,6	31,2	30,8	30,1
Non-agricultural unemployment rate (%)	19,0	24,4	26,6	26,0	27,0	24,5	22,8	22,3
Unemployment rate (%)	13,1	16,2	19,2	20,5	19,7	19,3	18,7	18,7

Source: TURKSTAT, The results of Household Labor Force Survey

TABLE 3: Targets by employment in 9th development plan (per cent)

	2006	2013	2007-2013 (Average)
Labor Force Participation Rate	48.6	50.7	49.8
Growth Rate of Employment	2.3	3.3	2.7
Sectoral Composition of Employment			
Agriculture	28.0	18.9	22.7
Non- Agriculture	72.0	81.1	77.3
Industry	19.7	19.4	19.8
Service	52.4	61.7	57.5
Employment Rate	43.6	46.8	45.1
Unemployment Rate	10.4	7.7	9.6

Source: SPO

TABLE 4: Targets by education levels in 9th development plan

	2005/2006	2012/2013
Schooling Rates (%)		
Pre-school Education	19.9	50.0
Primary Education	95.6	100.0
Secondary Education	85.2	100.0
Higher Education*	38.4	48.0
Number of Students Per Classroom		
Primary Education	43.5	30.0
General Secondary Education	37.9	30.0

* Total

Source: SPO

