

EMPLOYMENT PLAN 2014
TURKEY



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1. Employment and labour market outlook

Thanks to steady and inclusive measures which are not limited to labour markets, the negative effects of the global economic crisis on Turkey have been milder and Turkey turned out to be one of the countries that increased employment most rapidly since the beginning of 2009.

Turkey managed to have an employment increase of 4.3 million people since 2008 until the end of 2013 and the unemployment rate has decreased to the lowest level of the last ten years in 2012. Unemployment rate was recorded as 9.2% in 2012 and 9.7% in 2013 and it remained under 10% threshold. In parallel with the rise in employment, employment rate increased to 45.9%. The labour force participation rate also has increased by 4 points between 2008 and 2013. This increase is basically a result of 6.3 points growth in female labour force participation rate. The implementation of employment incentives and intensive active and passive labour market programmes had an important contribution in the employment increase and unemployment decrease.

When the sectoral distribution of employment in 2008 is considered, 23.7%, 20.9%, 5.9% and 49.5% of the employed people were working in agriculture, industry, construction and services sectors, respectively. These ratios were respectively 23.6%, 19.4%, 7% and 50% in 2013. The mobility in the sectoral distribution of employment underlines the necessity of overcoming skill mismatch between labour supply and demand and raises the importance of active labour market policies.

However, Turkish labour market's structural challenges still continue. Firstly, with 30.8% female participation rate, Turkey has the lowest figure among OECD (OECD average is 61%) countries. Although the informal employment rate, which was 43.5% in 2008, has been reduced to 36.7% in 2013, especially the informality in agriculture is coming to fore as another challenge. Increasing labour force participation through directing the social benefit receivers to employment and facilitating the transition from school to working life through harmonising the education outputs with the labour market requirements are also on the agenda topics for Turkish labour market.



Table 1: Economic and labour market conditions, 2008 (LHS) and 2013 (RHS)								
	GDP growth		GDP per capita (USD terms)		Employment growth		Employment to population ratio	
Turkey	0.7%	4.0%	10,444	10,782	2.2%	2.8%	41.7%	45.9%
G20 Average	1.4%	1.9%	25,339	26,243	1.1%	0.9%	57.7%	57.1%
	Unemployment rate		Incidence of long-term unemployment		Youth unemployment rate		Youth unemployment to population ratio	
Turkey	11%	9.7%	28.3%	25.7%	18.6%	17.1%	6.8%	6.5%
G20 Average	6.3%	6.1%	24.1%	31.0%	n/a	n/a	6.9%	7.8%
	Participation rate		Female participation rate		Informal employment rate		Collective bargaining coverage	
Turkey	46.9%	50.8%	24.5%	30.8%	43.5%	36.7%	n/a	n/a
G20 Average	60.2%	60.3%	50.0%	51.8%	n/a	42.2%	n/a	28.8%
	Minimum wage (% of median wage)		Gini coefficient		School completion rate**		Literacy rate	
Turkey	38.0	38.0	0.405	0.402*	26% (Uppersec ondry)	56% (Uppersec ondry)	91.7%	95.78%
G20 Average	34.9	34.9	0.341	0.376	76.5%	78.9%	n/a	n/a
	Informal employment rate in agricultural sector		Labour force participation rate of women with tertiary education		Share of agriculture in total employment			
Turkey	87.8%	83.3%	70%	72.2%	22.4%	21.2%		
G20 Average	n/a	n/a	n/a	n/a	n/a	n/a		

G20 averages will be calculated by the Australian Presidency in cooperation with international organisations, with definitions to be provided prior to June to assist G20 members in finalising the table.

*This is TURKSTAT data of 2012.

**With the Law numbered 6287 introduced in 2012, compulsory education period have been increased to 12 years. Primary education completion rate:2008;88.8%, 2013;89.6%.

Table 2: Labour market forecasts for 2014			
Employment growth	Unemployment rate	Participation rate	Share of agriculture in total employment
2.9%	9.4%	51.3%	23.1%

2. Employment challenges for Turkey

The main challenges of Turkish labour market are the low level of female labour force participation, the high level of informal employment and the inadequacy of the mechanisms for directing social benefit receivers to employment and the weak connection between education and employment. These challenges are also some of the biggest barriers which block to ensure an additional economic growth of 2% in five years.

CHALLENGE: BOOSTING LABOUR FORCE PARTICIPATION RATES

In Turkey, the general labour force participation rate is 50.8%. The male labour participation rate of 71.5% is close to developed economies average, but the female labour participation rate, which is 30.8%, makes Turkey to be the lowest among OECD countries. Although female labour force participation rate has been increased by more than 6 points in recent years, this rate in Turkey is still quite low except in agricultural activities. The gender based discrimination, education status of women, women's lack of qualifications that labour market needs due to the migration from rural to urban areas, unpaid family work, caring duties for the elderly, the sick, handicapped and the child are the biggest barriers in participation of women in labour market. According to TURKSTAT data, 59% of women who are not in labour force had stated that this situation is a result of their engagement with domestic affairs. When the wages of women are lower than the reservation wages (the total value of services women produce at home), women give up participating in labour force. For providing sustainable development in Turkey, increasing the female labour force participation rate is of vital importance.

CHALLENGE: SUPPORTING JOB CREATION IN THE FORMAL SECTOR

Although there are efforts for reducing social security deficits and informality by important reforms at the recent years in Turkey, informal employment rate can be considered high standing at 36.7% in 2013. In Turkey, 52% of employed women and 30% of employed men are working informally. 83.3% of the workers in agricultural sector and 23.3% of the workers in non-agricultural sectors are working informally. Unregistered employment in Turkey is defined when working people are not reported to Social Security Institution (SGK), and the number of working days or incomes which defines the amount of social security contributions are underreported. High unemployment rates, high labour costs and the highly protected labour market are regarded as the main reasons for informality. In Turkey the informality is more intense in agricultural sector, construction sector, SMEs, temporary and seasonal works. The groups with maximum level of informality are unskilled people with low educational level, working children, foreign illegal workers, the retired and the self-employed.

CHALLENGE: ESTABLISHING SOCIAL BENEFIT/EMPLOYMENT CONNECTION

Social benefit receivers maintain their lives via social benefits, the difficulty to access to the labour market create a vicious cycle of poverty and social exclusion. In Turkey, public social benefit expenditures to GDP ratio has been 1.1% in 2012. There is an inadequacy in the effective inter-institutional cooperation and managing systems to enhance the employability of beneficiaries and their participation of those into the labour market who are eligible to work. Social protection system is composed of passive benefit programmes and is not designed to promote employment. Improving, simplifying and making social benefit system more accessible have provided social benefits to become widespread but also have caused being distanced from labour market for social assistance receivers. Although the people with low income enter into the labour market, they generally work informally and with low wages because of their low educational level and qualifications. Therefore, informality increases, more people work without insurance and social benefits system deteriorates. Also this situation has a negative effect on the people employed with low wages without receiving social benefits.



CHALLENGE: STRENGTHENING EDUCATION/EMPLOYMENT RELATION

People having less than high school education constitute 60% of the labour force, 56% of total unemployed and 61% of the total employed in Turkey. On the other hand, labour force participation and employment increase as educational level rises. 80% of university graduates participate in labour force and 71.9% of them are employed. However, unemployment rate of university graduates are higher than total unemployment rate. This shows that unemployment problem does not only arise from low educational levels but also from the inadequacy of education system. For this reason, designing an education system that allows smooth transition from school to work and strengthening relationship between education and employment are important.

According to 2013 TURKSTAT data, despite 1.4 million vacant job positions, the number of unemployed people is 2.7 million which underlines the skill mismatch between labour supply and labour demand. Employers also state that they could hardly find qualified employees. Lack of communication channels among employers, education institutions, institutions regulating labour market and absence of labour market analyses for many years has brought about a gap between education and business world. In addition to that, regulations easing the transition to working life, apprenticeship and on-the-job training programmes and limited vocational knowledge, guidance and counselling services are other challenges worth mentioning.

To meet the national targets, it is required that especially vocational training system should be revised, modules should be applied in formal training for vocational levels and professional qualification should be addressed.

According to 2013 Eurostat data, the participation rate to lifelong learning in Turkey is 4%. Such a low rate indicates that labour has not developed its qualifications adequate enough when compared technological advancement. Therefore, the sustainability of the employability of labour force becomes difficult to achieve.



3. Current policy settings and new commitments

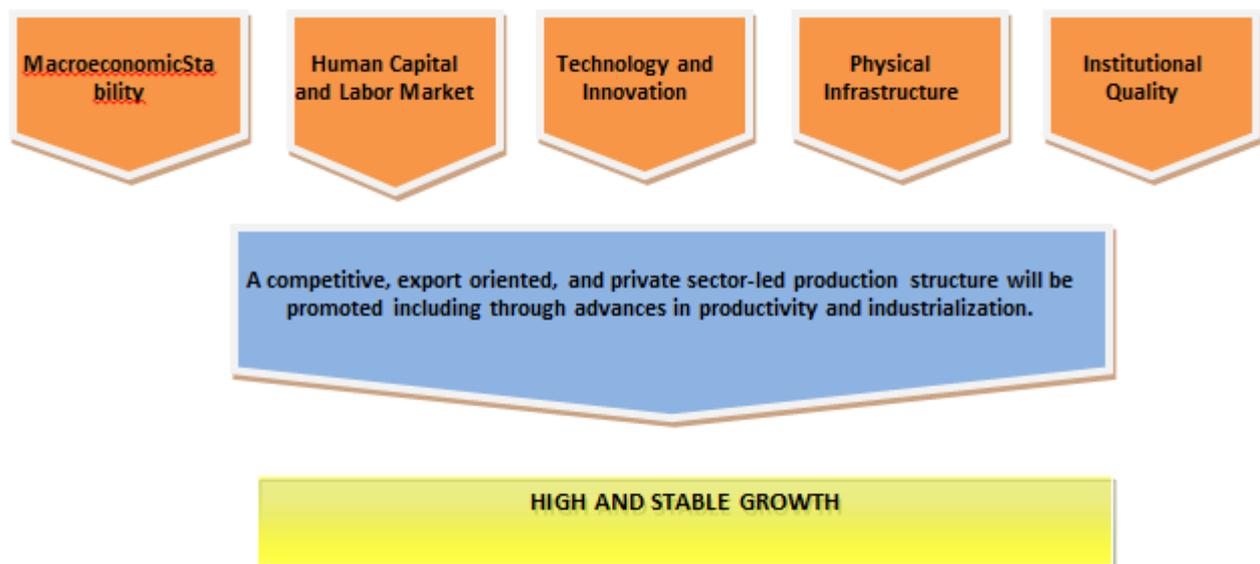
BROAD ECONOMIC SETTINGS

The elements of Turkey's medium term economic policies are set under Five Year Development Plans and Medium Term Programs (MTPs). While development plans put a more holistic view on the social and economic priorities of Turkey, the MTPs –which are revised annually- set the specific actions and targets/indicators leading to the overarching objectives of the development plans. Current Development Plan (i.e. the 10th Development Plan) covering the 2014-18 period was released in July 2013 and the MTP for the 2014-2016 period was published in October 2013.

National Employment Strategy, which was prepared within Ministry of Labour and Social Security, was published in May 2014. By this strategy it is aimed to solve the structural problems related to labour market and find a permanent solution for the unemployment problem by increasing the contribution of growth for employment in medium and long term.

Turkey's Growth Strategy set by the 10th Development Plan can be demonstrated as below:

Figure 1: Turkey's Growth Strategy



Macroeconomic policy

The priorities of the current economic policy setting in Turkey can be broadly framed as (i) to reduce the current account deficit including through increasing domestic savings and raising the productivity of the economy, (ii) to increase employment and (iii) to curb inflation.

Towards these objectives, the monetary policy continues to be geared towards decreasing inflation to the targeted levels and preserving financial stability. As part of the steps taken in this regard, minimizing the adverse effects of the volatile capital flows has been one of the objectives of the Central Bank (CBRT). In Turkey, movements in capital flows and global liquidity cycles manifest themselves mainly as fluctuations in credit growth and foreign exchange rates. A rapid appreciation of the local currency may favourably affect the balance sheets of firms, leading to excessive lending by banks and thus, to a rapid credit growth. Both the rapid credit growth and excessive appreciation of the exchange rate distort the resource allocation within the economy, and let the domestic demand grow faster than the aggregate

income. Therefore, the CBRT addresses rapid credit growth and growing current account deficit as the main sources of risk. Towards these goals, as a support to the monetary policy, macro-prudential policies are effectively used and will be on the policy toolkit going forward.

The fiscal policy stance has been broadly in line with the macroeconomic needs of Turkey as the positive primary surplus and declining debt-to-GDP ratios are preserved as the key tenets. Public sector also contributed significantly – through mainly infrastructure projects- to the momentum of national investments, as allowed by the available fiscal space.

Regulation, finance, incentives, investment and entrepreneurialism

Turkey has successfully implemented Public Private Partnership (PPP) models as a means to attract private sector resources to infrastructure investments. PPPs were hitherto utilized on the energy, airport, port and customs facilities projects. Recently, PPPs have been used actively for transportation projects. In order to facilitate financing of such large-scale PPP projects, the Treasury can make use of a new instrument of debt assumption subject to certain eligibility criteria.

In Turkey, the Capital Markets Board (CMB), as the relevant regulatory authority aims at supporting the development of necessary instruments to ensure the financing of infrastructure investments through capital markets. In this context, in order to increase the efficiency and attractiveness of products for financing infrastructure investments, the CMB has revised the previously existing model for infrastructure investment trusts. With the revised Communiqué on real estate investment trusts (published in January 2014), infrastructure investment trusts were abolished and an alternative method was introduced for financing infrastructure projects with higher capital requirements through real estate investment trusts. This model has streamlined the concept of “qualified investors” so as to facilitate access to foreign funds. Additionally this financing model is incentivized by tax regulations. Moreover due to the expansion of structured instruments based-on Islamic principles, the CMB has also added Islamic Lease Certificates (Sukuk) into the regulatory framework that will also contribute long term investment.

On the SMEs side, Turkey enacted a new legislation regarding the promotion of angel investments. Under the new legislation, licensed angel investors can deduce 75% of the capital that they invest in certain SMEs from their annual tax base. In case of business angels’ investments for R&D and innovation, this ratio goes up to 100%. This licensing mechanism will increase professionalism, make angel investments an institutionalized and trustworthy source of financing and also improve the business culture and ethics in this new market. Turkish Treasury has so far issued 229 licenses for angel investors. 5 investment applications were also successfully completed and 2 applications are being processed. There are also 4 business angel networks which have been accredited by Turkish Treasury.

In addition to this newly introduced business angels program, in order to further strengthen the financial ecosystem, another law regarding the capital contribution of Turkish Treasury to the fund of funds was enacted. With the facilitating role of the government, the volume of venture capital is expected to increase considerably. This will, in turn, greatly support early stage companies in terms of institutionalization, guidance and financing. This mechanism will encourage the establishment of innovative start-ups, increase the dynamism of the economy and contribute to stronger and more sustainable economic growth.

Besides the employment incentives in Turkey aim to increase the investment and employment, to eradicate the regional developmental differences, to encourage regular payment of premiums, to support R&D activities, to increase the employment of particularly disadvantaged groups by reducing labour costs. These incentives consist of activities such as covering the insurance premiums, discount in the income tax, free allocation of lands, exemption of tariffs and VATs.

Together with the regional incentive mechanisms in accordance with the development levels, there are employment incentives for especially women, youth, persons holding occupational certificates, persons receiving unemployment benefits and the disabled. Within the scope of these incentives, the employer’s share of the insurance premiums is covered by state.

In order to increase youth entrepreneurship, training courses are provided for young entrepreneurs between the ages of 18-29. For the young people who meet the required conditions, Small and Medium Enterprises Development

Organization (KOSGEB) gives grant and interest free loan following the completion of the courses. The support rate for women is higher than men.

In order to institutionalise the cooperation between university and industry, develop new products and/or production methods which will create added value to Turkey and support projects including post graduate programs in accordance with the needs of industry sector to make innovations for current products and/or production methods, Ministry of Science, Industry and Technology carries out Industrial-Thesis Program. For the projects within the scope of the program, the Ministry gives a grant from 65% to 85% of the project budget.

In order to enable the entrepreneurs to produce new and high technology goods and services, researchers and academicians carry out their industrial and commercial activities close to universities, technology development zones are being established. 37 of 52 technology development zones which are established to support technology intensive investments and entrepreneurship and also to create job opportunities for researchers and qualified persons are in service.

There is also a support program for encouraging the qualified labour force to be employed in SMEs. The university graduates who will be employed by SMEs are supported by public sector for a particular extent and period. Between the years of 2010-2014, 17.077 companies benefited from that support program which is carried out by KOSGEB.

LABOUR MARKETS AND SOCIAL PROTECTION

Labour market regulation

- In Turkey, the minimum wage is determined by Minimum Wage Determination Commission by taking into consideration of social and economic conditions of the country and the reports of TURKSTAT, Undersecretariat of Treasury and Ministry of Development. The commission consisting of representatives of employer and employee organisations and various public institutions determine minimum limit of the wages biannually. In 2013, Turkey rose to medium minimum wage group from low minimum wage group according to Eurostat data. The level of minimum wage in Turkey is higher than 11 EU countries according to purchasing power parity. By 2014, there will not be different minimum wage for age 16 and under and instead of different wages for different age groups, a unique wage level is provided for all.
- In 2012 a new Law entered into force which regulates collective labour relations. The Law is arranged by taking into consideration of union freedoms in accordance with the international legislation; during law making process social dialogue mechanisms are used effectively. Provisions related to membership and branch of activity are moderated, being a member of trade union is facilitated, strike and lock-out bans are limited. In accordance with the international norms being member of more than one union is allowed; membership age is lowered to fifteen, so by drawing a correspondence with minimum working age, barriers for organisation of young workers are eliminated. Assurance for workplace union representatives and union officers is enhanced and so on.
- In Turkey, where unregistered employment is common and youth unemployment is high, labour market flexibility becomes more of an issue for sustainable growth. Within this scope; applicability of flexible working implementations, the required legislation of which is in force but the application area is limited, will be enhanced. For the ones legislative arrangements of which have not been brought yet will be provided. Regarding the forms of flexible working implementations, employee and employers will be informed and the awareness level will be heightened.
- At fight against unemployment, it is necessary to follow integral approaches and all actors should take part in the process in national and local level. Provincial Employment and Vocational Training Boards play a functioning role in determining employment needs in local level and planning activities to meet those needs.

Occupational Health and Safety

In order to reduce work accidents and occupational diseases, it has been targeted that occupational health and safety legislation is to be arranged as a separate law, covering all employees, including preventive and protective measures in the scope of harmonization with ILO norms and EU standards. Within this scope a new separate law enacted in 2012 on OHS having the following features;

- A proactive approach rather than a reactive one has been adapted.
- Workplaces are categorized by three hazard levels according to the nature of their main activity.
- Every workplace by the legislation has obligation to provide occupational health and safety.
- The expenses in micro enterprises arising from receiving OHS services are to be covered by the State.
- Risk assessment is carried out in advance in order to prevent occupational accidents and occupational diseases.
- Workers are to receive regular medical surveillance.
- Emergency plans are to be prepared in workplaces.
- Employers have to inform all workers on occupational health and safety issues.
- Workers can actively participate in decision making process on occupational health and safety activities in the workplace.
- Operation may be ceased in whole or any part of the premises in case of any vital danger.

In addition to the above mentioned developments;

- Projects were conducted for SME's in metal, mining and construction sectors, in which work accidents and occupational diseases mostly occurred, Occupational Health and Safety Management Systems were adapted to Turkey and risk assessment guidelines were prepared at the end of the projects. Promotional activities are being performed in the whole country and training programs for SME's still continues. Also, with the purpose of supporting and guiding enterprises, application samples are being prepared for different sectors.
- ILO Convention No. 187 was approved on May 15, 2013.
- Ratification process for ILO Conventions No. 167 and 176 has recently initiated by the MOLSS as well.

Preparation process of the National Occupational Health and Safety 2014-2018 Strategy which will have clearly defined targets is almost completed and planned to be published until the end of 2014.

Social protection

In accordance with economic, social and financial policies, it is targeted to develop an effective and integrated social protection system which prevents individuals from becoming social benefit dependent and promotes working. Within this context;

- People with economic difficulty who are unable to work will be supported with regular and comprehensive social benefits. For those among them who are able to work, the social benefit programs will be designed as employment oriented. Within this scope, social benefit receivers who are able to work will be directed to active labour force programmes and works by benefiting from opportunities of job and vocational counselling. Measures would be possible in case of not participating in employment or employment acquisitive actions without a valid reason.
- Social benefits are redesigned by Ministry of Family and Social Policies in order to encourage receivers to participate in the labour market, in this context, it is targeted to decrease the number of social benefit receivers.



- In order to compensate income loss of unemployed and to protect employment, unemployment insurance, short term work benefit, wage guarantee fund and job loss compensation implementations will be redesigned in such a way to provide more social protection.

High unregistered employment, which is one of the main issues with regards to labour force market in Turkey, is targeted to decrease. With the approach of implementing disincentive and incentive measures together in combating unregistered employment, reaching an acceptable level is targeted. Within this context;

- It is planned to carry on works in coordination with related institutions and organisations in order to strengthen the registered sector, support registered employment, increasing entrance to registered system, increasing the awareness regarding registered employment and preventing foreign illegal labour.
- A communication centre is established for conveying denunciations and complaints related to unregistered employment. Moreover, at the transactions done with public institutions and banks, registered working status is queried. It is aimed to ease the proceedings of the insured by making the information exchange between institutions compulsory.
- In order to prevent unregistered work, some amendments were made in Law on Social Securities and General Health Insurance. Within the framework of social security reforms, progress is made at broadening the scope of the system, qualified service rendering and its sustainability. General Health Insurance System is set and almost all the population is included. Within the context of fight against unregistered employment which causes lack of insurance, social awareness is increased and active inspection activities are extended.
- At fight for unregistered employment, the number of inspection staff of SGK is increased and by restructuring inspection system, guidance approach at inspections is developed. At working place inspections done by various other public institutions SGK insurances of the employees are also checked.
- In order to encourage registered employment, projects within the scope of European Union Instrument for Pre-Accession Assistance (IPA) are being carried out.
- By various incentives both the employment of disadvantaged persons are getting easier and advantages are provided related to registered employment. Employers who pay premiums regularly and do not employ unregistered workers benefit from these incentives.
- Within the context of policies created for the sectors, special studies for the sectors, in which high unregistered employment is observed, as agriculture, tourism, textile and garment industry have been planned.

Without excluding the unemployed with lower employability prospect, temporary income support will continue. Within this context;

- For preventing long-term unemployment, with the aim of orienting the unemployed back to labour market, the efficiency of existing public working programmes will be increased.

Active labour market programmes

Within the scope of active labour market programmes; the effectiveness of vocational training courses, entrepreneurship training programmes, on-the-job training programmes, public works and activities based on projects and job and vocational counselling services, delivered by İŞKUR, will be increased. The monitoring, evaluation and coordination of the subject programmes will be conducted efficiently. Within this context;

- Based on labour market demand analysis, vocations with skill gaps are specified in provincial level and annual labour training plans are prepared in accordance with these specifications. In 2013, 131,453 people benefited from vocational training courses (including disabled, convict/ex-convict courses).
- On-the-job training programmes, which provide the opportunity of reinforcing theoretical knowledge with practice, can be organized in workplaces that employ at least 2 insured employees. In 2013 63,660 people – composed of 30,243 men and 33,417 women- attended 24,379 on-the-job training programmes.

- Through entrepreneurship programmes, those who are willing to set up their own enterprises are trained in the fields of setting up work plans and management.
- Public work programs target the adaptability of the unemployed, especially who face employability challenges in the labour market, by keeping them engaged with work practices and discipline, and providing these people with temporary income support. Participants are paid minimum wage and their social security premiums are covered. In 2013 197,182 people benefited from public works.
- Job and vocational counselling services are delivered so as to ensure right matching in the labour market, remove the problems of vocational harmonization, orient job seekers to appropriate programmes so that their vocational skills can be improved, inform employers and meet labour demands. In 2013 job and vocational counsellors of İŞKUR carried out 1,632,850 personal interviews, 376,654 workplace visits and 13.811 school visits.

Policy measures targeting labour market disadvantage

The aim is formation of a labour market in Turkey where decent job opportunities are delivered to all sections of society -not limited to financial support- and to groups who are in difficulty in access to employment such as youth, older people, disabled, and women. By means of these programmes, increasing labour force qualifications and using the acquired qualification to be used actively; harmonized work and family life, enhanced gender equality, enhanced occupational health and safety are targeted. Within this context;

- The scope of home care and training for disabled people has been extended and employment incentives have been introduced.
- Regulations to support sheltered workplaces for disabled people technically and financially have been arranged by the government.
- Through active labour market programmes, groups necessitating special policies are targeted within the framework of projects that include special policies and practices organized by public institutions and criteria such as sector, region, target group and vocation. Vulnerable groups such as youth, women, long-term unemployed people, disabled and ex-convicts have benefited from these programmes.
- Projects funded by IPA have been designed and implemented for increasing the schooling rates of girls.
- Regarding the vulnerable groups, regional social development programmes have been implemented for providing social inclusion in underdeveloped regions.
- Moreover, a platform has been formed in cooperation with private and public sector in order to remove gender based discrimination and raise awareness on equality in the labour market.
- In Turkey, increasing the participation of women in labour market is seen as one of the primary agenda topics and several measures and development policies are laid out in high level policy documents of the Government. In this framework, as part of gender equality, with the aim of strengthening the role of women in social, cultural and economic life, developing its status by protecting the family and improving social integration; and the target of increasing the rate of participation of women in labour market to 41% until 2023, the following measures are foreseen in the National Employment Strategy;
 - In order to reduce caring responsibilities of women, works for increasing the number of services for children and day care centres will be done. Moreover, in order to prevent women from disengaging from labour market, flexible working implementations will be arranged.
 - Sectors providing opportunities for women employment will be prioritised as regards the training activities. Moreover, in order to increase women entrepreneurship, microcredit system will be carried out.
 - Informal employment rate of women will be decreased from 54.2% (2012) to 30% in 2023.

- Youth unemployment rate will be decreased to an approximate figure in relation to overall unemployment rate.
- The open vacancies for disabled persons, which is 22,302 public sector officials and 28,864 for workers in public and private sector, will be filled until the end of 2015.
- Long-term unemployment rate which was 24,9 in 2012 will be decreased to 15% until 2023.
- Lifelong learning activities will be promoted in order to increase the employability via improving the education level of labour force and for acquiring the skills required by labour market.
- In 10th Development Plan both increasing the number of young people receiving training on skills development and decreasing the long term unemployment rate among youth are determined as performance criteria.

SKILLS DEVELOPMENT

Along with the occupational skills, building the basic skills required by working life for individuals and particularly women is of vital importance for the strengthening the link between education and employment. These skills enable individuals to stay longer in the working life, to increase their productivity and to support their adaptability to the changing conditions of work and life. The main purposes here are to improve the adequacy of the education system to match the needs of the labour market and to make education accessible for all in order to increase the employability of the labour force by lifelong learning. Within this context;

- The survey under the scope of PIAAC, which will make the international comparisons possible in the field of adult skills in Turkey, have been initiated with OECD.
- The weight of the basic skills in education system will be increased.
- The accreditation of the education institutions will be initiated.
- The required basic skills in the labour market and the skills of the youth will be determined.
- The cooperation between school and business life is currently being strengthened by improvement of the apprenticeship programmes.
- The statistical data on labour market and education system will be developed and effective monitoring and assessment mechanisms will be established.
- The guidance services in high schools will be improved in line with the individual competence.
- The graduates of high schools and universities will have the possibility to benefit from the skill development programmes of İŞKUR and the job and vocational counsellors will access all of them.
- Adult Education Centres and vocational courses of the local administrations will be reorganized as lifelong learning centres and the quality and the quantity of services provided in these institutions will be increased.
- Studies for setting up a Lifelong Learning System have been started through 2009-2013 Lifelong Learning Strategy and Action Plan. It is planned to develop the System through 2014-2018 Lifelong Learning Strategy and Action Plan. Within the scope of the Plan, it is targeted to be acquired key lifelong learning skills to all persons.
- National Framework for Qualifications will be expanded in a manner that it will cover the university and non-formal education qualifications and the entrepreneurship will be supported by qualifications.
- Non-formal education services are provided by public institutions, universities, NGOs and private institutions. According to 2013 data, a total of 235,614 non-formal education activities were organized and more than 4.7 million people participated in these activities.

School education

Increasing the quality of education and eradicating the differences of success levels between different regions and school types is targeted. Within this context;

- The quality of educational environment will be improved as part of equality and equity, teacher training and development system will be reorganized on the basis of qualifications.
- Career development and performance assessment system will be established, effectiveness of monitoring and assessment activities will be provided.
- Information and communication technologies will be integrated with curriculum, education and training programmes will be updated in accordance with the national professional standards.
- Pre-school education will be extended. Gross schooling rate in pre-school education was 47% in 2013 and it is planned to be increased to 70% until the end of 2018.
- The number of school types will be decreased and the transitions between programmes will be enabled.
- Human capital and physical infrastructure will be developed in order to provide disabled persons and individuals in need of special education with a suitable educational environment enabling the provision of an integrated education.
- Alternative financing models will be developed in education, active participation of private sector and professional associations to the administrative and fiscal aspects of training processes will be encouraged.

Apprenticeships, vocational training and higher education

Main goals are to ensure the linkage between education system and labour market, to build the skills and competencies required by labour market from the perspective of lifelong learning, to adopt the entrepreneurship culture and to strengthen the relationship between school and enterprises in technical training the way that it takes the middle and long term sectoral projections into consideration. Within this scope;

- Training programmes are being organised in accordance with the requirements of market by effective labour market analyses.
- The provinces and occupations to be covered by the training programmes in workplaces are being decided by the Ministry of National Education in accordance with the views of Provincial Employment and Vocational Training Boards.
- Non-formal education is being carried out by the courses given by vocational and technical secondary schools, adult training, apprenticeship training, distance training, theoretical and hands-on training courses are being held in workplaces and on-the-job training.
- The efforts for improving the scope and effectiveness of the training courses and on-the-job training programmes provided by İŞKUR have been progressed.

Individuals will be provided with diversified learning opportunities and lifelong learning activities will be encouraged.

- The quality-oriented reform of educational system, which develops the personality and skills of individuals, strengthens the linkage with labour market as part of lifelong learning and depends on equal opportunities, will be maintained.
- Integrity of the programmes in occupational and technical training provided in the secondary and higher educational levels will be ensured and more emphasis will be laid on practical training during the training of qualified workforce.

An academically, administratively and fiscally autonomous higher educational system, which is globally competitive, sensitive to the needs of the society and economy and in interaction with the partners and which transforms the information generated into product, technology and services, is targeted. Within this context;



- Higher education system will be transformed into a quality-oriented competitive structure in line with the principles of accountability, performance-orientedness, specialization and diversity.
- Transformation of higher education institutions to an output-oriented structure based on technology production in cooperation with industrial sector will be encouraged and their financial resources will be diversified with entrepreneurial activities.
- Higher educational institutions will be diversified and higher educational system will be a centre of attraction for international students and professors.



4. Monitoring of commitments

This section reports on the implementation of Turkey's commitments made under recent G20 presidencies, including the Los Cabos Jobs and Growth Plan and the St Petersburg Action Plan. It highlights the major measures we have taken to address our commitments, as well as identifies the steps we have taken to follow through on recommendations made to G20 Labour and Employment Ministers."

2014-2023 National Employment Strategy of Turkey has been approved. The Monitoring and Evaluation Council to be constituted in this context will be gathered with the presidency of undersecretary of the Ministry of Labour and Social Security twice a year and follow the realization process of the Strategy. Strengthening education-employment relationship, ensuring security and flexibility in the labour market, enhancing the employment of the groups which require special policies and strengthening employment-social protection relationship are included in the Strategy as main policy axes.

Measures for increasing youth employment

In accordance with the target of sustainable economic growth, for Turkey, increasing youth employment by using young and dynamic labour force actively and efficiently, and reducing youth unemployment are of great importance. To this end, projects and programmes for increasing youth employment are implemented by İŞKUR. In this context, the number of unemployed people benefited from on-the-job training programmes increases.

222,107 individual meetings have been made with 184,607 young counselees by May 2014. 69 İŞKUR contact points have been established in universities to provide university students with direct counselling services, to enable youth to take place more actively in labour market and make right career planning. Moreover, in order to provide support for students who are at the stage of choosing a vocation and their parents, "Journal of Support for Vocational Choice" is being prepared. Job and vocational counsellors share these journals with students at school visits and gave them information about job seeking skills and the magazine.

In order to increase the decent employment rate of youth and provide sustainable employment, a project in partnership between ILO, FAO, IOM, UNDP, and İŞKUR has been actualized in 2009-2012. A National Youth Employment Action Plan and an Occupational Outlook Report for determining occupational trends in next ten years was prepared in 2011 by means of the Project.

By means of the employment incentive that has been started to be implemented in 2011 to increase youth employment, employer's share of insurance premiums of young people between the ages of 18-29 has been funded by Unemployment Insurance Fund up until 54 months.

"Operation on Promoting Youth Employment" was executed between 2010 and 2013. Through the Project, it was foreseen that youth would be provided with guidance and counselling services for establishing business, facilities that enable transition from school to work and vocational competencies would be improved and the number of beneficiaries of apprenticeship programmes would be increased. Almost 13,000 young people benefited from the project, 2,500 of them were employed and 218 of them set up their own businesses. A follow up of the project will be realized by 2014. The most important difference of this operation from the previous project is adopting a sectoral and an integrated approach. On account of this operation, employability of youth will be increased and their adaptation to labour market will be enabled by maintaining coordination between demand side of economy and labour market measures.

In the framework of protocols signed between KOSGEB and various public institutions, more than 79,000 people benefited from the entrepreneurship training programmes implemented in 2009-2013. Young people meeting pre-determined conditions are provided with grant and interest free credit support.



Measures for developing labour qualifications

Active labour market programmes are implemented within the framework of decisions given by the Board of Directors - the most superior decision making body of İŞKUR- at national level and Provincial Employment and Vocational Training Boards at local level and they significantly contribute to establishment of education and employment connection. Provincial Employment and Vocational Training Boards are tasked with determining labour, employment and vocational training needs of the province at local level and making policies on trainings to be executed at firms and vocational schools.

To find out the effects of changes and developments in labour market on labour and determine the necessary measures, labour market analyses are made twice a year at national level and once a year at provincial level. Through these analyses, labour requirements and necessary education and skill levels depending on occupations are investigated and according to the results of them, Provincial Employment and Vocational Training Boards plan labour requirements and vocational trainings for a year. Trainings organized by İŞKUR are determined in line with these needs.

In 2010, “Action Plan for Strengthening the Relationship between Employment and Vocational Training” has been put into effect to provide vocational and technical training in line with labour market needs, strengthen the relationship between education and employment, implement active labour market policies in an effective way and increase employability of labour force. Within the plan, there is an effort so that the capacities of vocational training schools/institutions in Organized Industrial Zones (OIZ) are improved and/or establishment of new private or official vocational high schools are increased.

Meetings, through the cooperation of public sector, universities and industrial sector, are held in 26 Development Regions in order to strengthen education-employment relationship. These meetings, which aim to bring universities, industrial and supportive bodies together and to suggest problems and solution offers of related bodies regarding the issue, try to form a perspective on feasible project areas by presenting infrastructure of industries and universities of the region.

Studies on preparing a national competency framework would promote education and training needs of all individuals in the society via lifelong learning and enhance the qualifications which labour market needs continue.

The Ministry of Science, Industry and Technology made a study for the determination of human resources in Turkey. In order to specify other challenges regarding labour force and labour requirements in the industrial sector, firstly pre-interviews were held with public officials and researchers, and then mutual interviews were made with the representatives of companies. Also a questionnaire based on findings obtained from interviews was applied to company representatives.

Vocational training courses, as one of the active labour market programmes, enable training of labour force with the qualifications needed by the labour market. 131,453 people benefited from these courses in 2013. These courses are organized for disadvantaged groups such as youth, disabled, and ex-convicts. Entrepreneurship and on-the-job training programmes also significantly contribute to improving qualifications of labour force. The amount of resources allocated to active labour market programmes has been increased in recent years.

4,000 job and vocational counsellors have been employed to direct people to the programmes that fit their interests, competences, skills and qualifications by taking into account labour market needs. Employing job and vocational counsellors has contributed to improving İŞKUR’s capacity of providing service for job seekers. There have been significant increases in indicators such as job placements, individual meetings and the number of unemployed people reached has increased substantially.



Measures related to Key Elements of Quality Apprenticeships

Turkey conducts an apprenticeship system which is a combination of on-the-job training and school-based education. The subject system offers young people a combination of training and work experience.

According to Law No 3308 on Vocational Training, youth between the age of 14 and 19 can participate in apprenticeship programmes. In Law No 4702, age limit was removed and persons above 19 can participate in these programmes as well. Within the scope of apprenticeship trainings, trainings in 31 occupations and 152 branches are provided. Apprenticeship programmes are designed as forms of vocational education and trainings that combine and alternate periods of theoretical classroom learning and practical training at workplace. The period of the programmes covers 5 working days a week in practical training on jobs and one working day in theoretical training in vocational training centres. Apprentices educated in programmes are paid an amount at least 30% of minimum wage.

Successful participants attending the programmes are given Foreman's Certificates. In order to enhance required qualifications that foremen will develop in their occupations and establish their independent company, proficiency training courses are organized by the Ministry of National Education. People who work at least five years in their own occupations and have foreman qualifications can participate in proficiency exams directly. Successful participants are given Certificate of Proficiency.

Courses organized in the workplaces within the non-formal education system include, for example vocational training courses and on-the-job-training programmes which are carried out by İŞKUR. These courses can be organized with professional organizations, unions of workers, employers and tradesmen, private sector workplaces, associations and foundations with commercial enterprises and private employment offices etc.

Participants attending the programmes are paid trainee compulsory expenditure per actual training day and their short term insurance premiums (general health insurance and work accident and occupational illness insurance premiums). These expenditures are covered by the Unemployment Insurance Fund. Regarding the financing of off-the-job training programmes, within the vocational training courses, practicing expenditures are paid by İŞKUR while the other expenditures are paid by employers. In case that graduate trainees are employed, insurance premiums that must be paid by employer are paid for 36 months (19% of gross wage) by İŞKUR. Besides, under the vocational training courses, material expenditure which is made by employers for training is met by İŞKUR. Participants are also paid an amount corresponding to 59%-77% of net minimum wage for on-the-job training and 47%-61% of net minimum wage for vocational training courses.

On-the-job-training programmes can be organized at any profession except the fields (for example, manual workers, cleaner, carrying workers, etc.) that don't require a qualification while vocational training courses can be arranged in all occupations determined as necessary by labour market according to research carried out on a provincial basis.

Generally an education level or a qualification is not required to attend on-the-job-trainings. For every programme, the qualifications of the participants which the employers ask for may also be determined by the employer themselves. However, required education level varies depending on the occupation in which vocational training course will be arranged.

All relevant actors with the labour market such as public and social partners are involved in Provincial Employment and Vocational Training Boards. Thus, training of labour force is carried out in accordance with the needed qualifications in the labour market. In order to support these studies, job and vocational counselling services are given by İŞKUR and trainees that will participate in these programmes should receive approval from counsellors. They guide people to the most convenient programme via individual action plans that find out skills and needs of unemployed people.

In order to increase the quality of apprenticeship system,

- Vocational and technical education programs will be improved and the qualification system will be strengthened.
- Vocational guidance and career development in vocational and technical education will be strengthened.
- An efficient and productive management system will be established.

- Education environments of schools and institutions will be improved by providing an efficient and sustainable financing system.
- A quality assurance system in vocational and technical education will be established.
- Efficiency and productivity of workplace based trainings will be increased.



APPENDIX: LIST OF RECENT COUNTRY-SPECIFIC COMMITMENTS AND OTHER KEY DOCUMENTS FROM THE G20 EMPLOYMENT AGENDA

SAINT PETERSBURG ACTION PLAN

Structural reforms

Increasing women's participation in the workforce

Turkey attaches special importance to increasing women's employment and labour force participation. To this end, Turkey has put many structural measures into practice and still continues to do so. In order to include women in labour market and increase their employment by improving their qualifications, İŞKUR conducts activities specific for women and also puts emphasis on increasing the number of women benefiting from activities it carries out for all job seekers.

Gender discrimination in recruitment procedures of public institutions has been removed by means of amendments in legislation. In private sector, employers' awareness of not making gender discrimination in job relation is raised.

Provincial Employment and Vocational Training Boards take into consideration equality of opportunity for women and men in their studies. Furthermore, a representative from non-governmental organizations responsible for women related issues participates in the meetings of the boards.

There have been important increases in the number of women benefiting from active labour market programmes. In 2013, 54% of trainees of vocational training courses, 48% of trainees of entrepreneurship and on-the-job training programmes were women. The number of job placement of women in İŞKUR has increased by 24% in 2013 compared to 2012. Similarly, the number of women with whom individual meetings were carried out has increased by 89% in 2013 compared to 2012.

Women's employment and labour force participation are promoted by enabling that employer's share of insurance premiums of women older than 18 are funded by the Unemployment Insurance Fund up until 54 months in case women meet the necessary conditions.

Strategies for promotion of women entrepreneurship have been determined through a cooperation protocol signed between the Ministry of Family and Social Policies and the Ministry of Science, Industry and Technology. Establishment of nurseries for children of women working in OIZs is encouraged and efforts for necessary arrangements continue. Studies for developing entrepreneurship activities for women, easing their access to finance and increasing entrepreneurship training programmes for them are carried out by the Ministry of Science, Industry and Technology.

"Operation on Promoting Women Employment" had been conducted to increase women's employability, eliminate barriers for women to participate in labour force, support İŞKUR to provide more effective public employment services especially at local level. By means of the Project that was completed in 2013, almost 10,000 women participated in vocational training courses, 914 women were employed, 113 women became entrepreneurs, and 631 women began home-based work.

One more Project in cooperation between İŞKUR and ILO will be carried out until the end of 2016 in order to support promoting women employment in Turkey by means of developing a comprehensive and integrated nation-wide policy about increasing women employment, creating decent job opportunities for women and raising awareness in the fields of gender equality and working standards. Through the Project, it is foreseen that İŞKUR's and Provincial Employment and Vocational Training Boards' technical capacity in the fields of gender equality and women employment will be developed and "Women Employment and Gender Equality National Action Plan" will be prepared. At local level, trainings that will increase women employment will be organized and their empowerment will be supported through trainings about gender equality and working standards.



LOS CABOS JOBS AND GROWTH ACTION PLAN

Enhancing education, training and skills development

İŞKUR's active labour market programmes, especially vocational training courses, entrepreneurship and on-the-job training programmes make an important contribution to improving skill and qualification level of labour force. 131,453 people benefited from vocational training courses and 25,166 job seekers benefited from entrepreneurship training programmes in 2013. 55% of trainees who benefited from vocational training courses were employed. Since the employment rate of people who have benefited from on-the-job training programmes is higher (63%), İŞKUR gives more importance to these programmes. The number of people benefiting from them doubled in 2013 compared to 2012.

Through job and vocational counsellors, İŞKUR reaches more job seekers and increases the number of job placements by directing them to right jobs and trainings every year. Counsellors prepare individual action plans for job seekers to analyse job seekers' skills correctly and direct them to right trainings and programmes. Individual meetings were made with 1,632,850 people and 671,578 people were placed to the jobs by İŞKUR in 2013.

"Turkey Vocational and Technical Training Strategy Paper and Action Plan" which is to be implemented in 2014-2018 has been prepared to form an innovative, flexible and transitive vocational and technical training system which would boost employability of people, support social and economic development and where all sections of the society have the opportunity of learning and meeting their own needs. Strategy paper includes the access to vocational and technical trainings, awareness on the importance and the access opportunities of vocational and technical training in the society, a transitive structure among vocational and technical training institutions, developing access opportunities of disadvantaged groups and cooperation in R&D activities.

In order to increase the power of sectors in the global competition, raise qualified labour force and make vocational and technical training more preferable in the society; sectoral consultation meetings are held since 2013 with the participation of representatives from public and private institutions, NGOs and school directors who are relevant to sectors.

Private sector is encouraged to contribute to vocational and technical trainings. New training facilities are formed in OIZs. In this context, by giving incentives for the students studying in private vocational and technical schools in OIZs, establishment of this sort of schools is promoted and vocational training is tried to be strengthened.

In order to improve and extend vocational and technical trainings, Ministry of National Education cooperate with public and private institutions and NGOs by signing protocols. Within the framework of these protocols, ateliers and laboratories of vocational and technical training schools and institutions are used in hours out of the formal education.

