



Problem of Unemployment in Türkiye at the Focus of Unemployment of Educated People and Underutilisation (1991-2023)

Eğitimli İnsan İşsizliği ve Atıl İşgücü Odağında Türkiye’de İşsizlik Sorunu (1991-2023)

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Abstract

In societies, unemployment is both an economic, social, and political problem. For this reason, to reduce unemployment is among the main goals of governments all over the world. When it think with Okun Act, this target is also related to economic growth. This goal has always been a valid goal. However, during the development process of the world economy after the 1990s and the 2000s, the production conditions and importance of the workforce have changed significantly compared to the past. In order to analyse the unemployment experienced in the world economy and in Türkiye after 1990, it is necessary to analyse this change process experienced by the world economy. In this context, the first part of this paper is devoted to examining basic concepts such as labour force, employment, and unemployment, and examining changes in the world economy. In the second part of this article, the development of unemployment in terms of countries, country groups, and Türkiye in the world economy in the 1990s and thereafter, and the development of the resources allocated to education in terms of GDP, public expenditures and labour underutilisation are examined. Because of this investigation, it has been determined that unemployment in Türkiye has a chronic increasing trend from 1991 to 2023 but in here especially underutilisation and educated people’s unemployment has increased more intensively.

Keywords: Labour, Unemployment, Educated-people’s unemployment, Macroeconomic structure, Underutilisation

Öz

Toplumlar için işsizlik hem ekonomik, hem toplumsal hem de politik bir sorundur. Bu nedenle işsizliğin azaltılması tüm dünyada hükümetlerin temel hedefleri arasında yer almaktadır. Okun Yasası ile düşünüldüğünde bu hedef ekonomik büyümeyle de ilişkilidir. Hükümetler için bu hedef önceliği her zaman geçerli olmuştur. Ancak 1990’lı yıllardan sonra ve 2000’li yıllarda dünya ekonomisinin gelişim sürecinde üretim koşulları ve işgücünün önemi ise geçmişe göre önemli ölçüde değişmiştir. Dolayısıyla, 1990 sonrasında dünya ekonomisinde ve Türkiye’de yaşanan işsizliği analiz edebilmek için dünya ekonomisinin yaşadığı bu değişim sürecini analiz etmek gerekmektedir. Bu bağlamda makalenin ilk bölümü işgücü, istihdam ve işsizlik gibi temel kavramların incelenmesine ve dünya ekonomisindeki değişimin incelenmesine ayrılmıştır. Makalenin ikinci bölümünde 1990’lı yıllar ve sonrasında dünya ekonomisinde işsizliğin ülkeler, ülke grupları ve Türkiye itibarıyla gelişimi, eğitime ayrılan kaynakların GSYH ve kamu harcamaları açısından gelişimi ve işgücünün yetersiz kullanımı araştırılmıştır. Araştırma sonucunda Türkiye’de işsizliğin 1991 yılından 2023 yılına kadar kronik bir artış eğilimi gösterdiği ancak burada özellikle genç işsizliğinin ve atıl işgücü işsizliğinin yakın dönemde daha yoğun bir şekilde arttığı tespit edilmiştir.

Anahtar Kelimeler: İşgücü, İşsizlik, Eğitimli-insanların işsizliği, Makroekonomik yapı, Atıl işgücü

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To cite this article: Balkanlı, A. O. (2024). Problem of unemployment in turkiye at the focus of unemployment of educated people and underutilisation (1991-2023). *SİYASAL: Journal of Political Sciences*, 33(2), 339–352.
<http://doi.org/10.26650/siyasal.2024.33.1488639>

Introduction

Governments' primary targets are increasing economic growth, creating new job opportunities, and reducing unemployment. In this context, governments have the task of creating economic policies to decrease unemployment. These policy goals of governments had a great chance of being achieved before the 1980s because economies could implement policies that were largely unaffected by the outside world during this period. However, in the 1990s and later, as countries opened up to the outside world, national economies became more interconnected, and national economic policies became influenced by the outside world. As a result, like other economic policies, policies aimed at increasing employment are increasingly being affected by the outside world and the world economy. Therefore, the global economic conjuncture and the economic policies/directions of major countries have begun to affect countries more. For example, in these years, countries' ability to control imports in customs decreased according to past circumstances under the effect of custom agreements, emerging in the direction of GATT. It reduced the ability of these countries to protect their industries. Although it has been claimed that these regulations will support the exports of these countries, this is not true for every country. This situation increased unemployment for some countries that had not increased exports during this period.

Other thema for the investigating period are the changing economic ideology in 1990s (Especially after 1980s) in the world. The neoliberal ideological orientation that emerged in the world economy in the 1990s manifested itself not only in economic policies and economic structure regulations. Along with the changes in the legal system, changes have also occurred in economic law and labour law. While the economic and legal structures are changing, the changes that occur in these areas have also brought change and differentiation in economic activities, business conditions, and job opportunities for the workforce. With the effect of this change, enterprise and capital factors became more mobile in the global economy.

This period was during which the bargaining power of the workforce weakened. It should be emphasised that these developments are not related to only neo-liberal economic policies, but also developments in technology and automation impact this change and its weakening. Under the influence of technology and automation developments that have emerged over time and the increase in the "availability of machines instead of labour force at different stages of production", there has been a decrease in the "tendency to be obliged to the labour force in production" for entrepreneurs. These changes led to a weakened economic condition of the labour force in production during this period. In this process, which started in the 1990s (we can essentially attribute the beginning of this process to the invention of the computer processor in the late 1970s (Balkanlı,2019), the fact that technology and automation supported by technology reduced the place and importance of the workforce in production. These changes have concretely revealed their effect on unemployment. For example, this situation can be understood more easily when considering applications such as Industry 4, which involves automation and management techniques.

At the other side, there was also remarkable development in these years: Some developed countries, which were at the forefront in industrial development before the

1980s, moved their industrial production largely to Asian countries (being relatively cheap labour factor), within 1980s and 1990s while they tended to prioritise R&D and technological development and produce sophisticated products.

Method of Research and Concepts

Research Material, Scope and Method

Since the focus of the article is to investigate the unemployment and underutilisation problem in the case of Turkiye, after the concepts are detailed, unemployment and underutilisation data of Turkiye are researched and comparatively analysed in the second part of the article.

In this study, the time-data comparison-cross-check analysis method was used according to years and countries. The question of the research is how unemployment develops at the focus of educated people's unemployment and of the general unemployment and of the underutilisation in Turkiye, at the globalised conditions. For this reason, the period between 1991 and 2023 was specifically chosen.

Concepts

Labour Force and Employment

The concept that explains the labour supply in terms of the number of people in a country is labour force. The supply of labour force, which is important in the production cycle, is determined by many factors (Zaim, 1992:79). The labour force is the productive part of the general population that is over the age of 15 and under the age of 65, has accepted the current wage level in the markets, and is willing and able to work. Population groups not included in the labour force are those who never work and those who cannot work at all, that is, the elderly, children, housewives, students, and disabled people who cannot work. In this regard, when examining societies economically, it can be said that the population over a certain age is divided into three groups in terms of labour force: those who are employed, the unemployed, and those who are not included in the labour force (Apaydın, 2018:164). Underemployment situations that occur in periods/situations in which the effect of periodic and seasonal changes are high, along with the effect of the structural weakness of the economy, occur in two forms: (i) visible underemployment and (ii) invisible underemployment (Serter, 1993:19/42-43).

The types of Unemployment

Work experience, education, and qualification status of the workforce are important in separating and classifying the workforce. At this point, workers can be divided into three groups, with the most basic distinction: qualified, semi-skilled, and unskilled. According to Turkstat (TUIK), "labour force includes the working-age population who supply or want to supply labour for the production of economic goods and services in the relevant reference period. In determining the workforce, activities that contribute to the production of goods and services are essential. Labour force refers to the sum of those employed and unemployed". (Turkstat, 2024). According to the definition of Turkstat, the labour force participation rate is the ratio of the labour force to the working-age population. The

unemployment rate is the ratio of the number of openly unemployed to the number of labour forces.

In cases where unemployment is divided into open and hidden unemployment, open unemployment refers to people who are willing and able to work but cannot find a job or cannot work even though they are looking for a job by accepting current and passing wages (Serter, 1993:10). It is possible to see demand fluctuations, unemployment caused by technology, and fluctuations in the labour market (frictional unemployment) among the causes of unemployment in developed countries. The causes of unemployment that are valid in developed economies are also valid in developing economies. However, in developing economies, structural problems in underdeveloped industries and other production sectors are more decisive for unemployment.

Those in the following situation are defined as openly unemployed: (i) Those who are eligible for employment because their employment contract has ended or been temporarily suspended but cannot have a job and are looking for a paid job; (ii) Persons who have never been employed before or who are available to work for a certain period of time whose status is not dependent on them; (iii) People who do not currently have a job and are available to work, even though they have made an agreement to start a new job at a later date within a certain period; (iv) Those who are employed temporarily and for an indefinite period without any payment are considered unemployed (Zaim, 1992: 138-139; Serter, 1993: 10-13; Ekin, 1971: 29). There are many reasons (seasonal, technological, cyclical, incidental, structural) for open unemployment, and some are especially related to developing country conditions (Zaim, 1992: 135/149; Ersel, 1999: 14; Tatoğlu, 2010: 12; Serter, 1993: 10; Ekin, 1971: 222/235; Etçi and Karagöl, 2019: 67).

Labour Underutilisation

At the point of determining unemployment in economies, apart from the narrow definition of unemployment, the International Labour Organisation (ILO) has proposed the concept and methodology of broadly defined unemployment. ILO calls widespread unemployment as labour underutilisation. These definitions and calculations by the International Labour Organisation were put forward at a meeting held in Genoa in 2013 (ILO, 2013:3).

According to ILO labour underutilisation refers to mismatches between labour supply and demand, which represents an unmet need for employment among the population. Measures of labour underutilisation includes to (i) time-related underemployment (If the working time of persons in employment is insufficient, while they are willing and available to engage) (ii) unemployment (iii) potential labour force. (means to persons who not in employment and who express an interest for work but for whom existing conditions limit their active job search and/or availability) (ILO, 1963:13).

In Türkiye, Turkstat (TUIK), TÜRKİSK, TÜSİAD and DİSK have defined and calculated the expanded unemployment rate /idle workforce. According to the DİSK Research group's definition, widespread unemployment comprises five elements. First, narrowly defined (standard) unemployed individuals were included in the calculation. Second, those who are not looking for a job but are ready to work were divided into two groups and were included in the calculation [(i) Those who have lost hope of finding a job (ii) Other

individuals who are not looking for a job but they are ready to work at any time when they called]. The third factor considered in defining broad unemployment is seasonal workers. These are also accepted as an extended unemployed element. The other group included in the calculation is time-related underemployment (Çelik et al.,2021:326). All elements used to define expanded unemployment are included in Turkstat's expanded unemployment calculation (DISK,2024:1). Broad unemployment is an important concept because it shows the labour force that is idle in an economy and therefore largely unemployed.

Analysis of Unemployment in Türkiye: General and Educated People's Unemployment

Increasing of Unemployment and Educated People's Unemployment

Starting in the 1970s, the world economy began to open up to the outside world, starting with developed countries. This trend emerged one step later in developing economies. The 1990s saw the world economy move to global economic conditions. For this reason, the development of unemployment rates in countries from the 1990s onwards to the present also provides an explanation for globalisation and unemployment-employment relations. At this point, when we look at the table below, we can see that although there are increases in unemployment in some countries with globalisation, there is no tragic increase in unemployment rates in these countries, except for a few countries. In addition, in some countries (especially developed countries), there have been significant decreases in unemployment. As can be seen in the table below, while there is a significant decrease in unemployment in developed countries, it is necessary to talk about an increase in varying rates, not a decrease, in the country groups ranging from middle-income countries to underdeveloped countries. Inferring from this, it can be said that while there were more positive developments regarding unemployment in developed economies in the 1990s and thereafter, more negative developments were experienced in developing economies.

Unemployment in the world economy as a whole was 4.99% in 1991 and increased to 5.27% in 2022. However, the significant decrease in the unemployment rate from 1991 to 2022 is noteworthy in India, which is a developing economy. On the other hand, in China, which rose to fame in the world economy in the 1980s, the unemployment rate significantly increased from 2.37% to 4.98%. During this period, the unemployment rate in Türkiye increased. Thus, while the unemployment rate in Türkiye was 8.11% in 1991, it increased to 9.4% in 2023. According to these data, it can be said that Türkiye is an economy where unemployment increased under the influence of internal and external dynamics during the transition to the global economy that started in the 1990s.

Another notable difference between developed and developing economies in the 1990s and 2000s is the course of resource allocation by countries to education expenditures. While the share allocated to education in public expenditures was 13.5% on a global scale in 2000, it decreased to 12.7% in 2021. When examined in detail, it has been seen that the share allocated to education in public expenditures decreased in OECD countries, the USA, Central European countries, Baltic countries, Japan, and Latin America. A decrease in the share is also observed in Türkiye and many other countries. In the period investigated, there is generally a decrease in the share allocated to education in public expenditures. This trend can also be seen from the decrease in the share of education in public expenditures from 11.2% to 11% in high-income countries. But, interestingly, during this period, the

share of education expenditures in public expenditures increased in Germany. In a period when knowledge, technological developments and research and development activities are at the forefront, the decrease in the share allocated to education in public expenditure seems surprising. However, in here, two factors must be considered.

First, the aim of economic policies in the orbit of the dominant neoliberal ideology, starting from the 1980s, to reduce the weight of the government on the economy should be seen as a factor here. In this case, while public education was being standardised (and also, while the process of family participation in education expenses was expanding with the spread of parent-teacher associations, instead of government expenditures), (secondly factor) families began to prioritise private sector education for education, and “a process in which private sector education was prioritised in finding jobs for educated people” was entered.

In a period when the information society comes to the fore, a decrease in the share allocated to education in public expenditures is a major dilemma. However, this is also a fact: while there was a decrease in the share of education expenditures in public expenditures during this period, there was no decrease in the share of education expenditures in GDP. Even in some countries and country groups, there have been notable increases in the share of education expenditures in GDP.

Table 1

Development of Unemployment Rates in World and Turkiye, (1991-2022, %)

| Countries | 1991 | 1995 | 2000 | 2005 | 2010 | 2015 | 2017 | 2020 | 2021 | 2022 |
|-------------------------------------|-------|-------|-------|-------|-------|-------|-------|------|-------|-------|
| Albania | 10,31 | 14,61 | 19,02 | 15,97 | 14,09 | 17,19 | 13,62 | 12,8 | 12,59 | 11,69 |
| Argentina | 5,44 | 18,8 | 15,00 | 11,51 | 7,71 | 7,58 | 8,35 | 11,5 | 8,74 | 6,81 |
| Bulgaria | 11,1 | 11,1 | 16,22 | 10,08 | 10,28 | 9,14 | 6,16 | 5,12 | 5,27 | 4,27 |
| Canada | 10,32 | 9,49 | 6,83 | 6,76 | 8,18 | 6,95 | 6,43 | 9,66 | 7,53 | 5,28 |
| Central Europe&Baltics | 9,527 | 10,72 | 12,41 | 12,06 | 9,90 | 7,82 | 5,30 | 4,37 | 4,49 | 4,01 |
| China | 2,37 | 3,00 | 3,26 | 4,52 | 4,53 | 4,65 | 4,47 | 5,00 | 4,55 | 4,98 |
| Germany | 5,32 | 8,16 | 7,92 | 11,17 | 6,97 | 4,62 | 3,75 | 3,86 | 3,64 | 3,14 |
| European Union | 8,595 | 11,05 | 9,82 | 9,62 | 9,85 | 10,02 | 8,12 | 7,04 | 7,02 | 6,15 |
| France | 9,13 | 11,83 | 10,22 | 8,88 | 9,28 | 10,35 | 9,41 | 8,01 | 7,86 | 7,31 |
| United Kingdom | 8,55 | 8,69 | 5,56 | 4,75 | 7,79 | 5,3 | 4,33 | 4,47 | 4,826 | 3,73 |
| Hungary | 8,50 | 10,17 | 6,56 | 7,19 | 11,17 | 6,81 | 4,16 | 4,25 | 4,05 | 3,61 |
| India | 6,83 | 7,00 | 7,85 | 8,70 | 8,30 | 7,89 | 7,73 | 7,86 | 6,38 | 4,82 |
| Iran, Islamic Rep. | 11,1 | 9,89 | 11,69 | 11,81 | 13,68 | 11,17 | 12,23 | 9,69 | 9,28 | 8,82 |
| Italy | 10,1 | 11,66 | 10,83 | 7,73 | 8,36 | 11,9 | 11,21 | 9,20 | 9,50 | 8,07 |
| Latin America and the Caribbean | 6,11 | 7,93 | 9,46 | 8,23 | 7,21 | 6,68 | 8,04 | 10,2 | 9,2 | 6,90 |
| Least developed countries:(UN Clas) | 4,52 | 4,49 | 4,69 | 4,82 | 4,86 | 4,96 | 5,16 | 5,86 | 6,02 | 5,36 |
| Low income | 4,75 | 4,68 | 5,05 | 4,61 | 4,83 | 5,02 | 5,27 | 6,04 | 6,11 | 5,61 |
| Lower middle income | 5,78 | 6,22 | 6,83 | 6,88 | 6,46 | 6,53 | 6,48 | 6,86 | 6,24 | 5,01 |
| Low and middle income | 4,46 | 5,37 | 5,98 | 6,26 | 5,95 | 5,92 | 6,00 | 6,61 | 6,15 | 5,42 |
| Turkiye | 8,11 | 7,24 | 6,3 | 10,63 | 10,66 | 10,24 | 10,82 | 13,1 | 11,98 | 10,43 |
| United States | 6,8 | 5,65 | 3,99 | 5,08 | 9,63 | 5,28 | 4,36 | 8,05 | 5,35 | 3,65 |
| World | 4,99 | 5,83 | 6,14 | 6,37 | 6,39 | 6,06 | 5,93 | 6,60 | 6,06 | 5,27 |

Source: <https://data.worldbank.org> (Access: 09.02.2024)

While the ratio of educational expenditures to GDP worldwide was 4% in 2000, it increased to 4.2% in 2021; in OECD countries, it increased from 4.8% to 5%, from 1991 to 2021. During this period, an increase in educational expenditures in GDP is more evident in developing economies. For example, in East Asian and Pacific countries, the ratio of educational expenditures to GDP was 2.3% in 1995 and increased to 3% in 2021. In the low-income countries group, while this share was 2.6% in 2000, it increased to 3.1% in 2022. In Lower-Middle income countries, the rate was 2.8%, but it increased to 3.2% in 2022 (www.worldbank.org,2024). These data show that, although the share of education expenditures in public expenditures decreased in the world in the 1990s and 2000s, the share of education expenditures in GDP did not decrease (to a large extent) in terms of countries and even increased in some countries and country groups. This determination is also valid for Türkiye. So much so that the share of education in GDP in Türkiye (while the share of education in public expenditures decreased from 10.6% in 2011 to 8.81% in 2021) was 2.3% in 1995 and increased to 2.8% in 2021 (www.worldbank.org,2024).

The increase in educational expenditure/GDP ratio in Türkiye is similar to the situation seen in many countries. Over time, private educational institutions began to be opened in Türkiye instead of public (central government) educational institutions, and their share in the education system increased. Here, it is necessary to highlight the vocational training course activities of metropolitan municipalities such as Istanbul and Ankara as training events. These institutions have provided widespread education in their regions, and the educational activities of these institutions are in high demand. These institutions have aimed to make their students professional at work by providing them with direct vocational training through the educational activities they conduct. A significant portion of those trained here have been employed as certified personnel in the areas of expertise in which they completed their training. From this perspective, it can be said that these activities of metropolitan municipalities must have been included in the total educational activities (as educational activities of local government institutions) as well as educational institutions of the central government and private sector educational institutions (as educational activities in national income calculations).

In here, another thema is time for finding job for unemployed people. An environment of increasing unemployment, those who are unemployed enter to tend to look for a job very quickly.

In Türkiye case, unemployed people largely search for a job, especially within 1-2 months after leaving their job. So that, as of 2021, 1,261,000 out of 2,697,000 people looking for a job out of 3,919,000 unemployed people were starting to look for a job in the first 1-2 months. 814,000 people continued to look for a job within 3-5 months. Again in the same year (2021), 424,000 unemployed people continued to look for a job within a period of 6-8 months. 199,000 of the unemployed continued to look for work within 9-11 months. As of 2022, 2,724,000 out of 3,582,000 unemployed people were looking for a job, while 1,405,000 of this job-seeking population started to look for a job within the first 1-2 months. At the same year, 832,000 unemployed people continued to look for a job till to 3 to 5 months. 365,000 of these unemployed people continued to look for work till to 6-8 months. At the same year (in 2022), 121,000 unemployed people were in

search of a job for 9-11 months. Of course, there are those who are looking for a job for a longer period of time, but this is the time when the unemployed started looking for a job within a 1-year period (www.tuik.gov.tr). Here, it is understood from these data that in general, unemployed people are looking for a job as soon as possible (inside of 1-2 months) in Türkiye.

The educational status of those employed in Türkiye is important in terms of revealing the education-employment relationship (Murat and Şahin, 2011:43-59). What is seen at this point is that the highest employment rate is among the illiterate, and when comparing the groups grouped according to education and employment rates within these groups, a full correlation between education and employment opportunities cannot be established. For example, the employment rate of the workforce with high school and higher education is lower than that of the workforce with high school education. However, it should be emphasised here that the number of uneducated people in the total workforce is quite low, whereas the number (population) of educated people in the workforce is quite high. These data are not surprising considering that some young people do not attend university education during their transition from high school to university.

In this context, when we look at the data for 2020, the number of illiterate workforce members is 774,000. The workforce with less than high school education (secondary education) comprises 14,802,000 people. The workforce with high school education comprises 3,317,000 people. The amount of workforce with vocational and technical high school graduates is 3,619,000. The amount of workforce with higher education levels is 3,619,000. The employment distribution of this workforce for 2022 was as follows: the number of illiterate people was 810,000. The employment level of those with lower than high school education was 13,939,000. The employment of the high school-educated workforce was 13,939,000 people. The employment of the high school educated workforce was 3,997,000 people. The employment figure of the vocational or technical high school-educated workforce was 3,515,000 people. The employment level of the workforce with higher education was 8,492,000 people (www.tuik.gov.tr). According to Turkstat data, the unemployment rate of the workforce as of 2022 was 6.25% for the illiterate, 9.23% for the workforce with less than high school education, the non-employment rate for the workforce with a high school education is 12.71%, the employment rate for the workforce with a vocational or technical high school education is 11.30%, and higher education the employment rate of the employed workforce was 11.27%.

Here, “hypothetically, assuming that those with the same year of education are subject to employment in the same year”, it is seen that the phenomenon of being out of employment is weak in percentage terms for those who are illiterate. In this study, those with less than high school education, on the other hand, as the level of education increases, the phenomenon of being out of employment increases and that the workforce with higher education is unemployed (the rate of unemployment is 11.27% for higher educated people). People with high school education have a unemployment rate of 12.71. However, here, it should be considered that quality increases with education, and the element of choosing a job and being selected for a job comes to the fore. It should also be considered here that the number of people with higher education levels is much higher than those who are illiterate. Considering these two issues, it can be understood that as education levels increase, the unemployment rate may also increase (Kavak,1997:24).

Table 2

Changes in the Shares of Education Expenditures/Public Expenditures (1995-2021, %)

| Country Name | 1995 | 2000 | 2005 | 2010 | 2011 | 2015 | 2017 | 2018 | 2019 | 2020 | 2021 |
|------------------------------|-------|-------|-------|------|------|------|------|-------|------|------|-------|
| Argentina | n. d. | 16,2 | 15,8 | 15,0 | 15,2 | 14,0 | 13,3 | 12,5 | 12,5 | 12,4 | 12,3 |
| Bulgaria | 11,4 | 9,82 | 11,3 | 9,89 | 9,99 | 9,69 | 10,1 | 9,54 | 10,5 | 9,46 | 10,6 |
| Central and Baltic countries | 11,4 | 11,2 | 12,1 | 11,2 | 10,6 | 10,5 | 10,8 | 11,3 | 11,8 | 10,6 | 10,9 |
| Germany | 7,51 | 8,53 | 8,78 | 9,11 | 9,51 | 9,64 | 9,48 | 9,64 | 9,72 | 9,2 | 8,85 |
| East Asia and the Pacific | n. d. | n. d. | n. d. | 16,8 | 14,7 | 15,2 | 15,1 | 15,4 | 15,2 | 12,8 | 13,1 |
| Europe and Central Asia | 10,9 | 11,9 | 12,3 | 11,5 | 11,4 | 11,6 | 11,1 | 11,5 | 11,8 | 10,7 | 10,9 |
| European Union | 10,9 | 11,2 | 12,1 | 11,2 | 10,9 | 10,5 | 10,6 | 10,9 | 10,8 | 10,4 | 10,7 |
| Finland | 11,3 | 12,2 | 12,5 | 12,1 | 12,0 | 11,0 | 10,5 | 10,4 | 10,5 | 10,2 | 10,2 |
| France | 10,5 | 10,8 | 10,4 | 9,92 | 9,74 | 9,59 | 9,55 | 9,57 | 9,48 | 8,82 | 8,88 |
| United Kingdom | 11,4 | 13,2 | 13,4 | 13,2 | 12,7 | 12,3 | 12,3 | 12,1 | 12,0 | 10,7 | 11,2 |
| Greece | 8,0 | 8,32 | 9,24 | 7,82 | 8,2 | 7,68 | 8,03 | 8,46 | 8,36 | 7,54 | 7,11 |
| High income | 11,3 | 12,1 | 12,5 | 12,6 | 12,4 | 11,8 | 12,0 | 12,0 | 11,9 | 10,9 | 11,0 |
| India | n. d. | 16,7 | 11,2 | 11,8 | 13,6 | 16,3 | 13,5 | n. d. | 15,0 | 14,7 | 14,6 |
| Iran, Islamic Rep. | 14,5 | 20,6 | 21,9 | 19,3 | 20,2 | 18,6 | 20,3 | 21,1 | 21,2 | 22,7 | n. d. |
| Israel | n. d. | 15,7 | 15,0 | 16,4 | 16,5 | 18,1 | 18,2 | 18,1 | 18,1 | 15,7 | 18,4 |
| Low income | n. d. | 15,1 | n. d. | 16,2 | 15,1 | 16,0 | 14,2 | 16,3 | 14,2 | 14,7 | 15,7 |
| OECD members | 11,3 | 12,6 | 12,5 | 12,6 | 12,2 | 12,1 | 12,2 | 12,1 | 12,0 | 10,9 | 11,1 |
| Pakistan | 10,3 | 8,49 | 13,8 | 11,9 | 10,9 | 13,2 | 12,1 | 12,2 | 11,6 | 10,8 | 7,82 |
| Romania | 9,81 | 8,14 | 10,9 | 8,24 | 10,3 | 8,5 | 8,51 | 9,1 | 10,1 | 8,8 | 8,14 |
| Russian Federation | n. d. | 8,36 | 11,2 | 9,77 | 9,63 | 2,2 | 9,5 | 10,0 | 9,29 | 8,94 | n. d. |
| Türkiye | n. d. | n. d. | n. d. | 10,6 | 11,4 | 11,8 | 10,8 | 10,7 | 11,2 | 9,31 | 8,81 |
| United States | 15,9 | 18,0 | 16,7 | 15,6 | 15,5 | 16,1 | 15,9 | 15,8 | 15,5 | 12,7 | n. d. |
| World | n. d. | 13,5 | 14,1 | 13,6 | 14,2 | 14,5 | 14,3 | 14,4 | 14,1 | 12,8 | 12,7 |

Source: www.data.worldbank.org, (n.d.:no data) (Access:20.01.2024)

According to the Turkstat data above, by looking within oneself data on the educated workforce, an evaluation can be made not by comparing the education focus with the employment of the relevant education group but by directly looking at total employment (as the labour force participation rate). In this context, the labour force participation rate can be viewed from the education dimension (Erdoğan and Okudum,57). When looked at accordingly, it can be seen that (with 2022 data) the labour force participation rate of the illiterate is 30.6%, of those with less than high school education is 65.9%, of those with high school education is 72.1%, of those with vocational or technical high school education is 81.5%, and of those with higher education is 85.1%. While the employment rate of the illiterate was 27.1%, it was 60.0% for those with less than high school education, 64.9% for those with high school education, 74.4% for those with vocational or technical high school education, and 78.0% for those with higher education. When we look at the total employment level and education-unemployment relationship, we find that the unemployment rate is 11.6% for those who are illiterate, 8.9% for those with less than high school education, 10.0% for those with high school education, and 8.7% for those with vocational or technical high school education. The unemployment rate of higher educated people is 8.3%. (www.tuik.gov.tr).

Table 3

Employment by sector (+15 age, 1.000 person, %)

| Year | Total | Agri. | Industry | Const. | Services | Total | Agri. | Industry | Const. | Service | GDP % |
|-------|--------|-------|----------|--------|----------|-------|-------|----------|--------|---------|-------|
| 1991* | 19 288 | 8.348 | 2 934 | 975 | 6.198 | 100 | 43.3 | 15.2 | 5.1 | 32.1 | 0,3 |
| 2000* | 21 580 | 7.769 | 3.810 | 1.364 | 8.637 | 100 | 36.0 | 17.7 | 6.3 | 40.0 | 6.3 |
| 2005 | 19,350 | 4,945 | 4,140 | 1,096 | 9,176 | 100 | 25,5 | 21,4 | 5,7 | 47,4 | 9.0 |
| 2006 | 19,710 | 4,612 | 4,299 | 1,182 | 9,624 | 100 | 23,4 | 21,8 | 6,0 | 48,8 | 7.0 |
| 2007 | 20,000 | 4,410 | 4,388 | 1,228 | 9,975 | 100 | 22,0 | 21,9 | 6,1 | 49,9 | 5.0 |
| 2008 | 20,400 | 4,445 | 4,524 | 1,237 | 10,193 | 100 | 21,8 | 22,2 | 6,1 | 50,0 | 0.8 |
| 2009 | 20,530 | 4,783 | 4,153 | 1,299 | 10,299 | 100 | 23,3 | 20,2 | 6,3 | 50,2 | -4.8 |
| 2010 | 21,810 | 5,073 | 4,619 | 1,423 | 10,696 | 100 | 23,3 | 21,2 | 6,5 | 49,0 | 8.4 |
| 2011 | 23,170 | 5,289 | 4,855 | 1,672 | 11,350 | 100 | 22,8 | 21,0 | 7,2 | 49,0 | 11.2 |
| 2012 | 23,740 | 5,156 | 4,891 | 1,714 | 11,977 | 100 | 21,7 | 20,6 | 7,2 | 50,5 | 4.8 |
| 2013 | 24,486 | 5,039 | 5,133 | 1,788 | 12,525 | 100 | 20,6 | 21,0 | 7,3 | 51,2 | 8.5 |
| 2014 | 25,770 | 5,220 | 5,339 | 1,913 | 13,302 | 100 | 20,3 | 20,7 | 7,4 | 51,6 | 4.9 |
| 2015 | 26,500 | 5,357 | 5,345 | 1,916 | 13,884 | 100 | 20,2 | 20,2 | 7,2 | 52,4 | 6.1 |
| 2016 | 27,130 | 5,287 | 5,295 | 1,991 | 14,552 | 100 | 19,5 | 19,5 | 7,3 | 53,6 | 3.3 |
| 2017 | 28,075 | 5,401 | 5,394 | 2,108 | 15,171 | 100 | 19,2 | 19,2 | 7,5 | 54,0 | 7.5 |
| 2018 | 28,691 | 5,282 | 5,686 | 2,012 | 15,711 | 100 | 18,4 | 19,8 | 7,0 | 54,8 | 3.0 |
| 2019 | 28,042 | 5,096 | 5,572 | 1,566 | 15,808 | 100 | 18,2 | 19,9 | 5,6 | 56,4 | 0.8 |
| 2020 | 26,695 | 4,737 | 5,482 | 1,546 | 14,930 | 100 | 17,7 | 20,5 | 5,8 | 55,9 | 1.9 |
| 2021 | 28,797 | 4,948 | 6,143 | 1,777 | 15,928 | 100 | 17,2 | 21,3 | 6,2 | 55,3 | 11.4 |
| 2022 | 30,752 | 4,866 | 6,663 | 1,846 | 17,378 | 100 | 15,8 | 21,7 | 6,0 | 56,5 | 5.6 |
| 2023 | 31.632 | 4.695 | 6.711 | 1.997 | 18.230 | 100 | 14.8 | 21.2 | 6.3 | 57.6 | 4.5 |

Source:www.tuik.gov.tr,(Agri:Agriculture, Const.:Construction), *TUIK, “İstatistik Göstergeler, 1923-2013”, s.133/635;https://avys.omu.edu.tr/storage/app/public/demetozy/131408/%C4%B0statistik%20G%C3%B6stergeler%20T%C3%BCrkiye%201923-2013.pdf (Access:20.05.2024)

In the education-employment relationship, the long-term development of the industrial and services sectors and employment contributions should be considered. It should be noted that the industrial sector in Türkiye is a sector that has reached $\frac{1}{4}$ share of the national income, even though it is an industry with high import dependency and (in long-term analysis) no significant share increases have occurred since the 1980s. Therefore, the place of the industrial sector has special importance in terms of the employment of the workforce.

In 1991, the industry sector's employment share was 15.2%, the agricultural sector's employment share was 43.3%, and the services sector's share was 32.1%. As of 2023 data, the industrial sector's share was 21.2% , the agricultural sector's 14.8%, and the services sector's 57.6% in total employment. When examining employment shares according to production sectors, the share of the services sector in labour force employment had the highest annual levels from 1991 to 2023. However, it must say here, in general, sectors' employment shares tremendously changed from 1991 to 2023.

Table 4

Main labour force indicators in Türkiye (1.000 persons, %)

| Years | Population 15 years or older | Labour force | Employment | Unemployment | Not in the labour force | Labour force participation rate (%) | Employment rate (%) | Unemployment rate (%) |
|-------|------------------------------|--------------|------------|--------------|-------------------------|-------------------------------------|---------------------|-----------------------|
| 1991* | 36.869 | 21.010 | 19.288 | 1.723 | 15.859 | 57.0 | 52.3 | 8.2 |
| 1995* | 41.176 | 22.286 | 20.586 | 1.700 | 18.890 | 54.1 | 50.0 | 7.6 |
| 2000* | 46.211 | 23.078 | 21.581 | 1.497 | 23.133 | 49.9 | 46.7 | 6.5 |
| 2005 | 48.700 | 21.447 | 19.409 | 2.038 | 27.253 | 44.1 | 40.1 | 8.2 |
| 2006 | 49.620 | 21.777 | 19.936 | 1.841 | 27.843 | 43.8 | 40.0 | 8.8 |
| 2007 | 50.509 | 21.781 | 19.745 | 2.036 | 28.728 | 44.3 | 39.9 | 8.9 |
| 2008 | 51.252 | 22.828 | 20.236 | 2.592 | 28.424 | 44.5 | 40.0 | 9.9 |
| 2009 | 52.203 | 23.875 | 20.955 | 2.921 | 28.328 | 45.5 | 39.6 | 13.0 |
| 2010 | 53.337 | 24.550 | 22.067 | 2.483 | 28.787 | 46.3 | 41.2 | 10.1 |
| 2011 | 54.362 | 25.339 | 23.232 | 2.107 | 29.023 | 47.2 | 42.9 | 9.0 |
| 2012 | 55.315 | 26.396 | 24.158 | 2.238 | 28.919 | 47.1 | 43.2 | 10.6 |
| 2013 | 56.394 | 26.908 | 24.472 | 2.436 | 29.487 | 48.0 | 43.8 | 8.9 |
| 2014 | 57.326 | 28.787 | 25.703 | 3.083 | 28.539 | 50.2 | 45.2 | 9.9 |
| 2015 | 58.214 | 29.741 | 26.610 | 3.130 | 28.474 | 51.1 | 45.7 | 10.5 |
| 2016 | 59.068 | 30.701 | 26.995 | 3.706 | 28.367 | 51.9 | 46.2 | 10.9 |
| 2017 | 60.222 | 31.710 | 28.452 | 3.258 | 28.512 | 52.7 | 47.2 | 10.9 |
| 2018 | 60.895 | 32.202 | 28.238 | 3.963 | 28.693 | 53.1 | 47.3 | 10.9 |
| 2019 | 61.839 | 32.432 | 28.131 | 4.301 | 29.407 | 52.9 | 45.7 | 13.8 |
| 2020 | 63.038 | 30.794 | 26.823 | 3.970 | 32.244 | 49.1 | 42.7 | 13.2 |
| 2021 | 64.094 | 33.496 | 29.815 | 3.680 | 30.599 | 51.4 | 45.2 | 12.0 |
| 2022 | 65.026 | 35.089 | 31.556 | 3.533 | 29.937 | 52.4 | 46.7 | 10.5 |
| 2023 | 65.637 | 35.049 | 32.020 | 3.029 | 30.588 | 53.3 | 48.3 | 9.4 |

Source: www.tuik.gov.tr *TUIK, "İstatistik Göstergeler, 1923-2013", s.126. <https://avys.omu.edu.tr/storage/app/public/demetozy/131408/%C4%B0statistik%20G%C3%B6stergeler%20T%C3%BCrkiye%201923-2013.pdf> (Person numbers are years's 4.Quarterly numbers and values are yearly values), (Access:05.03.2024)

Türkiye's population of people aged 15 years and over was 36.869.000 in 1991, and employed persons was 19.288.000. In the same year, labour force participation rate was 57% and unemployment rate was 8.2%. In 2023, the population aged 15 years old and over is 35.049.000 and labour force participation rate was 53.3, the employment rate was 48.3%, and the unemployment rate was 9.4%. As if confirming Okun's law, it has been observed that unemployment also (exhibits a negative trend and) increases in years when GDP growth decreases or is negative. This is not interesting. Okun's law explains that a decline in production in an economy directly affects unemployment.

Increasing Problem of Labour Underutilisation in Türkiye

According to Turkstat, the wide unemployment rate (Labour Underutilisation) is calculated adjusted for seasonal effects and includes time-related underemployment, potential workforce, and unemployed people (www.tuik.gov.tr). According to Turkstat's calculations, the general unemployment rate decreased from 9.9% in 2014 to 9.4% from 2014 to 2023. The integrated rate of time-related underemployment and unemployed increased from 11.9% to 15.4%, and the integrated rate of the unemployed and potential labour force increased from 15.5% to 17.3%. While the underutilisation rate was 17.4% in 2014, it increased to 22.8% in 2023.

The number of people not included in the labour force in Türkiye was 30,345,000 as of 2022 (www.tuik.gov.tr). When we look at the reasons why those who are not included in the labour force in Türkiye cannot participate in the labour force (be unemployed), we see that the reasons are as follows. 1,648,000 people of this population who are not included in the labour force are those who have no hope of finding a job. As of the same year, the number of people who could start working but were not looking for a job was 1,176,000. The number of people who are looking for a job but are not starting work is 91,000. The number of people engaged in household chores (housewives) is 9,982,000 people. Of these 30,345,000 people, 4,807,000 of whom are not included in the workforce are students. 5,073,000 people are retired. The number of people who are unable to work (disabled people who do not work) was 4,925,000. Those without any reason are 2,643,000 people (Turkstat,2024).

Table 5

Unemployment Rates and Composite Measure of Labour Underutilisation in Türkiye (%)

| Years | Unemployment rate | The combined rate of time-related underemployment and unemployment | Combined unemployment rate and potential labour force | Composite measure Of labour underutilisation* |
|-------|-------------------|--|---|---|
| 2014 | 9,9 | 11,9 | 15,5 | 17,4 |
| 2015 | 10,3 | 11,9 | 15,7 | 17,1 |
| 2016 | 10,9 | 12,4 | 16,2 | 17,6 |
| 2017 | 10,9 | 12,1 | 15,7 | 16,8 |
| 2018 | 10,9 | 12,1 | 15,3 | 16,5 |
| 2019 | 13,7 | 14,8 | 18,1 | 19,1 |
| 2020 | 13,1 | 17,0 | 21,9 | 25,4 |
| 2021 | 12,0 | 16,8 | 20,0 | 24,4 |
| 2022 | 10,4 | 14,6 | 17,4 | 21,3 |
| 2023 | 9,4 | 15,4 | 17,3 | 22,8 |

Source: www.tuik.gov.tr,* Labour Underutilisation is cleaned from seasonal effects, (Access:20.05.2024)

Interpretation of Findings and Conclusion

Unemployment in Türkiye continued to rise in the 2000s. In a narrow sense, unemployment increased from 6.3% in 2000 (8.2% in 1991) to 9.4% in 2023. While broad unemployment was 17.4% in 2014, it increased to 22.8% in 2023. In this process, an increasing population in the economy is largely employed in the service sector. In this perspective, high levels of narrow and broad unemployment, on the one hand, are a source of negative social inequality, and on the other hand, they have forced governments to develop policies aimed at increasing employment.

This negativity experienced by Türkiye was a situation experienced by many developing economies during this period. To understand this negative trend in unemployment, it is necessary to consider the world economy, especially the 1990s. The world economy entered a transformation process in the 1990s. In this transformation process, while positive developments were experienced in unemployment in a significant number of developed economies, unemployment rates continued to increase in their negative trend in most developing economies.

When we examine the transformation that took place to analyse this differentiation, we find that at the centre of the transformation is the new information-oriented structuring that gained strength in developed countries in the 1990s. The beginning of this transformation dates back to the 1970s. Developed economies began to open their economies to the outside world in the mid-1970s and tried to reduce legal barriers between countries. This process, with the support of a liberal economic orientation, has brought about restructuring in all areas of the economy (in which the private sector is at the forefront).

This period (especially the 1990s and after) is a period in which production techniques and technology began to develop tremendously. In the 2000s, significant advances in both production and product development emerged worldwide. While new developments in production and marketing has increased, the importance of non-highly qualified workforce in production has weakened. As a result, employment opportunities for low-qualified workers have become more difficult than before. This situation has brought importance to education in world societies (especially in terms of workforce). In a sense, changing economic conditions have increased the “tendency of the workforce to become human capital”. From this perspective, it can be understood why unemployment rates have shown a positive development in developed and developing economies that attach importance to education and prioritise it (vice versa). However, it should be noted that the education mentioned here is not standard education but an education structure that allows high-level qualification.

In the 2000s, when the concept of “information society” came to the fore, employment/unemployment rates also developed positively in societies that attached importance to education. On the other hand, in economies that attach less importance to education, unemployment rates continue their negative course. The world economy unemployment rate data also show this trend.

At this point, when we look at Türkiye, it can't be said that Türkiye does not attach importance to education, and that workforce education is low at this point. However, training quality is not widespread, and training intensity is not high. The reason for educated unemployment is largely due to this. Within the framework of public policies supporting the opening of new universities, the number of higher education students has increased significantly over the years. As a result of this, although the “crowded workforce” with higher education has high unemployment within itself (in terms of the employment rate of the higher educated workforce), in terms of the employment of the numerical crowd, it is not bad (though not good) in total employment. However, when looked at as a whole, it appears that unemployment in Türkiye is in a chronic increasing trend from 1991, (from 2000s) to 2023. This negative situation exists as both narrow and broad unemployment, idle workforce/underutilisation. These data show that Türkiye has a clearly employment/unemployment problem.

In result, in terms of reducing unemployment in Türkiye, although increasing and expanding education in general is an important effort, there is a need to go one step further and further increase the quality of education. At this point, it should be noted that it is necessary not only to increase the number of university graduates in higher education, but also to create/develop long-term policies that take into account the economy's needs for intermediate/specialist/technical personnel. (e.g. technicians/health-medical specialists, etc.).

Peer-review: Externally peer-reviewed.

Conflict of Interest: The author has no conflict of interest to declare.

Grant Support: The author declared that this study has received no financial support.

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