

Turkish jobless rate increases dramatically

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According to recent data published by the Turkish Statistical Institute (TUIK), the country's official unemployment rate once again neared the crisis level of 2001, rising to 10.1 percent in November 2007. One year ago, unemployment stood at 9.6 percent.

The last five years under the Justice and Development Party (AKP) were a period of rapid growth based mainly on foreign capital inflows. However, the reduction in unemployment was insignificant in spite of this fast growth and a significant increase in exports. Some economists name this development "jobless-growth."

Over this period, the rate of investment has significantly fallen, public finances have deteriorated, and social and economic inequality have intensified as a result of falling real wages and increased profits.

The attack on jobs and livings standards has been facilitated by the betrayals of the trade union bureaucracy. Before the 2001 crisis, the Turkish trade union confederations signed successive agreements with the government and employers, which kept real wages depressed. As the economy plunged into the most severe crisis Turkey has seen in its modern history, real wages plummeted even further. The trade unions functioned to suppress the resistance of workers, paving the way for the so-called "recovery" program, which has boosted profits at the expense of workers' jobs and living standards.

Now, as the pace of economic growth slows down, the unemployment rate has started to increase rapidly—in other words, the "jobless-growth" period is now being replaced by a "increasing unemployment-slow growth" period.

The Turkish economy slowed in the third quarter to its lowest level since the 2001 crisis. Gross domestic product growth in the third quarter of 2007 was a meagre 1.5 percent, and in December 2007, one of the most critical leading indicators of growth, industrial

output, declined 1.4 percent compared to the same month of 2006.

In 2000, the country's unemployment rate was 6.5 percent, and this ratio jumped to 10.3 percent immediately after the devastating 2001 financial crisis. It will come as no surprise if the unemployment rate exceeds the level of 2001 in the first half of this year.

Like all official unemployment data around the world, Turkey's official figures grossly underestimate the actual percentage of jobless workers because they ignore those who fallen out of the labour market and those employed in the so-called informal sector of the economy. Some economists say the real unemployment rate is closer to 20 percent. Nevertheless, official figures give an idea of worsening trends and show that difficult times are ahead for the Turkish working class and other layers of the population.

Joblessness is very high among the young urban dwellers (15-24 age group) and is now worse than during the 2001 crisis. Turkey has a huge youth population in comparison to Europe, as well as the rest of the industrialised world. Every year, approximately 600,000 new workers join the country's workforce. The official unemployment rate in this age group was 20 percent in November 2007. In 2000, the rate was 13.1 percent. It jumped to 19.2 percent in the aftermath of the 2001 crisis.

Economic policies shaped under the auspices of the international banks have already undermined social conditions throughout the country. The pro-market policies pursued by the government have been based on the rapid privatisation of public assets, the commercialisation of all public services, and suppression of real wages. The new economic downturn will have even further social implications.

There are other surveys, which clearly demonstrate the fiasco of Turkish capitalism in the field of providing jobs. For instance, according to a recent

survey conducted by the Confederation of the Unions of Employers (TISK), Turkey rated second in a table for unemployment growth during the past 10 years. According to official figures for the year 2006, Turkey ranked sixth from a total of 39 countries in terms of unemployment growth.

At the same time, employers will take advantage of higher rates of unemployment to demand more “flexible” labour conditions in both public and private sectors. This means the further erosion of wages and working conditions and forcing more workers to seek informal employment. Recently, the Labour Minister confessed that the share of informal or precarious jobs in Turkey is almost half of the total employment.



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