Turkish youth hit hardest by unemployment

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A recent report by the UN's global development network, the United Nations Development Programme (UNDP), entitled "Youth in Turkey," paints a grim picture of the future prospects for Turkish youth. According to the report, of the 12.4 million young people aged 15-24 (almost 18 percent of the total population), only 30 percent go to school and 30 percent work. This means that almost 40 percent, or 5 million young people, have no proper education and/or are unemployed.

The report further notes: "While in some educational institutions young people have access to high standard education and some of those employed work in quality jobs, a significantly larger number lack such opportunities."

According to the UNDP report, 650,000 of the 5 million idle young people have given up all hope and stopped seeking jobs. The report classifies 300,000 of them as juvenile delinquents, and 22,000 as street children and youth living on the streets, internally displaced or victims of human trafficking.

According to an Organisation for Economic Cooperation and Development (OECD) report on education and skills, Turkey's school dropout rate is the highest of those countries studied. Another UN institution, UNESCO (United Nations Educational, Scientific and Cultural Organisation), gives a secondary school enrolment rate of 57 percent (48 percent for girls), which is lower than in most Middle Eastern countries and many developing countries.

The UNDP report also reveals the extreme levels of "sexual discrimination" against Turkish women and girls. For example, the percentage of female students who stop attending school due to family pressure is nine times higher than among male students. The report notes that "socially conservative attitudes to gender, partly associated with some traditional characteristics, still lead in a large proportion of cases to the exclusion of women from equal participation in public and private life."

Certainly, during the last five years of rule under the Islamist Justice and Development Party (AKP), so-called socially conservative attitudes to gender have grown more influential. At the same time, the defence on the ban of the Muslim headscarf for women students at universities by the so-called "secularist" camp led by the military has only served to exacerbate gender inequality and discrimination against women and girls.

Based on its pro-free-market orientation, the report praises Turkey's rapid economic growth following the February 2001 financial crisis, which the report declares "caused great damage to its [Turkey's] economy and shook its social fabric." The report adds: "Turkey has taken a set of well-articulated measures and achieved continuous high economic growth of the order of 7.5 percent on average during the 2002-2006 period."

Notwithstanding this compliment, the report acknowledges: "On the other hand, in the same period, the unemployment rate has remained stubbornly at around 10 percent, and the rate of participation of the labour force declined, including women, whose participation rate is as low as 26 percent. Youth unemployment remains a very serious problem. Little substantial improvement was visible in the education system despite a number of quantitative increases. Vocational education which is crucial for youth showed little sign of progress."

The heading of Chapter 4 of the report is very telling in this regard: "Strong economic growth, weaker human development." Needless to say, on the basis of its pro-market perspective, which accepts the basic tenets of capitalism, the report fails to provide an explanation of this contradiction.

While 2002-2006 was a period of rapid growth, this was based mainly on foreign capital inflows, and the reduction in unemployment was insignificant. Within the context of the globalisation of production, economic growth based on foreign capital means that a country like Turkey lacks the potential to tackle unemployment and other socioeconomic ills.

Also, 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.

In addition, as the pace of economic growth slows, the unemployment rate has started to increase rapidly. According to recent data published by the Turkish Statistical Institute (TUIK), the country's unemployment rate rose to 11.3 percent in the three months through February, the sixth consecutive increase as economic growth slows.

In a recent article, the WSWS wrote: "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." (See "Turkish jobless rate increases dramatically") This prediction has already materialised, and unemployment in Turkey has grown disastrously, particularly for the youth. The youth jobless rate has already surpassed 20 percent and is now worse than it was during the 2001 crisis.

Turkish capitalism is highly indebted, has a huge and ever-growing current account deficit and, as mentioned above, is extremely dependent on foreign capital inflows.

As the economic growth rate slows and the current account deficit widens, the percentage of current account deficit of GDP can be expected to increase rapidly. Mainly as a result of this deterioration, Standard & Poor's (S&P) changed Turkey's credit rating from "stable" to "negative" on April 4, indicating that a further downgrading is the most likely next step.

According to a recent S&P survey, Turkey ranks fourth amongst the riskiest "emerging" economies around the world. The ratings agency said Iceland was the most vulnerable in its survey of 40 sovereign borrowers, followed by Romania, Lebanon and Turkey.

Months before the S&P downgrading, the International Monetary Fund (IMF) produced a report on the Turkish economy in November 2007 comparing the country's vulnerability to other "emerging markets" in several categories, including external debt and current account deficits. In most categories, Turkey's economy was the most vulnerable among the countries compared. The IMF report noted: "Turkey faces several weaknesses that need to be carefully managed to avoid the boom-bust cycles of the past."

A new financial crisis cannot be ruled out, with the possibility of a pullout of so-called "hot money"—leaving behind a trail of economic and social devastation.

According to the IMF, in its *World Economic Outlook* report: "Some emerging and developing economies that have large current account deficits or other vulnerabilities and are reliant on capital inflows may need to respond by tightening policies promptly to maintain confidence." This would inevitably mean more austerity measures, exacerbating the poverty, misery and social and economic exclusion of young workers in Turkey.

Recently, the AKP government passed a new social security law that includes drastic clauses eradicating many rights of the working population, especially those of young people. For new workers, the retirement age qualification—i.e., the minimum number of workdays required for retirement, was raised dramatically while the state subsidy on medical expenses for workers and pensioners was reduced. This law was in line with conditions laid down by the IMF and was fully supported by the European Union.