

Turkish unemployment at record rates

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The latest household labour survey, released on Monday by the Turkish Statistics Institute (TUIK), shows that the unemployment rate in Turkey jumped to 13.6 percent in December 2008, a 3 percentage point increase over the same month in 2007. This is in a country where the social safety net is extremely weak and millions already live in abject poverty.

According to the survey, unemployment in urban areas stood at 17.3 percent in December, compared to 10.7 percent in rural areas. The number of unemployed in Turkey grew to 3.27 million, an increase of 838,000 over December 2008.

Turkey's official figures grossly underestimate the actual percentage of jobless workers. In making its estimations regarding the active labour force and the unemployment rate, the TUIK does not include unemployed people who are not actively seeking work. This approximately halves the real number of the unemployed.

The official unemployment rate for November 2008 was 12.3 percent. In an article posted on an Internet news site, Bianet, economist Mustafa Sonmez calculated the real unemployment rate by including "hidden" unemployment, i.e., "the people who have given up hope of finding work and are thus not actively seeking employment, those who work on a seasonal basis only, and those who are underemployed." He wrote, "If one adds all of these unemployed people to the official numbers, then the real number of unemployed people [in November 2008] is not 2,995,000, but 6,223,000. This means an unemployment rate of 25.8 percent—not 12.3 percent." On this reckoning, the unemployment rate for December 2008 was roughly 27 to 28 percent.

Although Turkish capitalism has repeatedly experienced severe crises in the past, it has never experienced such high rates of unemployment. In the

1970s there were periods of high unemployment, but at the time agriculture—albeit backward and inefficient—still accounted for around 40 percent of jobs, and state-owned enterprises provided relatively secure jobs for a big chunk of the working class.

The worst major unemployment shock came in the crisis of 2001-02, which started as a financial crisis and rapidly turned into a general economic crisis. This occurred in an environment where the country's economy had been increasingly integrated into the world capitalist system, agricultural production had been reduced by market policies, and state-owned enterprises had either been privatised or closed down. In 2000, the country's unemployment rate was 6.5 percent. It jumped to 10.3 percent after the financial crisis erupted in February 2001.

The latest data reveals that joblessness is much worse than during the 2001-2002 crisis and is particularly high among young urban dwellers (15-24 years old). According to the TUIK, the official unemployment rate in this age group was 25.7 percent in December 2008. In 2000, the rate of youth unemployment was 13.1 percent, and it jumped to 19.2 percent in the aftermath of the 2001 crisis.

The rapid increase in youth unemployment highlights the fact that Turkish capitalism has lost its ability to absorb young people newly entering the workforce. Turkey has a huge youth population compared to Europe and the rest of the industrialised world. Every year, approximately 700,000 new workers join the country's workforce.

Unemployment is expected to rise further in the coming months. All the indicators point to sharp increases in the unemployment reports for January and February of this year.

* Since October 2008, jobless claim numbers have been increasing rapidly. They increased by 7.4 percent in February, with over 136,951 people looking for

work, compared with the same period in 2008.

* Turkish industrial production slumped 21.3 percent in January, the sixth consecutive monthly drop. Since January, the decline has been accelerating.

* Turkey's exports are in free-fall since October. According to the Turkish Exporters Association, exports fell 35 percent year-on-year in February.

* In February, the rate of utilisation of manufacturing capacity declined by 15.5 percent compared to the same month in 2008.

* Electricity consumption in February declined 10 percent compared to the same month a year earlier.

In the 2003-2007 period, Turkish capitalism enjoyed relatively rapid economic growth, mainly based on foreign capital inflows and speculative investments. This did little to ameliorate real unemployment levels and only served to increase social and economic inequality.

The unemployment shock of 2001-02 increased the jobless figure from 1.3 million to 2.2 million, and since then Turkish capitalism has not been able to reduce this figure. This has led some economists to characterise 2003-2007 as a "jobless growth period".

Over this same period there was a continuous attack on jobs and living standards by the international banks 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 keeping real wages depressed. As the economy plunged into the most severe crisis Turkey had seen in its modern history, prior to the present slump, real wages plummeted even further. The unions functioned to suppress the resistance of workers, paving the way for the so-called 2003-2007 "recovery" program, which boosted profits at the expense of workers' living standards.

Speaking at a seminar held February 26 in Istanbul, Ulrich Zachau, the World Bank's representative for Turkey, stressed that the greatest threat to Turkey arising from the current global crisis was unemployment, which he said, "Now stands at levels higher than those during the 2001 crisis".

Not surprisingly, his proposal was to implement even more radical labour market reforms, increasing so-called "labour market flexibility", especially the ability of employers to impose part-time and short-term work. This would be done under the pretext of "creating new

jobs and thus helping the most vulnerable by eliminating the rigidities of the labour market".

This is one of the major demands advanced by the Turkish bourgeoisie and its representatives to shift the burden of the crisis onto the shoulders of working people by increasing the surplus value extracted from the working class.

The unions are once again paying lip service to the threat posed by rampant unemployment. In statements made following the release of the new unemployment figures, the board of the Confederation of Turkish Trade Unions (Turk-Is) and the president of the Islamist union confederation, Hak-Is, made clear that they were alarmed over the social implications of such high rates of joblessness. It goes without saying that none of the union officials was prepared to address the role of his own organisation in implementing the pro-market policies of successive Turkish governments and the International Monetary Fund, which laid the basis for the current crisis.



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