

## Chapter 3

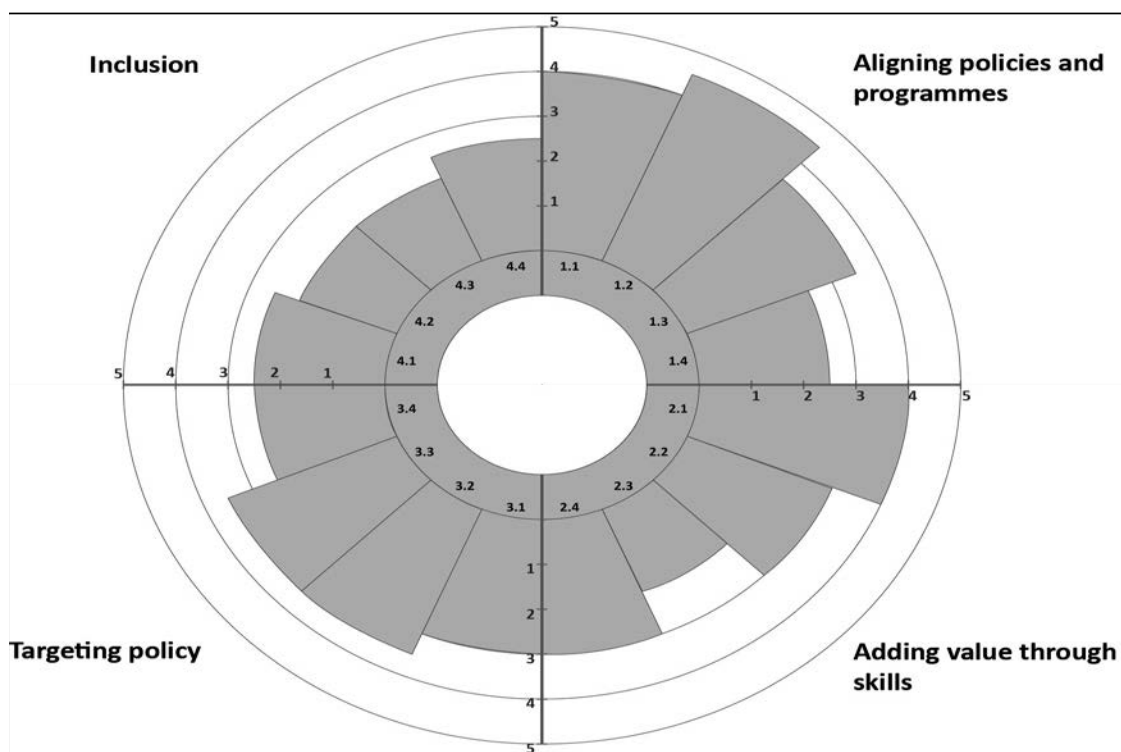
# Local Job Creation Dashboard findings in Turkey

*This chapter highlights findings from the local job creation dashboard, which is a policy assessment tool developed by the OECD that was applied in Trabzon and Kocaeli. The findings are discussed through the four thematic areas of the study: 1) better aligning policies and programmes to local employment development; 2) adding value through skills; 3) targeting policy to local employment sectors and investing in quality jobs; and 4) being inclusive.*

## Overview

As part of this *OECD Review on Local Job Creation* policies, in-depth fieldwork and research was undertaken to assess local employment and economic development practices using a dashboard methodology developed by the OECD. The dashboard is divided in four thematic areas of analysis, which look at a range of policy and programme indicators to understand implementation practices on the ground. A value of 1 (low) to 5 (high) is assigned to each indicator based on the strengths and weaknesses of the policy approach. In this chapter, each of the four thematic areas of the study is presented and discussed sequentially, accompanied by an explanation of the results. The full results of the OECD Local Job Creation dashboard in Turkey are presented in Figure 3.1 below. For further information on the overall scores as well as the local job creation dashboard, please see the reader's guide at the beginning of this publication.

Figure 3.1. **OECD Reviews on Local Job Creation – Dashboard results for Turkey**

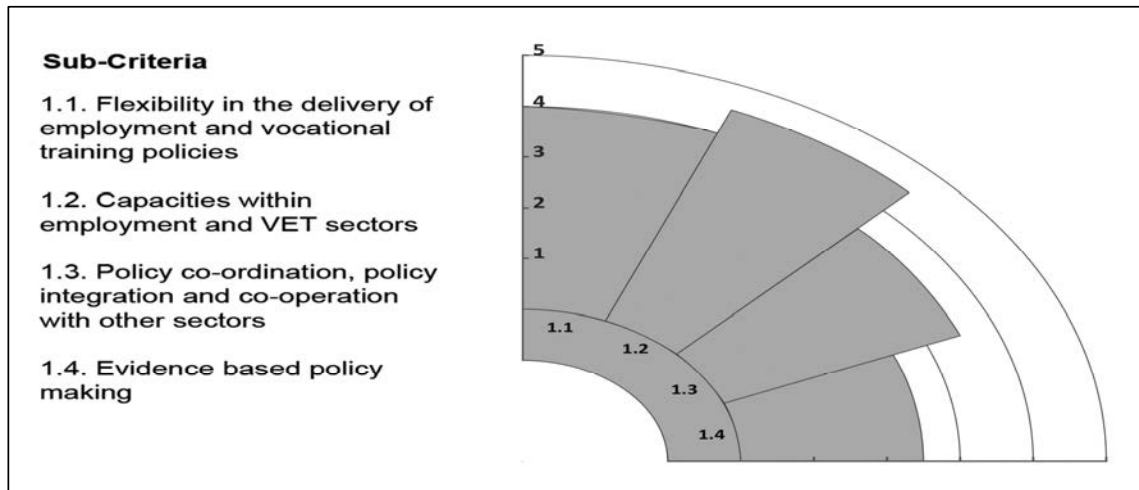


Looking at the overall results from the dashboard exercise, aligning programmes and policies to local economic development needs emerges as an area of policy strength. There appear to be strong governance structures in place in both Trabzon and Kocaeli to guide local employment and economic development policies. However, more needs to be done to

align skills development programmes with employer needs, to ensure that policies target higher value added sectors, and to make sure that both policies and programmes focus on tackling disadvantages and building inclusive growth. Each of the thematic results will be described in detail in this chapter with relevant best practices and policy innovations highlighted for future learning in Turkey.

## Aligning policies and programmes to local economic development

Figure 3.2. OECD Dashboard Results for better aligning programmes and policies to local economic development in Turkey



### Flexibility in the delivery of employment and vocational training policies

Flexibility is an important element to better align policy and programmes to the changing needs of local labour markets. Flexibility refers to “the possibility to adjust policy at its various design, implementation and delivery stages to make it better adapted to local contexts, actions carried out by other organisations, strategies being pursued, and challenges and opportunities faced” (Giguère and Froy, 2009). Thus, flexibility within this report refers to a characteristic of the administration in charge of the employment and training system and of the policy development process, rather than to a feature of the labour market itself. In this sub-chapter, flexibility of local Public Employment Services (PES) offices and flexibility in local provision of VET are considered separately.

A pre-condition for the achievement of flexibility at the local level is the central government’s willingness to delegate certain tasks and responsibilities in different fields to local actors. These may vary from the design of local labour market policies and programmes to deciding on performance targets or on the eligibility conditions for local beneficiaries to take part in the programmes; as well as from the local management of budgets to the outsourcing of services.

Enacted in 2003, the law No. 4904 establishing İŞKUR (an institution set up to continue the work assigned to the dissolved IIBK – the public employment agency serving as a monopoly since the 1930s) represented an important step in this direction. The law enabled İŞKUR to better penetrate local labour markets, as the law stipulated the creation of a larger network of provincial İŞKUR directorates, as opposed to the previously existing network of

regional directorates. It also allowed for the establishment and operation of private employment agencies (or bureaux) alongside İŞKUR to supply labour matching services. Even though the law allowed the bureaux to charge fees for helping employers find employees and job seekers find jobs, the role these private companies played in labour markets remained largely limited to the provision of matching services, as Turkish Labour Law did not recognise the temporary worker status until recently.

The most recent bill (no. 1/597) enacted by the General Assembly of the Turkish parliament in May 2016 represents an important change in this regard, and may have serious implications for local and sectoral labour markets in Turkey, including the agricultural sector where İŞKUR has been historically absent. The new law allows private employment agencies (or bureaux) to supply temporary workers to companies/employers that need them. The bill enables the bureaux to sign temporary employment contracts with employers and employees. Companies or employers that need temporary workers pay a fee to the agencies (bureaux) in exchange for their services, as well as the wages that accrue to the worker for his/her work. Companies will then be able to hire temporary workers for up to eight months without having employer status. The bill also stipulates that the total number of temporary workers should not exceed one-fourth of the total number of the employees in the company.

Notwithstanding this recent development, Turkey has a long tradition of a strong centralist political and administrative system, whereby policies and associated actions/measures are typically decided at the ministerial level. Provincial agents are subsequently informed of ministerial decisions and asked to either implement specific actions/measures locally, or choose from a larger action set made available by the ministry or other national body.

### ***Flexibility in the delivery of employment services***

Local PES (İŞKUR) offices have some latitude in the implementation of local employment policies although both processes are controlled, by and large, by the central government in Turkey – the Ministry of Labour and the General Directorate of İŞKUR.

Even though they can occasionally design additional initiatives, local İŞKUR offices typically select from an array of nationally designed programmes to serve local needs. Provincial İŞKUR directors in both Kocaeli and Trabzon noted that additional funding for local needs, particularly labour market programmes (LMPs), can usually be obtained from the national headquarters relatively quickly and easily, when local performance targets have been or are likely to be achieved. Set centrally with some input from local branches, these targets may include both inputs and procedures such as the number of training courses given, and take up rates such as the number of people completing certain training courses. Extra funding can be made available for such activities as new course offerings or trainings, if the request sent to the headquarters is well-composed, clearly justifying the need.

Despite the relative flexibility in getting additional funding for labour market programmes as well as in moving the funds allocated to these programmes from one labour market programme to another, provincial directorates are not allowed to transfer funds across different budget lines. In other words, there is some latitude in reallocating funds to different items within a budget line, but no flexibility to do so across budget lines.

Provincial directorates have some influence on decisions regarding outsourcing. They can, for example, weigh in with what to outsource and who to outsource to, unless the labour market programmes in question require that training courses be offered in conjunction with the Ministry of Education, leaving no discretion for local İŞKUR directors. While there are such labour market programmes where service delivery organisations are selected centrally, others can be outsourced to private companies that offer training packages. Local İŞKUR offices can decide which company to outsource these packages to, but companies receiving outsourced service contracts have to work with limited flexibility themselves, as they are given strict targets in terms of the types of people eligible to benefit from their services and the types of services to be provided.

Eligibility criteria for most subsidised training programmes – outsourced or not – are decided nationally, with local stakeholders occasionally consulted through the Provincial Employment and Vocational Training Boards (PEVTBs). For other programmes, local offices can determine the target groups for their subsidised training programmes within broad eligibility criteria. In some cases, local offices can also ask for eligibility regulations to be waived due to circumstantial needs (e.g. strong/urgent need or innovative approach planned), providing some flexibility.

### **OECD Survey looking at level of local flexibility in employment services**

As part of this study, the OECD distributed a questionnaire to local employment offices regarding how they contribute to job creation efforts at the local level. Figure 3.3 shows the percentage of local offices who indicated that they had medium and high local flexibility in the management of employment programmes. 68% of local employment offices reported having relatively high flexibility in choosing target groups and more than half affirmed having medium or high flexibility in performance management. In contrast, few local offices (27.5%) considered they enjoy flexibility in terms of taking a strategic approach to job creation.

**Figure 3.3. Percentage of PES offices reporting medium to high flexibility in the management of programmes and policies, 2014**

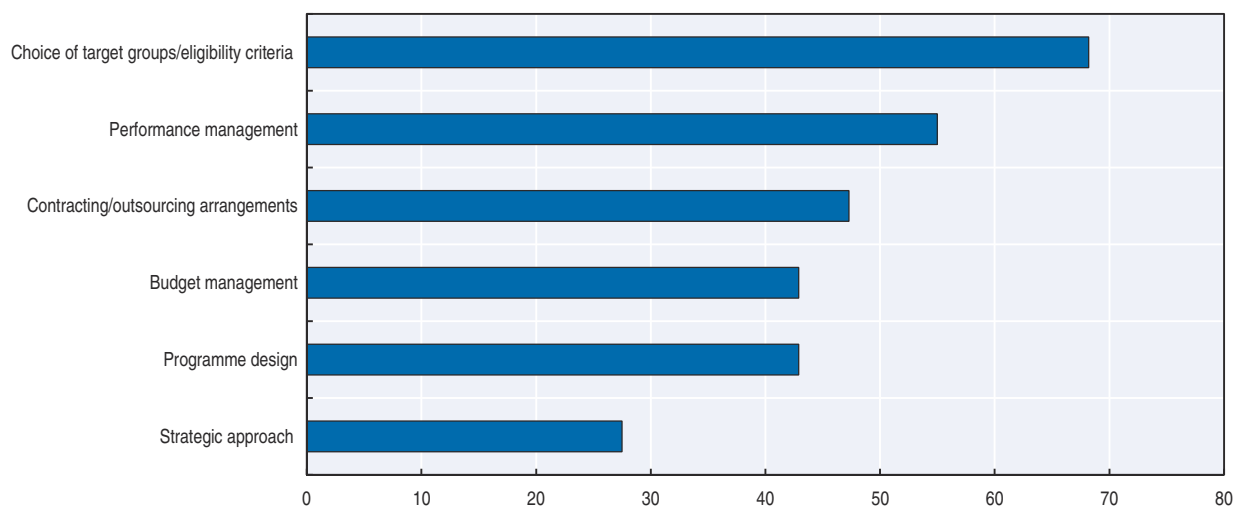
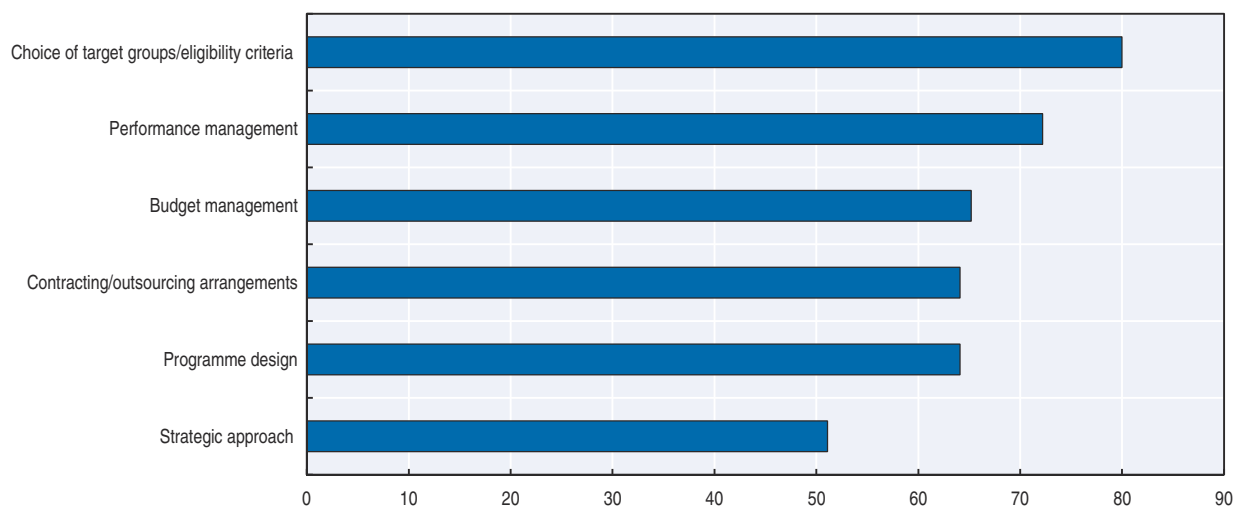


Figure 3.4 shows the percentage of local employment offices which favoured more flexibility in different areas of employment programme management so as to better respond to local labour market conditions. Control over eligibility criteria was identified as the priority area in which to increase flexibility, before performance and budget management, outsourcing arrangements, programme design and strategic approach. Interestingly, while local employment offices report medium-high flexibility in this area, it appears that even more flexibility is preferred when deciding on eligibility criteria and targeting of programmes to certain groups. These results should be interpreted with caution as they are perception-based results based on the interests of local employment offices. However, they are useful in providing a picture of where local employment offices understand they could be more effective in responding to local labour market conditions.

Figure 3.4. **Percentage of PES offices reporting more flexibility would be useful in order to respond to local labour market conditions, 2014**



### **Flexibility in the provision of VET programmes**

Similarly to the local İŞKUR offices, local VET providers have some latitude in the organisation and offering of VET programmes, but national policy and programme decisions usually dominate, particularly in terms of preparation and planning. The variety of actors that are active in VET provision and the somewhat less centralised nature of this area mean that there is probably more flexibility in this field than in employment policy. In general, vocational education programmes leading to lower- and upper-secondary (middle school and lycée) degrees are offered through the national education system. These educational degree programmes are generally less flexible than vocational training programmes provided by various actors locally or nationwide.

The material covered in vocational education programmes leading to secondary degrees, for example, is standardised across Turkey, as the curricula is designed nationally under the co-ordination and supervision of the Ministry of National Education (MoNE). The same is true of most training courses offered as part of labour market programmes carried out by İŞKUR. However, local actors and other stakeholders are often consulted when curricula is designed nationally. Local schools and training institutions can also select from

a broad set of curricula after deciding which educational or training programmes to offer locally. Sometimes local stakeholders can request special training programmes to meet local needs; the approval process for this is usually completed in a timely fashion.

There are centralised and flexible elements in the planning of vocational and adult training programmes to be provided in the future, depending on the type of programme. While the planning process for some of the programmes such as new adult training courses to be offered through the MoNE's nationwide network of continuous education centres is largely centralised, future local provision of existing training programmes is usually decided on the basis of past local adoption of courses, an analysis of the local economic context or in consultation with other local and regional stakeholders.

### Capacities within employment and VET sectors

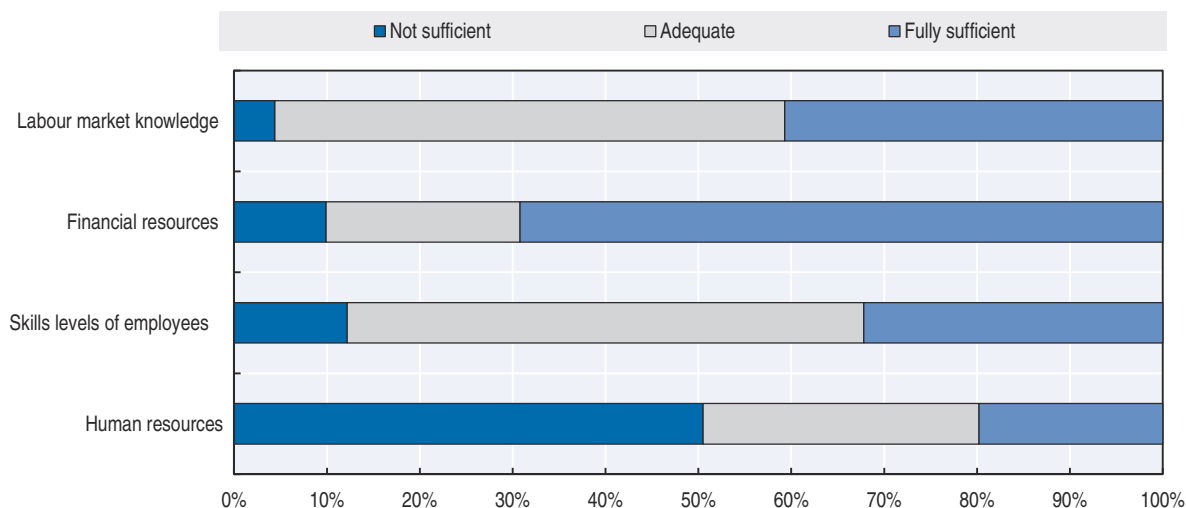
In both Kocaeli and Trabzon, local VET officials and the İŞKUR directors appeared to be generally satisfied with the amount of financial and human resources available. They noted, however, that more resources could improve labour market outcomes. According to VET officials interviewed for this OECD study and the İŞKUR director in Trabzon, financial resources are fully sufficient for delivering on the established objectives, with some additional capacity to fund ad hoc, new initiatives where needed. The İŞKUR director in Kocaeli, on the other hand, agreed that there is enough funding for delivering on basic objectives but noted that resources for innovative initiatives are limited.

There was a difference of opinion between VET and PES officials concerning the sufficiency of human resources. The Trabzon İŞKUR director considered that his staff size was adequate for the current workload but that more staff would help make the work of the agency more effective. While agreeing with the adequacy of staff size for delivering current objectives, VET officials noted that they had difficulty allocating time to innovative initiatives. The Kocaeli İŞKUR director, on the other hand, highlighted that his staff size was hardly sufficient for implementing the current workload effectively. Both PES officials in Trabzon and Kocaeli agreed that skills levels of the staff were adequate, although there was room for improvement to make the work of the agency fully effective. VET officials in both provinces were also fully satisfied with the skills of their staff.

Provincial İŞKUR offices do regularly share information about developments in the local labour markets (and hence, their performance) with other local stakeholders at Provincial Board of Employment and Vocational Education (PEVTB) meetings.

### **OECD questionnaire on local capacities in the implementation of policies**

When surveying local employment offices across Turkey through an OECD questionnaire, most local offices (69%) indicated having fully sufficient resources to conduct their activities. The main issue was the lack of human resources, with over half of local offices describing them as insufficient. In contrast, labour market knowledge and the skills levels of employees were identified as adequate or better in 87% and 96% of the offices, respectively (see Figure 3.5).

Figure 3.5. **Adequacy of resources at local PES offices, 2014**

### Policy co-ordination, policy integration and co-operation with other sectors

There is regular dialogue to explore the possibility of co-operation between various stakeholders *within* and *across* employment and VET policy circles. In addition to monthly executive meetings, there is regular communication between local stakeholders in both employment and VET fields through the quarterly meetings of the Provincial Board of Employment and Vocational Education (PEVTB).<sup>1</sup>

Created to serve as a platform for stakeholder engagement in VET and lifelong learning fields, PEVTBs facilitate the establishment of partnerships with the private sector. They allow various stakeholders to assess general VET needs, particularly with respect to active labour market programmes developed to improve the skills levels of workers, jobseekers and disadvantaged individuals. As such, PEVTBs are useful instruments for local dialogue and collaboration, with the potential to produce solutions for local problems by mobilising resources to increase employment and reduce skills gaps.

At the provincial level, PEVTBs bring together representatives from multiple agencies and associations, including those coming from districts or townships within the province. Turkish law lists PEVTB members as follows: Mayors from local municipalities (metropolitan mayor and district mayors); Provincial directors of the Ministries of Education, Industry, Trade, Science and Technology, and Customs and Commerce; representatives of local chambers of trade and industry, local branches of the confederation of the employer unions, and the confederation of the tradesmen' and artisans' associations; local representatives of trade unions; representatives of other associations, NGOs and special interest groups such as the disabled; and one local academic.

PEVTBs meet quarterly to decide on employment policies and strategies, prepare local action plans and monitor their implementation. A sub-committee produces the action plans for the implementation of the decisions and determines the party(/ies) in charge. Secretariat duties are carried out jointly by the Provincial İŞKUR Directorate and the Provincial Directorate of the MoNE. The Executive Committee follows up on the decisions taken and surveys the local labour market. Nevertheless, when a PEVTB decides that new kinds of vocational courses need to be offered, the final decision making body is İŞKUR's General Directorate.



While PEVTB's in Kocaeli and Trabzon regularly meet in provincial centres, they discuss the employment and skills issues faced not only by stakeholders in the provincial centre but also in different towns and districts across the province. They are, in other words, in charge of identifying, monitoring and formulating VET solutions to meet the skills needs of *local* labour markets and to prevent employment losses in all districts/townships. After the establishment of Regional Development Agencies in the late 2000s, these agencies joined the other bodies represented in the PEVTBs.

### **Collaboration within public employment services**

Nearly all local employment offices collaborate with local public institutions, trade associations, universities, colleges and public training centres. Specifically, close to half of them collaborate with local public institutions and trade associations. However, collaboration between non-government organisations working with foreigners and private employment agencies is relatively limited.

Looking at the results of the OECD questionnaire to local employment offices, outreach to employers is widespread, with 94.5% of local offices reporting active efforts in this area. More than two thirds of local offices stated that training is geared towards meeting employer demands. Other than that, local employment offices indicated that only 16.5% of employers report problems with training curricula not being aligned to their needs.

Figure 3.6 shows the activities that local employment offices undertake as part of their local employment and economic development programmes. Local employment offices appear to be very active, particularly in relation to placing unemployed individuals into local job opportunities (all offices), promoting apprenticeships and other work-based training opportunities (97.5%) and informing employers of labour market regulation and employment promotion (94.5%).

Figure 3.6. **Percentage of PES offices conducting specific activities as part of local employment and economic development programmes**



### **Collaboration with the private sector and area-based partnerships at local level**

PEVTBs' regular members include representatives of local chambers of trade and industry, local branches of the confederation of employer unions, and the confederation of the

tradesmens' and artisans' associations. This allows private sector organisations to directly contribute to the decision making process regarding employment and training policies.

A notable example of collaboration with the private sector was the UMEM (or Specialised Occupational Development Centres) project, which was introduced in 2010 but ended in 2016. Unemployed people registered with İŞKUR were able to enrol in these courses (extended to also cover agricultural and service sectors in 2012) free of charge. They further received a pre-determined amount for their per diem expenses and were provided health and accident insurance coverage during the training period.

Local chambers of commerce/industry played a key role in this project by identifying local employers with skills shortages or skills needs in specific areas. The UMEM project created its own governance model. Rather than relying on PEVTBs as the decision-making forum, UMEM created "Provincial Course Management Boards". Sitting on these boards were local representatives of the project partners: the Provincial Directors of İŞKUR and the MoNE, along with principals of vocational high schools that serve as project training centres in the province and the secretary general of the local chamber of industry, who is typically the chairperson of the board.

## Evidence based policy making

Evidence-based policy-making has not been traditionally widespread in Turkey. Nonetheless, recent efforts have been made to encourage such practices, which can influence the way that employment and skills policies are being designed and implemented at the local or provincial levels.

Since 2007, İŞKUR has been conducting research on the labour market demand for jobs. Data and information is collected in co-operation with Turkstat (through a partnership established in 2011), which feeds into the planning of active labour market programmes and policies. Most of this information is collected at the provincial level, given that there are availability issues regarding jobs and occupational data at the district level (the administrative level below the provinces in Turkey).

Some labour market information is obtained through informal conversations with employers, or through the analysis of vacancies. PEVTB meetings also help İŞKUR and local VET officials develop an understanding of the state of local labour markets. While local surveys on employers' skills gaps and shortages are undertaken, such surveys are usually not complemented by an assessment of the types of skills available within the local workforce.

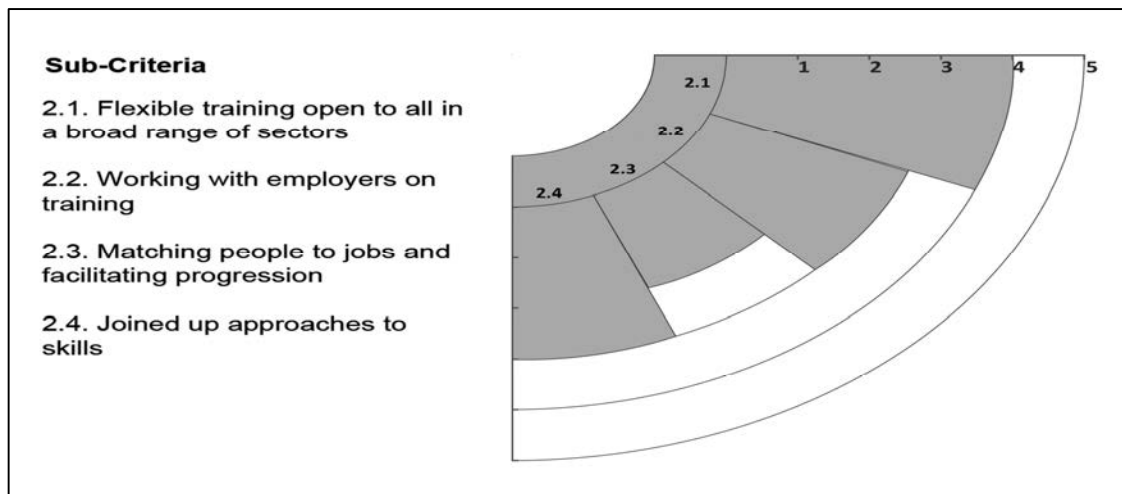
Although progress is being made towards developing strong labour market information, there is a need to build more knowledge-exchange among regions in Turkey to share evidence on "what works". A number of regions in Turkey are implementing programmes in an innovative manner; there is therefore an opportunity to encourage more information sharing on these successful practices. At the national level, more could be done by İŞKUR to disseminate and share information among regions through conferences and capacity building activities which promote these types of activities.

Where there are joint issues that arise across local administrative areas, authorities tend to co-ordinate under the supervision of the provincial governor's office. Local bodies collaborate with the aim of responding to developments in local labour markets and training needs in different districts or townships within each province. There is a certain degree of inter-provincial co-ordination as well, notably thanks to regional plans. The administrative areas of many Regional Development Agencies (RDAs) often cover more than one province.

MARKA, East Marmara Regional Development Agency, for example, includes the provinces of Bolu, Duzce, Sakarya and Yalova alongside Kocaeli. Likewise, the area covered by DOKA, the Eastern Black Sea Regional Development Agency, includes 6 provinces: Artvin, Giresun, Gumushane, Ordu, Rize and Trabzon. Regional development strategies designed by relevant RDAs necessarily require some joint work and co-ordination.

## Adding value through skills

Figure 3.7. OECD Dashboard Results – Adding Value through Skills



### **Flexible training open to all in a broad range of sectors**

While priority sectors vary across regions, implying different skills development needs for different regions, all strategy documents and action plans related to unemployment or skills mismatch commonly emphasise the need to strengthen the VET system. Many of these policy analyses also converge on the primary areas of concern, namely facilitating *school-to-work transition* for students seeking (secondary or tertiary) vocational school degrees, expanding the *capacity* of the VET system and improving *access* to VET programs. The latest Vocational and Technical Education Strategy Document and the Action Plan covering the period from 2014 to 2018 are also structured along these axes.

A number of issues with the VET system in Turkey have been identified, such as enhancing the capabilities of teachers/trainers, developing new curricula in partnership with the private sector and improving the physical infrastructure of VET schools and institutes. Structuring the national qualifications system so as to create a well-functioning vocational qualifications system has also been a major challenge in Turkey. There have been some attempts to improve quality assurance, including the establishment of a vocational qualifications authority (VQA) through the Turkish National Qualifications Authority (NQA) in 2006. This new body is responsible for evaluating qualifications acquired through all VET programmes (formal and non-formal) in order to facilitate the awarding of national certificates. However, a number of other issues remain unresolved.

The current lack of an integrated system to recognise skills irrespective of the nature of the institution where they are acquired (e.g. whether formal or informal) creates inefficiencies and inhibits skills transfer. In general, skills acquired through prior informal learning are not treated equally to those acquired via formal education, which restricts

mobility between formal and non-formal frameworks. This feeds into the already existing perception that VET degrees are of lesser value than regular high school degrees or bachelor's degrees obtained from universities.

In Kocaeli and Trabzon, the range of trainings offered at the local level is fairly diverse, but some students (particularly those living in smaller districts or townships) may be forced to travel or commute to the provincial centre to take certain courses. Flexible short-term modular training at the local level is available in a wide variety of subject areas or sectors. During the OECD study visit, officials also indicated that courses available for both types of training are affordable to the majority of local residents and course sizes are sufficient to accommodate the demand. There are actually many courses that go unopened due to the lack of applicants. On the other hand, opening additional sections of the same courses is often easy in the event of a large number of applicants.

The same observations apply to after-hours training. Such training is also available locally in a wide range of subject areas at a cost affordable to the majority of local residents. Course sizes are again sufficient to accommodate the demand. However, more than 75% of these trainings are not certified, or the certificates offered are not widely recognised by employers.

Subsidised training courses (under or over 6 weeks in length) are available to the unemployed in a large number of sectors. For employed workers, companies are responsible for offering training opportunities. Local adult education centres (HEMs in Turkish) also provide subsidised trainings to the unemployed and to active workers in a large number of areas. Eligibility criteria depend on the nature of the courses but are kept as flexible as possible in order to encourage participation. Municipalities also offer a wide range of training courses that are practically open to everyone.

As far as VET courses are concerned, such courses may cover basic skills, but also higher-level generic skills such as networking, communication, leadership, innovation and entrepreneurship. During the OECD study visit, VET, adult training and PES officials commonly stated that subsidised occupational training programmes, adult training and basic skills training programmes meet demand in both Kocaeli and Trabzon.

### **Working with employers on training**

VET officials and employers reported that training curricula are not well aligned to employer needs, leading to additional company-financed workplace training being provided to workers. Larger companies tend to fund more training programmes (see Box 3.1) in a wider range of areas for their employees. In contrast, smaller companies tend to keep workplace training to a minimum, often without offering any training courses to their employees other than those required by law (such as workplace safety trainings).

The representative of TİSK – the confederation of employers' unions – in Kocaeli estimated that their member companies invest, on average, between 0.5-1% of payroll in workforce training and skills development, while the estimated figure in Trabzon amounts to 1-3%. Even though only larger companies become members of the employers' unions, 0.5% of the payroll often represents a small amount of funding. Furthermore, the estimated ratio of training expenses to payroll may also include trainings received by engineers, which are particularly expensive. VET and PES officials in Trabzon and Kocaeli report lobbying from public sector actors to try to increase workplace training efforts by local companies. There are also specific programmes and initiatives such as the UMEM project that include workplace training as a critical component (see Box 3.2).

### Box 3.1. **Employment-guaranteed training courses for aircraft mechanics in Kocaeli**

In light of forecasts pointing to a rapidly growing global demand for aircraft mechanics from airline and aviation industries, Kocaeli University's Faculty of Aviation and Aeronautics, Turkish Airlines Technic Inc., and İŞKUR have collaborated to offer vocational courses to train assistant aircraft maintenance mechanics to meet the growing need for employees in aircraft maintenance. Around 500 of the trainees who have graduated from 2012 to date were immediately employed by Turkish Airlines.

The course lasts for six months and is taught by Kocaeli University's faculty members. Trainees are admitted into the programme based on their performance in a written exam and an interview. The course content is determined according to the needs of Turkish Airlines. Modules on aircraft engine and aircraft body maintenance are available. The courses are in the 50% Employment Guarantee category: Turkish Airlines guarantees to employ 50% of the trainees upon successful completion of the training program. Nevertheless, the actual employment rate of graduates, currently standing at 90%, is much higher.

Source: Interviews with İŞKUR representatives.

### Box 3.2. **UMEM project**

The UMEM (or Specialised Occupational Development Centres) project is a nationwide vocational training initiative introduced to address skills mismatch in Turkey. The labour market was previously in a state where hundreds of thousands of low- or unskilled individuals remained unemployed, while large numbers of vacancies went unfilled due to a lack of qualified or skilled applicants.

Also known as Skills'10, the UMEM project (which has now ended) was carried out nationally by a joint public-private-academia consortium made up of İŞKUR, the Ministry of Labour and Social Security, the Ministry of National Education, the Turkish Union of the Chambers and Exchanges (TOBB) and TOBB University of Economics and Technology. When the UMEM project was first introduced in 2010, there were about 2.7 million unemployed in the country, while many job openings posted by employers in the manufacturing industry remained unfilled due to a lack of skilled jobseekers. The project aimed to reduce the severity of such skills shortages by allowing the unemployed to acquire the necessary skills through training courses offered in selected public vocational high schools outside regular class hours. For this purpose, about USD100 million was invested initially to improve physical infrastructure and educational facilities at these schools.

The main idea behind the project was to offer training courses specifically designed to endow the unemployed with the skills needed by local employers. When employers facing skills shortages reported them through the local chamber of commerce/industry, İŞKUR announced its intent to offer relevant courses. In addition, the unemployed registering in the course received an allowance to cover their per diem expenses, and had health and accident insurance coverage during the training period. The whole project was funded by İŞKUR. The programme combined theoretical, in-class training and workplace training – typically at plants/establishments whose reported skills shortages were meant to be filled by the graduates of the training course in question – allowing them to be seriously considered for employment at the same company. If a trainee was employed after the successful completion of both the in-class and workplace components of the training, the

**Box 3.2. UMEM project (cont.)**

company that employed her/him enjoyed additional tax and social security premium breaks (for a longer period of time if the trainee employed was younger than 29 or female).

As a unique example of Public-Private-University partnership, UMEM/Skill'10 project located the private sector at the centre of the vocational training system through the Chambers of Industry and Commerce. The key governance organ for the co-ordination and conduct of training courses in every province was the “Provincial Course Management Board.” Created specifically as the governance of the UMEM (Skills '10) project, these boards brought together local representatives of the project partners: the Provincial Directors of İŞKUR and the MoNE, along with principals of vocational high schools that served as project training centres in the province and the secretary general of the local chamber of commerce/industry. The latter was typically the chairperson of the board. Demand for workers with the skills most needed by local employers was collected through the local chamber, and the board quickly decided which training courses to open based on this information.

As highlighted in Chapter 1, Building on the experience of the UMEM project, the Vocational Training and Employment Mobilisation Protocol will involve the co-operation between the Turkish Employment Agency (İŞKUR) and the Turkish Union of Chambers and Commodity Exchanges (TOBB) in order to prepare the Turkish labour force for the jobs of the future. The Protocol aims to achieve better employment outcomes for job seekers through organised counselling, training, job placements, and workplace experience opportunities. Under this protocol, in addition to İŞKUR's provincial directorates and service centres, the number of “İŞKUR Service Points” will be increased to provide greater outreach opportunities.

Source: Interviews with İŞKUR representatives.

**Dual training and apprenticeships**

Formal VET programmes in Turkey have two pillars: theoretical and practical (in-company) training. Students attending vocational and technical high schools must complete part of their in-company training through internships totalling 300 hours. They can finalise at most one-third of the required internship by the end of the 10th grade, leaving the rest to the period after the 11th grade. Students can fulfil internship requirements during weekends, or semester and summer breaks but once they reach the 12th grade, vocational education itself is provided in enterprises three days a week (ETF, 2015).

In addition, there are apprenticeship schools where practical training provided in enterprises is combined with theoretical training provided in vocational education centres. When the MoNE was restructured in 2011, several departments in charge of formal vocational education were merged into the General Directorate for Vocational and Technical Education, while the General Directorate for Apprenticeship and Non-Formal Education was restructured as the General Directorate for Life-Long Learning (LLL). The General Directorate for LLL is now in charge of non-formal education, including the so-called “Public Education Centres” offering various continuing education (vocational and otherwise) programmes to people older than 17 years, as well as apprenticeship training (World Bank, 2014). The country's new LLL strategy stresses the need to improve access to lifelong learning beyond the formal education system, including learning in enterprises. Within this context, the apprenticeship system can be seen as an important channel to facilitate school-to-work transition. The strategy places special emphasis on the link between better education outcomes and better employment outcomes for young people and women, without overlooking regional disparities (ETF, 2015).

The development of alternative pathways to traditional schooling through open and distance learning or apprenticeship is a priority of the Turkish Sectoral Operational Programme for Employment, Education and Social Policies, covering the period from 2014-20. Within this context, the document attributes special importance to strengthening the apprenticeship system at different levels by adopting a dual approach (school-based and enterprise-based training) (ETF, 2015).

Accordingly, the most recent bill awaiting Parliament approval intends to integrate apprenticeship education into the formal education system. The bill recognises apprenticeship schools as an alternative means of completing compulsory education. It also modifies conditions for entry into an apprenticeship school and requires that entrants have at least a middle school degree (whereas an elementary school degree currently suffices). The bill also envisages that enterprises employing 10 or more staff provide occupational skills training to at least as many vocational and technical education students as 5% of their staff. Enterprises providing occupational skills training to 10 or more students will also be required to establish a training unit staffed by qualified trainers who are skilled crafts people with pedagogical training.

When enacted, the bill will help improve the quality of apprenticeship education, and potentially increase applications received by apprenticeship centres. Currently, the demand for apprenticeship training is relatively low, even though there is considerable diversity in the subject areas of such training. During the OECD study visit, VET officials in both Kocaeli and Trabzon indicated that apprenticeship training is offered in a large variety of subject areas, including in the services sector. However, such types of training are taken up by less than 20% of young people aged 15-24 years old. By contrast, the availability of customised training is quite limited, although new tailored training courses can be developed relatively quickly (i.e. within three months or less). VET and PES officials indicated that less than 25% of customised training is certified. While there is no particular support to stimulate skills development in SMEs other than some *ad hoc* adaption of existing training programmes, employers' associations help pool funds for training.

### Matching people to jobs and facilitating progression

In addition to helping shape national labour market policies that contribute to job creation, İŞKUR's main responsibilities include the supply of job matching services (and overseeing similar activities of private employment agencies/bureaux) as well as the provision of information, guidance and counselling services to students, job seekers and employers on skills training programmes, qualifications and occupations/careers.

İŞKUR has recently made significant efforts to hire job and vocational counsellors with the aim of guiding local job seekers, including youth, into suitable positions or training programmes that best fit their skills and aspirations. Job and Vocational Counselling staff regularly organise school visits to provide careers advice to local youth. Job and vocational counsellors work at Career Information Centres created at provincial directorates and local service centres. They provide guidance and advice to students, parents, job seekers, school counsellors, teachers and principals; or anyone seeking jobs or training programmes, individually or in groups. They also make workplace visits to stay in touch with employers and to stay informed about their openings and skill needs. As a result of these activities, counsellors are well informed about local labour markets. Table 3.1 presents some data on İŞKUR's nationwide counselling activities.

Table 3.1. **İŞKUR Career and Job Counselling Services, 2010-14**

Year	Individual interviews		Number of students served at school visits	Number of parents conferences held
	Career counselling	Job counselling		
2010	3 649	16 075	53 795	-
2011	4 504	160 607	58 675	-
2012	36 236	805 257	277 393	37
2013	47 845	1 585 005	632 299	131
2014	69 578	2 494 762	981 238	95

Source: İŞKUR (2016a).

Both employed and unemployed adults also have access to career advice through İŞKUR. During the OECD study visit, PES and VET officials in both Kocaeli and Trabzon noted that graduates from various types of adult and youth training programmes are linked to local industries through local career fairs and other activities, which İŞKUR career advisors help to organise (see Box 3.3). However, there is no systematic support for the professional development of less-qualified employees, nor is there a policy focus on encouraging their career progression.

#### Box 3.3. **Local Job Fairs: Collaboration in Job-Matching Services**

An exemplary İŞKUR initiative is the organisation of local job fairs held with the participation of local employers, universities and schools. Fairs are organised regularly in both Kocaeli and Trabzon by the İŞKUR provincial directorates. They offer a forum where parties searching for jobs or employees are brought together.

Fairs help raise awareness about vacant positions, internship possibilities and skills shortages in local job markets; they facilitate the application of interested participants, and act as platforms for universities, schools and the private sector to meet. Fairs also allow young people to benefit from career guidance services – they receive advice choosing appropriate career paths and ease the school-to-work transition by laying out employers' expectations and requirements. Such events provide a solid basis for larger and perhaps more comprehensive future collaborations between the stakeholders in employment.

Source: Trabzon İstihdam Fuarı; Kocaeli Doğu Marmara İstihdam Fuarı, 2015.

#### **Activation and job matching services**

While the unemployed can benefit from career advice provided by İŞKUR, there is no systematic counselling specifically designed to help the recently unemployed back into work. Online job matching services are available, which people can access from home by using their e-government identification details. While job seekers can use this online service and other job matching services provided by local İŞKUR offices, some sectors or employers experience difficulties accessing skilled people. Companies that seek well educated, highly skilled professionals often need to turn to privately operated job matching services. For others, graduates of training programmes like the UMEM project can be contacted through local İŞKUR offices. There is no incentive for ensuring the sustainability of job matches and there is no follow up by PES staff to ensure job retention, except for people completing training courses that guarantee placement in a job.



## Integrated local approaches to skills

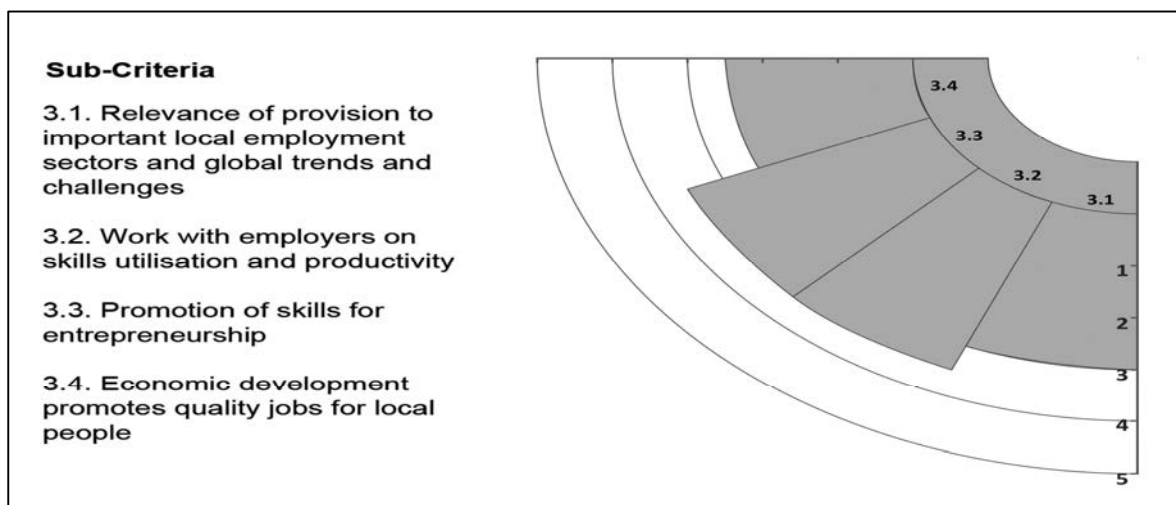
There appears to be a lack of awareness among economic development organisations of the need to retain and attract talent. During the OECD study visit, greater attention to such issues was given at the Metropolitan Mayor's office in Kocaeli and at the Regional Development Agency office in Trabzon.

While local strategies/policies may mention the importance of retaining and attracting talent, no specific actions have been taken in this field. In Trabzon, for example, the Economic Development Agency is trying to attract foreign investment (particularly from the Gulf) towards the tourism industry. Given the general lack of interest among the local workforce to take on jobs in this industry, local stakeholders have identified the need to attract skilled individuals from outside the region to fill vacancies in the tourism sector. Yet, no policy initiative has been developed to tackle this issue.

Additionally, there is no evidence of the existence of integrated approaches to skills that bring together local actors working on two or more of the following areas: skills supply and development, management of local skills and talent flows (attracting and retaining talent), integration of low-skilled individuals into the labour market and career advice for the young. The major exception in both provinces was the UMEM courses which, by design, require that provincial İŞKUR office works closely with the local chamber(s), provincial education authorities and school principals.

## Targeting policies to local employment sectors and investing in quality jobs

Figure 3.8. OECD Dashboard results – targeting policies to local employment sectors and investing in quality jobs



### Relevance of skills provision to local employment sectors

Regional development agencies list the leading sectors in terms of employment in Kocaeli and Trabzon. According to MARKA, the Eastern Marmara Development Agency, the current leaders of sectoral employment in Kocaeli are the metal industry, construction, transportation and logistics, chemicals, and automotive and parts. The leading employer in Trabzon is agriculture, including hazelnuts and tea as well as fisheries. DOKA, the Eastern Black Sea Development Agency, indicates that the leading manufacturing activities

are food and beverages, as well as construction products. Tourism is an emerging area of employment.

In terms of development visions, both provinces have identified priority sectors for local development through provincial development board meetings and similar forums attended by local stakeholders as well as through vision development/foresight exercises of the local Chambers of Industry. It is not clear, however, whether there are systematic action plans or a formal assignment of roles to local stakeholders to ensure the development of priority sectors. It is also unclear whether the skills and education levels of the existing labour force in the provinces match the desired sectors of priority, and whether the implications for local labour markets of such sector choices is given sufficient consideration in these exercises.

It seems that neither province debates possible trade-offs between creating “more employment (lower unemployment) with lower quality jobs” versus “less employment (higher unemployment) with higher quality jobs”. This issue depends on the choice of priority sectors, as there is an almost unspoken consensus on the desirability of higher value-added sectors. This obviously hints at an implicit preference for higher quality jobs to be brought by the development of priority sectors. However, this may come at the expense of generating fewer jobs for the local workforce, whose skill and education levels may not be compatible with the sectors envisioned to be developed locally.

During the OECD study visit, it was revealed that Kocaeli’s vision is to stay (or even move) away from the manufacturing industry towards high-tech and high value-added sectors. Accordingly, the province has long been lobbying the government to become the ICT hub of Turkey, similar to a Silicon Valley in the USA. Kocaeli aims to retain the automotive and parts industry, while promoting an increase in the use of higher-tech production processes within the sector.

Kocaeli University, for example, offers training programmes for programming industrial robots used in the automotive sector and tailors the courses to the needs of the local industry. There are also visions to promote the logistics and tourism sector, and even steps taken by the municipality towards making Kocaeli the capital of movie and television production in Turkey. The movie studios constructed by the Metropolitan Municipality’s contributions are being rented out to the booming film industry in Turkey, while the sale of television shows has proven lucrative both at home and abroad. Kocaeli University has responded by establishing vocational courses to train production professionals needed by the industry, such as sound and light technicians.

In Trabzon, there is a strong consensus on the need to develop the tourism industry. This seems like a natural choice given the severe space constraints preventing significant expansion of industrial zones, coupled with the natural beauty of the province and increasing interest and demand from Arab and Iranian tourists. Tourism establishments currently request the most investment incentives from the state. DOKA’s SWOT exercises also highlighted transportation and logistics (particularly to Iran and the Caucasus) and the health industry as sectors with strong development potential. Motivated again by the severity of spatial constraints, the local chamber has established a biotechnology sector and examined the possibility of developing other R&D intensive sectors where production activity does not require large amounts of space.

Provincial İŞKUR directors in both provinces admitted that no *formal* analysis is carried out to understand the potential impact of global trends on local labour markets, or to tailor employment or re-skilling programmes to sectors that are leading employers in the

provincial or local labour market. Provincial İŞKUR directors and staff occasionally visit local employers and regularly meet employer representatives during PEVTB meetings. Furthermore, as previously mentioned, companies are consulted within the scope of the research looking at labour market demand, which is conducted once annually. The same process is applied to adult education courses. In brief, there are signs of a growing emphasis on certain sectors but these are often not based on systematic and formal analyses.

**Box 3.4. Outsourcing employment for regional growth:  
The case of tourism sector in Trabzon**

During the OECD study visit, the potential for employment generation of the tourism sector and the advantages it would yield to the province were discussed with representatives from the Regional Development Agency, DOKA. DOKA picked tourism as a priority sector for local development for a number of reasons. First, topographic and geographic constraints (including shortages of arable land and physical space for industrial development, and the difficulty of land access) largely prevent significant development in the manufacturing and agricultural industries in Trabzon, leaving the service sector as the only promising industry for local development and employment generation.

The recent boom of tourists from Arabic-speaking countries, particularly from the Gulf, makes tourism a likely candidate to boost the development of the service industry in Trabzon. The number of Arab visitors coming to Trabzon, especially for ecological and health tourism purposes, went up from just 30 000 in 2010 to 260 000 in 2014 (DOKA, 2014b). However, some cultural and education-related barriers may lead to difficulties in attracting local workers into the hospitality sector, creating severe skills shortages that are likely to create problems in service quality.

Source: Interviews with DOKA representatives and DOKA (2014).

**Co-operation with employers to improve skills utilisation and work organisation**

Recent OECD data looking at job quality shows that Turkey ranks near the bottom among OECD countries in terms of earning quality, labour market security and quality of the working environment (see Table 3.2). The figure shows Turkey's average ranking out of a group of 34 OECD countries on the three indicators that have been defined in the OECD's job quality framework. In all three cases, Turkey falls among the bottom-third of performers. However, Turkey has improved its position over time in terms of labour market insecurity, moving from 33rd position among OECD countries to 28th.

**Table 3.2. Job quality indicators, Turkey ranking and selected averages**

	Earnings quality (USD PPP)			Labour market insecurity (%)			Job strain (%)		
	2007	2010	2013	2007	2010	2013	2007	2010	2013
Ranking: Turkey	-	32	-	33	29	28	-	23	-
Top-third score average	21.7	24.6	24.4	5.9	11.1	12.5	-	56.5	-
Bottom-third score average	7.7	7.8	7.5	1.6	2.3	2.1	-	33.3	-

Source: OECD (2017).

There are programmes, networks and schemes involving major employers or sector organisations to improve skills utilisation and work organisation. The UMEM project is an example of specific training courses being offered to meet the demand of local employers,

who report their skills shortages or skills needs in specific areas. The so-called Course Management Boards for training courses offered within the framework of the UMEM project serve as a co-ordination mechanism between the project partners from public and private sectors: İŞKUR, the Ministry of Education, and the Turkish Union of the Chambers of Industry and Commerce. İŞKUR counsellors also stay in touch with local employers to identify their skill needs through regular visits (see Table 3.3).

Table 3.3. **İŞKUR counsellor visits to workplaces, 2010-14**

Year	Number of workplaces visited	Number of workplace visits	Updated vocational training course portfolios
2010	-	42 025	187
2011	-	70 505	14
2012	-	183 373	0
2013	234 303	376 654	415
2014	281 121	410 734	1 784

Source: İŞKUR (2016b).

A new initiative also provides legal grounds to enable the private sector to fund vocational schools in Organised Industrial Zones. Employers are encouraged to become involved in designing curricula and teacher recruitment; a predetermined amount of public funding is provided for each student enrolled. Representatives of sector bodies such as local chambers of commerce and industry or employers' associations mentioned no strategies adopted or initiatives taken to improve work organisation/labour productivity on a sectoral scale.

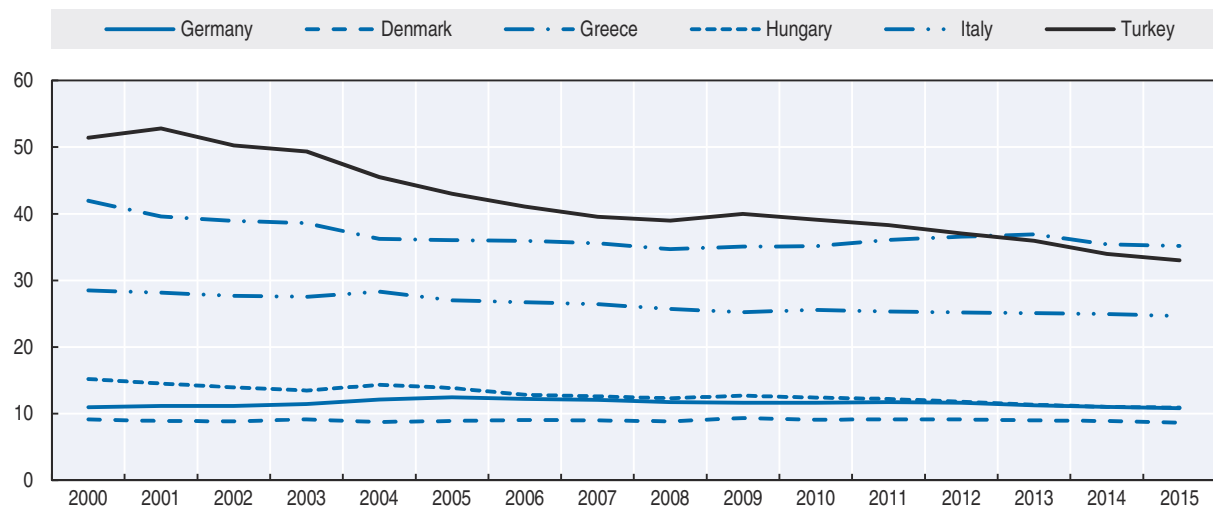
Some help is available from local universities that carry out applied research in a limited number of fields that are relevant to the local economy. However, local universities mostly focus on general specialty areas without necessarily keeping an eye on the local economy. The main channel for academia to co-operate with local industry is through technology parks established and operated by local universities. Both Kocaeli University and Karadeniz Technical University have well-developed technology parks where local companies conduct applied research in collaboration with local academics.

### **Promotion of entrepreneurship skills through training and education**

Comprehensive approaches are taken to encourage entrepreneurship through public employment programmes, and specially designed courses are offered as part of the active labour market programmes in both provinces to encourage entrepreneurship. Turkey's self-employment rates are significantly higher than the European average (see Figure 3.9) and the self-employed account for roughly 33% of the country's employment rate (OECD, 2016a). This phenomenon is not necessarily positive, since the measure includes unpaid family workers who tend to cluster around the agriculture and retail sectors. Many of these entrepreneurs are likely to be so-called "necessity entrepreneurs", who made up 3.2% of Turkey's population in 2010. This distinction is important because, relative to "opportunity entrepreneurs", "necessity entrepreneurs" are seen as less likely to make contributions to innovation systems and to job creation. Indeed, at 1.45 in the year 2010, the ratio of "opportunity" to "necessity" early-stage entrepreneurs in Turkey was quite low – 21st out of 24 countries participating in the Global Entrepreneurship Monitor 2012 study (Karadeniz, 2011).

In line with the prevalence of "necessity entrepreneurs", the gap between the total number of self-employed individuals and the number of self-employed who are in turn employers is much larger in Turkey than in other European countries. In 2015, approximately

Figure 3.9. Trends in self-employment (%): Turkey and selected OECD countries, 2006-15



Source: OECD (2016c).

one in five of Turkey's entrepreneurs generated a job for at least another individual. In contrast, almost one in two Hungarian entrepreneurs had registered employees (Eurostat, 2016). This suggests that entrepreneurship has the potential to play a larger role in increasing Turkey's employment rate. However, a mere increase in the funds offered to entrepreneurs may simply favour the rise of "necessity entrepreneurship". In order to reap more of the economic advantages associated with entrepreneurship, training and support in navigating the difficulties individuals find when setting up shop are likely to do more to encourage "opportunity entrepreneurs" at the local level.

In addition, attention should be paid to the role of women in entrepreneurship. Although self-employment accounted for 38% of all female employment in 2015, males are more likely than females to start a new firm in order to exploit a business opportunity. Further, highly educated women usually prefer working for others (Karadeniz, 2011). These patterns point to the precarious position women hold in the Turkish labour market. They also suggest that particular emphasis should be placed both on securing females position in the labour market and on fostering their entrepreneurial spirit. Nonetheless, much of the latter goal may depend on achievements at the primary school level, since it is associated with socially built-in perceptions. Such a logic might also apply to fear of failure, which was listed by 30% of Turkish respondents as a reason why they would give up on any entrepreneurial pursuits (Karadeniz, 2011).

### ***Economic development promotes quality jobs for local people***

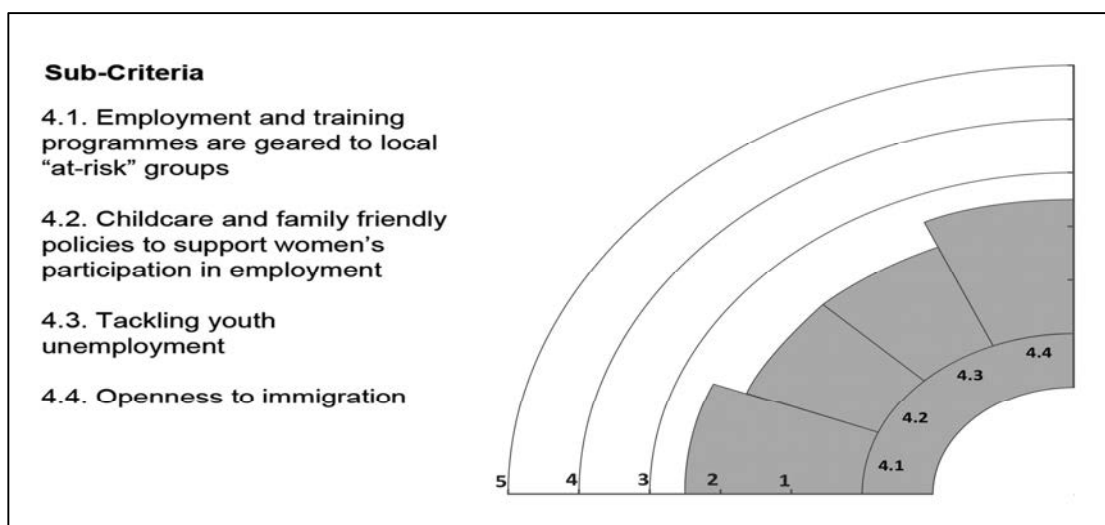
During the OECD study visit, the development agency and municipality officials were asked whether they actively market the local labour force to potential inward investors; they declared that general information (without reference to human capital) is provided to potential investors but some information on local skills and human capital would only be made available upon request. It should be noted, however, that this information would not be based on locally collected data and systematic analyses of local labour markets. Typically, the information shared is made up of data collected by Turkstat on a given labour market, attendance to training courses opened by local İŞKUR and student enrolment at local vocational schools, coupled with personal observations from local officials. No significant

sign of a culture of actively marketing local areas has been observed among the local officials interviewed, this being particularly true for officials appointed by the central government.

Municipality officials stated that it is standard practice to consider the potential number of jobs to be created for local residents when taking decisions concerning inward investment. There may also be some *ad hoc* consideration about the quality of jobs to be created by such investments, but there appears to be no strategic planning that takes into account any multiplier effects. The number of jobs to be created immediately by a company undertaking green field investment in a given province is often considered in isolation from the job creation process that this initial investment will trigger over the medium to long-run. Any consideration of the multiplier effects of the initial investment on the future quality of local jobs is even scander. Development Agency and municipality officials interviewed for this OECD study said that there were no actions to ensure that bids for local development and construction projects include job and training opportunities to local residents.

## Being inclusive

Figure 3.10. **OECD Dashboard results for being inclusive**



### **Employment and training programmes geared to local "at risk" groups**

At 43%, Turkey has the highest gender participation gap among OECD countries. This gap is one of the highest even among emerging economies, although it has narrowed somewhat over recent years (OECD 2016b). Women also face much poorer job quality than men in Turkey. In 2015, 46.1% of female workers had informal jobs compared with 28.2% for men (Turkstat, 2015). Women also earn on average almost 21% less than men, which represented a gender pay gap that is above average by OECD standards (OECD, 2015).

Special programmes are delivered for various groups identified to be at-risk but data in this policy area is scarce. The Social Security Institution (SGK) has a nationwide hot line for unregistered workers to file complaints against their employers or seek legal assistance, with SGK offices also providing the same services. There are legal provisions requiring companies of a certain size to hire workers with disabilities and ex-convicts.

Local İŞKUR offices and municipalities try to help with the matching process but employers are often unwilling to fill these quotas. In Kocaeli, the Municipality itself hires

some convicts on parole. There are also programmes developed for people on rehabilitation for drug or alcohol abuse. A few training programmes are delivered through outreach directly into disadvantaged communities such as the Romanis or the Roma.

Kocaeli Municipality played an active role in an innovative project whereby a foundation (*Bizim Köy Engelliler Vakfı*) has been established to facilitate employment of people with various disabilities. The foundation brings together civil society organisations under the patronage of the local Chamber of Industry and provides incentives to a number of local firms that specifically hire workers with disabilities. Kocaeli Municipality also takes on interns with disabilities via an internship programme for local students. Southern Marmara Development Agency (MARKA), which covers Kocaeli, declared the “increasing participation of ‘disadvantaged groups’ in social and economic life” as the number one priority area of support in its Social Development Grants Programme for 2013.

Specific training programmes are provided to local at-risk groups, with assistance being offered to trainees. Kocaeli Municipality, for example, offers vocational training courses (KOMEK) and provides child care services to the children of participants free of charge. During the OECD study visit, the Deputy Secretary General noted that the Municipality would be more than willing to provide free transport to people taking UMEM courses or similar vocational training through the public system.

The UMEM project is noteworthy as this project allows people who register themselves as unemployed in İŞKUR’s database while working informally (e.g. without a SGK registration) to enrol in an UMEM course which will enable them to find new formal jobs at the end of their training.

#### Box 3.5. **Best Practice Example: “Our Village” Project in Kocaeli**

Initiated in 2005 as a European Union-funded project led by the Kocaeli Chamber of Industry for the Engagement of Disadvantaged Groups, ‘Our Village Productivity Centre’ is a production area comprised of manufacturing and agricultural facilities in which 85% of people employed have various disabilities.

Inspiration for the project came from the difficulties that many local employers faced in filling legal quotas for employing disabled workers. Employers either find it difficult to create suitable positions for people with disabilities along the production line or to identify disabled people with the required skills to fill certain jobs. Fulfilling the legal requirements by filling disabled worker quotas proved to be a common problem faced by employers all over the country. In many instances, employers hire disabled people whose skills do not match their needs in order to meet to the disabled worker quotas.

The project was initiated as a joint effort that brought together public and private stakeholders, including civil society foundations. With the capacity to employ a total of 230 people, the centre employed 92 people as of December 2015, 79 of whom were disabled. The wages and salaries of current employees are paid by different companies that jointly “own” the centre and each disabled employee whose salary is paid by a certain company or employer is counted towards the fulfilment of the legal quota for that company or employer.

As such, the project is linking employment to social inclusion efforts. The project is noteworthy not only for enabling people with disabilities to get integrated into local labour markets but also for establishing an exemplary public-private partnership to boost local employment opportunities.

### **Childcare and other policies to support women's participation in labour force**

Most families in both provinces can access subsidised childcare outside the home but the supply of these services falls short of demand. This may hinder the career of many working mothers whose only option is to hire baby sitters, which may not be affordable or reliable. Some schemes are in place to increase participation in early years' education amongst disadvantaged groups, such as the children of immigrants, but it is doubtful that these schemes reach all disadvantaged groups. Education in early years is a priority area in Kocaeli's public investment plans. In addition, the Governor's Office provides financial support to poor families that have difficulty in covering child care expenses.

There are relatively few initiatives concerning the care for the elderly outside the home. However, a relatively recent nationwide initiative introduced by the government allows housewives taking care of an elderly family member *at home* to get paid in return for the home-based care they provide. This initiative aims to financially support families that have to provide home-based care for the elderly member, rather than facilitate participation in the labour force. Locally, no systematic step has been taken to work with employers to implement family friendly policies. There is an innovative pilot study that is currently being conducted in three provinces – Antalya, Bursa and Izmir – which is intended to measure the effectiveness of child care subsidies on the labour force participation of women (see Box 3.6). If the pilot study produces promising results, the subsidies may become a nationwide policy.

#### **Box 3.6. Nanny subsidies for working mothers**

There is a project funded by the Ministry of Labour and Social Security and co-financed by the European Union entitled "Supporting Formal Employment of Women through Child Care Services at Home". Aimed at ensuring and sustaining formal employment of women, the project got started as a pilot study undertaken with the participation of 5 000 mothers and 5 000 care-givers in three provinces: Antalya, Bursa and Izmir. Mothers who work full time on a service contract or who seek employment for the first time employ registered caregivers (or register their current caregivers who are employed informally) benefit from state subsidies amounting to 300 Euros a month on the average (maximum subsidy of 390 Euros is provided to single mothers; to the mothers of children with disabilities, or to mothers who choose to employ a care-giver with a national qualification certificate or a Ministry of Education/İŞKUR-trained and certified care giver) for a period of 24 months.

The main objective of the project are to

- Increase the labour participation rate of women and the share of registered (as opposed to informal) female workers (according to 2014 statistics, 46% of all working women are in informal employment);
- Facilitate the return of mothers to work as quickly as possible after delivering their babies, as well as enabling mothers with young children to enter the labour force;
- Support the formal employment of women who work in domestic services (currently about 92% of women employed as domestic workers work informally);
- Improve the quality of child care given at home;
- Ensure that children receive quality care.

Eligible mothers must have Turkish citizenship; be residing (with their child/children) in one of the provinces covered in the pilot study; have completed their maternity leave; have a child (0-24 months) at the time of pre-registration; have pre-tax earnings of no more than



### Box 3.6. Nanny subsidies for working mothers (cont.)

twice the gross amount of monthly minimum wage; not be making a living as caregiver herself throughout the duration of the project.

Eligible caregivers must have Turkish citizenship; be residing in one of the provinces covered in the pilot study; not be a first degree relative of either parent of the child(ren) – up to the third degree if the caregiver lives with the parents; be a registered worker paying social security contributions (registration must be completed by the first day of work at the latest); be 18 years or older and have at least a primary school degree.

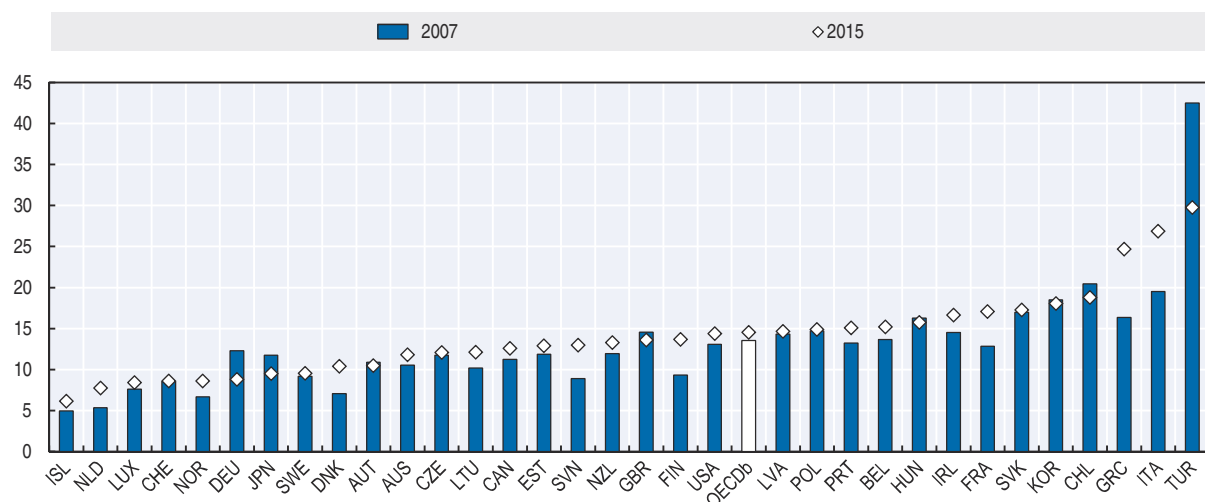
The programme features an audit phase. For example, mothers need to make the monthly payments (including premiums) to the caregivers in full. The Project team carry out home visits in order to check if the conditions for the payment of the subsidy are fulfilled. The subsidy is cut in cases where the caregivers turn out to be absent without excuse during three home visits or if the due payments to caregivers are not made on time for three times. For one child, the maximum duration of receipt is 24 months (when the child has completed 36 months of age). There is a grace period of one month for violation of some of the eligibility conditions due to unforeseen circumstances like mothers losing their jobs; caregivers quitting or getting sacked throughout the period of subsidy. Mothers are given a month to find a new job or caregiver under such circumstances. In case a mother losing her jobs seeks employment through İŞKUR and continues employing caregivers, she will continue receiving subsidies.

Source: SGK and ÇSGB, “Evde Çocuk Bakımı-Bilgilendirme Broşürü” (2015).

### Tackling youth unemployment

The 2016 OECD Employment Outlook highlights how vulnerable youth are of particular concern in Turkey, which has one of the highest youth unemployment rates among OECD countries (OECD, 2016). Nearly 30% of young people in Turkey aged 15-29 are NEET (i.e. not in education, employment or training). This figure is sharply lower than in 2007 but well

Figure 3.11. **Percentage of youth aged 15-29 who are neither employed nor in education or training, 2007 and 2015**



a) The NEET rate has been estimated and may include unemployed persons who are studying.

b) Selected urban areas only.

Source: OECD (2016a), [http://dx.doi.org/10.1787/empl\\_outlook-2016-graph14-en](http://dx.doi.org/10.1787/empl_outlook-2016-graph14-en).

above the OECD average of nearly 15%. Low skills are a key barrier to achieving better labour market outcomes for youth in Turkey: nearly one in five young people in Turkey are low-skilled NEETs – compared to around one in 20 in OECD countries.

Looking at the case study areas, some *ad hoc* initiatives exist to support students who drop out of school, either bringing them back into education or aiding their transition into the labour market. But these initiatives are not systematic. The İŞKUR director of Kocaeli, for example, said that they would look into the possibilities for collaboration when there is a project proposal to address the issue. A notable initiative has been introduced in Kocaeli through the “White Hearts” (*Beyaz Kalpler*) project. The programme aims to identify young people who are likely to drop out of school and to convince them to stay in school or get their education through alternative channels. It should be noted that no analysis to assess the number of NEETS has been carried out in either case study area.

### **Openness to immigration**

Turkey has recently become a net recipient of migrants from neighbouring countries, particularly from the Caucasus and the Balkans as well as countries as far as Afghanistan and Pakistan, and sub-Saharan African nations. Many of the migrants come in the search for jobs. Others, particularly the Afghans and Pakistanis, flee wars and poor living conditions in their countries and see Turkey largely as a transit country for temporary stay in their way towards Europe.

The country has also experienced a very large influx of Syrian refugees fleeing the civil war that started in 2011. As of March 2016, the estimated number of Syrians in Turkey has reached 3 million. There has been considerable progress in registering some of the migrants with special ID numbers and issuing work permits, particularly for migrants from neighbouring countries working as care givers and baby sitters. However, only limited steps have been taken to integrate the huge population of Syrian and other refugees into society and labour markets as legal and registered, albeit temporary, workers. It was initially thought that Syrian refugees would only be welcomed in refugee camps for a reasonably short period of time before returning to their country, which may explain why no comprehensive action has been taken to integrate these refugees into society or the labour markets. Policies and actions are currently being planned and some preliminary legal texts have already been adopted.

With respect to the skills of Syrian and other refugees, no local referral is made to national schemes in recognition of qualifications acquired abroad. If qualifications acquired abroad are documented through nationally accredited certificates, recognition is automatic but no support is given for recognising competences acquired informally. Likewise, no specific training geared towards immigrants entering the labour market is available. Currently, basic Turkish language courses are available to refugees from Syria but there are no trainings designed specifically for immigrants with no command of the Turkish language. Language training is available to all skills levels but only serves a small proportion of potential demand.

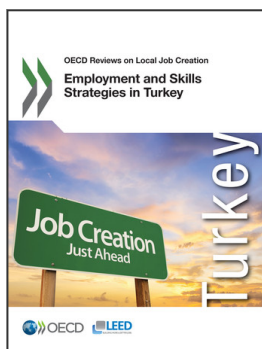
### **Note**

1. *Provincial Boards of Vocational Education (PVEBs)* that previously served as local platforms for stakeholder communication to improve the VET system and to strengthen its ties to local labour markets were converted into *Provincial Boards of Employment and Vocational Education (PEVTBs)* in 2008. PEVTBs

enabled the provincial network of İŞKUR to get integrated into the local PVEBs thereby creating a larger platform to identify local courses of action in finding the balance between demands of employers and capabilities of the central government in each province.

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