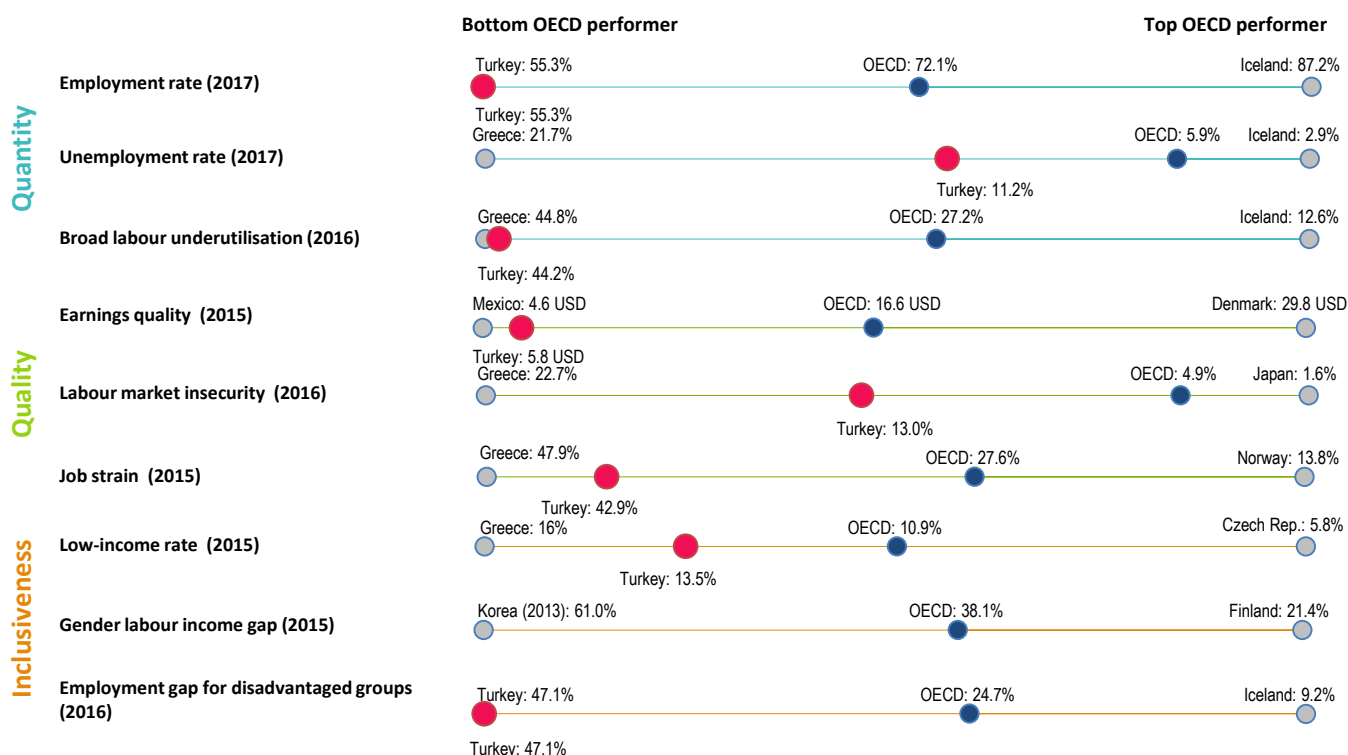


How does TURKEY compare?

The digital revolution, globalisation and demographic changes are transforming labour markets at a time when policy makers are also struggling with slow productivity and wage growth and high levels of income inequality. The new *OECD Jobs Strategy* provides a comprehensive framework and policy recommendations to help countries address these challenges. It goes well beyond job quantity and considers job quality and inclusiveness as central policy priorities, while emphasising the importance of resilience and adaptability for good economic and labour market performance in a rapidly changing world of work.

Dashboard of labour market performance for Turkey



Notes: Employment rate: share of working age population (20-64 years) in employment (%). Broad labour underutilisation: Share of inactive, unemployed or involuntary part-timers (15-64) in population (%), excluding youth (15-29) in education and not in employment (%). Earnings quality: Gross hourly earnings in PPP-adjusted USD adjusted for inequality. Labour market insecurity: Expected monetary loss associated with the risk of becoming unemployed as a share of previous earnings. Job strain: Percentage of workers in jobs with a combination of high job demands and few job resources to meet those demands. Low income rate: Share of working-age persons living with less than 50% of median equivalised household disposable income. Gender labour income gap: Difference between per capita annual earnings of men and women (% of per capita earnings of men). Employment gap for disadvantaged groups: Average difference in the prime-age men's employment rate and the rates for five disadvantaged groups (mothers with children, youth who are not in full-time education or training, workers aged 55-64, non-natives, and persons with disabilities; % of the prime-age men's rate).

ASSESSING JOB QUANTITY, QUALITY AND LABOUR MARKET INCLUSIVENESS

The new *OECD Jobs Strategy* presents a dashboard of labour market performance that provides a comprehensive overview of the strengths and weaknesses of different national labour markets, going well beyond the standard measures of employment and unemployment rates. These include measures of job quantity (employment, unemployment and broad underemployment), job quality (pay, labour market security, working environment) and labour market inclusiveness (income equality, gender equality, employment access for potentially disadvantaged groups). Some countries score well on most or

all indicators, implying that there are no hard trade-offs that prevent countries from performing well in all areas.

- Turkey has the lowest employment rate and one of the highest broad labour underutilisation rates among OECD countries, mainly due to low participation of women. The unemployment rate is also significantly higher than the OECD average.
- Turkey has the second lowest earnings quality and second highest job strain among OECD countries.



42.9% of the wage earners experience job strain and accordingly working extra hours is common. Labour market insecurity is the third highest among OECD countries after Greece and Spain, partly due to limited availability of unemployment benefits.

- The employment gap for disadvantaged groups is the highest in Turkey among OECD countries. In another

aspect of inclusiveness, i.e. low-income rate, Turkey does slightly better, but remains below the OECD average. Despite recent improvements, the share of working-age persons living in households with less than 50% of the median income remains at 13.5%.

FRAMEWORK CONDITIONS FOR RESILIENCE AND ADAPTABILITY

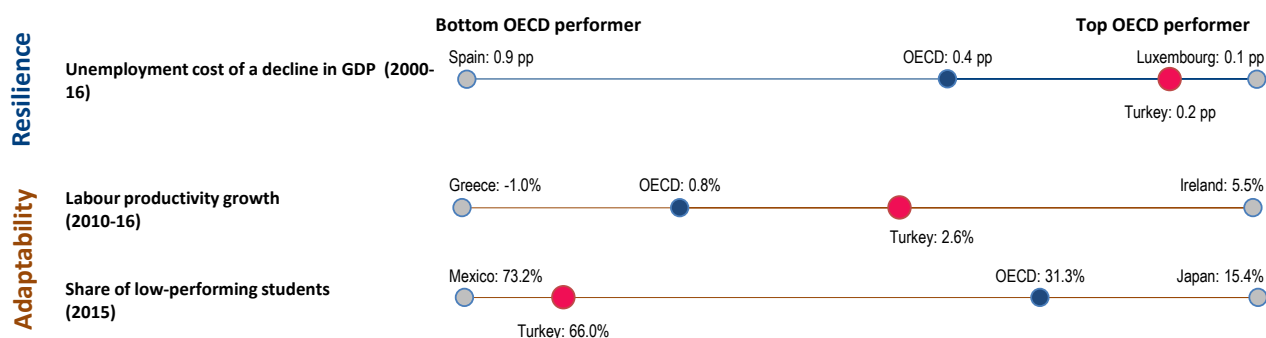
Labour market resilience and adaptability are important to absorb and adjust to economic shocks and make the most of new opportunities. Resilience is crucial to limit the short-term costs of economic downturns. Labour productivity is a key precondition for high growth of output, employment and wages and central to long-term growth in living standards. Finally, skills are key to improving workers' productivity and wages and provide an indication of the readiness to respond to future challenges.

- Turkey is among the best performers among OECD countries in terms of employment resilience, as

reflected by the limited average increase in the unemployment rate over the 3 years following a negative shock to GDP.

- Turkey has the second highest labour productivity growth among OECD countries after Ireland, over 2010-16. However, the share of low performing students is very high, second among OECD countries following Mexico. Improving the quality of education stands out as the principal challenge for enhancing the quality of labour supply.

Framework conditions for Turkey



Notes: Resilience: average increase in unemployment rate over 3 years after a negative shock to GDP of 1% (2000-16); Labour productivity growth: annual average productivity growth (2010-16), measured in per worker terms. Share of low performing students: Share of 15-year-olds not in secondary school or scoring below Level 2 in PISA (%) (2015).