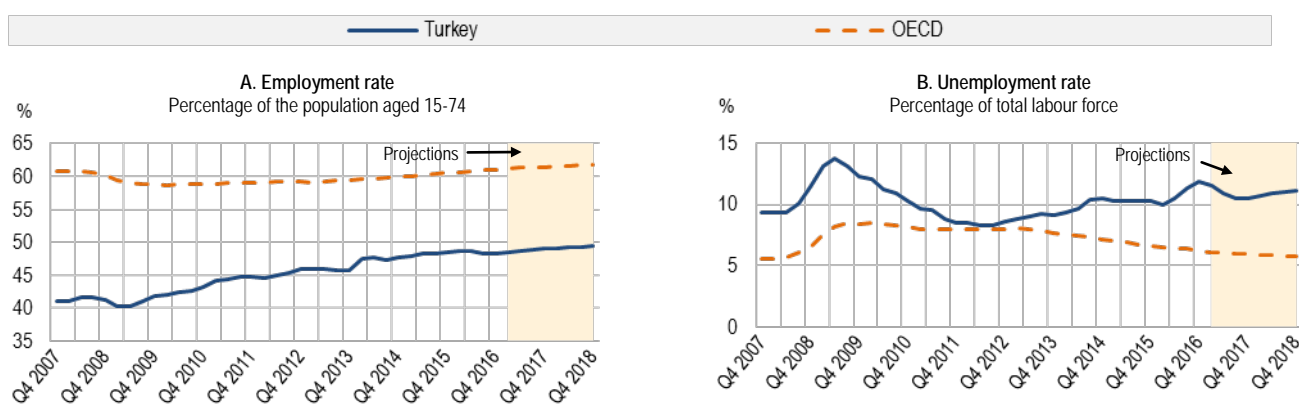


The 2017 edition of the OECD Employment Outlook provides an international assessment of recent labour market trends and short-term prospects. It also contains chapters on: benchmarking labour market performance based on the new OECD Jobs Strategy scoreboard; labour market resilience in the wake of the global crisis; the role of technological change and globalisation in transforming labour markets; and key country differences in collective bargaining arrangements.

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Labour market developments in Turkey



Note: OECD weighted average.

Source: OECD calculations based on OECD Economic Outlook Database (No. 101), June 2017.

RECENT LABOUR MARKET TRENDS AND PROSPECTS

Labour market conditions continue to improve and the OECD average employment rate finally returned to its pre-crisis rate in the first quarter of 2017, nearly ten years after the global financial crisis erupted. The OECD-average unemployment rate continues its slow descent, but remains slightly above its pre-crisis level because employment has not increased enough to fully offset a rising trend in participation rates. The unemployment rate is projected to fall back to its pre-crisis level in late 2018 or early 2019. The recovery remains very uneven across countries and different groups within the workforce.

- Unemployment in Turkey has been on an upward trajectory since 2012 and it has now peaked at nearly 11.7% (February 2017). This is in sharp contrast with the OECD average, which has been falling steadily and has now reached 5.9%.

- OECD projections suggest that Turkey's unemployment rate is likely to remain above 10% through to the end of 2018.
- At the same time, employment in Turkey has continued to grow. Over the past decade it has increased from about 40% of the population aged 15-74 in Q2 2009 to over 48% in Q4 2016. It remains, however, significantly below the OECD average (61%). This is partly due to a low rate of female employment (27.9%), which, despite recent improvements, remains well below the OECD average of 48.5% (among people aged 15 and over).
- OECD projections suggest that employment in Turkey will continue to rise through to the end of 2018, but at a slower pace.

Scoreboard of labour market performance for Turkey



Note: An upward ↗ (downward ↘) pointing arrow for an indicator means that higher (lower) values reflect better performance.

Earnings quality: Gross hourly earnings in 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 characterised by 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 average per capita annual earnings of men and women divided by average per capita earnings of men. **Employment gap for disadvantaged groups:** Average difference in the employment rate for prime-age men 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) as a percentage of the employment rate for prime-age men.

Source and definitions: OECD calculations using data for 2015 or latest year available from multiple sources. See [OECD Employment Outlook 2017](#), Table 1.2. for further details

NEW OECD SCOREBOARD SHOWS RELATIVE STRENGTHS AND WEAKNESSES OF THE TURKISH LABOUR MARKET

The 2017 issue of the *OECD Employment Outlook* presents a comparative scoreboard of labour market performance that provides a rich 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 quality (pay, employment 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.

- The performance of Turkey's labour market generally scores below the OECD average. However, in some areas the country has seen marked improvements in recent years.
- Most notably, the employment rate has been steadily increasing over the past decade, as more women entered the labour force. There are signs, however, of this

trend slowing down and unemployment has been picking up.

- Real earnings have been growing in Turkey in recent years, driving up overall job quality. Reflecting low productivity, their level, however, remains considerably below the OECD average, while inequality is higher. Moreover, the incidence of labour market insecurity resulting from the risk and cost of unemployment is over thirty percent above the OECD average, and the rate of job strain is the highest in the OECD. Improving social security and working conditions should be a policy priority, in conjunction with curbing the large incidence of informal employment.
- An area where Turkey faces some clear challenges is labour market inclusiveness. The share of working age persons living with less than 50% of median disposable income is 13%, above the OECD average of 10%, and the employment gap between prime-age men and disadvantaged groups (including mothers, youth non-natives, older workers and disabled people) is the highest in the OECD (47.5%).

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