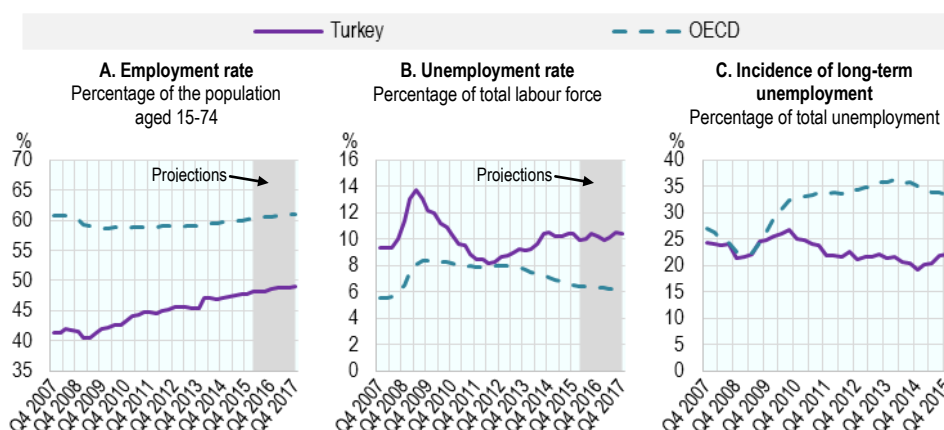


The 2016 edition of the OECD Employment Outlook provides an international assessment of recent labour market trends and short-term prospects, with a focus on vulnerable youth. It also contains chapters on: skills use at work; the short-term effects of structural reforms; and gender labour market gaps in emerging economies.

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### Labour market developments in Turkey



Note: OECD weighted average.

Source: OECD Economic Outlook No 99, June 2016, <http://dx.doi.org/10.1787/9572784d-en>; OECD Employment database ([www.oecd.org/employment/database](http://www.oecd.org/employment/database)).

### RECENT LABOUR MARKET TRENDS AND PROSPECTS

OECD labour market conditions continue to improve and the OECD average employment rate is projected to return to its pre-crisis level in 2017, nearly ten years after the global financial crisis erupted. The recovery remains very uneven across both countries and different groups within the workforce. Real wage growth has also been relatively slow since 2007 raising concerns about a prolonged period of wage stagnation.

- While the employment rate in Turkey has been catching up with the OECD average, a substantial gap remains: in the last quarter of 2015 the employment rate in Turkey reached 47.8% – more than 12 percentage points below the OECD average (60.2%). The employment rate is projected to rise further through 2017, driven by rising employment among women.
- Turkey's unemployment rate recovered swiftly from the crisis, but increased again from 8.6% towards the end of 2012 to 10.5% at the end of 2014. There has been little change in Turkey's unemployment rate since then, in contrast to the

OECD average, which continues on a downward path. In March 2016, the unemployment rate in Turkey stood at 9.6% - over 3 percentage points higher than the OECD average (6.3%). Little change is expected through to the end of 2017.

- The long-term unemployment rate in Turkey is significantly lower than the OECD average (22.2% versus 33.5%). However, it has been on an upward trend since the beginning of 2015, while the OECD average has started to fall gradually.

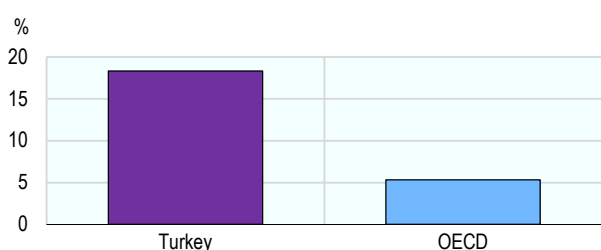
### VULNERABLE YOUTH ARE OF PARTICULAR CONCERN

Young people who are neither employed nor in education or training (“NEETs”) risk being left permanently behind in the labour market. This risk is especially high for the relatively large share of low-skilled NEETs (i.e. those who have not finished upper secondary schooling). Many in this group live in households without any employed adults, suggesting that they are also at risk of poverty. Effective policies are needed to reconnect members of this group with the labour market and improve their career prospects.

- Youth represent a particularly vulnerable group in Turkey, experiencing one of the highest youth unemployment rates among OECD and G20 countries.
- Nearly 30% of young people in Turkey aged 15-29 are NEET. This is sharply lower than in 2007 but well above the OECD average of nearly 15%.
- Low skills are a key barrier to achieving better labour market outcomes for youth in Turkey: nearly 1 in 5 young people in Turkey are low-skilled NEETs – compared to around 1 in 20 in OECD countries.

### Low-skilled NEETs are a particularly vulnerable group

Percentage of youth population aged 15-29, 2015



Note: Low-skilled NEETs are youth neither in employment nor in education or training who have not finished upper secondary schooling.

Source: OECD Employment Outlook 2016, Chapter 1.

### CLOSING GENDER GAPS IN EMERGING ECONOMIES

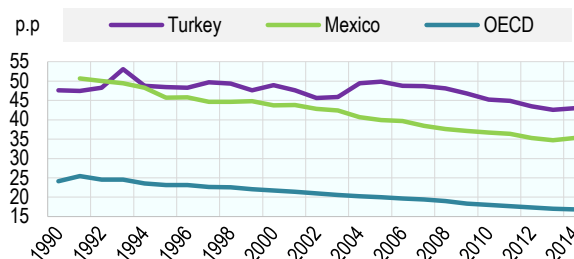
Despite considerable progress, gender gaps in the labour market persist throughout the world and are especially marked in emerging economies. While more women are working, they continue to have worse jobs than men. On average across emerging economies, a woman earns 19% less than a man for every hour of work she does, whereas the OECD gender pay gap is 15%. An effective strategy to curb gender gaps needs to encompass a number of policy domains, including measures to help both women and men reconcile work with family responsibilities.

- At 43.0%, Turkey has the highest gender participation gap among OECD countries and, even among emerging economies, this gap is one of the highest although it has narrowed somewhat over recent years.
- Women also face much poorer job quality than men in Turkey. In 2014, 48% of female workers have informal jobs compared with 29% for men. Women also earn almost 15% less on average than men. This gender pay gap is about average

by OECD standards, and below what is observed in many other emerging economies.

### Participation gap in Turkey

Percentage-point difference in the working-age labour force participation rates between men and women



Source: OECD Employment Outlook 2016, Chapter 1.

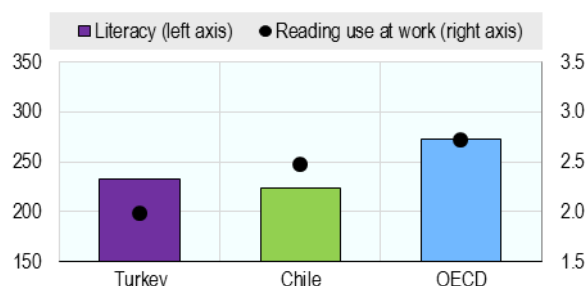
### SKILLS USE AT WORK

Some countries are better than others at employing workers' skills and this difference has economic consequences. Among equally skilled workers, those making more frequent use of their skills at work earn higher wages and are more satisfied with their jobs. While employers have the primary responsibility to mobilise the competencies of their workers, governments can make use of a variety of policy tools to promote improved skills use.

- The proficiency of workers in literacy is low in Turkey – only Chile performs worse still among all the countries that participated in the Survey of Adult Skills.
- Equally concerning, is the low level of skills use in Turkey – an area where Chile, despite its lower proficiency, performs better than Turkey.

### Skills use can differ from skills proficiency

Working population aged 16-65



Note: Proficiency in literacy (0-500 score points) and reading at work (1 "Never" to 5 "Everyday").

Source: OECD Employment Outlook 2016, Chapter 2.

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