

The Concept of Jobless Growth And The Case of Turkey

Nefise Tuğba KART

Ankara University, Political Sciences Faculty, Cebeci, Ankara, Turkey,
tugbaguvenir82@hotmail.com

Cihan Serhat KART

Ankara University, Political Sciences Faculty, Cebeci, Ankara, Turkey,
serhatcika@gmail.com

Keywords: Jobless Growth, Turkish Economy, Employment, Growth, Unemployment

Abstract: Especially during last two decades although the high level of growth the low or unsatisfying level of employment make “jobless growth” a common concept. First of all it was thought that the case of jobless growth is particular only for less developed countries. But after the experience of developed countries which have high growth rates but low employment rates, it became a more known and argued concept. There are many reasons which researchers underline about this situation. The major ones are developments in production process about increasing productivity and changes in management process of firms. In the strict sense technologic change substitutes capital intensive investments for labour intensive investment. So it enforces firms to change management and use less labour for same amount of product for reducing production costs. That is why growth is jobless. Because of some political and economical changes the case of jobless growth started to appear in Turkey. The demographic properties of Turkey- increasing young population and regional immigration- and changes in production-usage of more technology, increase in production of more capital- intensive goods- causes jobless growth. Econometric studies about Turkey reinforce our argument. The causality relationship between growth and employment has been weakened. Also employment responses changes in growth slowly and lagged. The main reasons for this case can be counted as liberalization of capital and changing shape of direct investments, dependency on foreign capital, increase in labour productivity, demographic properties, length of working hours, the quality and shape of human capital investments, substitution of capital for labour and increasing labour costs. The aim of this study is to analyze the reasons of jobless growth for Turkey and develop a policy agenda for all sides from government to trade unions. A macroeconomic view which includes social policies and take special properties of Turkey into consideration will help clarify the ground which must be covered.