

Waged Workers Reach 56%, One Third of Waged Workers are Undocumented –

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The recent data published on employment and unemployment, displays that, in the economy, there is still not an environment favorable for employment. Although there is a rapid growth, the unemployment has not decreased, and worse, the created jobs show more of an “undocumented” character.

The data for the last year shows:

- There is a fresh flow of labor to the market.
- On top of this, there is a flow of labor from agriculture to other areas.
- This labor has the characteristics of wage earners.
- Half of wage earners are employed casually.

The data of the last quarter of 2004 and the “September-October-November” period of 2005 shows the following facts from the employment perspective:

1- There has been positive activity in the growth in the last year. Those who are seeking employment, that is, those who are in the labor market increased 386,000 and at the end of 2005 has reached 24,683,000

2- Out of the 386,000 seeking work, 327,000 are

currently employed, and 59,000 have joined the ranks of the unemployed. Therefore, the number of unemployed has increased about 60,000 to 2,487,000. This translates to an increase to 10.1% from 10%. To put it differently, even if the economy grows at 5% rate, the increase in jobs has stayed at 1.5%. The unemployment has not decreased, but on the contrary has increased by 60,000 to 10.1%. Unemployment has reached 13% in non-agrarian sectors, and the youth (15-24 years of age) total unemployment has reached 19% while it has grown to 22% in the cities.

3- Viewed from the sectors perspective, we see a labor flow across sectors and agriculture sector losing 988,000 workers in a year if we take the last quarter data as the basis. The workforce exiting the agriculture sector ended up in the services, industry and a small fraction in building sectors.

4- In addition to the workforce coming from the agricultural areas (989,000) the new source of labor (327,000 of the 386,000) were employed in industry, building and service sectors as well. This means 1,314,000 jobs. When taking the fact that the wage earners have increased by 1,090,000 in a year, those who transferred from agriculture and 82% of the fresh new labor force are employed as wage earners. This shows an increase in waged workforce. Another effect of this is the increase of wage earners and daily labor from 52.2% of the total workforce to 55.8%. The increase of 8.5% in the wage earners in a year is

notable.

5- Another development parallel to the growth in the wage earners is the increase in the casual work, (i.e., the increase in the illegal employment of workers where their taxes, insurance and social security premiums are not paid by the employers. Translator's note.) At the end of 2004, out of the total 11,415,000 waged and daily laborers, 4,034,000, i.e., 35% were employed as casual labor. At the end of 2005, however, out of 12,381,000 total waged and daily laborers, 4,092,000, that is, 33% was casual. In the last year, of the new wage earners totaling 1,090,000, 42% were employed as casual.

It is a fact that the reason for the job seekers are forced to accept casual work is the competition from the other unemployed 2.5 million. The constant growth of the reserve army of unemployed also provides the opportunity for the employers to hire the workers casually. Unemployed wage earners are accepting jobs in sectors such as textile where the labor intensity is the greatest and other sub sectors such as building, tourism services, cleaning etc. that is actually below the take home minimum wage requirements.