


Chapter 7

Labor Market

Inequalities in Türkiye: Informal Employment, Occupational Divides, and Policy Solutions

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ABSTRACT

The research aims to analyze the labor force in Türkiye for 2023 using microdata. The subject has been addressed through three dimensions. The examination of income distribution in Türkiye, the analysis of the labor force using microdata, and the development of policy recommendations through an evaluation of the past and future of the labor force. Microdata were obtained from the Household Labor Force Survey of the Turkish Statistical Institute. As a result of the research, it was found that the increase in the elderly population in Türkiye recently could pose a threat to the active workforce, that 30.3% of workers in Türkiye are employed informally, and that 27% of workers are university graduates. Additionally, when the incomes of employees were examined by sector, it was found that the highest income-earning professional group was those in information and communication technology professionals, while the lowest income group was personal care service workers.

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INTRODUCTION

Today's societies are facing inequalities in many aspects. These inequalities can arise from race, gender, age, and political ideology, as well as from income, wealth, and spending disparities. The presence of inequalities in a society can lead to individuals facing health problems, experiencing a decrease in their educational performance or a disruption in their educational participation, and failing to achieve a peaceful environment in an unhappy society. Such disparities can result in a decrease in people's life expectancy and the emergence of social issues such as theft and murder. Indeed, one of the primary concerns of modern societies today is social and economic inequalities. In the pursuit of creating an advanced society, addressing inequalities is among the goals of governments. One aspect of these inequalities is also evident in working life.

In addition to the impact of social inequalities, a topic that can affect the business world today is technology, artificial intelligence, and automation. Advancements in technology pose a threat to certain sectors. The potential for sectors to create employment may decrease. The development of artificial intelligence and the beginning of discussions about the necessity of humans can negatively affect the workforce. These and similar uncertainties are causing question marks to arise regarding the direction of the transformation in working life. These innovations may negatively affect individual incomes. With the increasing digitalization and the acceleration of technology use in the workforce, the issue of job insecurity has emerged among workers.

The government aims to achieve income equality, which the market cannot provide, by offering certain goods or services to low-income individuals for free or at low costs through social transfer expenditures. When talking about income, the factors of production in a country (wages, profits, rents, and interest) and the inequalities in the production of these factors come to the forefront. In this context, the study examines the government of the labor force in Türkiye.

In the modern world, labor is undergoing a transformation. Especially after the COVID-19 pandemic, employees have become increasingly mobile and capable of working outside traditional office settings. Furthermore, the pandemic provided many people with the opportunity to work from home. While this represents a significant advancement for workers, it may also lead to greater informality within the labor sector. This trend could render workers more vulnerable and uninsured. These factors highlight potential future challenges facing the labor sector. To study this, advanced labor studies could be conducted, in which the microdata of the Household Labor Force Survey in Türkiye is analyzed in this research.

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