

Higher Education Policies and Overeducation in Turkey

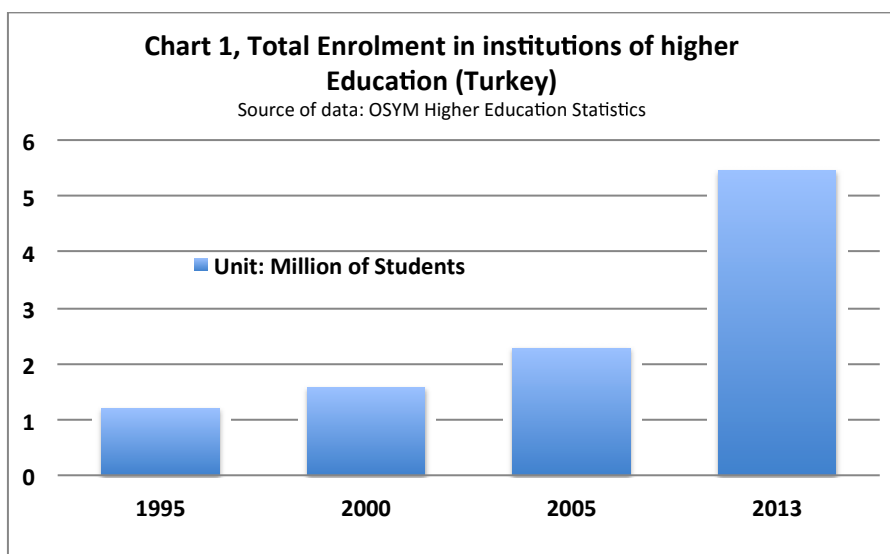
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On October 15, 2015 the President of Istanbul University, Professor Mahmut Ak, shocked the attendants in the annual ceremony for the start of the 2015-16 academic year by announcing that student enrollments for current academic year have been reduced¹. He further explained that this decision was motivated by the poor job market conditions for university graduates. The difficult labor market for university graduates is not an unnoticed issue in itself but the unemployment rate for university graduates has recently reached unprecedented levels that Turkey has never experienced before. Turkey is one of the few developed countries in which the unemployment rate for workers with university degrees is higher than the rate of less educated workers.

The 2015 employment statistics for Turkey confirms Professor Ak's concern. The July 2015 statistics that were released in October show that university graduates accounted for 24% of the unemployed workers in July 2015 while the same ratio in April 2014 was only 18%². This bad employment news comes at a time when a record-large cohort of Turkish university students is expected to enter the labor market in the next two years. At the same time the recent political turmoil is taking a toll on Turkish economy and its capacity to generate new jobs. However, the significance of this analysis extends beyond Turkey and is relevant for other Middle Eastern economies as well. Similar to Turkey, many countries in the region, such as Egypt, Saudi Arabia, and Iran, have seen a sharp increase in the number of students in tertiary education institutions in recent years. Consequently they are also struggling with high rates of unemployment and underemployment among university graduates.

A Statistical Overview:

Turkey has experienced a sharp growth in the total number of students enrolled in various levels of higher education in the past two decades. Most of this growth took place after 2005. As shown in Chart 1, total student enrollment in institutions of higher education was 1.22 million in 1995. It rose by 88% to 2.3 million in 2005. This sharp increase was accompanied by an even stronger demand for university education. The current Justice and Development Party (AKP) government responded to this strong demand by introducing a comprehensive higher education strategy in 2007, which called for increasing student enrollment by expansion of both public and private universities³.



The entry of large numbers of university graduates into Turkey's labor market in recent years has outpaced the demand for skilled jobs. This imbalance has not only resulted in high unemployment rates for degree holders, but it has also led to significant increases in cases of underemployment. We can see in Table 1 that from 2004-2014 the percent of Turkish workers with university degrees in semi-skilled and low-skill occupations has steadily increased. Among these occupations the clerical and sales jobs were traditionally favored by unemployed college graduates and we see that the share of workers with college degrees has increased from 11% in 2004 to 20% in 2014. The share of university graduates among workers in other low-skill jobs is small but we observe that this share has increased even faster in these categories. Among plant and machine operators (category 8) for example, the ratio has increased by 158%.

Table 1. Turkey: Percent of Workers in Semi-skilled and Unskilled Occupations that Hold a University Degree							
ISCO Job Category	2004	2006	2008	2010	2012*	2013	2014
4) Clerical Support Workers	23%	26%	30%	32%	39%	40%	41%
5) Service and Sales Workers	5%	7%	8%	11%	12%	13%	12%
Categories 4 + 5	11%	14%	16%	18%	19%	20%	20%
6-Skilled agricultural, forestry and fishery workers	0.6%	0.9%	0.9%	1.0%	1.1%	1.2%	1.5%
7-Craft and related trades workers	1.7%	2.4%	2.5%	2.6%	3.3%	3.6%	3.7%
8-Plant and machine operators, and assemblers	1.2%	1.7%	1.9%	2.1%	2.2%	3.1%	3.1%
9-Elementary occupations	0.5%	0.8%	0.9%	1.3%	1.6%	1.9%	2.1%
Categories 6+7+8+9	0.9%	1.4%	1.5%	1.6%	1.9%	2.3%	2.5%
categories 4+5+6+7+8+9	3.1%	4.3%	5.0%	5.7%	6.7%	7.5%	8.0%
Source of data: TurkStat, * 2012-2014 data are based on the revised ISCO occupation categories.							

Further evidence of underemployment among university graduates can be seen in Table 2. We observe that the share of university graduates that are working in clerical, service, and sales jobs has increased from 16% in 2004 to 26% in 2014. During the same interval the percent of university graduates working in all semi- and low-skill jobs, has increased from 21% to more than 32%. In other words at least three out of every ten university graduates, in 2014, were employed in occupations that did not require university degrees. If we add the 11% unemployment rate of university graduates to this figure it reveals that in that year almost 43% of university graduates in Turkey were either unemployed or underemployed.

Table 2: Percent of University Graduates in Various Occupations that Do Not Require a University Degree							
ISCO Job Category	2004	2006	2008	2010	2012*	2013	2014
4) Clerical Support Workers	11%	12%	13%	14%	13%	14%	14%
5) Service and Sales Workers	5%	6%	7%	8%	11%	12%	12%
Categories 4 + 5	16%	19%	20%	22%	24%	25%	26%
6-Skilled agricultural, forestry and fishery workers	1.3%	1.3%	1.2%	1.4%	1.2%	1.2%	1.3%
7-Craft and related trades workers	2.2%	2.7%	2.4%	2.2%	2.4%	2.6%	2.7%
8-Plant and machine operators, and assemblers	1.1%	1.4%	1.4%	1.3%	1.2%	1.6%	1.5%
9-Elementary occupations	0.6%	0.8%	0.9%	1.2%	1.2%	1.4%	1.6%
Categories 6+7+8+9	5.1%	6.2%	5.9%	6.1%	6.1%	6.8%	7.0%
Categories 4+5+6+7+8+9	21.5%	24.9%	26.2%	28.1%	29.6%	32.2%	32.6%
Source of data: TurkStat, shares calculated by Authors, * 2012-2014 data are based on the revised ISCO occupation categories.							

It is also worth noting that a large share of the burden of unemployment and underemployment among university graduates has fallen on women. University enrollment has increased sharply among women in the past decade and in 2014 they accounted for 51% of university graduates in the 20-29 years-old age category. Yet the unemployment rate among young women is much higher than young men. The July 2015 unemployment rate for women and men in the 15-24 year age group was 23% and 15.6% respectively⁴.

Causes of the Rapid Quantitative Growth in Higher Education

The strong public demand for university education has been a well-known fact to all political parties in Turkey since the 1970s, and during political elections it regularly appeared in their political agendas. This strong demand was demonstrated by the fact that only a small share of participants in the annual national university entrance exams was granted admission to universities every year. In the 2002-03 academic year, for example, only 20.1% of the 1.82 million applicants who took the placement exam were admitted to a university⁵. Concern about quality and limited availability of fiscal resources, however, prevented a rapid expansion of enrollment in the 1980s and 1990s.

After winning the 2002 election, the AKP realized that for political reasons it had to address this strong demand for higher education. To overcome the financial constraints for expansion of higher education, the AKP turned to neoliberal economic policies of privatization and market-oriented deregulation that were initiated two decades earlier. The AKP facilitated the expansion of the higher education by promotion of non-profit private universities and partial commercialization of public universities.

Table3: Expenditure on Higher Education in Turkey		
Academic Year	1997-98	2012-13
Share of Higher Education in Total Education Budget	39.50%	32.50%
Higher Education Budget as a Share of GDP	0.69%	0.89%
Higher Education Budget as a Share of Consolidated Budget	3.18%	3.63%
Share of Higher Education in the Investment Budget of the Ministry of National Education (MEB)	15.10%	6.64%
Number of Students in Higher Education Institutions (millions)	1.322	4.937
Source: www.osym.gov.tr, MEB Formal Education Statistics, 2013		

Along with rapid enrollment growth in both private and public universities, the AKP government also showed willingness to compromise on the student-faculty ratio. The student-faculty ratio in new universities that were established during 2006 and 2008 was close to 100 students per faculty, which reduced the quality of education in these universities⁶. According to the 2011 Global Competitiveness Report, the ranking of Turkey for the quality of higher education index declined from 57 in 2006 to 71 in 2010⁷.

The AKP higher education policy enjoyed popular support as it satisfied the strong public demand for higher education and at the same time generated significant political rewards for the AKP. The more rapid phase of this project began in late 2006 when the AKP released a policy document titled

“Turkey’s Higher Education Strategy⁸.” As explained earlier, most of the new foundation and public universities were established in or after 2006. The AKP adopted the slogan “One University in Every City” to mobilize political support for its higher education strategy. By 2015, there was at least one university in each of Turkey’s 81 provinces. In many towns and cities, establishment of the first university was not only welcomed by young adults and their parents, but also by the local business community who viewed a university as a source of economic growth and prosperity. The regional and local business associations, in turn, were motivated by these incentives to lobby the government for creation of new universities in their respective communities⁹.

Warning Signs and Policymakers Awareness about Overeducation

As the national body responsible for planning and development of higher education, the Council of Higher Education (YÖK) has had full control over curriculum development and student enrollment in Turkey’s institutions of higher education. While YÖK can take credit for facilitating the rapid expansion of the enrollment capacity in tertiary education, it must also accept responsibility for the lack of coordination between the supply of university graduates and the labor market demand for graduates in specific fields of study. This disconnect has resulted in high rates of unemployment for university graduates and, as we demonstrated above, it has forced a growing number of graduates to accept jobs that do not utilize their skills.

There are some indications that the recent alarming statistics about deteriorating job market conditions for university graduates and media criticism are finally causing some universities to reduce their enrollments. The decision of Istanbul University to reduce its student enrollment in 2015-16 academic year (mentioned at the beginning) is likely to attract attention because of this university’s leading role in Turkey’s higher education. This reversal is important because it must have happened with the approval of YÖK. In a similar development in 2015, the YÖK director announced higher quality standards for the medicine and law schools to assure that graduates will have the required skills for these sensitive jobs. This focus on quality will result in a reduction of annual student admissions. He further announced that these higher standards would be gradually applied to other university programs as well¹⁰.

At the same time potential students are becoming more mindful of the high unemployment among graduates and are shying away from certain subjects. As a response to low demand and enrollment in certain departments, YÖK called on universities to consolidate the degrees and departments that did not have adequate enrollment¹¹. More recently, in the summer of 2015, YÖK announced that it would not allow public universities to maintain a department unless at least 11 students were enrolled¹². This was a response to the steady decline in the number of students majoring in some basic science programs such as mathematics, physics and chemistry during 2010-2014 academic years. Fearing lack of jobs for these majors many students switched to business, economics, computer programming, and engineering in these years¹³.

Conclusion:

Since 2010, rising unemployment and underemployment among university graduates has attracted media and academic attention. With the large enrollment capacity of new universities, getting admission into higher education is no longer a major social concern and hence it will no longer have any political value as an election promise for political parties. Instead, the public concern is gradually shifting to the job market conditions for university graduates and this issue is likely to become more politicized in the years ahead.

University education is likely to remain highly popular in Turkey and it is unlikely that any political party will call for linking the admission quotas for each major to labor demand projections that are determined by a comprehensive labor force planning mechanism¹⁴.

The rise of overeducation in Turkey is not a unique experience. Many developed and developing countries have ended up in a similar situation in the past two decades. In Europe and the United States an average of 20 to 30 percent of the young adults are overeducated for their jobs. The Middle Eastern country with the most similar experience to Turkey in the higher education sector is Iran. The higher education policies of Iran under President Mahmoud Ahmadinejad (2005-12) were remarkably similar to Turkey under the AKP in the same period. In recent years Iran has experienced a more severe case of overeducation than Turkey¹⁵.

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¹ <http://www.isilanlarim.net/istanbul-universitesi-ogrenci-alma-kontenjanini-dusurecek/>

² <http://www.noktadergisi.info/ekonomi/issizlik-en-cok-universite-mezunlarinda-artiyor-h3218.html> , July 17, 2016 (Last cited, January 5, 2016).

³ Higher Education Board of Turkey (Yüksek Öğretim Kurumu) (YÖK) (2007). “Türkiye’nin Yüksek Öğretim Stratejisi.”(Higher Education Strategy for Turkey) Ankara,Yüksek Öğretim Kurumu.

⁴ “Labor Force Statistics, July 2015”, Turkish Statistics Institute, <http://www.turkstat.gov.tr/HbGetirHTML.do?id=18642> , October 15, 2015.

⁵ Source: OSYM (Turkey Student Selection and Placement Center) <http://osym.gov.tr>.

⁶ <http://www.aljazeera.com.tr/gorus/turk-universitelerinin-egitim-ogretim-ve-arastirma-performanslari>

⁷ <http://www.haberturk.com/yazarlar/pervin-kaplan/556157-yuksekogretimde-buyume-var-gelisme-yok>

⁸ See endnote 1.

⁹ Arap, Sultan Kavili, Türkiye Yeni Üniversitelerine Kavuşurken: Türkiye’de Yeni Üniversiteler ve Kuruluş Gerekçeleri, Ankara Üniversitesi SBF Dergisi 65-1 , <http://dergiler.ankara.edu.tr/dergiler/42/1346/15599.pdf>

¹⁰ <http://www.osym2016.com/node/869>

¹¹ <http://www.hurriyetdailynews.com/default.aspx?pageid=438&n=university-departments-lack-pupils-face-closure-2011-08-25>

¹² <http://www.hurriyet.com.tr/yok-kapatip-guclendirecegiz-akademisyenler-bilim-biter-28865916>

¹³ ibid.

¹⁴ One of the necessary steps for addressing this issue is to link the annual enrollment in each university program to the projected job market demand for that specialty. However, applying this type of manpower planning to higher education will result in low admission rates for many degrees and limiting access to higher education might not be politically feasible.

¹⁵ “Iran’s Crisis of Overeducation: Causes and Ramifications”, Middle East policy Brief Series, Crown Center for Middle East Studies, February 2015, No. 89. <http://www.brandeis.edu/crown/publications/meb/meb89.html>