

BEING A YOUNG JOBSEEKER IN AN EMERGING ECONOMY AND CIRCULAR ECONOMY – A COMPARATIVE ANALYSIS OF THE TURKISH AND HUNGARIAN SITUATIONS

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The goal of the present paper is to analyze the number of young job seekers and their particularities in two emerging economies, Turkey and Hungary, with help of the quantitative approach. Even though the two nations share the title of emerging economies as they have produced a relatively spectacular growth in the recent past, they also present a number of historical, political, cultural and economic discrepancies. Unemployment is one of the negative aspects of market economy, and a sign of the level of solidarity within the society, that of the respect and the utility of the young, the quality and market conformity of the educational system and many other facets of human existence. The number of young jobseekers can measure the efficiency of the policy makers and the managers but also depends on external and internal factors such as the habitat, the sex and the educational background of the young or the subsequent political and economic turmoil. The comparison conducted on the basis of data analysis of the two systems is aimed at proving that similarities and differences, results and failures can be a lesson to be learned for both newly developing countries.

Keywords: Turkey, Hungary, unemployment, data analysis, circular economy

Introduction

Unemployment is usually regarded as one of the main social evils paralyzing a great segment of the society. It is also very often in the center of political debate; political parties always promise to fight it along with high inflation rates and budget deficit. Central offices dealing with gathering statistics over a nation collect data on it, and generally this information is analyzed on the level of individual countries. In our present paper, we would like to go beyond and compare two countries with some aspects in common as emerging economies.

Even though we call both Turkey and Hungary emerging economies, some differences are evident. Their respective geographical situation, their political and economic history and current systems as well as their position in the evolution of their demography differ. Having said so, they share the fact that there are very vulnerable citizens requiring the help of the central authorities to improve their situation.

Youth unemployment is evidently connected to recent history. In Turkey, where there is a multiparty democracy since 1946 and in absolute evaluation from the end of 1980s thought as the first years of Turkey's transition to liberal economy, unemployment and GDP have followed a positive course (Dogan et al., 2014), until the 1990's what was characterized by shifting coalitions and a setback of the economy ending with a crisis between 1999 and 2002. As this crunch was very severe and a dynamic upheaval followed it, the 2008 global economic crisis had a lesser impact than in Hungary or the Western nations. Nowadays, there are wars around Turkey and terrorism in the country; the Turkish economy is still strong enough to produce growth and reduce unemployment.

After the fall of the Berlin Wall in 1989, Hungary has adopted a new democratic system and restarted the construction of a market economy. This dramatic regime change provoked an unprecedented rise in the unemployment until 1994 followed by a phase of amelioration. Hungary was one of the many victims of the 2008 global economic crisis, and it required at least 5 years to get back on its feet. Nowadays, Hungary is among the

Central European nations having a relatively high GDP growth and a record low unemployment rate. Still, the Hungarian situation can be considered a bit particular as the overall unemployment rate is very low compared to the data obtained in the majority of the European Union member states, whereas the youth unemployment rate is much higher than the EU average (Matheika, 2013).

Literature

The question of unemployment and the situation of the young jobseekers is thoroughly examined by several social sciences. Of course, it is one of the focuses of economists, but sociologists and other social scientists as well do not ignore the issue (Vendramin, 2012). The reason for this is that unemployment is not only a sign of malfunctioning of capitalism, but also a result of some social evils like the lack of efficiency in the system of education, the shedding into parts of the families unable to help their children to be successful on the labour market or the deadwood training preparing the young for job interviews. On the level of the families, one of the major problems is the level of income (Rees and Gray, 1982) and the pression put on young people by their own parents (Rees and Gray, 1982) At the same time, unemployment is a reason for the appearance of some social evils and habits. In recent years, one can observe that the young unemployed cannot and often do not want to establish a separate household and remain with contentment at their parents. This new phenomenon is described by the literature as the demographic cohort of the millennials or the "generation y" (Meier and Crocker, 2010). The members of this age category are not ready to accept any kind of job, only the perfect one, and this attitude contributes to the rise of unemployment. So, while studying the literature, one has to take into account this sociological evidence and examine the quantitative results in the light of these social realities. This is also the reason why most studies we have found on the issue relate it to such areas as the self-employment. The literature refers to this fact as the proliferation of active labour market policies (O'Higgins, 2001). Another evident connection can be detected between the issues of youth employment and the constant reform of the national education systems across the globe

(Breen, 2005). Institutional questions such as education connect our topic to broader political frames such as the European integration process and the European Union (Eichhorst et al., 2013).

Methodology

Our methodology is based on the following logic. First, we proceed to a phase of information collection. We tend to gather two types of information: quantitative data and sociological and political background data without forgetting the historical and cultural differences that might exist between Turkey and Hungary. Second, we deduce cause-effect logical relations from the numbers and confront them with the other set of information, this way the result of the quantitative data analysis is put into a larger context. Third, after finding the particularities of Turkey and Hungary, we can compare them and find the common and uncommon features. In this section, we will do two types of comparison. A general one to describe the extent of youth unemployment in the two respective countries and a thematic one to enrich our view with some more specific social details. Fourth, in our Conclusion we plan to explain our results and propose our suggestions to the Turkish and Hungarian policy makers. As far as propositions are concerned, we try to relate our ideas to the theory of the circular economy revolution. We would like to explain how this theoretical knowledge can be applied to promote the job opportunities among the younger generations.

Data analysis

Turkey

If we approach the question of unemployment among the young people in a given society, like in our case the Turkish Republic, first, one has to determine the age categories and compare them to the overall population. Turkey is a relatively young society where the youngest that is the children between the age of 0 and 14 represented in 2010 around 26% of the total population. Young people in their secondary and higher education, meaning the demographic group of 15–24 is 17%, whereas the young worker's age category (between 25 and 34 years of age) is 18%. So, the total population under 34 is around 61% (Ercan, 2011). The estimates for the year 2020 done by the Turkish bureau of statistics show a significant regression. In the first category, we would find 23, in the second 15 and the third again 15%. By the year of 2020, the population under 34 would decrease from 61% to 53%, that means a nearly 20% diminution of the group in the overall society (Ercan, 2011). The lowering number of young people also signifies that in the near future, the competition among them to get the best working option would become less fierce than it is in our days. From our point of view, from the above three age categories, the most important is the 15 to 24 years of age as in Turkey, this slice of the population is taken into consideration while examining the issue of young unemployed.

After comparing our group of analysis, we have to have the recent historical background; especially we have to concentrate on the impact of the two crises that hit Turkey in 2000's. First, the influence of the political and economic anarchy and high inflation rate of the turning of the centuries on the young jobseekers. Second, the significance of the 2008 global economic crisis, a bang that put the West and Hungary in a much worse situation than Turkey, but still it pose nuisance to the young unemployed. After the political and economic turmoil prior to the change in the political approach to the phenomenon, we can observe a very visible increase in all subcategories as far as the idle young people are concerned. Among the young males, in 2000, we find 13.7% of them inactive (Ercan, 2011), a level which is not

significantly higher than in many Western countries. Only in one year, in 2001, this percentage became as high as 17.2% (Ercan, 2011). The turning point was 2003 when as much as 21.4% was underemployed (Ercan, 2011). This record was followed by a slow decrease until 2006 when contrarily to the efforts of the government, young males started to lose their jobs again. A second record has been registered in 2009, the second year of the global economic crisis with some 25.3%. In 2016, the unemployment rate was measured as 19.6% (Table 1).

Table 1 Youth unemployment in Turkey

Years	Turkey	Male	Female
2005	19.9	19.5	20.5
2006	19.1	18.3	20.6
2007	20.0	19.6	20.8
2008	20.5	20.1	21.2
2009	25.3	25.4	25.0
2010	21.7	21.0	23.0
2011	18.4	17.1	20.7
2012	17.5	16.3	19.9
2013	18.7	17.0	21.9
2014*	17.9	16.6	20.4
2015	18.5	16.5	22.2
2016	19.6	17.4	23.7

Source: TUIK (www.tuik.gov.tr)

* Series are not comparable with the previous years due to the new arrangements made since 2014

The sad reality is that the young unemployed could survive on a much lesser extent during and after the global economic crisis what is considered by some economist in Turkey less destructive than the chaos of the early 2000's that was even hardened by a major earthquake in 1999 in the Eastern outskirts of Istanbul, the country's main urban center.

Urbanization is another interesting factor that should not be forgotten while examining the problem of the young jobseekers. Statistics show that the young males residing in the rural areas had more opportunities. The Anatolian regions of Turkey are still very much dependent on the soil and the agricultural production and though the rural exodus is still an existing reality, young males have more chances to find a job in their family farm than in a factory in the nearest town or city. There is an around 5% difference between the total unemployment rate of the young males and the similar rate given for those who wish to work or are qualified for a work in the industry and the services. The difference shifts from year to year: in 2001 it is 5.7%, whereas in 2010, it is only 4%. With the modernization of the economy and the regression of the agricultural sector, the job options in the villages become less numerous; therefore this gap is also decreasing. Between 2000 and 2008, as many as 2,750,000 jobs were lost in the sector of agriculture; therefore we can count on a turning point in the near future.

This gap is also particularly interesting if we look at the statistics of the inactive young females. Here the gap varies between 7% and 14% (Ercan, 2011). The variation itself is more important and the chances of urban females are also lower. It is also worth noting that some of the rural female youth gets married at this early age, but this characterizes their urban counterparts less and less. Thus, their survival depends more and more on their parents. It is also interesting to note that until 2003, the overall unemployment rate

among the females was lower than the one describing the males. In a more or less traditional society rooted in a religious civilization like the Turkish, this data might shock. This percentage also includes a new social phenomenon, a structure in which young females support their inactive partners. After 2003, there is a clear cut change. The male unemployment rate goes under the female one. We cannot explain this with other than the change in the government. The more conservative political and economic approach might lead to the reintroduction and the reimplementation of old principles and ideals of a family in which the husband works and the wife cooks and takes care of the children. The only factor which is not considered by the policy makers is that –as we mentioned earlier- there are less and less children in the Turkish families. Modernity is in apparent conflict with the reinterpretation of old principles.

While examining the diverse factors determining the chance to remain without a job, we should also acknowledge the importance of education as youth unemployment does not derive from the macroeconomic conditions of a country but rather from models of transition from education to work (Refrigeri and Aleandri, 2013). A reason which deeply determines youth unemployment in Turkey is its almost unorganized education system (Gunaydin and Cetin, 2015). We often presuppose that the more a young person is educated, the higher are his or her chances to find a decent job. The fact is that it is not fully true. The most vulnerable are the ones with diplomas from the so-called ortaokuls, the equivalents of the second phase of the elementary education and lises or high schools. There 13.4 and 14% jobless among them, respectively (Condur and Bolukbas, 2014). If we look at the percentage of unemployed among the ones who are illiterate or never went to school, we find the half this: 7% (Condur and Bolukbas, 2014).

Table 2 Youth unemployment in Turkey according to the level of education

Years	Illiterate	Elementary education	Secondary education	Higher education
2004	9.6	13.3	27.9	39.8
2005	11.3	14.5	25.5	30.5
2006	12.5	15.2	23.1	27.2
2007	16.7	16.8	23.0	28.5
2008	11.0	17.9	22.9	29.8
2009	19.5	22.4	29.1	33.2
2010	16.4	18.4	25.2	32.5

Source: Condur and Buyukbas (2014)

This can be explained again – as we did above – by the fact that these rural people can still be employed in their family farmlands, whereas the under-educated urban young people do not possess many options in the cities. We have to add that the youngsters holding a university degree have also a certain difficulty to find a proper job, 10% of them was unemployed in the first year of the global economic crisis, 2008.

One can also wonder another correlation, namely the role of the geographical distribution of schools in the formation of youth unemployment. Studies found out that there is a major territorial discrepancy between the poorer Eastern and wealthier Western provinces of the Turkish Republic (Izgi, 2012).

After analyzing the extent of unemployment among the young Turks and their various social groups (according to their sex, habitat, economic sector and educational background), we have to give a larger overview and compare their rate to the general unemployment rate. The sad reality is that

the percentage of the young jobseekers exceeds by far the percentage of the adults. If we compare the year of 2004, the total unemployment rate in Turkey was 10.4%, whereas among the young it was as high as 20.6%. This means that if the unemployment is a major threat to the functioning of the society, its elevated relevancy among the youthful endangers the future and necessitates a quick intervention by the policy makers.

To fight unemployment, a passive employment policy was introduced in Turkey in the late 1990's. Workers could accumulate a certain amount of money from their salaries for an eventual case of joblessness. The first payments to the unemployed started in 2002. Later, more active programs have been launched. These included much help from the government from the material support to wide variety of trainings. As a matter of fact, during the period between 2002 and 2008, the unemployment rates could not be reduced to the desired level while a certain growth has been experienced, it reveals the existence of this problem, and namely the economic growth is not always related to the issue of unemployment (Akay et al., 2016). It is necessary to focus on the existence of obstacles to structural problems. The impact on the unemployment rate of these measures cannot be detected in 2000's. It started in the 2010's. In 2016, we can already say that the unemployment rate has been significantly decreasing, and the decrease is more important among the young. The total decrease was 0.5% from March 2015 to March 2016. If we take only the 15 to 24 age category, it is three times as much: 1.6% (Türkiye İstatistik Kurumu, 2016).

Hungary

As in the case of presenting the particularities of the Turkish society and situation of the young unemployed, in the case of Hungary, we should also start with some general demographic issues and later on, we can detail all the available information concerning the under 24 jobseekers. Hungary is currently facing an alarming problem, its population is rapidly ageing and the absolute number and the percentage of the young are decreasing in a very fast manner. According to the demographic methodology applied by the European Union, in the European context, we can speak of young people in the demographic studies if we examine those under the age of 19. There is a visible difference in the geographical and the economic approach vis-à-vis the young generation in the statistics describing the youth unemployment issue within the age limit of 24. Nevertheless, the tendencies are visible. In Hungary, in 1990 almost one-third of the population was under 19, more exactly we can speak of 2.9 million of young Hungarians, whereas in the 2001 census, we find 2.4 million, and 2013 estimates give these statistics as low as 2 million (Földházi, 2013).

Hungary has lost one third of its young population mainly due to natural reasons, but at the end of the given period the Westward emigration should not be underestimated.

Unemployment is a relatively new phenomenon in Hungary as during the Communist era until the fall of the Berlin Wall in 1989, it was almost unheard of as the main goal and the main ideology was full employment. Those who did not work were named work-shy and punished under the law of that period. With the recession of the 1980's, the growing difficulties of the formerly nationalized heavy industrial firms and the re-introduction of the market economy after 1989, the unemployment hit Hungary and the Hungarians in an unprecedented way. With the regime change, hundreds of thousands lost their jobs; the unemployment was on the rise during the time of the first democratically elected government. This tendency was followed by a period of decrease until 2002 (12.6% of joblessness among the members of the young generation) when after an unexpected change in the government and a totally new economic policy let the unemployment to rise. Though the

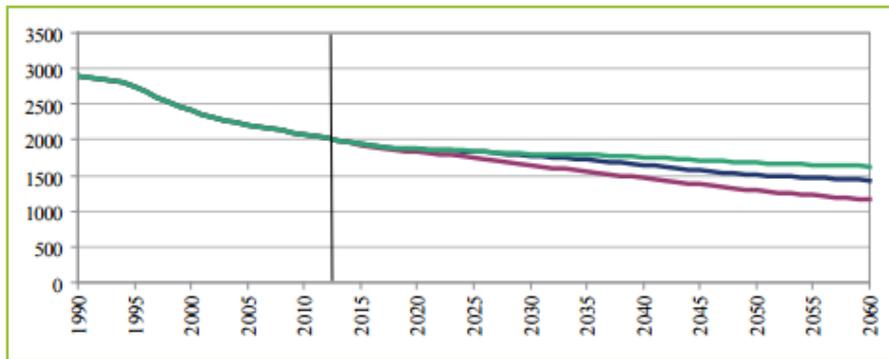


Figure 1 Population of Hungary under the age of 19
Source: Földházi (2013)

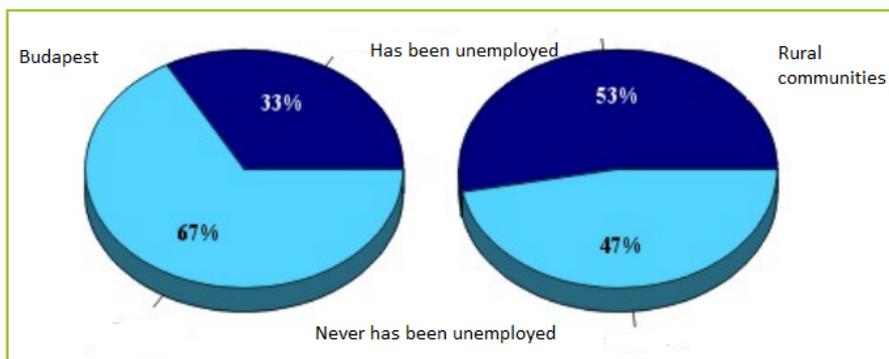


Figure 2 Youth unemployment in the capital and the rural regions in Hungary
Source: Laki et al. (2011)

Northern Hungary) give less opportunities to the young jobseekers, and around 56–57% of those living in villages in these areas have faced unemployment at least once during their career (Laki et al., 2011).

Not only the geographical situation and sex determine one's chances to find a job, but also the level of education. In Hungary, it is a must to have some sort of a diploma to be employed. In 1998, 50.6% of those who could not complete the eight years of primary education were jobless. With the general decrease of the young unemployment rate, their number was lower later, for instance, in 2004, it went down to 40.7%. There is an important difference among the males and females who did not finish the elementary schooling, males 47.6% in 1998, females 58.1% (Központi Statisztikai Hivatal, 2011). Earlier we have said that the youth unemployment was hitting less the females, it seems to be untrue if we only take into account the less educated. A strange and alarming parallel has to be noticed in this paragraph. During the above period (1998 to 2004), the chances of the less educated were rising, but the holders of university degrees could experience the contrary. In 1998, only 3.5% of them were unemployed. This can be considered to be a form of structural unemployment, these were basically those young people who were shifting work places or moving to another community. In six years, in 2004 we find that as much as 15.2% with diploma was unemployed among the under 24 – the majority of whom were females (17.1% against 12.7%). The Hungarian higher educational system was made more democratic in the 1990's letting more females in and out without proposing them reliable workplaces. The 2008 global economic crisis has just deteriorated their situation as in 2010, 26.6% of former university students were without a job, but this time the majority was constituted by males (25.7% against 21%) (Központi Statisztikai Hivatal, 2011).

After analyzing the extent of unemployment among the young Hungarians and their various social groups (according to their sex, habitat and educational background), we have to give a larger overview and compare their rate to the general unemployment rate. Unfortunately, the number of the young unemployed is over the average, just like in many other nations. In 2010, against the 11.2% general unemployment rate, we can find a much higher statistics for the young, it is 26.6%. Though the absolute numbers decreased since that year, the proportions did not change. The latest available statistics are from August 2016. The total unemployment rate of Hungary is given as an unprecedented 4.7%, but at the level of the

number of young unemployed seemed to stabilized around 17–20% between 2005 and 2008, the 2008 global economic crisis spelled a second catastrophe for the Hungarian workers. With the crunch, an extremely fast growth has been registered. It is worth noting that the peak was considerably later, around the beginning of 2013 when in February 2013, a record of 29.4% was observed by the experts. It is very interesting that the worst numbers were not produced by the catastrophic starting years of the crisis, but a constant and long growth characterized Hungary. This means that the crisis was really deep, Hungary needed at least five years to overcome its effects. Already in mid-2013 a decrease is evident and the current data is conveniently lower, it is as low as 10.9%. This means that the youth unemployment rate was reduced to its third in less

than three years from 29.4% to 10.4% (Központi Statisztikai Hivatal, 2016).

If we go into the details, we can see that there are interesting discrepancies concerning the young jobseekers. Indeed, there is a gap between the young male and female population, the females being seemingly more active. The difference between the two groups varies between 1% and 4%. In 1998, the rift was relatively important with 15.8% males and 11.6% females. Ten years later, in 2008, the first year of the global economic crisis, 19.1% of the young males and 20.1% of the young females were unable to find a job (Központi Statisztikai Hivatal, 2011). As the gap remained almost that low in the subsequent years, one can deduce from these numbers that males were more successful in finding a job under these circumstances and

females seemed to be more vulnerable.

As the rural exodus in Hungary was over in the 1980's and after the regime change, the importance of the sector of agriculture was shrinking, one could expect that there was not a significant difference between the urban and the rural young people when it came to the issue of employment. In fact, the Youth 2000 report proves the contrary. At the turn of the centuries, only 33% of the young people of Budapest, the capital city of Hungary said that they experienced the burden of unemployment at least once in their life time, whereas in the villages, 53% gave a positive response to the same question. Among the seven regions of Hungary – report underlines – the traditionally poorer ones (Southern Transdanubia, Northern Great Plain and

young, it is still 12.6%. The overall decrease and the improvement among the young jobseekers can be explained by many factors. The conservative ruling party argues that it is a result of the public employment programs targeting the most vulnerable segments of the Hungarian population (rural people, those under the average and the ethnic Romas), whereas both the socialist and the national radical opposition say that this spectacular betterment is due to the fact that many capable Hungarians opt for working abroad, mainly in Austria, Germany and the UK. We have to note though that "mobility on international labour market is a major right for European citizens." (Spatarelu, 2015:1021) We should not forget that it is argued that in the poorer regions there may be found both higher unemployment rates and lower wages, and migrants to the wealthy regions are strangely skilled (Snieska et al., 2015).

A Comparative Study

"Cross-country data can be used as a tool to better understand the dimensions along which search and matching models can successfully approximate relevant business-cycle moments" (Amaral and Tasci, 2013). In our present comparative study we use two methods. First, handling the comparative data provided by the Organisation for Economic Co-operation and Development (OECD), we proceed to a general comparison, after that, with the help of the information gathered under the previous two chapters, we correlate data linked to more specific subjects.

General Comparison

In the comparative data chart of the OECD, Hungary first appears in the year of 1999 with a youth unemployment rate of 12.8%. It is below the average of the member state shown on the chart. The Turkish Republic first gets included in these statistics later, in 2006. In that year, the youth unemployment was lower in Turkey with 12.5%. In Hungary, we have registered 19.1%. Both percentages were above the average of the integration. The following year, the youth unemployment rates of the countries get very close to each other. Still, Turkey produces better numbers with 17.3%, but it is a sharp increase, whereas Hungary's 18% is a decent decrease. The situation remains almost the same in the first year of the global economic crisis, but as the crunch hits Hungary in a more severe way, during the following years, the distance between the two emerging economies tended to grow. For example, in 2011, Turkey's youth unemployment rate almost coincided with the average of the OECD (Turkey – 16.7%, OECD total 16.3%) and Hungary was still under the sad effect of the crisis with 25.9%. The year of 2014 seems to be a certain turning point as the Hungarian data visibly improves with 20.4% and Turkey detaches from the average and worsens with 17.8%. This tendency is continuous, and in 2015, Hungary could advance Turkey (Hungary – 17.3%, Turkey – 18.5%) (OECD, 2016)

Thematic Comparison

Though both Turkey and Hungary are considered to be emerging nations, there are similarities and discrepancies between these two nation-states. Not only Turkey has a longer tradition with multiparty democracy and market economy, but it is also in a different demographic situation. Hungary is one of the most aging societies on Earth where the number of young people declined

by around 30% during the past 25 years after the fall of the Berlin Wall and the restoration of the democratic system and the market economy. Turkey is just at the starting point of this aging process, a slight downturn in its young population could have been observed during the last 10 or 15 years. Turkey's demographic situation is not yet alarming, but on the long run, it can be indeed endangered the same way as Hungary or the majority of the Western countries. The diminution of the importance of the young generations within the overall society does not necessarily ameliorate the situation of the young. Having less young people in a country does not spell having more job opportunities for them. The youth unemployment rate according to our data analysis is more connected to other factors, mainly the general conditions of the world and local economies.

The chance to get a job varies considerably with one's home address, sex and education. The level of urbanization is a key factor to understand the geographical repartition of the young jobseekers. There is a major dichotomy between the two studied nations. In Turkey, even with contraction of agriculture and the heavy losses in terms of work places in that very sector, the rural youth can more readily find a job, mainly in their own family farms. We can see in the statistics that the youth unemployment rate is around 4–6% lower in the Turkish countryside and 20% higher in the Hungarian villages. Hungarian youngsters living in remote villages, especially in the three most destitute regions of the country (Southern Transdanubia, Northern Great Plain and Northern Hungary) very often do not see any other option than moving away, on many occasion trying to find a job in other countries of the Schengen zone.

One's place of birth is independent of them as their sex. Having said so, this does not mean that these factors do not intervene when dealing with the issue of the young jobseekers. In Turkey during the 1990's, males risked more on the labour market. In 2003, a change has been noted and more and more young females remained without a job either relying on their families or getting married and taking care of the household as a sign of a certain social reformation. In Hungary, young females were traditionally more active than their male counterparts. Though in recent years, some social conservatism can be traced in the Hungarian society, the situation is not very changing as far as social norms and roles of the two sexes are concerned, the decline in the gap separating male and female jobseekers is more connected to the post-2008 crisis in which males could find more options and the democratization of the higher education.

Education is another key circumstance to understand the differences between the two countries. The phenomena going on are totally unrelated. In Turkey, the illiterate (very often this group coincides with the above mentioned rural youth) has better chance to find a job than the ones finishing the first and the second phase of elementary or the secondary education. Holders of university degrees have a similar ease. In Hungary, in 1990's youth unemployment was directly proportional with the level of education. In 1998, not more than a low 3.5% of the university alumni were without a job. Twelve years later, in 2010 some 26.6% could not lay hands on a job. It is around seven times more, and we find more females among them than males. This is the fault of the not premeditated democratization of the Hungarian higher

Table 3 Youth unemployment in the OECD in 2015

	2008	2009	2010	2011	2012	2013	2014	2015
Hungary	19.5	26.4	26.4	25.9	28.2	26.6	20.4	17.3
Turkey	18.5	22.9	19.8	16.7	15.7	16.9	17.8	18.5
EU28	15.6	19.9	21.0	21.7	23.2	23.6	22.2	20.4

Source: OECD (2016)

education. Basically everybody can enter Hungarian universities but related careers are rarely offered. In Turkey, we live the time of the proliferation of universities, there is now a higher educational institution in each province of the country, but there are still some entry requirements selecting candidates and keeping unemployment rates relatively low in this segment of the youth. The only question that might arise is the quality of these new universities and the value of the diplomas issued by them on the labour market.

If we sincerely go through the above comparisons, we can state that even though Turkey and Hungary are both called emerging economies, there are more differences in the details than connections. As the reasons and the forms of youth unemployment differ, the solution for them cannot be the same.

Circular economy revolution as a tool

Some experts argue that our time is that of the circular economy revolution. Croke and Kaplan even underline the importance of this theory saying that the present year of 2017 is truly dedicated to the issue saying that the circular economy has captured the imagination of brands, cities and innovators (Croke and Kaplan, 2017). Their main argument is that within this specific approach, we focus on the local instead of putting emphasis on the global. According to them the circular economy is a cost efficient solution as it intends to look at the daily routine of local people. A premeditated plan to restructure local economies by using each and every option in recycling is also a key factor when it comes to creating new jobs. Analyzing the situation, a clear shift becomes visible proving that "the manufacturing employment opportunities of the future will look different from those of the past. One of the most exciting trends we see across our investment portfolio and pipeline is the scaling of new technologies and manufacturing facilities that turn recycled materials into new, higher-value products" (Croke and Kaplan, 2017).

Croke and Kaplan mainly speak about the circular economy in the frame of the United States of America and its larger hubs. One can wonder whether the very same concept of circular economy can be used in the context of the so-called emerging nations. This question is of particular interest as both Turkey and Hungary are often referred to as emerging economies. At the first approach, we can say that they would not lose more than what they do in the linear economy as it is their mere exploitation since they only provide the cheap resources both natural and human and have no access to the cheap and quality goods and services one can find in the Western world (Le Moigne, 2015). In the developing world, local authorities usually fail to properly collect and dispose solid waste. Certain studies put the percentage of uncollected materials as high as 59% (Gupta, 2012). This is a very alarming number as the major part of the above unwanted materials is organic and eventually can be composted, but facilities to do so are rare and far between. There is a number of experimental cases mostly in Sub-Saharan Africa and Latin-America in which recycling unusable materials is conducted with a focus on social integration. Le Moigne mentions a project in the formerly war torn Ivory Coast where 2,000 ex-combatants are now collecting and recycling plastic waste and this way they reintegrate themselves into the overall society. Thus, there might be even a double benefit, we do not only provide young people with reliable and sustainable jobs, but also let them evolve in a social sense.

Ivory Coast as it is known to locals (this is also the name they use in English) is a relatively developed nation on the African level, but still very far from the situation we face either in Turkey or Hungary, but we can be sure that if both the United States of America and Ivory Coast fit in the ideals of the circular economy, countries in between like the two we are examining can be also considered as targets of the circular economy-based employment

projects. It is clear that local actors can take advantage of the best practices imported by the foreign investors as the latter ones often have higher development rates (Fogarassy et al., 2016). These practices originate from the West and can be better copied in the emerging nations than the ones in the frame of linear economy.

Having said so, green businesses started to grow in Turkey during the last few years and they tend to employ more and more young people (Heshmati, 2015). There is a number of barriers as far as the further proliferation of this system is concerned, especially in the Anatolian regions where the local cultural norms and the lack of eco-friendly education limitate the success of circular economy in the near future. Raising public awareness and inviting increasing segments of the society to purchase green goods would largely contribute to further propagation of this approach and creation of green positions across the country. Not only public awareness is a key, but political actions should also be taken as this issue was never in the center of political debate and the Turkish government has not a concise circular economy policy. Civil society organizations are dealing with the topic, though. Especially the Word of Work and Sustainable Development Association (İs Dünyası ve Sürdürülebilir Kalkınma Derneği), now launching a Circular Economy Workshop (SKD Türkiye, 2017). Hopefully, this move would push the policy makers both on the national and the local levels to look at this issue as a serious chance to create employment in the underdeveloped southern and eastern regions of the country.

Compared to Turkey, Hungary has a visible advantage concerning the extension of circular economy both on the theoretical and academic, the practical and the political levels. This upper hand of the Central European nation is due to two main factors. First, Hungary as a member of the European Union is exposed to a legislation favouring the good practices derived from the circular economy. Second, the civil sphere in general and the ecologists in particular have a larger influence on the society than in Turkey. There is, for instance, an important foundation called Foundation for Circular Economy only dealing with the propagation of this economic way of thinking. The European trends show that the circular economy increases the employment options in that geographical ensemble. Hopes are there that as much as 900,000 jobs would be created in the sector soon. Europe plans to increase the level of recycling to 70% of the waste by the year of 2020 this way establishing more than 162,000 positions in the plastic recycling industry alone (Mikola, 2014). It recycles only 21% of plastic waste in Hungary, less than neighboring Slovakia or Romania (Piac és Profit, 2016). Considering this and the above mentioned European aims, it is not a dream if we count on thousands the jobs to be realized.

Conclusion

As the roots of the problem of the youth unemployment are diverse, we cannot understand the issue the same way in the two countries and we cannot propose a uniform set of resolutions for both of them. In fact, the only common principle to be followed is the targeting of the vulnerable social strata. In Turkey nowadays, the most fragile young people are the urban females with certain but low level education, in Hungary, the rural females who could not finish their primary education.

Generally speaking, a healthy economic growth of 2% to 3% can prevent unemployment by creating the necessary amount of jobs. According to the data provided by the World Bank, both Hungary (2.9%) and Turkey (4%) presented an impressive annual GDP growth in 2015 (World Bank, 2016). Thus, the basis is given, but it also requires government policies to create jobs and favour the young. The simplest way is to give prizes to

those who employ under 24 persons, especially from the above described vulnerable groups or to propose them a reduction in terms of tax and tariffs. Tax cuts in general favour consumption and in this case it can contribute both to the improvement of consuming and employing fragile people. The frame of market economy does not exclude the possibility for the governments to intervene as a partaker or even as an employer. The history had proven that the best subject is the betterment of the infrastructure. In Hungary, for instance, the most vulnerable group is the rural youth and the rural roads are in a very bad shape. This two facts must be connected.

Governments should not be shy when paying unemployment benefits. In Turkey, this type of payment was unheard of for long; in Hungary, it was reduced to the minimum. With the GDP growth of the two countries, higher benefits must be provided for the young unemployed and for longer periods. Higher benefits provoke more consumption, and as the main concern of a young jobseeker is housing, benefits can be combined with governmental supports for families buying or building new houses. As Hungary is about to rethink its newly introduced CSOK (family housing support) benefit, it would be wise to do so.

There is another factor often overlooked by some politicians – many of the young unemployed graduated from school without any chance to find a job. Unexperienced, they are not wanted by the employers. Due to this fact, they only accumulate a number of failures leading to a fragile psychological situation. “What has been absent from the policy response thus far, though, is a coherent approach to the treatment of younger people who have not yet entered the labour market.” (Bell and Banchflower, 2009)

The last primordial point is education. This requires a complete change in the approach. Teaching facts has to be replaced by teaching competences. This is important on the levels of elementary and secondary education, but it should be revised on the higher education level, too. Our universities produce mass of young people with very specialized knowledge and without precise skills they might apply in the labour market. After all, the number of special courses in the labour markets itself for young jobseekers adopted to their level of education must be increased.

Both Turkey and Hungary show an upheaval in terms of youth unemployment, but the problem is still there, more action is required from the policy makers if they understand the importance of what is described in our above data analysis.

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