

The Number of Worker in the Regulation of Labor Market in Turkey

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Abstract

In this paper, it is aimed to highlight the importance of number of worker as the basic criterion for regulation of labour market in Turkey as a case study. The number of worker has been used as a criterion for legislative arrangements by first Labour Law 3008 since 1936. From a policy standpoint, the message is that there is a relationship between using of number of worker for regulation of labour market and the characteristics of economy and labour market. It is result of main share of micro and small enterprises. Thus, it is aimed to protect micro and small sized enterprises in Turkey. This protective approach has been observed in three points. In the considering two exceptions of Labour Law 4857, in regulation of employment protection and in the obligation of employers. the regulations of labour market based on the number of worker have been analyzed in this paper. The paper is organized as follows. After giving a short overview of the literature, in section 2, main hypotheses are outlined, in section 3. the number of worker in regulation of labour market in Turkey has been considered within the legal framework as a case study. Main results and recommendations are provided in last section.

Keywords: Turkey, the worker's number, regulation of labour market, micro and small firms, criterion.

1. Introduction

Labor market is a whole with social and economic dimensions. As the consequence of this, the regulation related to labor market has social and economic dimensions. Thus, the interventions of state to the labor market by the public policy have certain importance. States play a crucial role in setting minimum and socially responsible labor standards. Laws and legislative regulations related labor market that set key boundaries to insure fundamental protections such as a safe workplace, humane working conditions and provide essential guarantees to workers (OECD, 2010:2). In this context, the state's intervention to the labor market has been realized by three way such as legislative regulation related social security system, regulation of collective bargaining and regulation of individual job relations between employer and employees by the labor laws. The state's intervention needs to balance the priorities of employers and social goals. Prefer public policy must establish the balance between social and economic objectives of social parties. For this aim, different criterians have used for regulaion of labor market by the different countries.

One of them is the number of worker in the work places as a criterion. The criterion of the number of worker is mostly widely used for clasification of enterprises. In OECD countries, number of worker has been accepted as as acriterion for statistical purposes (OECD,2004a:10) The worker's number is used directly concerned by all policy and regulations affecting labour market. It is accepted by EU in the defination of firm sized. The EU has determinated new classification related sized of enterprises as from 1.January 2005. It is said that this defination is result of economic developments since 1996 and lessons drawn from the application of the defination (European Commisison, 2005:2). According to the EU's classification the enterprises of 1-9 employees are micro sized, enterprises of 10-49 employees are small sized and the enterprises of 249 employees are medium sized enterprise. According to OECD, the characteristics of SME reflect not only the economic, but also the cultural and social dimensions of a country (OECD, 2004a:10). A large literature has studied the interventions of state to the labour market. In this paper, it is argued that in order to regulate the individual job relations, number of worker has been used as an instrument for interventions of state to the labour market in Turkey. Using of the number of workers as an instrument for regulation of labor market has been accepted in Turkey since 1936 by first Labour Law numbered 3008. This is the basic traditional approach in the public policy related labour market in Turkey since this date.

This paper makes two significant contributions to understanding the effectiveness of using of number of worker in Turkey. The characteristics of economy and labour market are the main indicator for using number of workers as a criterion for regulation of individual job relations. Before drawing conclusions about the number of worker as a measure it is necessary to analyze the macroeconomic conditions and the structural characteristics of labour market in Turkey.

In the main analysis in the paper, transformed of Turkey's economy in 1990's from state-led economy to market oriented economy is accepted as the broken point. After shifting of Turkey's economy toward export-led growth, it is observed to aim the flexibility in the labour market. First step of this trend is realized by Labour Law 4857 in 2003. Today, liberalization process has continued in economy and labour market in Turkey. The last examples of this process are employment packages. In this context, using of worker's number as a criterion for regulation individual job relations has been deregulated in 2003. The remainder of the paper is organized as follows. After giving a short overview of the literature, in section 2, main hypotheses are outlined, in section 3. the number of worker in regulation of labour market in Turkey has been considered within the legal framework as a case study. Main results and recommendations are provided in last section.

2. Legal Frame Work and Hypotheses

Turkey is an interesting case to analyze the worker's number as a criterion for regulation to the individual job relations. In order to increase labour market flexibility, using of this criterion has been deregulated by the last legislations. Using of number of worker as a criterion for regulations of labour market has connected with the sized of economy in Turkey. In the analyzing some points are important: These points must be considered for the analyzing in the importance of micro and small enterprises. The main hypotheses of paper are based on using of worker's number as threshold and characteristics of economy and labour market are determined indicators in the legal framework in Turkey.

2.1. Characteristics of economy: Main characteristics of economy in Turkey can be summarized as share of micro and small enterprises and economic instability.

2.1.1. Size of economy: The importance of economy's sized has describe in this chapter. The importance of micro and small sized enterprises in Turkey's economy has been accepted since establishing of Turkish Republic. Thus, the growing role of micro and small sized enterprises in national economy became the important phenomenon of economic development since 1920. The importance of these sized enterprises has been accepted in the first economic conference was held in İzmir in 1923. In these years, Turkey faced shortage entrepreneurs and didn't have economic development policy based on private sector's enterprises. Since the beginning, it has been aimed to promoted entrepreneurship in Turkey. Today, micro and small sized enterprises have been protected by same traditional approach. Firstly, micro and small enterprises have important place in terms of number of business, number of employees and value added they created. So, it has been accepted one of the basic characteristics of the economic structure in Turkey (Bulutay, 1995:65). As the consequence of this, micro and small sized enterprises are a key driver for economic growth, employment and social and economic integration.

Secondly, the market structure of these firms is weak and this weakness has negatively affected the performance of them. The micro and small firms are facing some problems such as the low productivity, capacity utilization, and technical knowledge, financing and marketing. These problems are stemming from their size and disorganized structure. Beside this, instability in economic conjuncture has affected negatively micro and small sized enterprises in Turkey. Thirdly, the flexibility and innovative capacity of the micro and the small firms enable them to respond quickly to structural changes and adapt easily to changing demand by the flexible structure. Thus, the micro and small sized enterprises are important place in the flexibility process of the labour market in Turkey. Fourthly, they have play important role to integrate to globalization and adjustment process to European Union (EU). Definition related sized of enterprises has been recently unified and was in force as of 18, May, 2006 in order to eliminate the differences between the definitions used by various public institutions in Turkey by Law 5331 since 2005¹. Since this date, EU's classification related enterprises size valid in Turkey.

¹ This regulation has been legislated by adding an additional article to the Law No:3143 on the Organization and functions of

According to this definition the enterprises of 1-9 employees are micro sized, enterprises of 10-49 employees are small sized and the enterprises of 249 employees are medium sized enterprise. The next paragraph documents the empirical facts motivating this paper. For this aim, data have been taken from the Social Security Foundation which have been used for the analyzing the share of the micro and small sized enterprises in total employment and total number of enterprises in Turkey. The importance of micro and small sized enterprises for Turkey's economy can be considered from Table 1 below.

Table 1: The Share of Micro and Small Enterprises in Working Places and Compulsory Insured Persons as of July, 2010 in Turkey

Group of Insured Person	N' of Working Place	%	N' of Compulsory Insured Person	%
1-9	1,085,550	85,65%	2,868,247	28,75%
10-49	156,416	12,34%	3,069,561	30,77%
50+	25,503	2,01%	4,039,047	40,48%
Total	1,267,469	100,00	9,976,855	100,00%

Source: SSF (2010), The Social Security Foundation, 2010 August, Statistics on Compulsory Insured People.

As seen as in Table 1, these sized enterprises are important in Turkey's economy. Table 1 shows us the place of micro and small enterprises in to total enterprises and in total formal employment as of July, 2010 in Turkey. While the share of firms which employ less than 10 workers is 85,65% in total; it is nearly 97,99% for the enterprises which employs less than 50 workers in total number of work places in Turkey in 2010 (SSF, 2010). On the other hand, the share of the firms which employ less than 10 workers is 28,75% and the firms employ less than 50 workers is 59,52% in total employment of the insured workers as of July, 2010, (SSF, 2010).

2.2. Economic instability: The Turkish economy has a fragile structure. It is reported that economic fluctuations experienced intensively and periodically are the basic characteristics of the Turkish economy in recent years. (Bulutay,1995;87). The data on the fluctuations in the economic growth rate stated the necessity of protection micro and small sized enterprises. The stimulating effect of economic instability on unemployment is pointed out (Kazgan, 2002:19). It is emphasized that cyclical unemployment may be added to structural unemployment and may turn temporary unemployment into permanent unemployment and that the unemployed period may be prolonged due to economic crisis (Kuzgun, 2005:37). Beside internal economic crisis, external macroeconomic conditions especially global crisis has affected to the economic conditions of Turkey. Thus, unemployment rate has exploded due to the external and internal economic crisis in Turkey.

2.2. Characteristics of Labor Market: Before drawing conclusions about the efficiency of the number of worker as a measure it is necessary to analyze the structural characteristics of labor market. In this analyzing some points are important.

2.2.1. Unemployment: Unemployment is the other main problem of Turkey's labour market and decreasing of labour cost is important to protect the employment level. The inequity in the job creation capacity of the labor market has been restricted and it reflects to demand for labour force. The period of unemployment is used by the employer for eliminated labour force in the labour market (Eliot, 1997:510). As of July 2010, while Turkey's overall unemployment rate is 10,6% ; this rate is 13.2% in urban side and 5.5% in agriculture (SSF,2010:2). According to the data, almost 10 percent of labourforce in Turkey is unemployed. Unemployment rates is a determined factor for protecting micro and small enterprises in Turkey.

2.2.3. Unregistered Employment: The dual economic structure such as registered and unregistered economy in Turkey has reflected on the labor market as being registered employment and unregistered employment.

Ministry of Industry and Trade (Official Gazette, Date 16 April, 2005, Number of issue: 25788.

Informal employment which is a reflection of informal economy on the labor market has reached a significant level in Turkey. According to the July, 2010 Household Labor Force Survey results of TURKSTAT, informal employment constitutes 48,49% of the total employment and 33,91% of employment in non-agricultural sectors throughout Turkey (TÜİK,2010:128). There is relation between flexibility and informal employment in the labour market. It is expected that external flexibility strategies which provide flexibility in the labor cost have contributed to the growth of the informal sector and informal employment in Turkey (Toksöz, 2009:7). It is observed that a relationship is constructed between reducing the unemployment and informal employment. In the meanwhile, the emphasis on the fact that informal employment reduces unemployment in Turkey draws attention (SPO, 2007:61). In Turkey, 40,8% of total employment is not in the scope of the social security system (TÜİK,2009:2). To avoid labour regulations and contributions are most common in Turkey. Non-registration of workers with the social security system is one of the informality in Turkey.

4. The Number of Worker in Regulation of Labour Market in Turkey: The number of worker has been used as a criterion for regulation of the labour market by three ways in Turkey. Firstly, it is used for considering two exceptions in the scope of Labour Law 4857. Secondly, obligations of employer have been regulated by the number of worker. It is observed that it is used as an instrument for promoting and protecting the competitiveness of firms by fostering the growth of the formal sector in Turkey. The legislation given by employment package in July 2008 has been based on this argument. Lastly, firm sized has been used as an instrument for regulation individual labour relations between employer and employee in Turkey.

4.1. Considering two exceptions in scope of Labour Law 4857: The Labour Law 4857 does not apply to contracts of service entered in respect of jobs which have been determined by the Article 4. It means that the Labour Law 4857 has not covered on all workers in the industrial, service and agriculture sector in Turkey. Generally, micro and small and sized enterprises are a very heterogeneous group with the structural characteristics. So, the number of worker has been accepted as the instrument for determinate two exceptions of Labour Law 4857 in Turkey. These groups which are scope of the exceptions remain under the rather general terms of Law of Obligations. Articles 313-354 of Law of Obligations have been applied on individual labour relations between employer and employee in industry and services sectors not included in these exceptions of Labour Law 4857 in Turkey. However, rules and regulations related work healthy and safety shall apply to all workers, regardless of the scope of Labour Law 4857 (Sur, 2009:19). These exceptions based on worker's number have been detailed analyzed as below.

4.1.1. Exception related to tradesmen and craftsmen: The specialist legal regulation related to tradesmen and craftsmen has been accepted in Turkey since 1964. Thus, the firms that employs two or less than two employers except employer and satisfy the definition contained in section 2 of the Tradesmen and Small Handicrafts Law 507 are not in the scope of the Labour Law 4857. This legislation is the result of sized of economy in Turkey and it shows the importance of very small enterprises. Uludağ said that the enterprise which employs two workers except employer of the firm are accepted as the micro firms in literature (Uludağ, 1991:18). This legislation is peculiar to Turkey. It is said that there is no definition for crafts enterprises (European Commission, 2010:1). This regulation shows the importance of crafts enterprises in the economy. Crafts enterprises provide vital products and services for the local market and they create jobs at local level. They have direct relations with customers in local level. These sized enterprises have been seen in the traditional part of manufacturing and services sectors in Turkey. On the other hand, this category of enterprise also includes a large part of labour force in Turkey. There is 349,494 enterprises in this group and their share is 27,57% in total number of enterprises and they create jobs for 828,382 person as of July, 2010. It equals to 8,30% in total employment as of July, 2010 (SSF,2010).According to Turkish Tradesmen and Craftsmen Confederation (TESK) there are 1,916,897 tradesmen, crafts and small handicrafts in Turkey as of end of June, 2010, (TESK, 2010:1). Thus, it is observed that a noticeable part of workers that is still not in the scope of Labour Law 4857.

4.1.2. Exception related workers in agriculture and forestry sector: Exception related workers in agriculture and forestry sector has been regulated number of worker employed by the enterprises. By the article 4 / b of Code 4857, the firms of 1-49 employs in the agriculture and forestry sectors are not in the scope of Labour Law 4857. The Agricultural Labour Law has not been enacted yet in Turkey. It means that, agriculture and forestry workers employed by small enterprises are in the scope of the Obligation Law.

Beside this, conditions and social security provision are provided to permanent workers in Turkey. Thus, the temporary workers in agriculture and forestry sectors are in the scope of social security by voluntary participation in Turkey. We can say that regulations related work healthy and safety have not been applied to agriculture and forestry workers. As consequence of this, most of temporary workers in these sectors have no social security coverage in Turkey. The agricultural sector's share in total employment is 26.6% as of July 2010, in Turkey (TÜİK, 2010:2)². With this percentage, this sector is in the second order in the distribution of employment by sector in Turkey. Despite this, most of workers of agriculture are not officially registered in Turkey.

4.2. The number of workers as a criterion for obligations of employers: Employer's obligations inform the employment conditions and increase the non-wage-cost of labour force. From an economic perspective, it is accepted that the high-non wage cost has restricted employment and encouraged activity in the informal sector in Turkey (WORLDBANK, 2006: 45). It is stated that the legal obligations of employer related to the employment increases the cost of labour force and unregistered employment in Turkey (SGK, 2006:2). The informal economy and informal employment create some socio-economic problems. In order for employment to be increased and unemployment to be reduced, it is accepted that there is a need to revise the obligations of employers regarding employment in Turkey (SPO,2007:49). Economic competition has become important with the globalization process which is mostly seen as a driving force for earning profits of the firms. The competitive power of firms has become more vital in national and international market due to the globalization. Within the global system, most of labour regulations are not in connection with unpaid care work. It is observed that globalization has most effects on the flexibility of employer's obligation. In this context, the obligations of employer have been questioned in Turkey. It can be commented as one of aspects of globalization related to labour market policies. In meanwhile, using of number of workers has been regulated as a criterion to enhance the competitiveness of enterprises in Turkey.

The obligations of employer affect non-wage labour cost ,which may involve trade-offs between social and market objectives, focusing in particular on provide sport facilities, establishing cresses and infirmary and to employ disabled workers, ex-convicts and terror victims.The obligation of employers has increased the cost of labour force for the enterprises. Non-wage cost is especially important for the private sector's employers. Thus, private sector's enterprises points out that social responsibility of employers is a voluntary concept and they are against to the any attempt to regulate it which would restrict enterprise creativity and reduce their motivation to do more than the current legal responsibilities. The number of workers has been used as a criterion for considering the obligation of employers in Turkey by the first Labour Law 3008 since 1936. The purpose of Labour Law 4857 is to regulate working conditions and rights and obligation of the social partners of service's act. In this context, number of worker has been used as a criterion for regulation of employer's obligation. Unfortunately, it can't be said that it is an effective application. In the meanwhile, employers do not feel obligated to comply with these regulations in Turkey (WORLD BANK, 2003:94).

Many employers kept the number of their employees below these thresholds just not to pay the fine.It said that the possibilities for the enterprises to contribute to social progress are limited. It has been drawn attention by the private sector's employers that the government has the main responsibility to constitute a public policy related to social obligations, while enterprises initiative complement but do not substituted for public policy. In the meanwhile, employer's obligations have been discussed in Eight Five Plan's period in Turkey. According to the employers, this kind of obligations have been called as the social obligation and investment not related to the enterprises and it is accepted that social obligations such as have been shared by local governments and employers (DPT,2001:17). As the consequence of conditions, Labour Law 1475 was revised in May, 2003 and Labour Law 4857 has been enacted in this year. In Labour Law 4857, the establishing day-care center, nursing room, canteen, sport facilities and education center have been considered as the employer's obligations. These obligations of employer have been regulated by the number of worker in the work place.

² As of July,2010, while the share of service sector is 46,8%; the share of industry sector is 19,5%; the share of construction sector is 7% in total employment in Turkey. http://www.sgk.gov.tr/wps/portal!/ut/p/c1/04_SB8K8xLLM9MSSzPy8xBz9CP0os_9AS-PAAE8TIwN3do9XAYNjrIAAnO6d9Q-dgI6B8JJK84ZnHOVDcMNTIcXY0MDdiIB1

Thus, employers in Turkey also have same obligations to employ a certain number of people and establish units, depending on the number of workers they employed with in legal framework of labour relations. On the contrary, it is accepted that this kind of obligations decrease the capacity of creation of employment of firms and it is necessary to revise obligations of employers regarding employment by the Ninth Development Plan (SPO,2007:48). According to the employers, obligations aimed to solve social problems that have not been connected on the employers and it means that it is punishment of employers which create employment (TISK, 2007:3). In the meanwhile the reciprocal rights and duties of employees and employers obligation of employers has been deregulated by the Law numbered 5763 in July, 2008 which is publically called “employment package”³. The obligations of employer have been formulated by Law 5763. The employment package is the result of globalization in the labour market. It has aimed to decrease cost of employer’s obligations based on worker’s number. Non-wage cost is high in Turkey and it is accepted that the high non-wage cost of labour force has decreased the demand for labour. By this regulation, it is aimed to enhancing the competitiveness of labour incentive activities.

Following are some important points included in this legislation. In this context, in the related to the employer’s social obligation three approaches have been observed.

- Firstly, administrative requirements of employers based on worker’s number such as to provide sport facilities, infirmary and to employ ex-convicts have been lifted.
- Secondly, enterprises should fulfill their obligation to provide services by giving the employees the chance to make the necessary arrangements outside services.
- Thirdly, establishing the canteen by approval of employer

4.2.1. Abrogating of administrative requirements of employers based on worker’s number: Some obligations of employer based on worker’s number have been lifted by employment package such as provide sport facilities, infirmary and to employ ex-convicts and terror victims.

Employer’s obligation related sport facilities: Before the legislation, if the firm employs 500 and more than 500 workers, the employer established a sport center in the work place. By the employment package, employer’s obligation to establish sport facilities is annulled.

Compulsory employment quote related ex-convict people and terror victims: Employer’s obligation related ex-convict people and terror victims based on number of worker has been abrogated in 2008. Thus, private sector employers are relieved from the obligation to employ ex-convicts and terror victims. Public sector’s employers are not in the scope of employment package. While, public sector’s employers are foreseen to employ 2% ex-convicts people; the obligation in employment of terror victim has been lifted in public sector by this legislation.

4.2.2. Employer’s obligation which fulfill to outsource work place: By the legislation, employers should fulfill their some obligations to provide services by giving the employees the chance to make the necessary arrangements outside services.

Employers’ obligation related health and safety services: In this context, the employer will be able to outsource work place health unit, work place doctor, health and safety engineer and technician function in Turkey. The regulation of occupational health and safety is accepted one of the important and controversial area of direct state intervention into the labour market (McConnel,1999: 418). It is observed that same approach had been accepted in Turkey and the regulation of occupational health and safety was one of the direct interventions realized by Labour Law 4857. This legislation was valid for the firms which acting in the industrial sector. According to the article 80, 81 and 82 of the Labour Law 4857, the firm which employs 50 and more than 50 workers in the compulsory works, it was necessary to build a The Health and Safety Committee at workplace. According to the employment package, employer’s obligation in this field has been abrogated.

³ Law 5763 Amending The Labour Law and Various Other Laws (Official Gazette, Date 26 May, 2008, Number of issue: 28887).

The employer's obligation regarding childcare: The women labour force is one of the target groups in the employment policy in Turkey. As the consequence of this, the obligation of employer who employs more than 150 women to establish a nursing room and childcare centre in the work place has been legislated by the Article 88 of Labour Law 4857. Thus, the obligation of employer regarding child care has been based on number of women worker in the work places. According to the amendment of Article 88, the workplaces should fulfill their obligation to provide day-care services by giving the employees the chance to make the necessary arrangements outside day-care services. It is said that this regulation is aimed to increase the employment of women in Turkey (Zuvin, 2009:3). It is not impossible to attend to this comment. According to the survey of Turkish Enterprises and Business Confederation, while 11% of woman workers leave their jobs due to care responsibilities and housework; 10% of total female workers leave their jobs because of unfavorable working conditions in Turkey (EUROFOUND, 2008:7). It is accepted that the preschool education is critical term in female employment in Turkey (ILO, 2009:67). In meanwhile, it is accepted that the establishment of an infrastructure for childcare is an important element of a comprehensive women employment policy in Turkey (TOBB, 2006:2).

On the other hand, only number of women workers in the work place has been taken as a criterion. So, there is a negative discrimination against to the women workers for opening those facilities in the work places (Kuzgun, 2010:3100). It is observed that globalization has most effects on women labour force as a target group in Turkey. It is accepted that market paid economy will have gender effects with women bearing the heavier burden (EUROFOUND, 2008:4). In the same way, it was accepted that protective legislation regarding childcare increases the cost of women labour force for the employers (TOBB, 2006:2).

4.2.3. Approval of employer for establishing a canteen in the work place: The consumption cooperation's at the work place is an instrument of social policy; so, it was legislated in the Labour Law 4857 and it was based on number of worker. By the employment package, for establishing a canteen in work place, it is necessary the approval of employer in Turkey. This regulation is a back step in the social rights of workers and it will weakness of ties between workers and trade union. On the contrary, it has been commented as a legislation which loses its function by the employers (Küçük, 2002:2).

4.3. The number of workers for employment protection regulation: The employees have been protected by Labour Law in Turkey. On the contrary, employment protection legislation restricted the ability of the employer to utilize employee. Employment protection regulation defines social dimension according to which employers can dismiss workers if the firms evade laws (Jahn, 2008:2). It was to ayme to increase the flexibility of demand for labour in crisis period. Despite this, dismissal procedures are based on some rules. These restrictions are typically legislated but may also be set by collective agreements in Turkey. The using of number of workers as a criterion for protection the employment relation in Turkey is shown in the Table 2 below.

Table 2. The Number of Workers as a Criterion for Protection of Employment Relation in Turkey

In the employment security	The firm which employs 30 and more than 30 employees. Workers with tenure of more than six months.	In the service, industry and agricultural sectors
In the premium incentives for the employment quota for disabled workers	The firm which employs 50 and more than 50 workers.	In the industrial, services sector and agricultural sector
In the collective lay off	Low limit is 20 employees.	In the service, industry and agricultural sector

4.3.1. in the employment security: As the result of characteristic of the economic structure, the scope of the employment security has been limited by the number of workers at the work places in Turkey. Employment security is a practice that protects full time workers against the loss of employment and earnings for reason unrelated to their job performance and behavior (Kuzgun, 2005:183). According to the article 18 of the Code 4857, the firms which employ 30 and more than 30 workers in the work places, the employers dissolve the uncertain act of the worker with the six month seniority is based on the valid reasons related to his job performance or behavior since 2003.

In the other words, the employment security is limited by the number of worker in Turkey. The reason confirming the scope of increased job security to work places with 30 or more workers is to avoid imposing legal constraints in a way (Süral, 2009: 15).

4.3.2. The employment quotas of disabled person promoted with subsidies: The mandatory employment quota for disabled worker based on number of worker has been accepted since 1967 in Turkey. The employment obligations for the people with disabilities are enacted by the article 40 of the Code 4857. Obligation of employer to employ disable people has been explained by restriction of employer's freedom of contract by the social responsibility (Çelik, 2003:104). This legislation has been commented as to punish the employers by the employers (TISK, 2007:3). Within employment package, employment quota of disabled worker has been promoted with subsidies of social security premium. It is shows that the new employment strategy has been created for disabled workers' employment in Turkey. With this approach, it is aimed to increase the demand for disabled labour force.

4.3.3. In collective lay-off: The firms can resort the collective lay-off to accommodate cyclical fluctuations in economic activity. The temporary laying off has been accepted as a way to accommodate unexpected variations that occur in product and factor markets (Elliot, 1997:266). The economy in Turkey has a fragile structure. Since the economy is open to internal and external factors, the frequency of economic crises in Turkey results in instability in labour demand. This characteristic of the economy is the fundamental structural reason that collective lay-off is used frequently by the enterprise as an instrument in crisis management. So, the collective lay-off has been legislated as a flexible staffing arrangement in Turkey. It is observed that the number of workers is accepted as a criterion by the article 29 of the Labour Law 4857 for the regulation of the collective lay-offs in Turkey. The lower limit is the 20 workers in the collective lay-off. There is no discrimination by the sector. On the other hand, it is not observed to apply the collective lay-off to accommodate cyclical in the public sector, because of the social employment in this sector in Turkey.

A collective dismissal exist where at least 10 workers out of between 20-100 total employed, or least 10% total employed workers between 101-300, or at least 30 workers are dismissed on notice at the same time or any time during a period of one month. The firms discharge their employees with the declared intention of re-engaging them when economic activity picks up. The collectively dismissed workers can be called back to work by the employer and it is legal right of workers. But, as the consequence of long term fluctuations, the temporary lay-off becomes the permanent separation from the labour market for the workers in Turkey.

5. Conclusion: In this paper, it is aimed to highlight the importance of number of worker as the basic criterion for regulation of labor market in Turkey as a case study. The main findings of this study are as follows:

- It is aimed to protect and promote the micro and small sized enterprises.
- The micro and small sized enterprises have vital importance for Turkey's economy and labour market. So, there is a relationship between using of number of worker for regulation of labour market and sized of economy in Turkey.
- Addition to the efficiency of number of worker as threshold for regulation of individual job relation between social partners depends on characteristics of economy and labour market in Turkey.
- This paper makes two significant contributions to understanding the effectiveness of using of number of worker in Turkey. Firstly, the sized of economy is one of the main indicator for using number of workers as a criterion for regulation of individual job relations. Secondly, the characteristics of labour market in Turkey are other indicator for using this instrument as an intervention's instrument of state.
- After shifting of Turkey's economy toward export-led growth in 1990's, it is observed flexibility in the labour market. Today, liberalization process has continued in economy and labour market in Turkey.
- The last examples of this process is using of worker's number as a criterion by flexible way by employment package. It is commented as the result of liberalization in labour market .
- It is observed that individual job relation between employer and employee has been deregulated by the rules of globalization in Turkey. It is aimed to promote and to protect the competitiveness of firms by fostering the growth of the formal sector in Turkey.
- It is estimated that this trend will have positive effects on the transition from informal economy/employment to formal economy/employment in Turkey.

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