

MIS376
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MAPPING AND DATA

**Increased
Unemployment Rate
Due to Covid-19**

Makbule Merve Akarlar

16030411045

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Epidemics have occurred many times in history and pandemics have been declared. Diseases such as “Plague Outbreak”, “Bleeding Fever”, “Cholera”, “SARS” epidemic, Swine Flu, Bird Flu are some of them. These epidemics, which have been seen throughout human history, have caused serious problems for the whole world. Throughout history, these infectious diseases have brought many negativities. Sudden deaths, population losses, production activities coming to a standstill, damage to the economy are among these negativities. The Covid-19 virus is one of them and it has such negativities.

Covid-19

The Covid-19 epidemic, which started in Wuhan, China on December 1, 2019, has spread rapidly all over the world. It was seen for the first time in our country on March 11, 2020. The Covid-19 outbreak has adversely affected many sectors in the global economy. In order to prevent the spread of the epidemic, the closing of the borders of the states and the measures taken to reduce human mobility in the country and the bans brought by them cause the restriction of economic activities. Some workplaces downsizing, while others are temporarily or permanently closed, cause a decrease in demand. Production in the industry and services sector decreased, domestic and foreign trade experienced a rapid decline, unemployment rates increased. Therefore, there has been a sharp contraction in the economic activities of all countries in the world. With the decline in demand, production has come to a standstill. This falling employment situation brought along the problem of unemployment.

According to the data; In February 2020, unemployment rate was 13.6%, employment rate was 43.1%, labor force participation rate was 49.9% and youth unemployment rate was 24.4%. therefore, while there was a decrease in labor force participation and employment rate, there was an increase in unemployment.

Almost all developed countries have prepared and used large-volume unemployment packages for this problem. In Turkey, in this regard, such as increasing the minimum pension to 1,500 TL, providing 1,000 TL per month to the needy over the age of 65 from the pandemic, providing food aid to the needy, activating the short-time working allowance to prevent unemployment, and making payments to families in need. Applications that can be considered as income transfer packages have been implemented. In addition, some insurance and tax premiums have been postponed.

Impact on Society

Covid-19 has adversely affected people's health, work and social life. Shopping centers have been closed, in the service sector; activities such as cafes, barbers, hairdressers were suspended for a certain period of time. Travel restrictions were imposed on countries, a distance education system was introduced in education, sports and artistic activities were suspended, a remote and flexible working system was introduced, and production was suspended at some production points. The decrease in export and tourism revenues was adversely affected by foreign trade travel restrictions. In short, the Covid-19 global epidemic has affected all aspects of social life, both economic and social.

Job and Income Loss Caused by the Epidemic in Turkey

Some limited data shared with the public by the Ministry of Treasury and Finance and the Ministry of Family, Labor and Social Services (MFL) show that the epidemic caused a huge loss of jobs and income. According to the data of AÇSHB and İŞKUR, more than 4.6 million insured and unemployed workers applied to benefit from İŞKUR allowances due to loss of job and income due to the epidemic. In other words, 4 million 665 thousand of the 14 million 211 thousand workers in the registered sector applied for İŞKUR allowances. This number does not include insured workers who work registered but cannot apply for İŞKUR benefits because they cannot fulfill the eligibility conditions, and workers who work informally and become unemployed or lose their income. Approximately 4.8 million people work informally in the non-agricultural sector in Turkey.

Unemployment Problem

Unemployment is a situation with social and economic costs. This cost makes unemployment a visible problem. When we look at the distribution of unemployment by age groups in the society, it is seen that the group with the highest unemployment is the young population between the ages of 15-24. It is stated that the reason why unemployment is mostly seen in the young population aged 15-24 is due to the lack of sufficient knowledge and skills.

Countries have implemented various employment policies to solve this problem. Investments made within this framework have been insufficient to solve the problem as they cannot meet the demand. To solve this problem, it is important to support youth entrepreneurship and to provide consultancy services to young people in this process. Because the majority of individuals who receive only theoretical education throughout their education life can cause young people to be deprived of the necessary experience and skills while starting the business

life. Education-oriented policies adopted in the solution of the youth unemployment problem have an important place in this process. Because the disruptions and mistakes in the education system have led to the emergence of the educated young unemployed phenomenon.

Unemployment also increases from time to time due to global crises, pandemics and economic fluctuations. In order to minimize and prevent the negative effects of these crises, it is necessary to be prepared by planning the measures to be taken in advance. In addition, in order to minimize the effect of unemployment to be caused by the pandemic and similar global problems, the scope of unemployment insurance should be expanded and the application conditions for unemployment insurance should be alleviated in such periods. At the same time, the duration and amount of unemployment benefit should be at a level that will reduce the wounds of unemployment that will occur during the pandemic period. As a result, planning the education system in a way that will provide a direct transition from education life to employment and implementing employment policies that include permanent solutions are important in solving the unemployment problem.