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Partisan politics of skills in middle-income countries: Insiders, outsiders and the vocational education system of Turkey

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Introduction

Vocational education and training (VET) systems are shown as critical institutions for middle-income countries (MICs) to continue their economic growth and to make this growth more inclusive. On the one hand, VET will help to improve these countries' comparative advantage in producing higher value-added goods (Middleton et al., 1993; Ashton et al., 1999; Nilsson, 2010; Doner and Schneider, 2016). On the other hand, VET systems will play an important role in attaining more inclusive growth, as these systems create more opportunities for individuals from lower income groups and with lower academic scores (Acemoglu and Pischke, 1999; Busemeyer, 2015a; Estevez-Abe et al., 2001; Rueda and Pontusson, 2000; Thelen, 2004) (Acemoglu & Pischke, 1999; Rueda & Pontusson, 2000; Estevez-Abe, Iversen, & Soskice, 2001; Thelen, 2004; Busemeyer, 2015a).

Despite its importance, research on the VET systems of MICs has been surprisingly scarce. Studies on skill formation in MICs have focused on education systems in general, without differentiating between vocational and general education. More recent research on the political economy of development in MICs have studied VET systems and discussed the political coalitions that promote or prevent VET policies (Doner and Schneider, 2016, 2019; Sancak and Özel, 2018). Nonetheless, there is still dearth of research on the *structure* of VET systems in MICs and the *partisan politics* that shape this structure. The structure of VET systems is important because it defines the types of skills generated in these systems, such as specific or general skills, which then have different

implications for workers and firms, and thus inclusive development (Busemeyer, 2015a). Furthermore, VET structures are formed through distinct political struggles and partisan alliances, as they benefit different socio-political groups (Thelen, 2004; Busemeyer, 2015c). Therefore, an analysis on the partisan politics and structure of VET system constitutes an important gap in the discussions on VET systems and inclusive development in MICs.

Although the influence of partisan politics on VET policies has been extensively discussed in the literature on VET systems in advanced capitalist economies, these studies are not sufficient to explain the case of VET in MICs. This is because the studies on advanced economies have focused on the class struggles and partisan alliances in the 20th century and hence studied the role of 'traditional' political groups and these groups' partisan alliances, which have become the 'insiders' of the political economic systems in these countries. However, in MICs, socio-political groups and political struggles are very different, which will lead to distinct VET policies in these countries.

This article studies the impact of partisan politics on the structure of VET systems in MICs. It focuses on the case of Turkey in the early 2000s. Different from many MICs, Turkey had a series of stable governments in the 2000s which were led by a strong political party, the Justice and Development Party (*Adalet ve Kalkınma Partisi- AKP*). The main constituents of this party were not insiders of the previous political economic system but rather were outsiders, namely small and medium sized enterprises (SMEs) and workers with insecure employment. During the 2000s, the governing alliance in Turkey shifted in favour of the outsiders while the Turkish VET system experienced important changes. Turkey is therefore an important case study for tracing the impact of outsiders and their partisan alliances on the structure of VET. With this analysis, which will be the first one on a MIC, the article aims to expand the debates on the partisan politics and VET on advanced capitalist economies to MICs and to enhance our understanding about the political economy of VET in MICs. This study then can be followed by similar research on other MICs, especially those that recently have been experiencing important developments in their VET systems such as Malaysia and Chile[1] (see Doner and Schneider, 2019 for further discussion).

The research in this article is based on process-tracing of the continuities and changes of partisan competition and VET policies during the AKP's first two terms (2002-2011),[2] and compares this with the period prior to the 2000s. The article utilises the secondary literature to understand the partisan politics and political competition in Turkey. Additionally, it adopts the approach of Busemeyer and Trampusch (2012) with Thelen's (2014) extension to analyse the impact of these dynamics on VET systems.[3] It examines the structure of the VET system, namely the state's commitment to and firms' involvement in VET in terms of the financing, management, and provision of VET, and analyses the possibility of VET as a viable alternative to general education (Busemeyer and Trampusch, 2012). Data for this study includes primary documents related to the party and government programmes, policy documents, business associations and labour unions publications, and reports by civil society and international organisations. Additionally, sixteen face-to-face, in-depth interviews were conducted with bureaucrats in relevant ministries and representatives of main business associations, labour unions, and other VET related organisations.[4]

The political economy and structure of VET systems

The literature on the political economy of MICs provides an extensive discussion on the political coalitions and institution formation in these countries. These studies argue that institutions that would bring inclusive and continuous development could not be formed in many MICs due to the existence of coalitions that block policy reforms as well as the absence of certain coalitions that would support such reforms (Kaufman and Nelson, 2004; Kohli, 2004; Schneider, 2004; Haggard and Kaufman, 2008; Doner and Schneider, 2016; Holland and Schneider, 2017). The importance of education policies for development has also been emphasised in many studies on development in MICs (Birdsall and Sabot, 1997; Ranis et al., 2000; Hanson, 2008; Hanushek and Woessmann, 2008; Aiyar et al., 2013). Nonetheless, the research on the political economy of VET has been surprisingly scarce (see Doner and Schneider, 2016).

Some recent studies have focused on different elements of skill formation systems in MICs (Doner and Schneider, 2016; Sancak and Özel, 2018; Bogliaccini and Madariaga, 2018; Doner and Schneider, 2019; Bruns et al., 2019). The work

of Doner and Schneider (2016) is a significant one regarding the political coalitions and skill formation. The authors argue that state-promoted industrialisation in large upper MICs created both vertical and horizontal inequalities that benefited the insiders of the political economic system in these countries, namely large firms and labour market insiders in formal employment. These arrangements, moreover, impeded education reform and the development of strong VET systems (Doner and Schneider, 2016; Schneider, 2013, 2009; Schneider and Karcher, 2010). Studies on Newly Industrialised Countries (NICs) in East Asia constitute another important line of research on the political economy of VET. It has been argued that NICs moved from the middle to high income group much earlier thanks to the 'developmental states' that worked 'closely with industrialists' and promoted VET systems in these countries (Wade, 1990, p. 295; Lee, 2011; Fleckenstein and Lee, 2019).

Notwithstanding its contribution to our understanding, the research on the political economy of VET in MICs suffers from two main shortcomings. First, these studies talk about VET policies in general without an analysis on the *structure* of those systems. Many studies on MICs are based on aggregate data on VET systems provided by international organisations, such as the share of VET students in secondary education (Doner and Schneider, 2019, 2016). While this data may give a general idea about VET systems, it does not show the types of skills generated in these systems. For example, they do not differentiate between school-based and firm-based VET systems although the former is argued to generate more general skills and create lower educational inequality compared to the latter (Thelen, 2014; Busemeyer, 2015a). Furthermore, aggregate data provided by international organisations does not always reflect the realities of national VET systems and sometimes may even contradict one another. For example, according to the World Bank, 25 per cent of secondary school students in 2015 were in vocational schools in Turkey while the OECD data for the same year is 49 per cent (World Bank, 2019; OECD, 2019). Therefore, an analysis on the structure of VET systems in MICs is fundamental to fully understand these systems and their implications for inclusive development.

The second main shortcoming is related to the first point and is about the *partisan politics* that shape the structure of VET systems. The studies on MICs have discussed the state's role in VET systems as a 'bureaucratic' actor overlooking its 'political' role which will be shaped by the political parties governing the state (Busemeyer, 2015b). For example, Doner and Schneider (2016, p. 619) argue that political parties in MICs can often be "populist, redistributive, and/or corrupt" with a tendency to focus on short-term horizons, which they argue has led to a lack of attention given to VET policies that would facilitate longer term development. A few researchers have emphasised the role of 'strong' political parties to compensate for the weak coalitions that would promote education policies bringing sustainable and inclusive development (Bizzarro et al., 2018; Bruns et al., 2019; Doner and Schneider, 2019). Nevertheless, none of these studies discuss the impact of partisan politics on VET systems.

Political parties can influence VET systems in two main ways. Firstly, political parties that have links with different socio-political groups will promote distinct VET policies addressing their constituents' interests (Iversen and Stephens, 2008; Busemeyer, 2015c). Secondly, political parties can play an active role in creating the necessary coalitions for VET through 'political articulation' and shape VET policies accordingly (Leon et al., 2009). Therefore, MICs with different partisan alliances and political competition will have distinct VET systems with diverse implications for inclusive development.

The analysis on the political economy of VET in MICs can benefit from literature on the political economy of social policies and varieties of capitalism/comparative capitalisms. The research on advanced industrialised countries in this regard provides an extensive discussion on partisan alliances and the impact of these alliances on VET policies. These discussions are based on the claims that workers and firms, individuals from different socioeconomic backgrounds, and firms with different sizes have distinct preferences regarding vocational and general education (Culpepper, 2003; Iversen and Stephens, 2008; Busemeyer, 2009, 2015b). These different groups develop links with distinct

political parties, which then promote VET policies that reflect the interests of their constituents (Boix, 1998; Ansell, 2010).

Researchers combining the power resources and comparative capitalisms literatures argue that the dominance of three main political parties in advanced industrialised countries, namely Social Democrats, Christian Democrats and secular Conservatives, has led to 'three worlds of human capital formation' with different socio-economic outcomes (Iversen and Stephens, 2008; Busemeyer, 2015c). These researchers maintain that the dominance of left governments supported by labour unions in the Nordic countries like Sweden prioritise workers' interests in VET systems, which resulted in statist/integrationist initial-VET systems with high state commitment, low firm involvement, and high permeability between vocational and general (higher) education (Busemeyer and Schlicht-Schmälzle, 2014; Busemeyer, 2015d). Higher state involvement resulted in higher public spending also on continuing-VET programmes (Rueda, 2006; Iversen and Stephens, 2008; Emmenegger et al., 2012; Thelen, 2014). Also, the VET systems are argued to have an important influence on the low levels of inequality in these countries (Thelen, 2004; Busemeyer, 2015a).

As Christian Democratic parties are based on a cross-class coalition between workers and employers, they are argued to issue VET policies that address both groups' interests. Therefore, countries with predominantly Christian Democratic governments such as Germany developed initial-VET systems with high public commitment and high firm involvement, which led to more specific training restricting the possibility to continue to higher education (Busemeyer and Trampusch, 2012; Busemeyer, 2015c). Moreover, lower state involvement in these countries, compared to the Nordic countries, resulted in weak continuing-VET systems (Thelen, 2014). In contrast, the governments with secular Conservative parties, such as the UK and US, prioritise business' interests in VET systems and aim to maintain limited taxation. VET does not constitute a priority for these parties, which result in VET systems with low state commitment and low firm involvement in countries with such governments (Iversen and Stephens, 2008; Thelen, 2014; Busemeyer and Schlicht-Schmälzle, 2014; Busemeyer, 2015c). Last, it is argued that the VET systems promoted by

Christian Democrats lead to higher levels of inequality compared to those promoted by Social Democrats while they create less income inequality compared to the weak VET systems of secular Conservatives (Busemeyer, 2015a). Table 1**Error! Reference source not found.** summarises the literature on the political economy of VET in advanced capitalist economies.

Table 1: Summary of the literature on the political economy of VET structure

	Socio-political group	Political party	VET structure	Example
Research on advanced economies	Business	Secular Conservative	• Liberal initial-VET system with low public commitment& low firm involvement; high permeability • Weak continuing-VET system	US, UK
	Labour	Social Democrat	• Statist initial-VET with high public commitment& low firm involvement; high permeability • Strong continuing-VET system	Sweden
	Business & labour	Christian Democrat	• Collectivist initial-VET with high public commitment& high firm involvement; low permeability • Weak continuing-VET system	Germany

Despite its important insights, the studies on advanced industrialised countries have focused on only the class-based power struggles between businesses and labour unions, which were the main actors during industrialisation in these countries and have become the insiders of the political and economic systems, and these groups' alliances with left-wing or right-wing political parties. Such analysis cannot, and does not aim to, explain the dynamics in MICs, where the insiders and outsiders, partisan politics and political competition are very different. For example, these arguments will not be valid for MICs where class struggles were not at the centre of political competition (Rodrik, 2015; Doner and Schneider, 2016).

There are many other social, economic, and political groups that have been excluded in the traditional political alliances and have become the 'outsiders' in

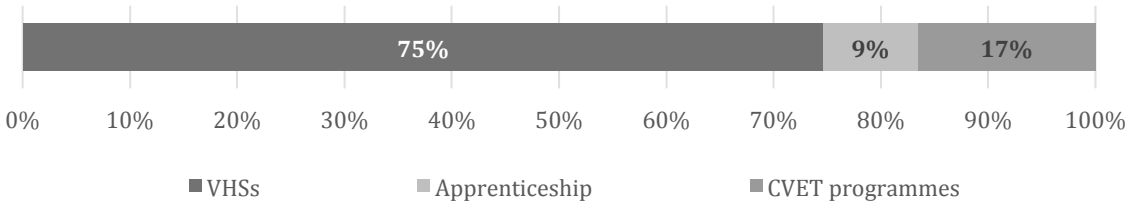
the dominant political and economic systems.[5] SMEs and workers with insecure employment form two main groups of outsiders in MICs and have different VET interests, which may sometimes contradict the interests of the insiders. For example, while large firms are more likely to support state investment in general education rather than VET, smaller firms are expected to promote more public investment in VET due to their disadvantages in organising firm-level training (Culpepper, 2003). Similarly, labour market outsiders, who are mostly in insecure employment, are not covered in social protection systems or represented by labour unions, will prefer public investment in initial-VET more than the insiders as it improves the opportunities of these individuals to get better and more secure jobs (Boix, 1998; Estevez-Abe et al., 2001; Iversen and Stephens, 2008; Busemeyer et al., 2011; Busemeyer, 2015c). In the end, VET systems supported by outsiders will have different partisan politics and characteristics from the VET systems shaped by the insiders. Although the literature on social policies in MICs has discussed the political economy of 'inclusive' and 'restrictive' social policies for insiders and outsiders (Garay, 2016; Huber, 1996), these studies focus on only traditional social policies without discussing the case of VET, which plays a major role in shaping individuals' income and welfare (Busemeyer, 2014).

Insiders, outsiders and the VET system in Turkey

Currently VET in Turkey takes place through three main channels, where the Vocational High Schools (VHSs) as part of the upper-secondary formal education constitute the largest share (Figure 1). The apprenticeship system is the other example of initial-VET yet has a small part in the VET system. The public retraining programmes, in the scope of continuing-VET, form the third channel for VET in Turkey and they have gained a significant share in the 2000s. VHSs are centrally managed by the Ministry of National Education (MEB) and the main training takes place at schools while students must complete a practical training in a firm. Both the MEB and Confederation of Turkish Tradesmen and Craftsmen (TESK) manage the apprenticeship system, in which most training takes place in a firm. While firms are obliged to provide training to VHS students according to the Labour Law, their participation to the apprenticeship system is voluntary.

Continuing-VET, moreover, is under the control of the Turkish Employment Agency (İŞKUR) while firms, and especially the Union of Chambers and Commodity Exchanges of Turkey (TOBB), have become a key partner in the continuing-VET programmes in the 2000s.

Figure 1: Distribution of individuals in public VET programmes (2012)



Source: Author, based on İŞKUR (2012), MEB (2012a) & MEB (2013)

a. Partisan politics, political competition and the VET system prior to the 2000s

The main socio-political and socio-economic groups in Turkey have been described as the 'centre' and 'periphery' with contrasting cultural and economic interests (Mardin, 1973).[6] The centre, constituting the insiders of the Turkish political and economic system, is comprised of the secular elite and the more educated population mainly from the Western regions, who were considered the economic 'winners' of the import substituting industrialisation (ISI) period and the subsequent economic liberalisation (Öniş, 2012). Large firms from the Western regions have been the insiders amongst the firms, as they benefited from the state policies through developing links with the state and influencing policymaking in line with their interests (Buğra, 1998; Öniş and Türem, 2001). The exclusive business association, the Turkish Industry and Business Association (TÜSİAD), is a major institution representing the interests of insider firms and influenced not only the economic policy but also other types of public policy in Turkey (Öniş and Türem, 2001). Furthermore, the more educated workers formed the working-class members of the insiders. These individuals were employed in the large firms or in the public sector with formal and secure employment. They were protected against social risks through the insurance-based social security system which was developed in the ISI period and which was not able to provide welfare to a large segment of the population (Öniş, 2000; Sancak, 2011; Dorlach, 2015).[7]

Both firms and workers in the 'periphery' had different cultural and economic interests from the 'centre' and thus, were the outsiders of the political economic system. In general, the outsiders comprise the conservative, religious, agrarian population and the rural-urban migrants with mostly low level of education (Kalaycıoğlu, 1994; Çarkoğlu and Hinich, 2006; Öniş, 2012). The SMEs mostly from Anatolian cities constituted the outsiders amongst firms. These firms have faced significant economic and political challenges but had marginal access to policymaking to express these challenges until the 2000s (Özel, 2014). Furthermore, workers with lower levels of education and those in insecure or informal jobs constituted the labour market outsiders. These workers were not covered by the public social security system, making the arbitrary social transfers the only welfare provision available to this group (Eder, 2010; Dorlach, 2015).

Although the insiders and outsiders had distinct economic and cultural interests, the political parties prior the 2000s focused mostly on the cultural interests. Similar to many MICs, a class structure and class-based politics constituted a marginal part in political competition in Turkey (Özman and Coşar, 2000). Although unions gained some power in the 1970s, they mostly represented the formal workers of large firms and state-owned enterprises. Furthermore, the union movement took place under heavy state control and unions were suppressed substantially with the military coup in 1980 (Aydoğanoğlu, 2011). Even though the unions were re-established after the coup, they have not become powerful players in policymaking (Çelik, 2013).

Instead of the economic interests, the cultural interests, namely religious-secular conflict, were at the centre of the political competition in Turkey. The parties representing the insiders, such as the Republican People's Party, focused on maintaining the secular principles in the country and have become the 'guardians' of the secular state (Özman and Coşar, 2000). Likewise, the parties supported by the outsiders, such as the Islamist Welfare Party, focused on this group's cultural interests and maintaining a conservative and religious society (Kalaycıoğlu, 1994). The centrist parties having constituents from both groups, like the Motherland Party, were the ones with more focus on the economic

policy. However, they promoted neoliberal economic policies together with traditional social policies, which mainly benefited the labour market insiders while the outsiders' economic needs were not addressed (Öniş, 2012; Dorlach, 2015).

The focus on the cultural interests in political competition and the disregard of economic interests resulted in the continuation of the political economic system benefiting only the insiders' economic interests (Kalaycıoğlu, 1994; Öniş, 2000, 2012; Özman and Coşar, 2000; Secor, 2001). Although governments of centrist parties in the 1990s introduced some neoliberal economic policies that could benefit the SMEs, these policies were ad-hoc and unstructured, resulting in corruption scandals and weak improvement of the SMEs (Karadag, 2010). There were also no major changes in the welfare system in this period and its segmented structure persisted, benefiting only the labour market insiders (Eder, 2010; Sancak, 2011; Dorlach, 2015).

Due to the political struggles around cultural cleavages, there were no significant developments in the VET system after its official establishment in 1986. The insiders were already in a more advantageous position and focused on maintaining their privileges in the economic and welfare system. On the one hand, large firms had better access to the educated workforce thanks to their reputation and established their own VET centres for further technical training (Taşkın-Alp, 2014; Taşlı, 2017). Therefore, rather than promoting VET, these large firms and collective organisations representing them, like TÜSİAD, centred their activities on other policy areas (Öniş and Türem, 2001). On the other hand, labour market insiders could receive training through their formal employment in large firms or the public sector and focused on maintaining their privileged benefits in the labour market and the protective welfare system (Sancak, 2011; Dorlach, 2015). In contrast to the insiders, the SMEs and labour market outsiders would be the ones benefiting the most from VET (Culpepper, 2003; Thelen, 2004; Busemeyer, 2015a). However, none of these groups had the necessary means to mobilise their economic interests and promote VET while the political parties representing them mostly focused on their cultural interests.

Not surprisingly, the major changes in the Turkish VET system in the 1990s happened due to the cultural cleavages between the insiders and outsiders. The religious preacher schools, *İmam Hatip*s, were recognised as vocational schools in Turkey, making the VET system a part of the religious-secular conflict. The parties representing the outsiders focused on improving only the *İmam Hatip*s while the secular groups aiming to weaken Islamism took measures that created substantial problems for the public VET system in general (Kenar, 2010; ERG, 2012a). Following the military memorandum against the Islamist government and the closure of Welfare Party, the 'ratio obstacle' (*katsayı engeli*) was introduced in 1998 to reduce the appeal of *İmam Hatip*s, which made the general VET system unpopular. This obstacle put VHS students at a disadvantage in the calculation of their scores in the centralised university entrance exam, limiting the permeability between vocational and general (higher) education. This resulted in substantial drop in participation rates in VHSs (World Bank, 2008). As a result, the segregation between vocational and general education intensified and VET became an option only for those with low academic scores and from lower income groups, undermining the potential of the VET system for inclusive development (Kenar, 2010; ERG, 2012a).

b. Partisan politics, political competition and the VET system in the 2000s

The 2000s became important years for both the party politics and VET system in Turkey. The Justice and Development Party (AKP) has been the only governing party since 2002 and has had its main support from the SMEs and labour market outsiders. The party developed policies to address the interests of its constituents from both groups. However, rather than simply reflecting the grievances of these groups, the party played an active role in moulding these interests within the public policies (De Leon et al., 2009). The VET policies of 2000s have been shaped by AKP and reflected its constituents' interests through three main ways: (1) the party's focus on addressing the economic interests of the outsiders; (2) the party's deliberate selection of the VET system to address these economic interests; and (3) its active role in incorporating the interests of different groups of the outsiders in VET policies.

AKP came as the party with absolute majority in the 2002 elections, right after the economic crisis of 2001 which created devastating consequences especially for the SMEs and labour market outsiders (Öniş, 2012). After the exhausting experiences of the 1990s with political instabilities and economic crises, the voters of the 2002 elections saw AKP as a way out of their economic miseries as it 'signalled the masses that [it] would change the status quo and adopt more caring policies' (Çarkoğlu, 2002, p. 36). The party's focus on economic interests, moreover, helped to maintain its support base comprising the outsiders of the previous system, namely the SMEs and workers with insecure employment. The socio-economic situation of these outsiders has improved substantially in the 2000s, which made Turkey as a good example of inclusive growth (Azevedo and Atamanov, 2014). This progress, moreover, became a central element in the party's election campaigns in later years and has been a major reason for the increase in AKP votes in the subsequent elections (Çarkoğlu, 2012, 2008).

VET became an important tool for AKP to address the interests of both SMEs and labour market outsiders. While the SMEs explicitly stated their interests regarding the VET system, it was the AKP governments who proposed VET as a solution to the concerns of labour market outsiders. Therefore, AKP played a central role in bringing together the interests of the SMEs and labour market outsiders through VET, namely carrying out an example of 'political articulation' (Leon et al., 2009; Tuğal, 2012). The remainder of this section discusses the SMEs' and labour market outsiders' VET interests and AKP's position concerning VET. The next section will then provide a detailed discussion on how the interests of both SMEs and labour market outsiders were reflected in the VET policies in the 2000s.

1. SMEs and VET interests

The SMEs constituted a major group in AKP's supporters, who had particular interests in the VET system and have become an influential actor in policymaking in the 2000s. AKP developed links with the business associations representing the SMEs, such as the Independent Industrialists' and Businessmen's Association (MÜSİAD) and the Turkish Confederation of

Businessmen and Industrialists (TUSKON).[8] Furthermore, the Union of Chambers and Commodity Exchanges of Turkey (TOBB), which is an umbrella organisation for chambers of commerce and industry and mainly represents the SMEs, gained a significant leverage during the AKP governments and became a major actor shaping the public policies in Turkey (ETF, 2004; Sancak and Özel, 2018). With these links, the AKP governments of the 2000s introduced several policies that addressed the interests of the SMEs.

VET constituted a major part in SMEs' economic interests and the business organisations representing the SMEs were very active in advocating for VET policies. The economic growth of the Turkish SMEs escalated in the 2000s, increasing these firms' demand for skilled workers, and especially for workers with technical skills (Gür et al., 2012). Consequently, business organisations such as MÜSİAD and TOBB carried out several activities for promoting VET. For example, MÜSİAD published reports about the VET system's problems and proposed detailed policy recommendations (Şencan, 2008). TOBB has especially been an important actor for the Turkish VET system. It not only published documents on the system's problems and proposed solutions to it, but also created new offices and employed new personnel dedicated solely to VET. The chairman, Rıfat Hisarcıklıoğlu, has been very active in this regard and emphasised the importance of improving the VET system in major platforms, such as the opening speech of the 5th Industrial Congress, where he said

> "Turkey strongly needs a mobilisation to transform its skill system. If competition is becoming more knowledge-based, we must adjust the qualities of our workforce accordingly. The way to create more value-added depends on a more qualified, more equipped and knowledgeable workforce. The reason of unemployment today stems from the fact that what the industry needs and the skills generated in our schools do not match each other." (TOBB, 2006).

TOBB wanted to increase its direct involvement in both initial- and continuing-VET programmes and stated this demand openly. It called for 'vocational education mobilisation' and requested an increase in public investments in VET

as well as an expansion of TOBB's role in its management (TEPAV, 2010). Furthermore, it demanded the transfer of VHSs' management to itself (TOBB, 2015). With these developments and AKP's links with this organisation, TOBB has become the main partner of the state in the Turkish VET system and had a direct influence on VET policies.

In contrast to SMEs, large firms were more concerned about general education. For example, TÜSİAD called for more public investment in general and secular education and published reports promoting public investment in STEM education (science, technology, engineering, mathematics) (TÜSİAD, 2011; Sancak and Özel, 2018). Although some large firms got involved in the public VET system through corporate social responsibility projects, these were voluntary involvement of individual firms, mostly to develop skills for that particular firm, rather than promoting structural changes in the VET system in the country (UNDP IICPSD, 2014).

2. Labour market outsiders and VET interests

The labour market outsiders in Turkey and have been the other main group of AKP's constituents with particular interests in the VET system (Çarkoğlu, 2008; 2008). These workers, mostly with lower levels of education and from lower income groups, face higher risks of unemployment and insecure and informal employment in labour markets. The traditional 'protective' social policies comprising social insurance and social transfers have not been sufficient to address the economic and social risks faced by these individuals. To address the economic interests of these workers, AKP promoted 'productive' social policies which would bring an 'equality of opportunity' (Patton, 2009; Dorlach, 2015). Within the productive social policies, VET has had a key role, as it would improve the opportunities of the labour market outsiders for more secure employment in higher paid jobs. However, in contrast to the SMEs, the labour market outsiders did not have institutionalised ways to organise and represent their interests and did not directly ask for VET policies. Instead, it was the party who decided to focus on the VET system to address this group's economic interests.

VET at initial and continuing levels has become a key policy tool for the AKP governments to address risks of 'unemployment' and 'economic insecurity', which were stated as the two major societal problems in the country in the 2000s (EC, n.d.). Furthermore, the labour market outsiders had higher risks of being unemployed or being employed in insecure jobs. Realising these issues, all major documents issued by AKP, such as the development plans and party programmes, as well as the specific documents concerning the education and employment policy focused on VET as the key strategy for welfare provision and for addressing unemployment. This was especially the case after the 2008 global financial crisis, which surged the unemployment rates in the country and threatened the party's popularity.[9] The government aimed to reduce the unemployment via re-training and re-employment and quadrupled the budget of the Turkish Employment Agency (İŞKUR) (ÇSGB, 2016). The retraining programme called Specialised Vocational Training Centres (UMEM) project was also introduced at this time and the Prime Minister Erdoğan himself promised to provide jobs to one million unemployed through this project (Hürriyet, 2010).

While AKP promoted VET as a major policy tool for addressing unemployment and welfare provision, which would benefit the labour market outsiders, other political actors' activities in this regard remained more limited. The unions in Turkey, which represent a marginal share of the formal workforce,[10] have focused on the issues around collective bargaining and workplace safety. These unions did not pay much attention to VET as a way of skill formation, secure employment or welfare provision. They considered VET merely as a way of maintaining workplace health and safety. In fact, the representatives of two key labour unions interviewed for this study did not even mention VET for skill formation and focused on the aspects related to work accidents.[11] Hak-İŞ, an Islamist trade-union which has offered an alternative way of collective action for workers but had a very small membership base until recently (Duran and Yildirim, 2005; Öztürk, 2018), was more interested in VET compared to other unions. However, this interest was not in the traditional corporatist sense as it was the case in VET systems in countries with Christian Democrat governments. Instead, the union organised a few VET programmes for skill development,

which were open to also non-members. Despite its interest, Hak-İŞ did not have much influence on the VET policies in 2002-2011 as it was not always included in the policy platforms for VET, where Türk-İŞ was invited as the main representative of workers.[12]

Similar to the unions, although VET has been in the political agendas of main opposition parties (the Republican People's Party- *CHP* and Nationalist Movement Party- *MHP*), it has been discussed as part of the education policy while the role of VET as a 'productive' social policy tool to address labour market risks has been rarely mentioned.

Changes in the structure of the Turkish VET system

The AKP governments in the 2000s introduced a variety of VET policies to address the economic interests of its constituents from both the business and working-class outsiders. This can be a challenging task as the interests of the two groups sometimes contradict one another. In fact, the party's links with the SME organisations in the absence of a representative of labour market outsiders could result in a VET system that addressed only the SMEs' interests. However, also being a representative of the labour market outsiders, and aiming to address its constituents' concerns, the AKP governments incorporated these workers' interests into the VET policies. This section explores the VET policies in the 2000s and analyses them based on the four neurologic points suggested by Busemeyer and Trampusch (2012), namely who provides, who pays, who controls and the permeability between vocational and general education. It argues that the representation of both SMEs' and labour market outsiders' interests led to a VET system with *high state commitment* and *higher firm involvement* that is a *more viable alternative to general education*.[13]

a. Provision

The Turkish VET system experienced substantial changes regarding the provision of VET in the 2000s, when both the state commitment to and firms' involvement in provision of VET has increased. Although the state remained to be the main provider, firms started to take more part in VET provision, especially regarding continuing-VET. Traditionally, firms' main involvement in VET

provision has happened through employing apprentices or trainees from VHSs. In the apprenticeship system, firms are the main providers of VET, as 80 per cent of training takes place in firm while students spend rest of their time in a Vocational Training Centre. In contrast, VET at upper-secondary level happens mostly in schools centrally managed by MEB and while the VHS students must conduct an internship, this constitutes a small share of their training.

With the policy changes in the 2000s, firms gained an important opportunity to get involved in VET provision within the VHS system. A legislation in 2007 relaxed the centralised management of VHSs and enabled cooperation between VHSs and private firms.[14] Furthermore, various policies have been introduced to improve the links between VHSs and firms, such as the state subsidies to firms to establish VHSs (ERG, 2013). This policy led to successful VHSs founded by firms in key industrial areas (ERG, 2015). Despite these developments, firms' involvement in VET provision in VHSs has remained limited, as the education within the schools is mostly delivered by MEB teachers and the curriculum is centrally managed by the MEB.

The main change regarding firms' involvement in VET provision happened in the continuing-VET system. While İŞKUR manages the retraining programmes for the unemployed, private bodies deliver training, where on-the-job training and the UMEM project formed a major share. For on-the-job training, İŞKUR provides subsidies to firms to recruit unskilled workers and train them within the firm. This is a rather new project but started to become important within İŞKUR's continuing-VET activities.

The UMEM was a public retraining programme for the unemployed and started in 2010 as a result of TOBB's call for 'vocational training mobilisation' and the government's aim to find a solution to the unemployment problem. In the UMEM, MEB organised theoretical training while İŞKUR linked the unemployed with courses and paid a daily allowance to trainees. TOBB and TOBB-ETÜ, a university established by TOBB, were responsible for determining the course content based on member firms' skill needs. Furthermore, local chambers linked firms with the unemployed and supervised firm-level training. The main beneficiaries of the

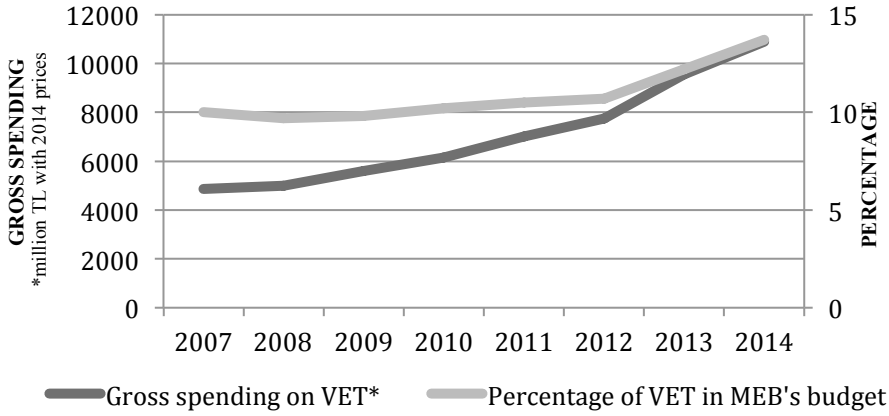
programme were the SMEs, which constituted 68 per cent of the firms within the programme in 2011 (TOBB-ETÜ, 2011). Although the programme had certain problems in its application, it was a significant step in increasing firm's participation in VET. Furthermore, a comprehensive and a longer-term continuing-VET programme was developed between the state and TOBB upon UMEM's completion (İŞKUR, 2016).

b. Financing

The state has the main responsibility for financing VET in Turkey whilst firms' share in VET financing has increased in recent years. VHSs, which comprise the largest share of the Turkish VET system, are funded by the public education budget. In contract, the financial responsibility is shared between firms and the state in the apprenticeship system and continuing-VET programmes.

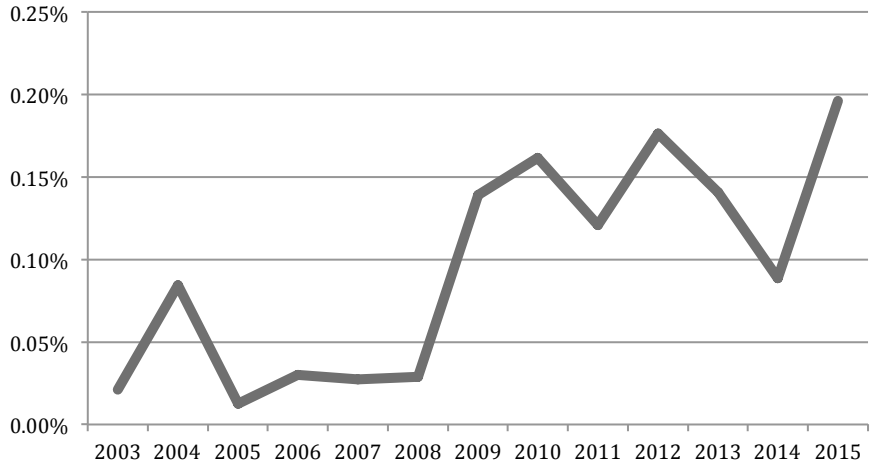
The state's commitment to VET financing increased substantially in the 2000s and VET became an important expenditure in the public budget (Figure 2 and Figure 3). Furthermore, spending for VET at upper-secondary level as share of GDP was higher in Turkey compared to other MICs and countries that have recently moved from middle-income to high-income group, and has increased over the last decade (Figure 4).

Figure 2: Spending on initial VET across years (sum of central and local governments)



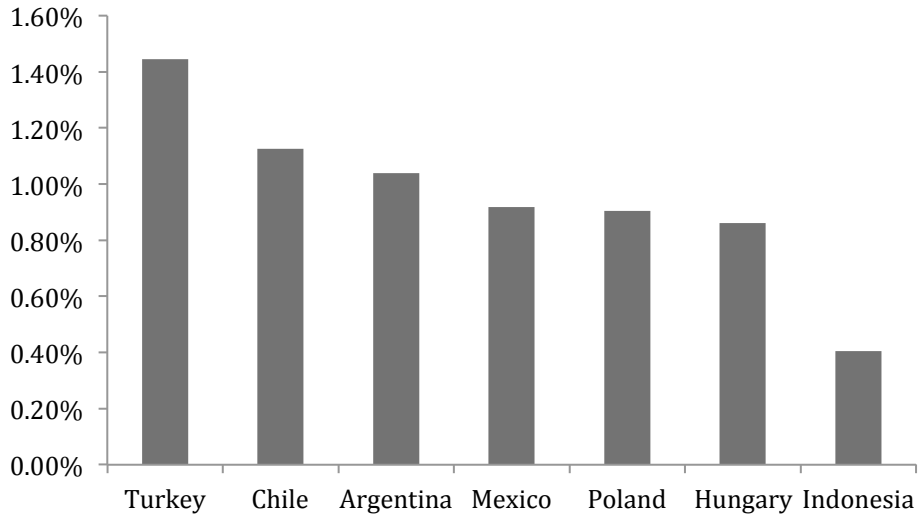
Source: ERG (2015)

Figure 3: Spending on active labour market policies as share of total government expenditure (%)



Source: ÇSGB (2016); TÜİK (2016)

Figure 4: VET spending at upper-secondary level in 2013 (% of GDP)



Source: OECD (2014)

Firms also have certain expenses due to training of apprentices and VHS students, as well as retraining of their own workers. Although training of apprentices and VHS students are subsidised by the state, firms are expected to cover some costs in this regard. With the changes in the 2000s, firms' responsibility in VET financing increased in two main areas. Firstly, firms became an important financier for the new VET schools established in organised industrial zones, especially with regards to these schools' infrastructure.

Secondly, firms have an important role in funding continuing-VET programmes. In the public retraining programmes, firms are responsible for bearing the costs of firm-level training and they need to meet the costs of retraining and certification of their workers, when certification is required by law (see below). There is no publicly available data to assess firms' involvement in VET financing. World Bank Enterprise Surveys show that 28 per cent of the surveyed firms provided training to their workers in 2013, which may signal a low level of firm contribution to VET financing (World Bank, 2013).

c. Control

The state continues to have the main control over the VET system in Turkey while firms have also gained some power in the 2000s. The Turkish initial-VET system has been criticised for being highly centralised under MEB, not giving the local authorities and other stakeholders any voice (ERG, 2012a). While some steps were taken in the 2000s to decentralise the system, the state remains the main authority in the initial-VET system (Taşlı, 2017). Firms' control regarding the initial-VET is still low and the government rejected TOBB's request about transferring VHSs' management to itself (Güçlü, 2016). The state also has important control over the continuing-VET system through the organisation of continuing-VET programmes by İŞKUR and the management of the skill standardisation and certification system by the Vocational Qualifications Authority (MYK). The MYK has become a powerful entity in the Turkish skill system and is controlled mainly by the state, although other stakeholders such as TOBB have some influence (Sancak and Özel, 2018).

While firms' control over VET has been very low in Turkey, they started to have some role in this regard in the 2000s. Firms, and especially the SMEs, share some responsibility in the management of VET through TOBB's inclusion in three main VET domains: (1) policy platforms for making VET policy, (2) its cooperation with İŞKUR for continuing-VET programmes, and (3) its involvement in the MYK and the skill certification system. While other business representatives were included in some policy platforms regarding VET, TOBB has been the main business representative in all debates related to VET. Some important platforms

with TOBB's influence include the National Education Council, the National VET Council, Provincial Employment and VET Councils, and the Vocational and Technical Education Strategy Paper and Action Plan. TOBB had substantial influence on the development of the VET strategy and currently is responsible for enforcing a number of strategies stated in this document (MEB, 2012b).

In addition to policy platforms, TOBB has become an important partner in public VET institutions. Following the UMEM project, TOBB was given further responsibility regarding continuing-VET. It is currently the İŞKUR's main partner in 'Vocational Education and Employment Mobilisation', which develops retraining programmes for the unemployed based on firms' needs (İŞKUR, 2016). It is one of the main members of MYK's Executive Board, which is the ultimate decision-making body in the skill certification system (Official Gazette, 2006). It is also a default member in MYK's sectoral committees, which are responsible for developing occupational standards. In addition to this, TOBB gained control on VET through operating skill certification institutes and distributing occupational certificates all over Turkey (Sancak and Özel, 2018).

d. VET as an alternative to general education

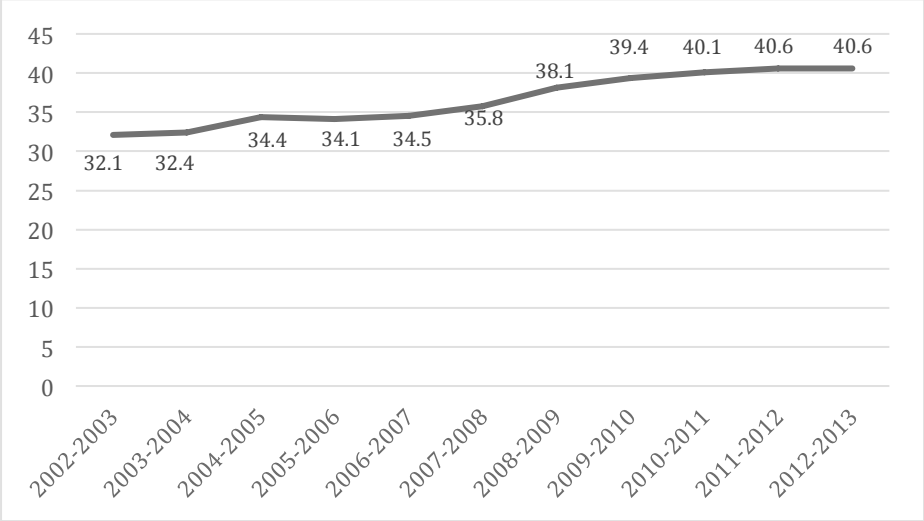
With the increased state commitment to and firm involvement in the public VET system, VET has become a more viable alternative to general education in Turkey in the 2000s and started attracting individuals from the middle-class. The initial-VET system in Turkey had mainly focused on generating specific skills where its participants lacked key general skills such as reasoning and problem-solving (Gür et al., 2012). The focus on specific skills together with the quality problems of VHSs have restricted VHS students' possibility to continue to higher education (ERG, 2012a). The changes in the Turkish VET system in the 2000s have played an important role in increasing VET's appeal to individuals. On the one hand, higher firm involvement in VET would facilitate individuals' transition to labour market and reduce the risk of unemployment. On the other hand, continuing state control would decrease workers' dependence on firms for VET and increase their horizontal and vertical mobility in the labour market (Sancak, forthcoming).

There were several changes in the VET system in the 2000s to improve the general skills of VHS students, which have played a role in increasing VET's appeal to larger groups. The share of general subjects in the teaching at VHSs has been expanded, which has facilitated the development of more polyvalent skills for VHS students and thus, increased their possibility to continue to higher education (ERG, 2012a; Busemeyer, 2015c).[15] Furthermore, a modular VET system was introduced in 2006, and the mobility between general and vocational tracks as well as among different vocational tracks was enabled (ERG, 2012a). With this, students were given the opportunity of developing skills in different and multiple occupations, and hence increasing their employability.

Fundamental policy changes took place in the 2000s, which reduced the variances among different schools and increased VET schools' appeal. In 2010, the number of school types was decreased from 79 to 15. In 2013, General High Schools (*Düz Lise*) were closed and converted to Anatolian High Schools (*Anadolu Lisesi*) focusing on academic training for students with higher academic scores and to VHSs or *İmam Hatip*s for those with lower academic achievements (ERG, 2015). Furthermore, the 'ratio obstacle' was abolished in 2011, which increased the possibility of VHS students to continue to higher education.

With all these developments, the share of students in vocational tracks increased significantly in the 2000s (Figure 4). The possibility of continuing to higher education has played a critical role in increasing VET's appeal: the share of VHS students among the new entrants of upper-secondary schools increased by 35 per cent in 2010-2013, right after the 'ratio obstacle' was lifted (ERG, 2014). These developments have extended VET's appeal also to the middle-class and about 30 per cent of VHS graduates continued to higher education in 2014 (MEB, 2015). In 2019, for the first time in history, some of the highest achieving students preferred to study in VHSs and the share of students wanting to study in VHSs increased substantially (Milliyet, 2019).

Figure 5: Share of VET students at upper-secondary level (per cent)[16]



Source: ERG, 2014, 2012b, 2010

Table 2: Partisan politics and VET in Turkey

Socio-political group	Political party	VET output	Example
• Large firms • Labour market insiders	Political parties focusing on cultural interests	• Low public commitment • Sporadic involvement of large firms • Low permeability	Turkey prior to the 2000s
• SME • Labour market outsiders	Political party (AKP) focusing on economic interests	• Statist initial VET with high public commitment and some firm involvement • Strong continuing VET with high public commitment and high firm involvement • High permeability between vocational and general education	Turkey in the 2000s

Conclusion

This article has investigated the political competition, partisan politics and the impact of these on VET policies in the 2000s in Turkey, and has compared these dynamics with the period prior to the 2000s. Its shows that the 2000s are critical for the VET system and partisan politics in Turkey, leading to important changes

in the public VET system. While the insiders and outsiders have had distinct cultural and economic interests in Turkey, the political competition and political parties prior to the 2000s focused mostly on the cultural interests. This has resulted in the continuation of the VET system that was developed during the closed economy period and which benefited the insiders more (Table 2).

In the 2000s, the governing AKP played a key role for the changes in the VET system in three main ways. Firstly, AKP shifted the focus of partisan politics to economic interests, which also helped the party to develop and maintain its support base comprising the outsiders amongst both firms and workers – SMEs and workers with insecure employment.[17] Secondly, the party deliberately chose the VET system to address the SMEs' and workers' economic interests. While the SMEs directly asked for VET workers' demands were not as straightforward. Instead, it was the AKP governments who proposed VET to address workers' concerns about unemployment and economic security. Thirdly, AKP governments played a critical role in reflecting the interests of both SMEs and workers in the VET policies in the 2000s. To address the SMEs' needs, it increased the flexibility of the system and facilitated firms' individual and collective involvement in VET provision, control as well as financing. To ensure labour market outsiders' interests, the governments maintained the state's control over the system, increased the share of general skill training in the system and fostered VET's viability as an alternative to general education. For addressing both groups' concerns, AKP has increased the state's commitment to VET and raised spending in this regard. All these have resulted in a VET system with higher state commitment, higher firm involvement and higher permeability, carrying out the characteristics of multiple VET systems in advanced capitalist economies.

Table 2 summarises the findings on Turkey and shows how this research on MIC will complement Table 1, which is based on advanced industrialised countries. In the Turkish case, the coalition between the SMEs and AKP together with the increased firm involvement in the VET system may signal some resemblance between the AKP and Christian Democrat parties. Nevertheless, there are important points that differentiate the Turkish VET system from those systems

in countries with Christian Democrat governments. In Turkey, the workers' interests were incorporated through AKP's political articulation rather than collective organisation by workers. Therefore, the VET policies AKP governments have reflected the interests of labour market outsiders rather than insiders, which was the case in latter. Labour unions, which are part of the coalition in countries with Christian Democrat governments and usually represent the labour market insiders, did not become a part of the Turkish VET system and a corporatist VET system has not emerged. Furthermore, SMEs were the outsiders in the political economic system in Turkey, which emerged during the ISI period, while SMEs were key part of the industrialisation in the latter. Last, the state has remained the main actor in the Turkish VET system while firms have more power in VET systems with Christian Democratic governments.

With the analysis on Turkey, this article hopes to expand the discussion on partisan politics and VET beyond advanced capitalist economies and initiate a new line of research on the VET systems in MICs. The analysis here shows that partisan politics indeed matter for VET systems in MICs and can result in different systems from the ones in advanced economies. The domain of party competition, namely the economic or cultural interests, is key for the development of VET policies and may explain why some MICs could make changes in their VET systems in the 21st century while others could not. Furthermore, when the economic interests are at the centre of partisan politics, the socio-political groups included in the partisan alliance will influence the structure of VET systems in distinct ways. For example, the alliance between AKP, SMEs and labour market outsiders in Turkey has led to a VET system with high state commitment and some firm involvement. However, the structure of the VET systems in other MICs would be different if the VET policies in these countries were developed through different alliances. Therefore, this study on Turkey can be complemented with further studies on other MICs, which then can enable a comparison on the role of partisan politics and VET structure. Additionally, by studying the impact of outsiders and their partisan alliances, this article may trigger new questions about the future of VET systems in advanced economies, where the traditional partisan alliances representing only the

insiders are being challenged and the outsiders are building links with new political parties.

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[1] Chile has recently become a high-income country.
[2] Later years are not included because of the dynamics in both domestic and international politics, which have changed the AKP's policies and the political coalitions in the country.
[3] While the analysis of Busemeyer and Trampusch (2012) includes only initial-VET, namely VET in scope of formal education system, the one by Thelen (2014) also considers continuing-VET, such as training programmes for the unemployed.
[4] The interviews were conducted in September 2014–October 2015 as part of a larger research project and at different times within this period. The interviewees include the representatives from the Ministry of Education (MEB), Ministry of Labour and Social Security (ÇSGB), central and local offices of the Union of Chambers and Commodity Exchanges of Turkey (TOBB) (in Bursa and Izmit), Education Reform Initiative (ERG), Foundation for Supporting Vocational Education and the Small Enterprises (MEKSA), Ikitelli Organised Industrial Zone (IKOSB), labour unions including Türk-Metal and Birleşik-Metal, Turkish Employers' Association of Metal Industries (MESS), Istanbul International Centre for Private Sector in Development (IICPSD), headmasters of vocational high schools and vocational training institutes located in Istanbul and Bursa.
[5] This terminology involves outsiders amongst not only workers, but also firms and thus, is more comprehensive than the terminology in welfare state literature, such as the one by David Rueda (2006).
[6] The 'centre' and 'periphery' terminology here, which concerns the two main socio-economic and political groups in Turkey, should not be confused with the core-periphery terminology in World Systems Theory, which refers to the inter-state dynamics in the international order.
[7] Although they are not really winners in the system in general, as even the formal workers face important problems including restricted social protection and security.
[8] Although there have been significant divisions of interests with TUSKON after the clashes between the AKP and the Gülen movement. TUSKON was closed in 2016 because of coup allegations.
[9] Interview notes.
[10] Trade union density in Turkey was 10.6 in 2008 (OECD, 2018).
[11] Interviews with Türk-Metal and Birleşik-Metal.
[12] In later years, and after 2011, through its increasing alliance with AKP, Hak-İŞ replaced Türk-İŞ in several key VET platforms (Öztürk, 2018).
[13] Even though it has been argued that the AKP's main aim was to promote *İmam Hatip*s within the cultural interests, it would be misleading to reduce the argument to this. There was still significant public investment on other types of VET and TOBB has become a key partner and with no involvement in *İmam Hatip*s. Additionally, the directorate of VET schools was later separated from that of *İmam Hatip*s.

[14] Interview with Canatan, N., Expert at the Directorate General for Vocational and Technical Education, MEB, Ankara, 19/09/2015.

[15] The quality of education in VHSs is still not very high I do not claim that these students can now easily continue to higher education. However, it is important to point that with the increased training on general subjects, it is more possible to continue to higher education than before for these students.

[16] The share of students includes the schools managed by the Directorate General for Vocational and Technical Education. Therefore, the numbers do not include the ones from *İmam Hatip*s.

[17] AKP's central role in this might be related to the increasing authoritarianism in Turkey in the later years and even to the authoritarian nature of the developmental state in East Asia in the 1970s and 1990s. Furthermore, the links between AKP and SMEs, as well the labour market outsiders through Hak-İŞ, become more clientelistic in later years, and the politics and impacts of these dynamics will be different from those in the 2000s (Buğra and Savaşkan, 2014; Tansel, 2018). These are important questions about the sustainability of the partisan politics and VET systems and should be investigated through further studies.