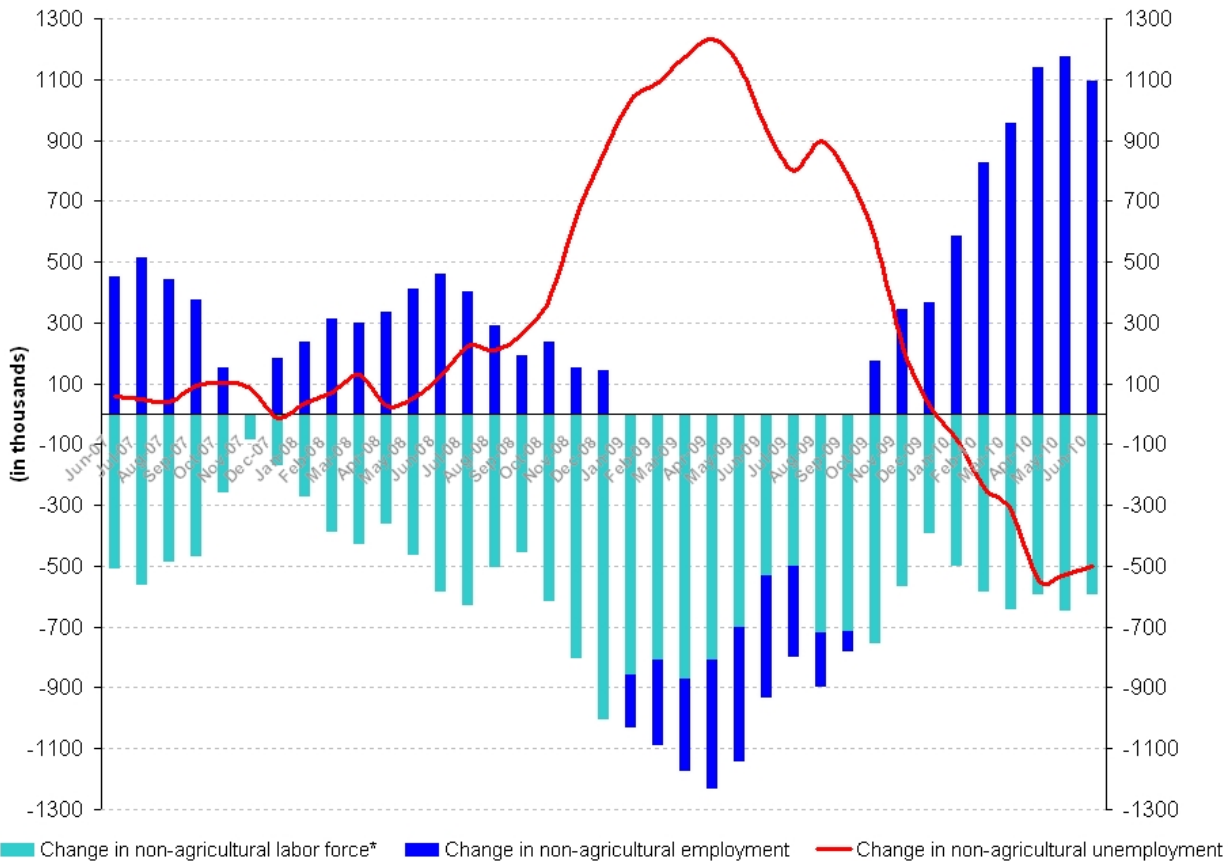


## THE INCREASE IN NON-AGRICULTURAL EMPLOYMENT DECELERATES WHILE UNEMPLOYMENT CONTINUES TO DECREASE

Seyfettin Gürsel\* ve Duygu Güner\*\*

According to the labor market statistics released by TurkStat on 15<sup>th</sup> of September, non-agricultural employment has increased by 1 million 95 thousand and non-agricultural labor force by 595 thousand in the period of June 2010 (May-June-July). Hence, employment in the non-agricultural sectors reached 17 million 255 thousand. These numbers imply a 6.8 percent increase on a year on year basis, which is compatible with the two digit growth rate. Similarly, non-agricultural unemployment decreased by 500 thousand on a yearly basis (Figure 1). Hence, the non-agricultural unemployment rate decreased to 13.4 percent in the period of June 2010 16.4 percent in the same period in 2009. Note that this ratio was 11.9 percent in June 2008 prior to the crisis.

**Figure 1 Differences in non-agricultural labor force, non-agricultural employment and non-agricultural unemployment (year-on-year change, June 2007- June 2010)**



\*Rise in labor force increases the number of unemployed hence has a negative sign on the graph.

Source: TurkStat, **Betam**



### The increase in non-agricultural employment decelerates

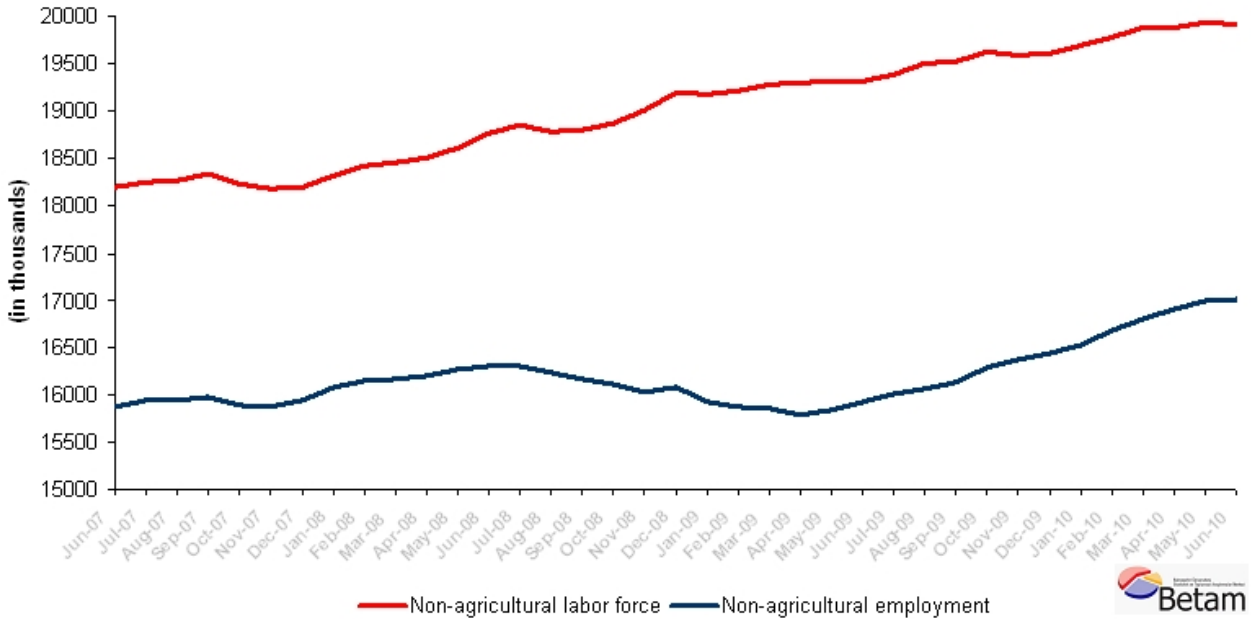
Seasonally adjusted labor force series reveal that the slow down of the increase in non-agricultural employment observed last month, continued in June 2010 and that the increase was limited at 18 thousand

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(Figure 2). On the other hand, non-agricultural labor force decreased by 16 thousand. Hence, seasonally adjusted non-agricultural unemployment decreased by 34 thousand, non-agricultural unemployment decreased by 0.2 percentage points and settled down at the 14.6 percent level (Figure 3).

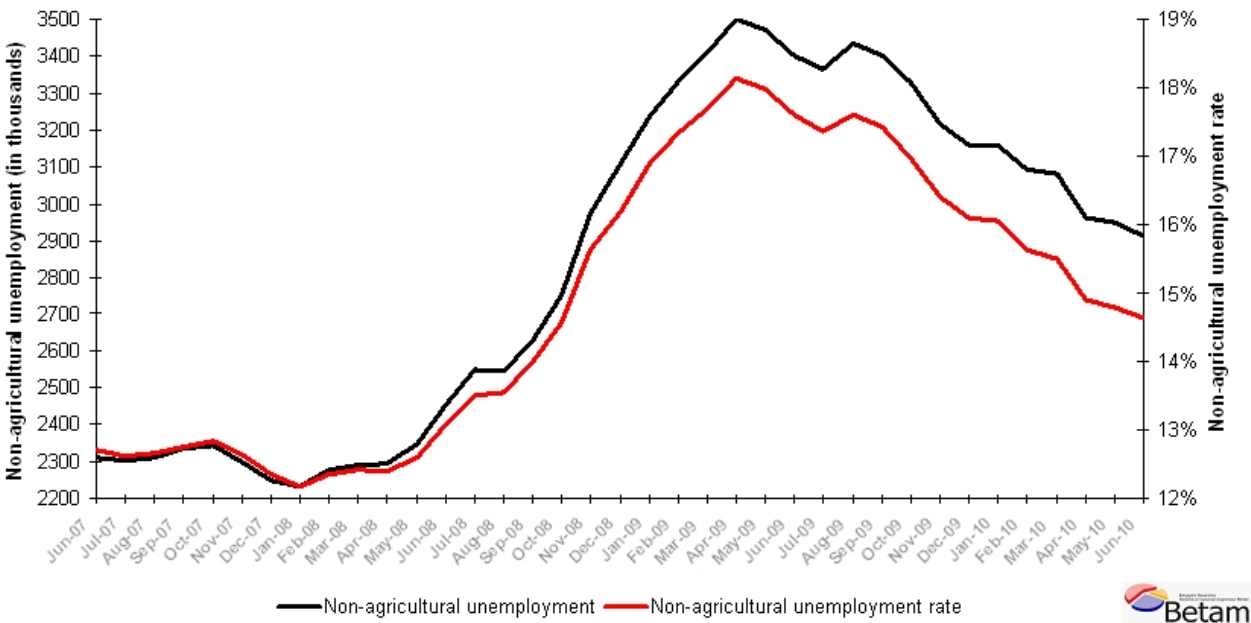
**Figure 2 Seasonally adjusted non-agricultural labor force and employment (June 2007- June 2010)**



Source: TurkStat, **Betam**

In May 2009 the non-agricultural employment began to increase following the economic revival and reached its peak in February 2010. Since then non-agricultural employment continued to increase at a decreasing rate. An increase of only 18 thousand in non-agricultural employment in June 2010 implies that the increase in non-agricultural employment decelerated considerably (Table 1). Whether this loss of acceleration will continue in the following periods will give a hint about the future of high economic growth.

**Figure 3 Seasonally adjusted non-agricultural unemployment (June 2007- June 2010)**



Source: TurkStat, **Betam**

**Table 1 Seasonally Adjusted Labor Market Statistics**

	<b>Non-Agricultural Labor Force</b>	<b>Non-Agricultural Employment</b>	<b>Non-Agricultural Unemployment</b>	<b>Non-Agricultural Unemployment Rate</b>	<b>Difference in Non-Agricultural Labor Force (M-o-M)</b>	<b>Difference in Non-Agricultural Employment (M-o-M)</b>	<b>Difference in Non-Agricultural Unemployment (M-o-M)</b>
	<b>(in thousands)</b>	<b>(in thousands)</b>	<b>(in thousands)</b>	<b>(in percent)</b>	<b>(in thousands)</b>	<b>(in thousands)</b>	<b>(in thousands)</b>
<b>June-08</b>	18767	16313	2455	13.1%	153	45	108
<b>July-08</b>	18855	16307	2548	13.5%	88	-6	94
<b>August-08</b>	18774	16229	2546	13.6%	-81	-78	-3
<b>September-08</b>	18805	16176	2630	14.0%	31	-53	84
<b>October-08</b>	18870	16119	2751	14.6%	65	-56	121
<b>November-08</b>	19002	16030	2971	15.6%	131	-89	220
<b>December-08</b>	19191	16083	3108	16.2%	190	53	137
<b>January-09</b>	19172	15934	3238	16.9%	-19	-149	130
<b>February-09</b>	19209	15877	3332	17.3%	36	-57	94
<b>March-09</b>	19272	15864	3408	17.7%	64	-13	76
<b>April-09</b>	19293	15795	3499	18.1%	21	-69	90
<b>May-09</b>	19306	15835	3471	18.0%	13	40	-28
<b>June-09</b>	19321	15920	3401	17.6%	15	85	-70
<b>July-09</b>	19377	16012	3365	17.4%	57	92	-36
<b>August-09</b>	19498	16065	3433	17.6%	121	53	68
<b>September-09</b>	19527	16126	3401	17.4%	29	61	-32
<b>October-09</b>	19618	16290	3327	17.0%	91	165	-74
<b>November-09</b>	19589	16374	3216	16.4%	-28	83	-112
<b>December-09</b>	19605	16448	3157	16.1%	16	74	-58
<b>January-10</b>	19686	16526	3160	16.1%	81	78	3
<b>February-10</b>	19784	16691	3093	15.6%	98	165	-67
<b>March-10</b>	19881	16800	3081	15.5%	97	110	-12
<b>April-10</b>	19872	16910	2962	14.9%	-9	110	-119
<b>May-10</b>	19935	16988	2947	14.8%	63	78	-15
<b>June-10</b>	19919	17005	2913	14.6%	-16	18	-34

Source: TurkStat, **Betam**