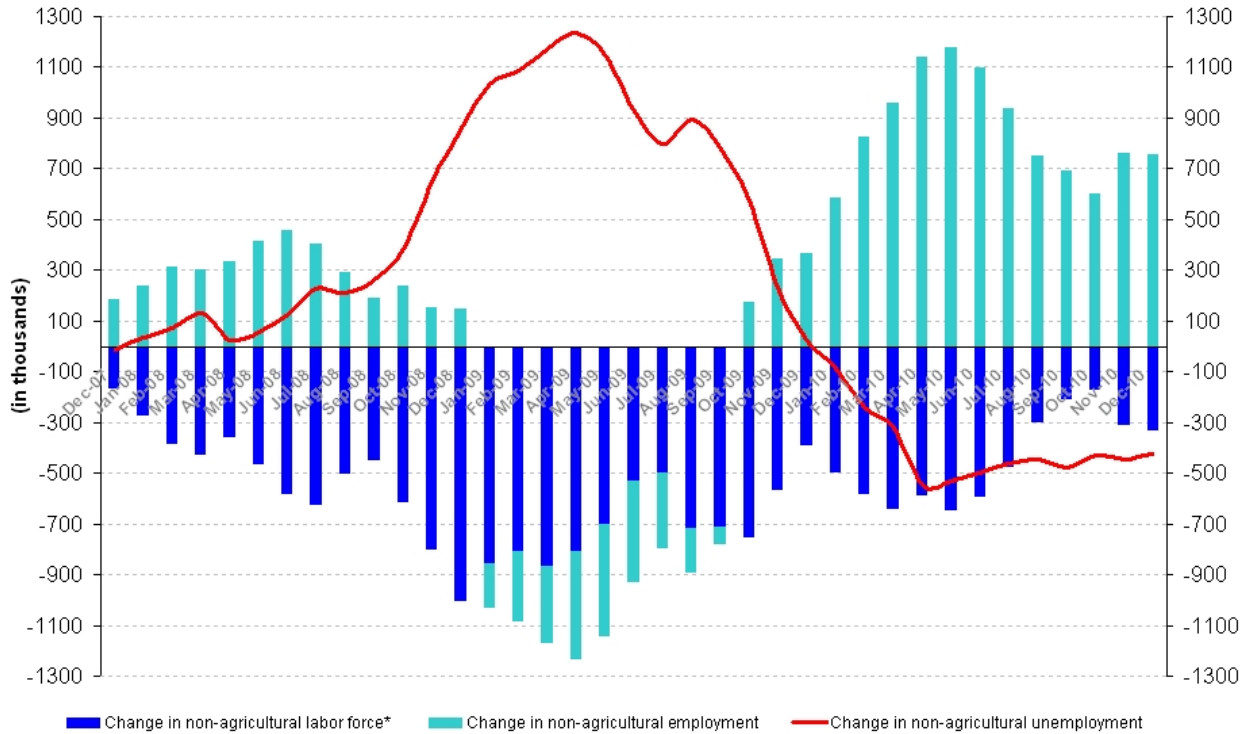


## UNEMPLOYMENT CONTINUES TO DECREASE

Seyfettin Gursel\*, Gokce Uysal\*\* and Duygu Guner\*\*\*

According to the labor market statistics released by TurkStat on the 15<sup>th</sup> of March, employment reached 22 million 665 thousand during the period of December 2010 (November-December-January) while non-agricultural employment rose to 17 million 82 thousand. Raw labor market indicators reveal that non-agricultural employment increased by 758 thousand (3.1 percent) in December 2010 compared to its level in December 2009. On the other hand, non-agricultural unemployment decreased from 16.6 percent to 14.2 percent within the same period. Year on year changes indicate a 336 thousand increase in the non-agricultural labor force and a 758 thousand increase in non-agricultural employment. Since labor force increases reverted to its pre-crisis trend, expansion in non-agricultural employment decreased the number of unemployed in non-agricultural sectors by 422 thousand.

**Figure 1 Year-on-year changes in non-agricultural labor force, employment and unemployment**



\* Since labor force and unemployment are positively correlated the increases in labor force represented with a negative sign.



Source: TurkStat, **Betam**

### Non-agricultural unemployment continues to decrease

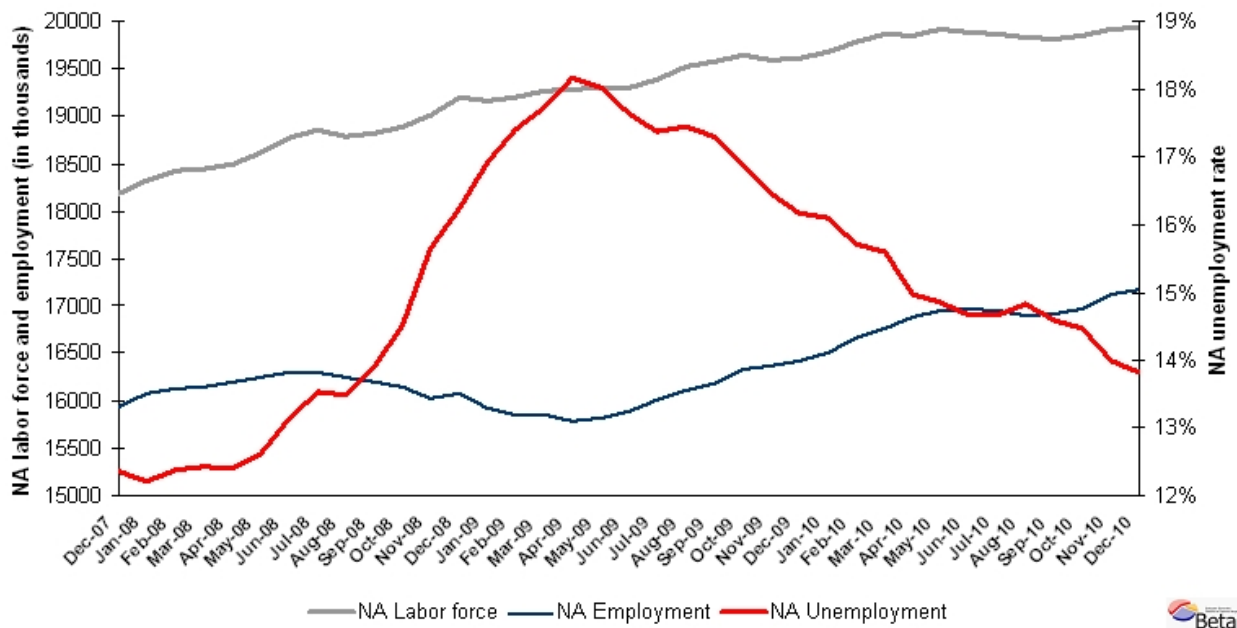
According to seasonally adjusted series, non-agricultural labor force increased by 28 thousand in December and reached 19 million 983 thousand. On the other hand, non-agricultural employment increased by 56 thousand to reach 17 million 182 thousand. Consequently, non-agricultural unemployment decreased by 27 thousand and non-agricultural unemployment rate dropped from 14 percent to 13.8 percent (Figure 2). Seasonally adjusted series show that non-agricultural unemployment rate decreased consistently from the period of August 2010 on. We believe that the high growth of the last quarter of 2010 is the main driving factor behind this decrease.

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**Figure 2 Seasonally adjusted non-agricultural labor force, employment and unemployment**



Source: TurkStat, **Betam**



### **Agricultural employment still increases**

According to the seasonally adjusted series, increases in manufacturing and service employment slowed down, while employment in agriculture and construction continued to increase (Appendix 1 Table 2, Appendix 2 Figure 3).<sup>1</sup> Since August 2010, agricultural employment has increased on average by 72 thousand monthly, while the annual increase was 450 thousand.

<sup>1</sup> Seasonal adjustment procedure is applied to each sector of employment series separately. Hence the sum of these series may differ from the seasonally adjusted series of total employment. The difference stems from the non-linearity of the seasonal adjustment process.

**Appendix 1: Table 1 Seasonally adjusted non-agricultural labor force indicators (in thousands)**

	Labor force	Employment	Unemployment	Unemployment rate	Monthly changes		
					Labor force	Employment	Unemployment
December-07	18177	15945	2233	12.3%			
January-08	18210	16079	2131	11.7%	33	134	-102
February-08	18274	16136	2138	11.7%	64	57	7
March-08	18350	16153	2197	12.0%	76	17	59
April-08	18437	16195	2242	12.2%	87	42	45
May-08	18632	16257	2375	12.7%	195	62	133
June-08	18800	16299	2501	13.3%	169	43	126
July-08	18921	16306	2615	13.8%	121	7	114
August-08	18882	16254	2628	13.9%	-39	-52	13
September-08	18880	16205	2675	14.2%	-2	-49	47
October-08	18944	16144	2800	14.8%	64	-60	124
November-08	19018	16027	2991	15.7%	74	-118	191
December-08	19181	16073	3109	16.2%	164	46	118
January-09	19067	15923	3144	16.5%	-114	-149	35
February-09	19084	15865	3220	16.9%	17	-59	76
March-09	19219	15850	3370	17.5%	135	-15	150
April-09	19246	15780	3465	18.0%	26	-70	96
May-09	19334	15818	3516	18.2%	88	37	51
June-09	19330	15899	3431	17.8%	-4	81	-85
July-09	19423	16014	3409	17.6%	93	115	-22
August-09	19601	16113	3488	17.8%	178	99	80
September-09	19593	16181	3412	17.4%	-8	68	-76
October-09	19697	16336	3361	17.1%	104	155	-51
November-09	19586	16365	3221	16.4%	-111	29	-140
December-09	19573	16428	3145	16.1%	-13	63	-76
January-10	19567	16506	3061	15.6%	-6	78	-85
February-10	19669	16667	3003	15.3%	102	160	-58
March-10	19861	16772	3089	15.6%	192	106	86
April-10	19838	16879	2959	14.9%	-23	107	-130
May-10	19981	16952	3029	15.2%	144	73	71
June-10	19925	16967	2958	14.8%	-56	15	-71
July-10	19900	16948	2952	14.8%	-24	-18	-6
August-10	19903	16892	3011	15.1%	2	-56	58
September-10	19806	16916	2890	14.6%	-97	24	-121
October-10	19868	16970	2898	14.6%	62	54	8
November-10	19898	17127	2771	13.9%	30	156	-127
December-10	19909	17182	2727	13.7%	11	56	-45

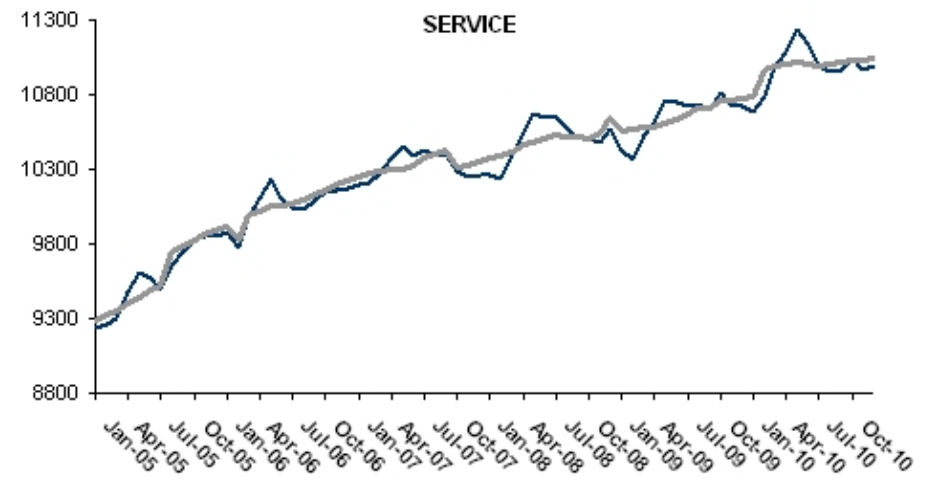
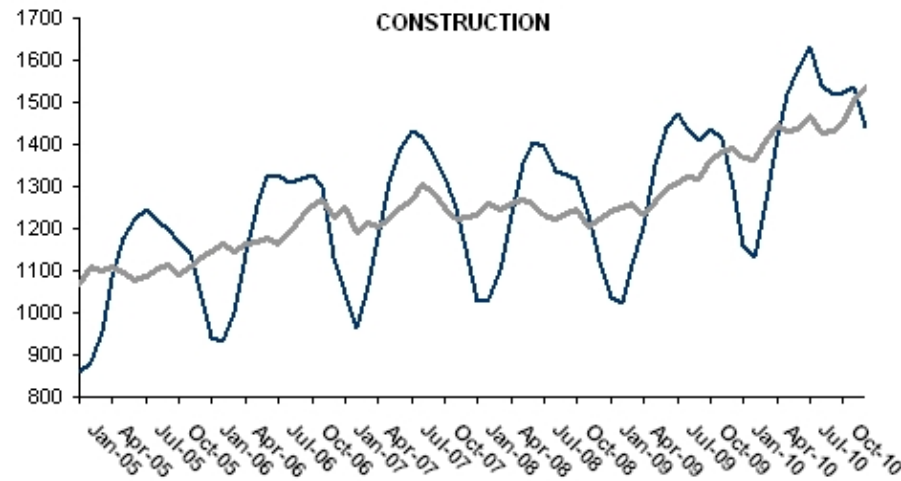
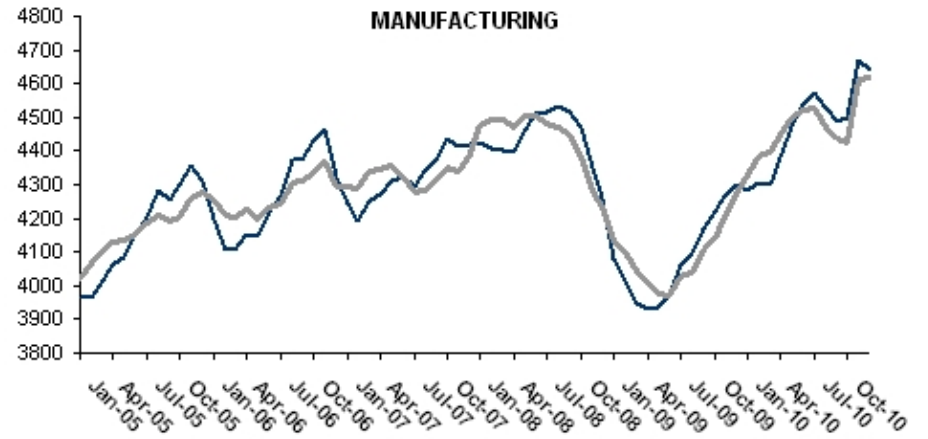
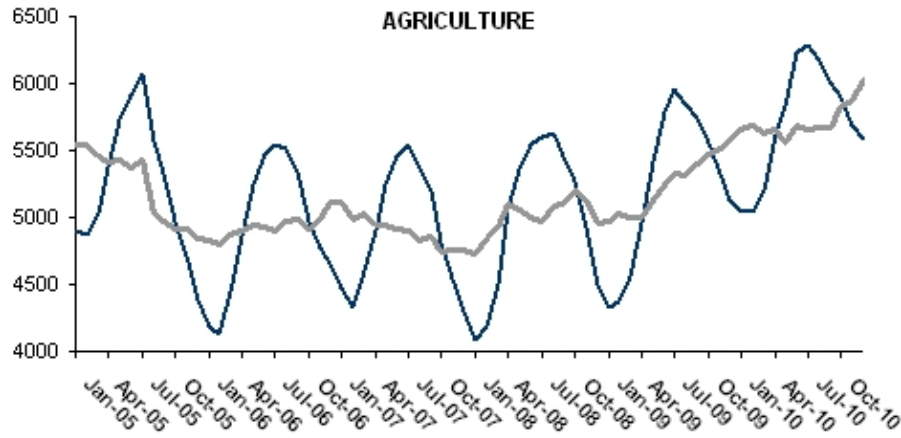
Source: TurkStat, **Betam**

Appendix 1: Table 2 Seasonally adjusted sector of employment (in thousands)

	Agriculture	Manufacturing	Construction	Service	Monthly changes			
					Agriculture	Manufacturing	Construction	Service
December-07	4762	4391	1227	10348				
January-08	4731	4478	1234	10371	-31	87	7	23
February-08	4848	4495	1260	10394	117	17	26	22
March-08	4935	4496	1248	10421	87	1	-12	27
April-08	5093	4471	1260	10462	158	-24	12	41
May-08	5058	4502	1270	10482	-35	31	10	21
June-08	4996	4504	1258	10509	-61	2	-12	27
July-08	4972	4483	1233	10525	-24	-21	-25	15
August-08	5088	4468	1223	10522	115	-15	-10	-2
September-08	5101	4448	1236	10521	14	-20	13	-1
October-08	5196	4382	1245	10510	95	-66	10	-11
November-08	5124	4280	1206	10541	-73	-102	-39	32
December-08	4964	4233	1221	10647	-160	-47	14	106
January-09	4974	4132	1240	10558	10	-101	19	-90
February-09	5032	4103	1252	10563	58	-29	12	6
March-09	5004	4047	1259	10582	-28	-56	7	19
April-09	4997	4007	1231	10580	-7	-39	-28	-1
May-09	5129	3976	1265	10604	132	-31	34	23
June-09	5236	3970	1294	10635	107	-7	29	32
July-09	5326	4025	1309	10668	89	55	15	33
August-09	5316	4040	1321	10710	-10	16	12	42
September-09	5400	4108	1320	10715	84	68	-1	5
October-09	5470	4144	1363	10761	70	35	44	46
November-09	5519	4201	1382	10767	50	57	19	6
December-09	5572	4274	1393	10775	52	73	10	8
January-10	5663	4331	1366	10791	91	57	-27	16
February-10	5679	4387	1362	10966	16	56	-4	176
March-10	5634	4396	1410	10986	-45	9	48	20
April-10	5659	4451	1444	11000	25	54	34	14
May-10	5560	4499	1432	11013	-98	49	-12	13
June-10	5683	4520	1435	11011	123	21	3	-2
July-10	5660	4526	1470	10998	-24	6	35	-13
August-10	5666	4469	1428	11000	6	-57	-42	2
September-10	5675	4435	1430	11021	8	-34	2	21
October-10	5827	4426	1449	11025	152	-9	20	3
November-10	5877	4611	1505	11031	50	184	56	6
December-10	6023	4619	1538	11048	146	8	32	17

Source: TurkStat, **Betam**

Appendix 2: Figure 3 Employment changes in sectors (in thousand)<sup>2</sup>



Source: TurkStat, **Betam**

<sup>2</sup> Grey lines indicate seasonally adjusted series, where dark blue lines represent raw data.