

SLIGHT INCREASE IN NONAGRICULTURAL UNEMPLOYMENT

Seyfettin Gürsel* Gökçe Uysal** and Mine Durmaz***

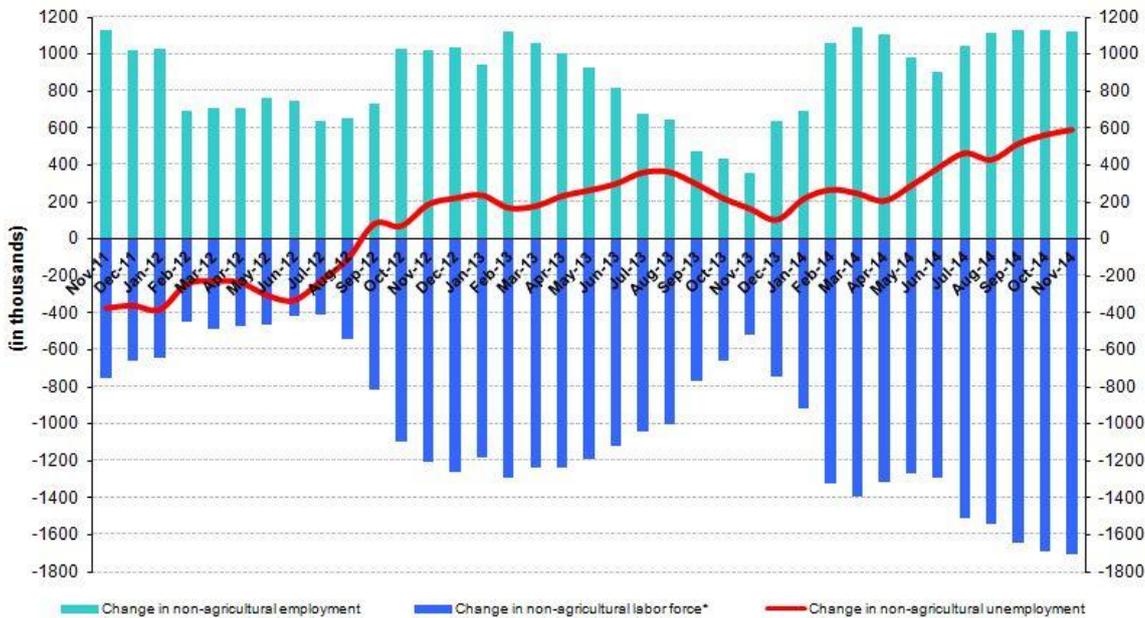
Abstract

Seasonally adjusted labor market data shows that nonagricultural unemployment rate has reached 12.8 percent, increasing by 0.1 percentage points in the period of November 2014 compared to the period of October 2014. During last three months, nonagricultural unemployment rate has stagnated at the level of 12.8 percent. In the period of November 2014, employment in manufacturing sector decreased by 80 thousand and employment in services and in construction expanded by 50 and 46 thousand, respectively. According to Betam forecasting model based on Kariyer.net data, nonagricultural unemployment rate will remain constant in the period of December 2014.

Nonagricultural labor force and employment continue to soar

According to data released by TurkStat in the period of November 2014, nonagricultural labor force increased by 1 million 710 thousand (7.8 percent), non-agricultural employment increased by 1 million 119 thousand (5.7 percent) and non-agricultural unemployment increased by 591 thousand compared the same period in the previous year (Figure1). In spite of steady increases in non-agricultural employment, the number of unemployed persons in non-agricultural sectors has been rising parallel to rapidly increasing non-agricultural employment since July 2014.

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



* The change in labor force represented with a negative sign.



Source: TurkStat, Betam

Nonagricultural unemployment is holding its level

According to seasonally adjusted data, in the period of November 2014 non-agricultural labor force increased by 46 thousand compared to the period of October 2014, and reached 23 million 764 thousand (Figure 2, Table 1). Non-agricultural employment increased by 16 thousand and recorded 20 million 722 thousand. Hence, the number of

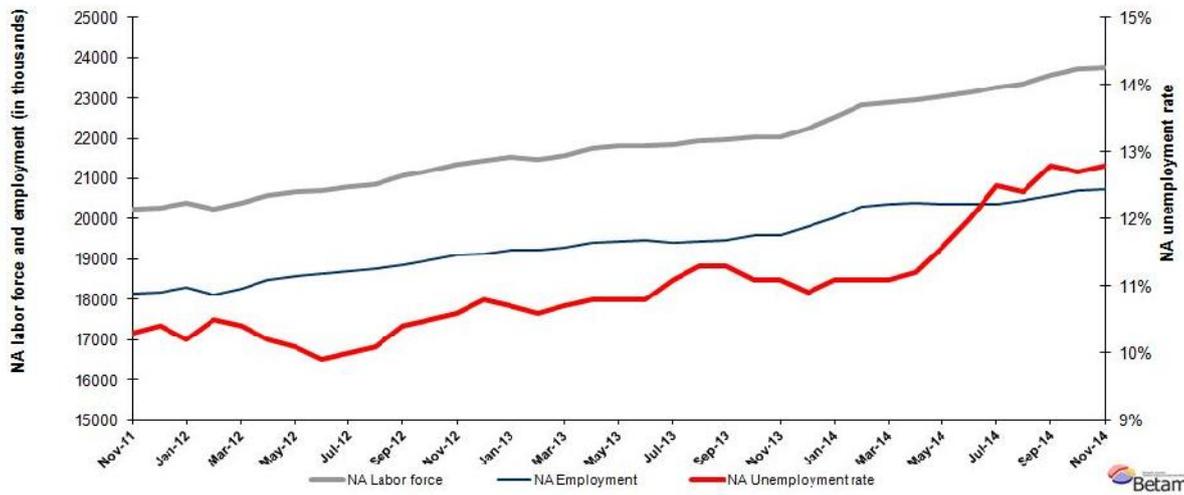
*Prof. Dr. Seyfettin Gürsel, Betam, Director, seyfettin.gursel@eas.bahcesehir.edu.tr

** Yrd. Doç. Dr. Gokce Uysal, Betam, Vice Director, gokce.uysal@eas.bahcesehir.edu.tr

***Mine Durmaz, Betam, Research Assistant, mine.durmaz@eas.bahcesehir.edu.tr

persons unemployed in non-agricultural sectors increased by 30 thousand and non-agricultural unemployment rate in this period compared to previous period increased slightly to 12.8 percent. Seasonally adjusted non-agricultural unemployment rate holds its level at about 12.8 percent since September 2014.

Figure 1 Seasonally adjusted non-agricultural labor force, employment, and unemployment

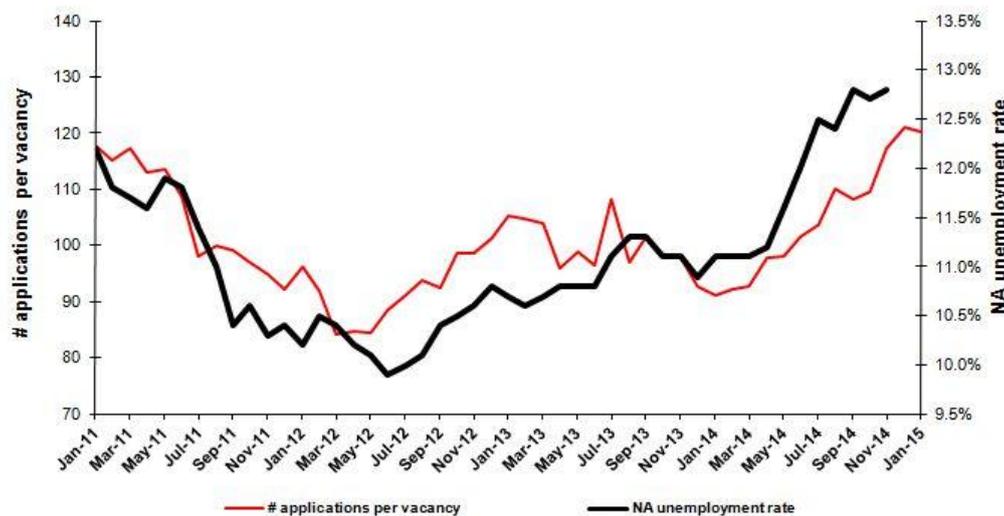


Source: TurkStat, Betam

Stagnating trend will continue in December period

Kariyer.net's¹ application per vacancy series used in the Betam forecasting model is depicted in Figure 3. According to Kariyer.net data, applications per vacancy increased slightly in the period of December 2015 (average of November 2014, December 2014, and January 2015). Moreover, Betam's forecasting model predicts that non-agricultural unemployment will remain constant in the next period (December 2015).² In previous month, Betam's forecasting model had predicted an increase in nonagricultural unemployment in November 2014. Indeed, nonagricultural unemployment rate increased even if slightly (from 12.7 percent to 12.8 percent).

Figure 2 Seasonally adjusted non-agricultural unemployment rate and application per vacancy



Source: Kariyer.net, TurkStat, Betam

¹Betam has been calculating application per vacancy using series released by Kariyer.net for a while. Seasonal and calendar adjustment procedure is applied to application per vacancy series. A decrease in applications per vacancy may be caused by an increase in vacancies or by a decrease in the number of applications. An increase in vacancies signals economic growth while decreasing number of applications indicates a decrease in number of people looking for a job. Monthly labor market series released by TurkStat is the average of three months. Therefore, application per vacancy statistics calculated using Kariyer.net series is the average of three months as well.

² For detailed information on Soybilgen's forecasting model, please see Betam Research Brief 168 titled as "Kariyer.net Verisiyle Kısa Vadeli Tarım Dışı İşsizlik Tahmini"

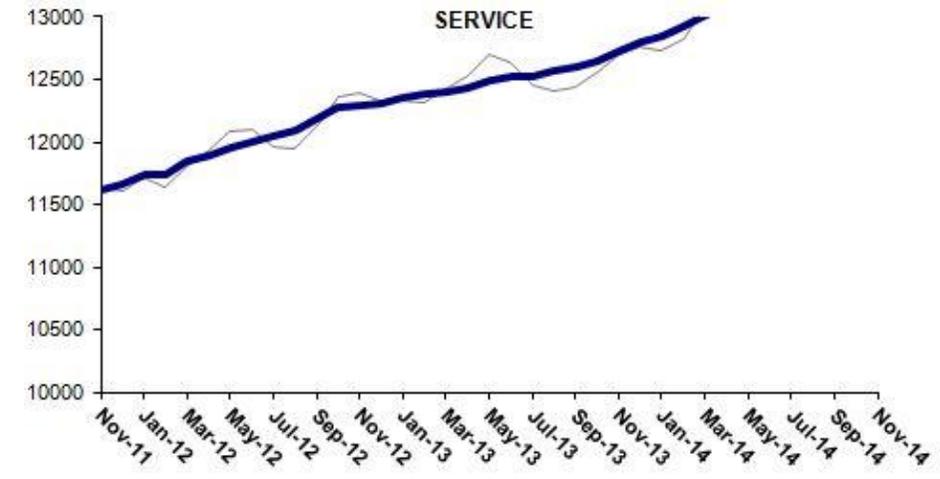
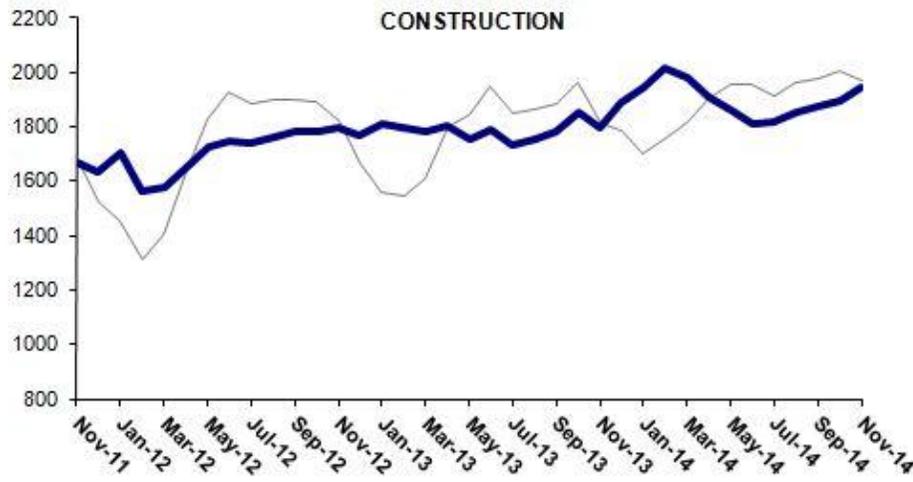
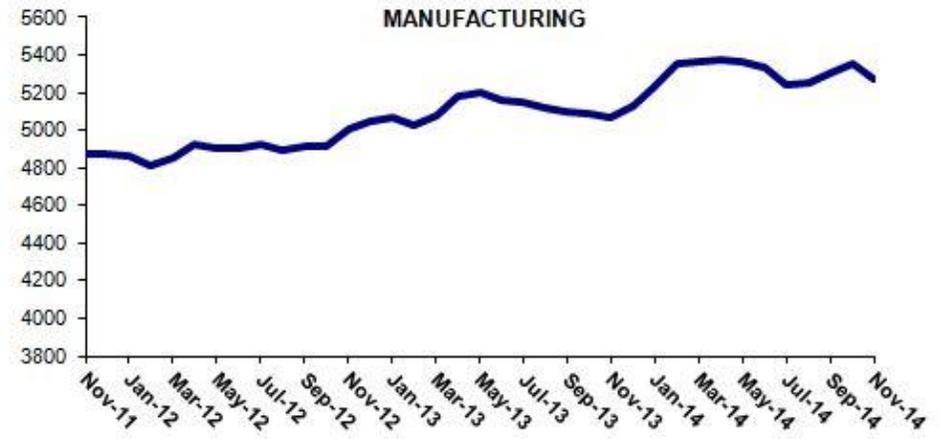
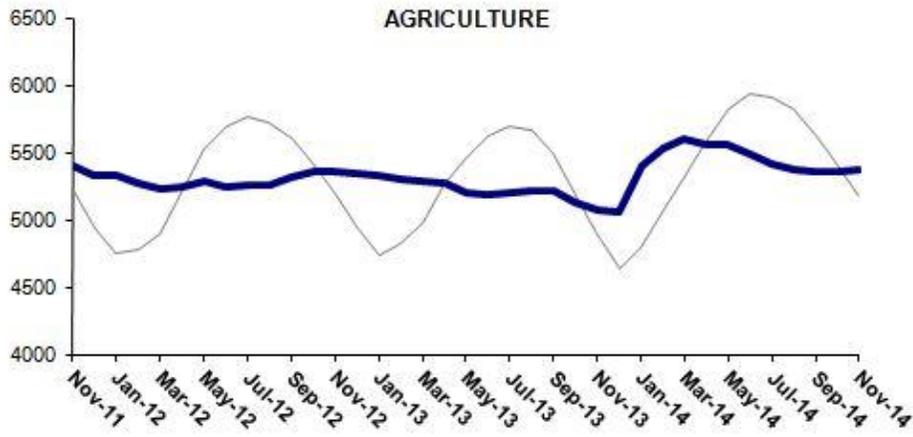
<http://betam.bahcesehir.edu.tr/tr/2014/06/kariyer-net-verisiyle-kisa-vadeli-tarim-disi-issizlik-tahmini/>

Losses in manufacturing employment

According to seasonally adjusted labor market series, employment increased in all sectors except manufacturing in November 2014 (Figure 4, Table2).³ In line with the industrial production index, manufacturing employment decreased by 80 thousand. Employment in services and construction increased by 50 thousand and 46 thousand respectively.

³Employment in each sector is seasonally adjusted 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.

Figure 3 Employment by sectors (in thousands)



Source: TurkStat, Betam

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

	Labor force	Employment	Unemployment	Unemployment rate	Monthly changes		
					Labor force	Employment	Unemployment
September-11	20211	18109	2102	10.4%			
October-11	20149	18013	2136	10.6%	-62	-96	34
November-11	20244	18159	2085	10.3%	95	146	-51
December-11	20273	18165	2108	10.4%	29	6	23
January-12	20394	18314	2080	10.2%	121	149	-28
February-12	20241	18116	2125	10.5%	-153	-198	45
March-12	20403	18281	2122	10.4%	162	165	-3
April-12	20570	18472	2098	10.2%	167	191	-24
May-12	20675	18587	2088	10.1%	105	115	-10
June-12	20700	18651	2049	9.9%	25	64	-39
July-12	20788	18709	2079	10.0%	87	58	29
August-12	20861	18754	2107	10.1%	73	45	28
September-12	21061	18871	2190	10.4%	200	117	83
October-12	21201	18975	2226	10.5%	140	104	36
November-12	21352	19089	2263	10.6%	151	114	37
December-12	21448	19132	2316	10.8%	96	43	53
January-13	21536	19232	2304	10.7%	88	100	-12
February-13	21491	19213	2278	10.6%	-45	-19	-26
March-13	21583	19274	2309	10.7%	92	61	31
April-13	21758	19408	2350	10.8%	174	134	40
May-13	21807	19452	2355	10.8%	49	44	5
June-13	21830	19472	2358	10.8%	22	20	2
July-13	21835	19411	2424	11.1%	5	-61	66
August-13	21924	19447	2477	11.3%	90	36	54
September-13	21965	19483	2482	11.3%	41	36	5
October-13	22031	19586	2445	11.1%	66	103	-37
November-13	22031	19586	2445	11.1%	0	0	0
December-13	22250	19825	2425	10.9%	219	239	-20
January-14	22515	20016	2499	11.1%	265	191	74
February-14	22825	20291	2534	11.1%	309	275	34
March-14	22902	20360	2542	11.1%	78	69	9
April-14	22967	20395	2572	11.2%	65	35	30
May-14	23055	20381	2674	11.6%	88	-14	102
June-14	23130	20354	2776	12.0%	74	-27	101
July-14	23263	20355	2908	12.5%	133	1	132
August-14	23349	20454	2895	12.4%	86	99	-13
September-14	23588	20569	3019	12.8%	239	115	124
October-14	23718	20706	3012	12.7%	130	137	-7
November-14	23764	20722	3042	12.8%	46	16	30

Source: TurkStat, Betam

Table 2 Seasonally adjusted employment by sectors (in thousands)*

	Agriculture	Manufacturing	Construction	Service	Monthly changes			
					Agriculture	Manufacturing	Construction	Service
September-11	5384	4866	1763	11480				
October-11	5416	4823	1681	11510	32	-43	-82	30
November-11	5405	4870	1667	11622	-11	47	-14	112
December-11	5328	4873	1633	11659	-77	3	-34	37
January-12	5333	4864	1706	11745	5	-9	73	86
February-12	5276	4808	1562	11746	-57	-56	-144	1
March-12	5222	4850	1577	11853	-54	42	15	107
April-12	5249	4930	1652	11890	27	80	75	37
May-12	5292	4908	1728	11951	43	-22	76	61
June-12	5249	4900	1750	12001	-43	-8	22	50
July-12	5260	4926	1742	12041	11	26	-8	40
August-12	5257	4892	1764	12097	-3	-34	22	56
September-12	5321	4911	1780	12179	64	19	16	82
October-12	5360	4917	1784	12274	39	6	4	95
November-12	5363	5003	1797	12289	3	86	13	15
December-12	5345	5051	1772	12309	-18	48	-25	20
January-13	5330	5073	1810	12349	-15	22	38	40
February-13	5297	5023	1800	12389	-33	-50	-10	40
March-13	5281	5083	1785	12406	-16	60	-15	17
April-13	5270	5176	1807	12425	-11	93	22	19
May-13	5207	5200	1753	12498	-63	24	-54	73
June-13	5179	5163	1788	12521	-28	-37	35	23
July-13	5194	5146	1736	12528	15	-17	-52	7
August-13	5218	5117	1755	12575	24	-29	19	47
September-13	5212	5096	1780	12607	-6	-21	25	32
October-13	5122	5090	1852	12644	-90	-6	72	37
November-13	5073	5064	1795	12726	-49	-26	-57	82
December-13	5057	5131	1888	12806	-16	67	93	80
January-14	5400	5232	1945	12839	343	101	57	33
February-14	5529	5359	2016	12916	129	127	71	77
March-14	5600	5365	1982	13014	71	6	-34	98
April-14	5564	5373	1907	13115	-36	8	-75	101
May-14	5564	5364	1862	13155	0	-9	-45	40
June-14	5488	5332	1812	13210	-76	-32	-50	55
July-14	5413	5243	1818	13295	-75	-89	6	85
August-14	5371	5257	1857	13340	-42	14	39	45
September-14	5357	5306	1876	13388	-14	49	19	48
October-14	5358	5353	1897	13456	1	47	21	68
November-14	5372	5273	1943	13506	14	-80	46	50

Source: TurkStat, Betam