

## DECREASE IN UNEMPLOYMENT

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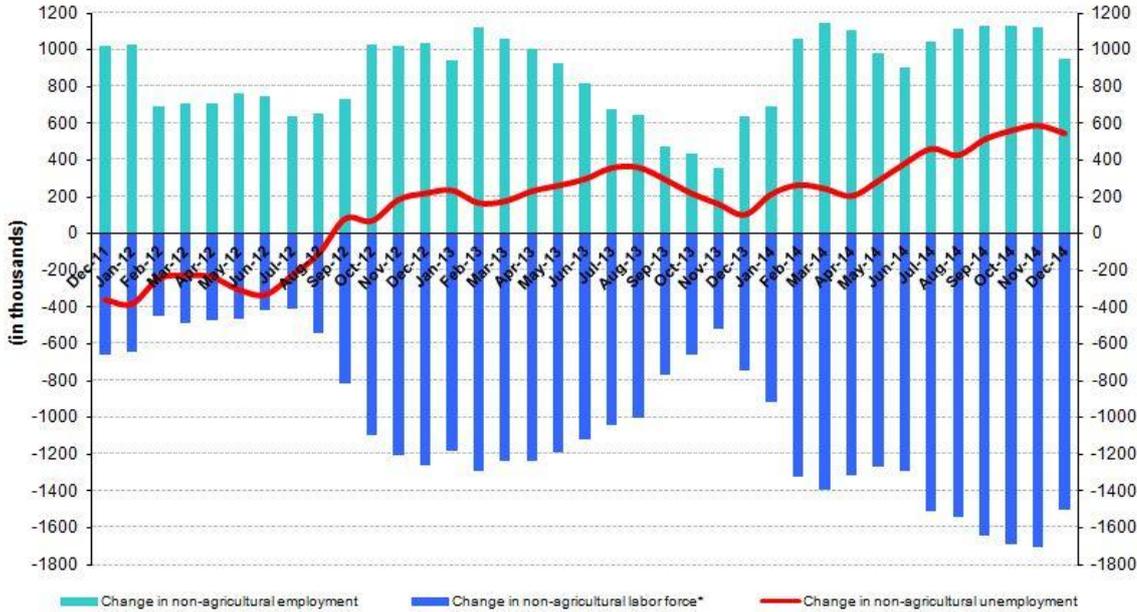
### Abstract

Seasonally adjusted labor market data shows that compared to previous period nonagricultural unemployment rate decreased from 12.7 to 12.5 (0.2 percentage points) in the period of December 2014. Labor market data shows that the increase in nonagricultural employment is larger than that in nonagricultural labor force and thus, nonagricultural unemployment decreases. Betam forecasting model based on Kariyer.net data estimates that nonagricultural employment rate will increase slightly in the period of January 2015.

### Slower increases in nonagricultural employment and labor force

According to data released by TurkStat in the period of December 2014, nonagricultural labor force increased by 1 million 499 thousand (6.8 percent), nonagricultural employment increased by 951 thousand (4.8 percent) and nonagricultural unemployment increased by 548 thousand compared the same period in the previous year (Figure1). Increases in nonagricultural labor force and employment, which accelerated since second half of 2014, slowed down in December 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

### Employment increased faster than labor force

According to seasonally adjusted data thousand in the period of December 2014, nonagricultural labor force increased by 12 thousand compared to the period of November 2014, and reached 23 million 752 thousand (Figure 2, Table 1). Nonagricultural employment increased by 58 thousand and recorded 20 million 783 thousand. Hence, the number of persons unemployed in nonagricultural sectors increased by 46 thousand and nonagricultural

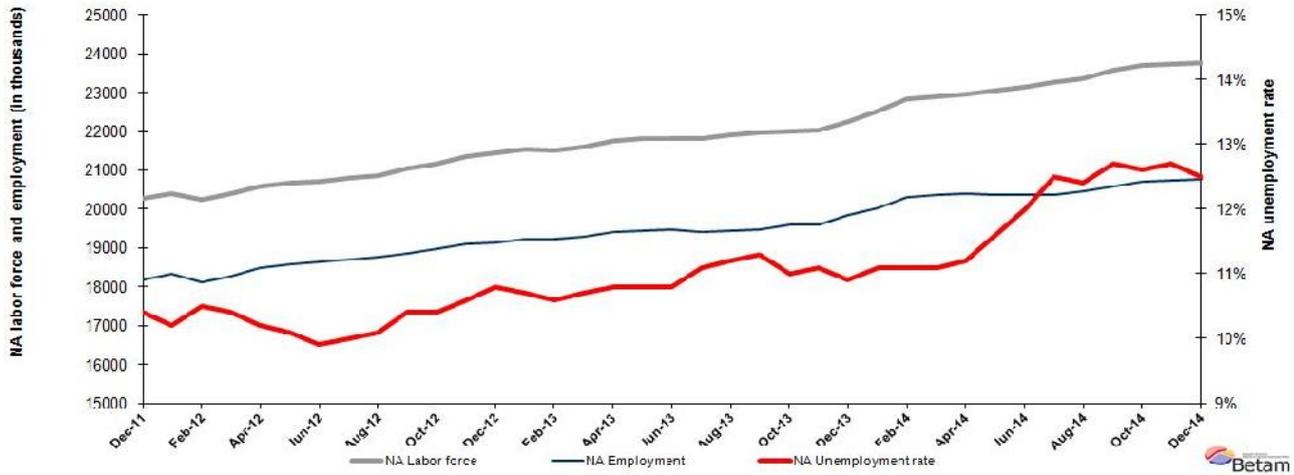
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unemployment rate in the period of December 2014 compared to the period of November 2014 decreased to 12.5 percent.

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

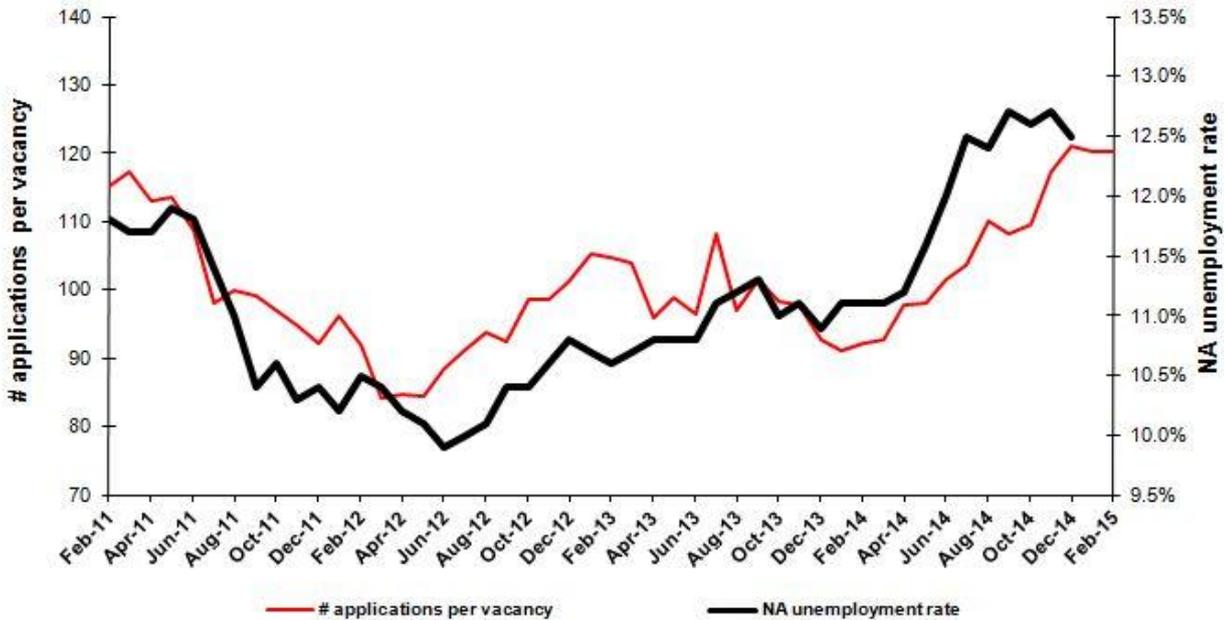


Source: TurkStat, Betam

**Nonagricultural unemployment will increase in January 2015**

Kariyer.net's<sup>1</sup> application per vacancy series used in the Betam forecasting model is depicted in Figure 3. According to Kariyer.net data, applications per vacancy remained constant in the period of January 2015 (average of December 2014, January 2015, and February 2015). Moreover, Betam's forecasting model predicts that non-agricultural unemployment will slightly increase in the next period (January 2015).<sup>2</sup>

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



Source: Kariyer.net, TurkStat, Betam

<sup>1</sup> Betam 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.

<sup>2</sup> 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/>

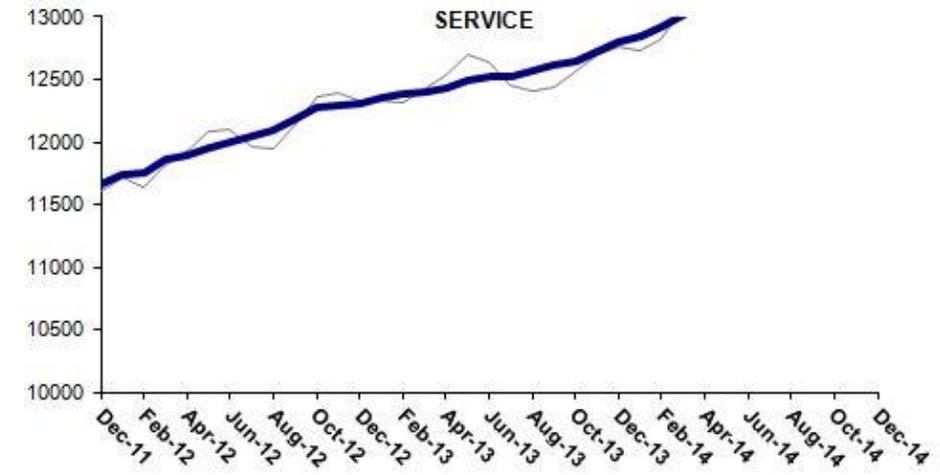
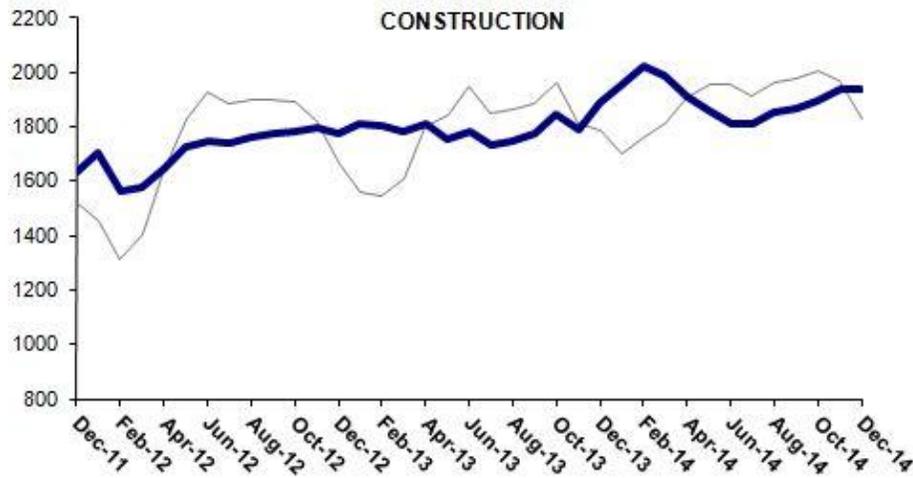
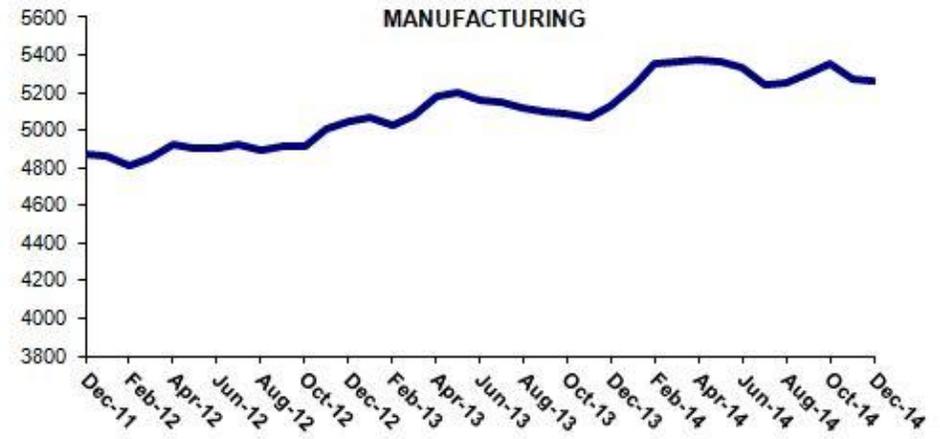
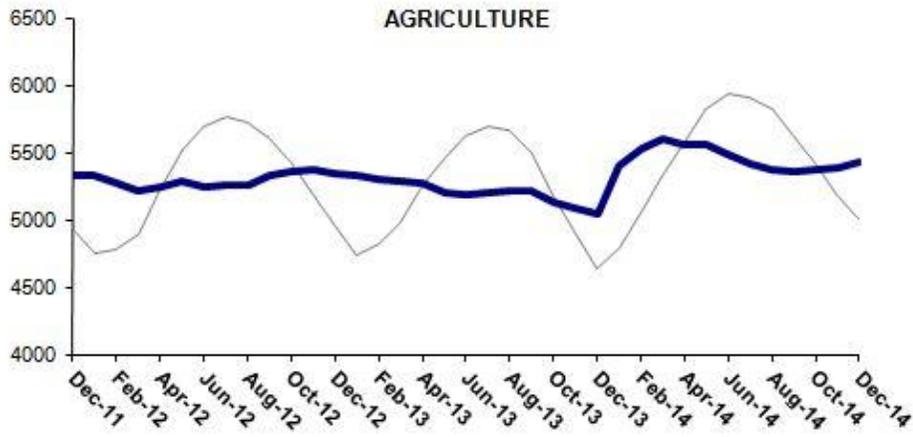
### **Employment in services continues to increase**

According to seasonally adjusted labor market series, employment increased in agriculture and services and decreased in manufacturing and construction in December 2014 (Figure 4, Table2).<sup>3</sup> Employment increased by 67 thousand and 42 thousand in services and agriculture respectively and decreased by 7 thousand in manufacturing. Moreover, the increase in construction is limited to 1 thousand during this period. The main force behind the decrease in unemployment is the employment expansion in services.

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<sup>3</sup>Employment 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
November-11	20244	18159	2085	10.3%			
December-11	20276	18167	2109	10.4%	32	8	24
January-12	20398	18317	2081	10.2%	122	150	-28
February-12	20241	18116	2125	10.5%	-156	-201	45
March-12	20403	18281	2122	10.4%	162	165	-3
April-12	20571	18473	2098	10.2%	168	192	-24
May-12	20675	18587	2088	10.1%	104	114	-10
June-12	20701	18652	2049	9.9%	26	65	-39
July-12	20788	18709	2079	10.0%	86	57	29
August-12	20860	18753	2107	10.1%	72	44	28
September-12	21060	18870	2190	10.4%	200	117	83
October-12	21177	18975	2202	10.4%	117	105	12
November-12	21352	19089	2263	10.6%	175	114	61
December-12	21452	19135	2317	10.8%	99	46	53
January-13	21542	19237	2305	10.7%	90	102	-12
February-13	21496	19217	2279	10.6%	-46	-20	-26
March-13	21586	19276	2310	10.7%	90	59	31
April-13	21760	19410	2350	10.8%	174	134	40
May-13	21806	19451	2355	10.8%	46	41	5
June-13	21828	19471	2357	10.8%	22	20	2
July-13	21831	19408	2423	11.1%	3	-63	66
August-13	21896	19444	2452	11.2%	65	36	29
September-13	21963	19481	2482	11.3%	66	37	29
October-13	22006	19585	2421	11.0%	43	104	-61
November-13	22029	19584	2445	11.1%	24	-1	25
December-13	22254	19828	2426	10.9%	224	244	-20
January-14	22523	20023	2500	11.1%	269	195	74
February-14	22832	20298	2534	11.1%	309	275	34
March-14	22908	20365	2543	11.1%	75	67	8
April-14	22971	20398	2573	11.2%	63	33	30
May-14	23055	20381	2674	11.6%	85	-17	102
June-14	23128	20353	2775	12.0%	73	-28	101
July-14	23259	20352	2907	12.5%	131	-1	132
August-14	23348	20453	2895	12.4%	89	101	-12
September-14	23562	20570	2992	12.7%	214	117	97
October-14	23695	20709	2986	12.6%	132	139	-7
November-14	23740	20725	3015	12.7%	45	16	29
December-14	23752	20783	2969	12.5%	12	58	-46

Source: TurkStat, Betam

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

	Agriculture	Manufacturing	Construction	Service	Monthly changes			
					Agriculture	Manufacturing	Construction	Service
November-11	5408	4870	1666	11623				
December-11	5325	4873	1633	11660	-83	3	-33	37
January-12	5330	4864	1707	11746	5	-9	74	86
February-12	5275	4808	1562	11747	-55	-56	-145	1
March-12	5221	4850	1577	11854	-54	42	15	107
April-12	5248	4930	1652	11891	27	80	75	37
May-12	5292	4908	1727	11952	44	-22	75	61
June-12	5249	4900	1749	12003	-43	-8	22	51
July-12	5260	4926	1740	12042	11	26	-9	39
August-12	5259	4892	1763	12098	-1	-34	23	56
September-12	5324	4911	1779	12180	65	19	16	82
October-12	5363	4917	1783	12276	39	6	4	96
November-12	5367	5003	1795	12290	4	86	12	14
December-12	5340	5051	1774	12310	-27	48	-21	20
January-13	5326	5073	1813	12351	-14	22	39	41
February-13	5295	5023	1803	12390	-31	-50	-10	39
March-13	5280	5083	1786	12407	-15	60	-17	17
April-13	5269	5176	1808	12427	-11	93	22	20
May-13	5207	5200	1752	12500	-62	24	-56	73
June-13	5179	5163	1786	12522	-28	-37	34	22
July-13	5195	5146	1732	12530	16	-17	-54	8
August-13	5221	5117	1751	12576	26	-29	19	46
September-13	5216	5096	1776	12609	-5	-21	25	33
October-13	5127	5090	1849	12645	-89	-6	73	36
November-13	5079	5064	1792	12729	-48	-26	-57	84
December-13	5050	5131	1892	12805	-29	67	100	76
January-14	5393	5232	1952	12839	343	101	60	34
February-14	5526	5359	2023	12916	133	127	71	77
March-14	5598	5365	1986	13014	72	6	-37	98
April-14	5563	5373	1909	13117	-35	8	-77	103
May-14	5564	5364	1860	13157	1	-9	-49	40
June-14	5489	5332	1808	13213	-75	-32	-52	56
July-14	5415	5243	1811	13298	-74	-89	3	85
August-14	5375	5257	1852	13345	-40	14	41	47
September-14	5363	5306	1871	13394	-12	49	19	49
October-14	5365	5353	1893	13464	2	47	22	70
November-14	5380	5273	1938	13514	15	-80	45	50
December-14	5422	5266	1937	13581	42	-7	-1	67

Source: TurkStat, Betam