

SEASONALLY ADJUSTED UNEMPLOYMENT DECREASED

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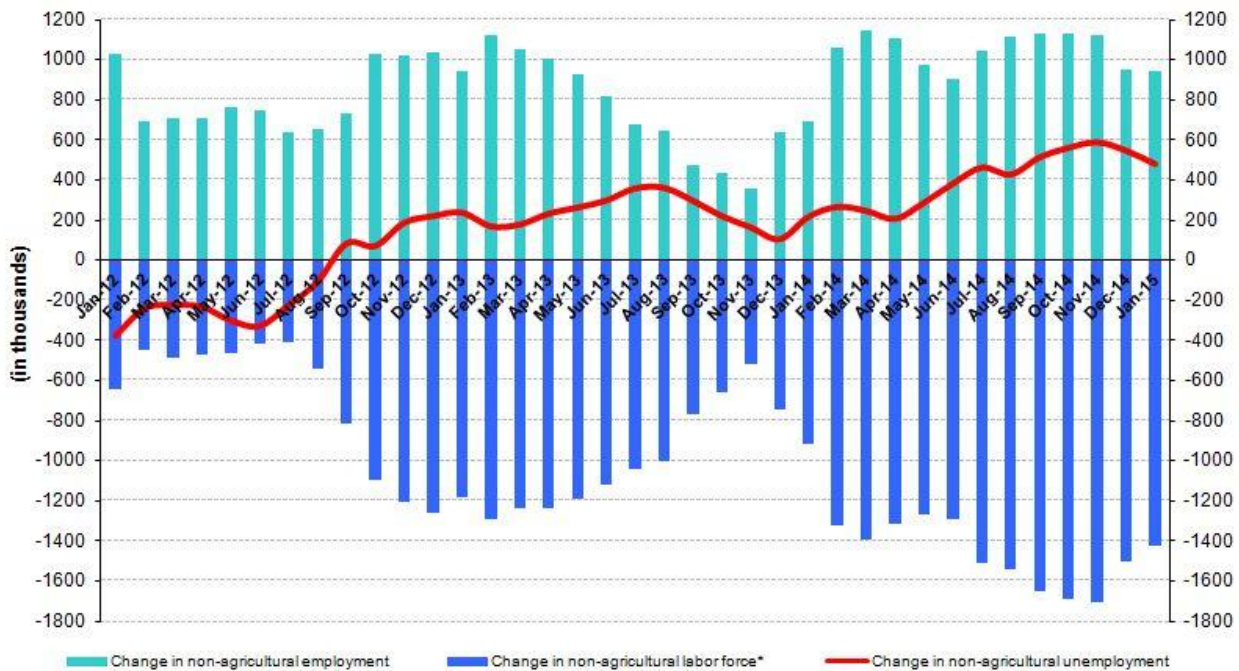
Executive Summary

Seasonally adjusted labor market data shows that nonagricultural unemployment rate decreased from 12.5 percent to 12.4 percent (0.1 percentage points) in the period of January 2015 compared to previous period. In January 2015, the total unemployment rate also decreased from 10.4 percent to 10.3 percent. We can conclude that unemployment decreased due to increases in manufacturing employment in parallel to the industrial production index. Along with the increases in the industrial production index in December 2014 and February 2015, employment in manufacturing sector increased by 83 thousand in January 2015. Moreover, services employment increased by 66 thousand.

Year-on-year changes

According to data released by TurkStat in the period of January 2015, nonagricultural labor force increased by 1 million 425 thousand (6.4 percent), nonagricultural employment increased by 943 thousand (4.8 percent) and nonagricultural unemployment increased by 482 thousand compared the same period in the previous year (Figure1).

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

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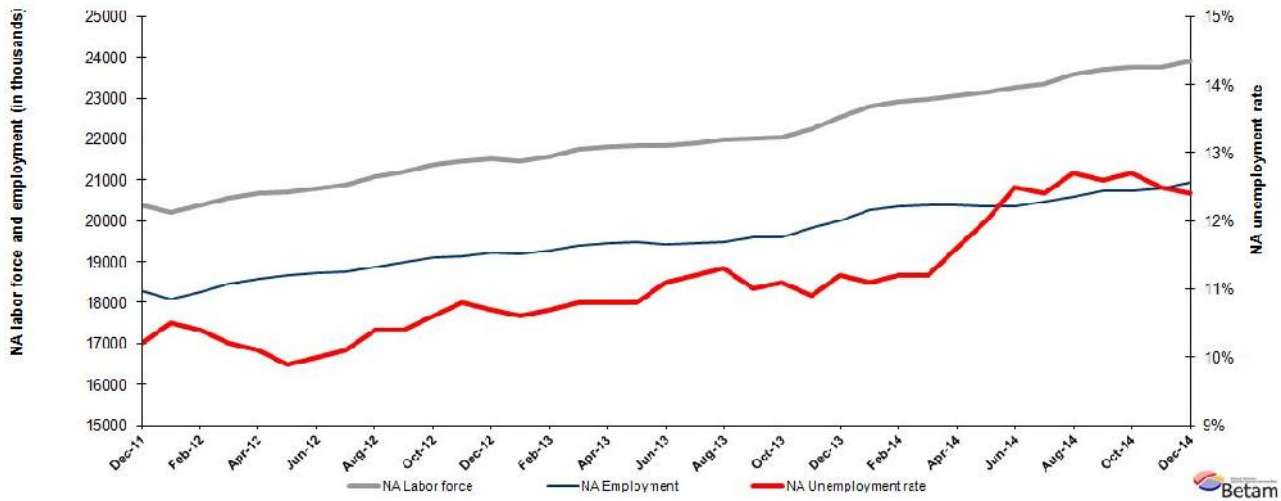
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Unemployment decreased

According to seasonally adjusted data thousand in the period of January 2015, nonagricultural labor force increased by 136 thousand compared to the period of December 2014, and reached 23 million 897 thousand (Figure 2, Table 1). Nonagricultural employment increased by 143 thousand and recorded 20 million 984 thousand. Hence, the number of persons unemployed in nonagricultural sectors decreased by 7 thousand and nonagricultural unemployment rate in the period of January 2015 compared to the period of December 2014 decreased to 12.4 percent.

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



Source: TurkStat, Betam

Nonagricultural unemployment rate will increase by 0.1 percentage points

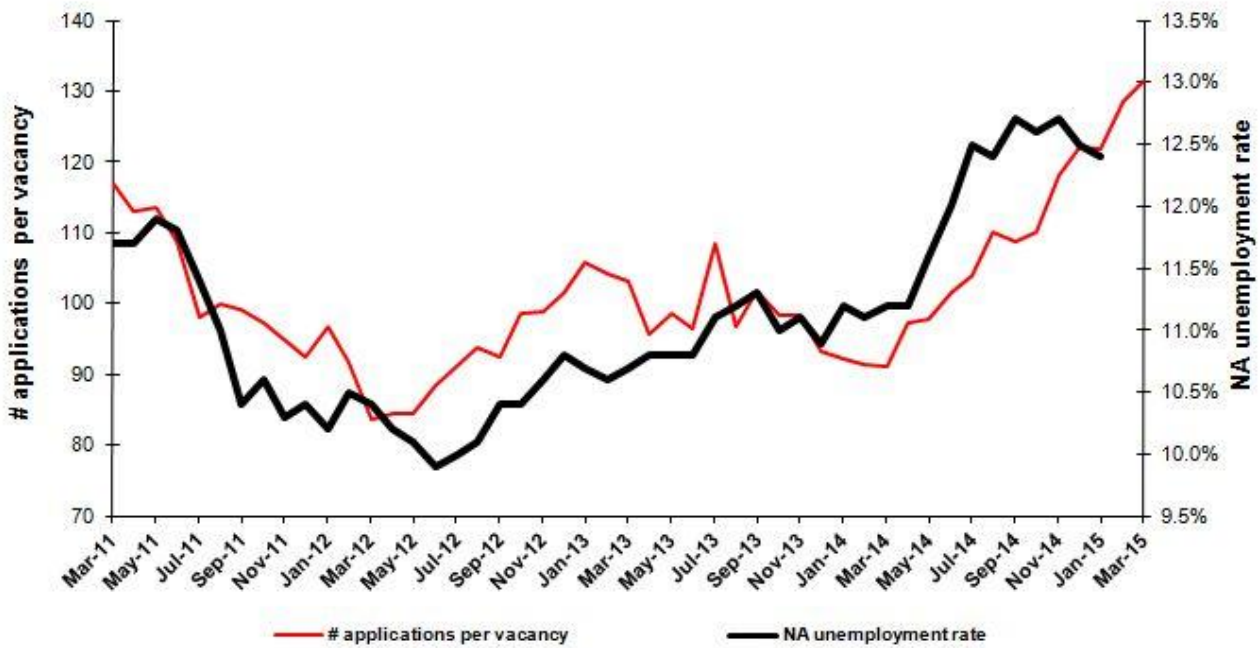
Kariyer.net's¹ application per vacancy series used in the Betam forecasting model is depicted in Figure 3. According to Kariyer.net data, applications per vacancy remained constant in the period of January 2015 (average of December 2014, January 2015, and February 2015). Moreover, Betam's forecasting model predicts that non-agricultural unemployment will increase by 0.1 percentage points in the next period (February 2015).²

¹ 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.

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/>

Figure 2 Seasonally adjusted nonagricultural unemployment rate and application per vacancy



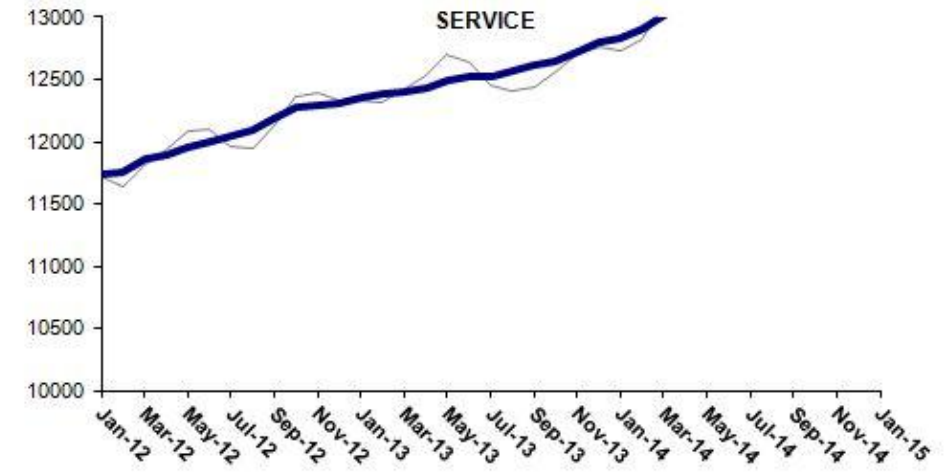
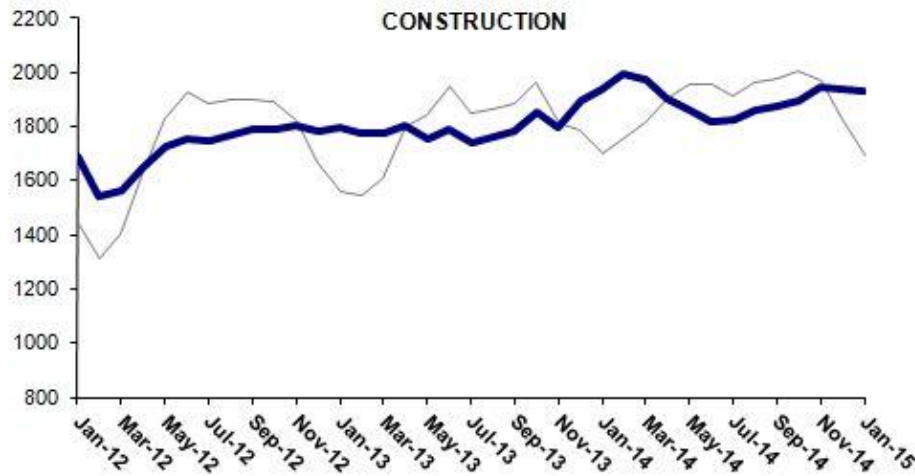
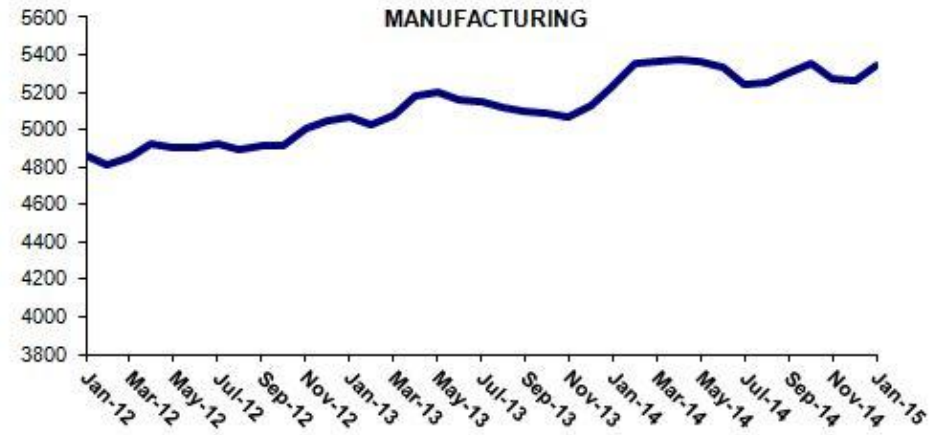
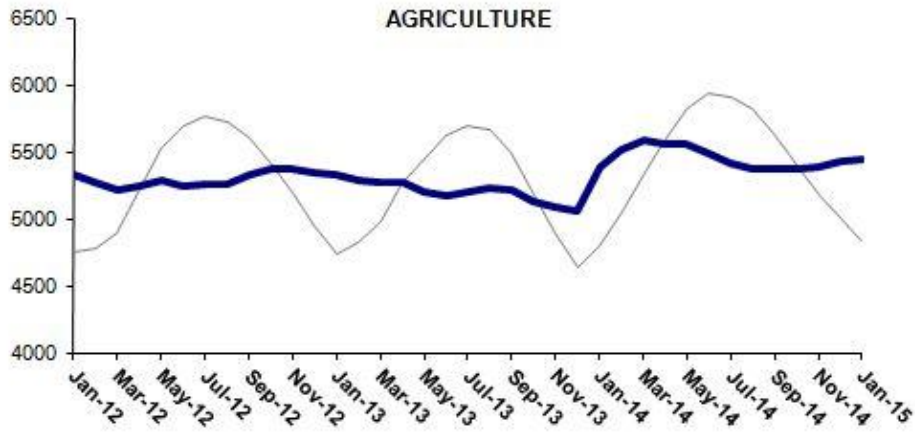
Source: Kariyer.net, TurkStat, Betam

Employment increased in manufacturing and services

According to seasonally adjusted labor market series, in the period of January 2015 employment increased in all sectors except construction (Figure 4, Table2).³ While manufacturing employment decreased by 7 thousand, employment increased by 13 thousand, 83 thousand, and 66 thousand in agriculture, manufacturing, and services, respectively. It would be said that the decrease in unemployment has been driven by the increase in manufacturing employment. The data on the period of January 2015 corresponds to the average of December 2014, January and February 2015 months. Industrial production index increased both in December 2014 and in February 2015. In parallel with industrial production index, increasing manufacturing employment has supported overall employment.

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
December-11	20276	18167	2109	10.4%			
January-12	20379	18300	2079	10.2%	103	133	-30
February-12	20217	18094	2123	10.5%	-162	-206	44
March-12	20390	18269	2121	10.4%	173	175	-2
April-12	20565	18467	2098	10.2%	175	198	-23
May-12	20676	18588	2088	10.1%	112	121	-9
June-12	20705	18655	2050	9.9%	28	67	-39
July-12	20796	18716	2080	10.0%	91	61	30
August-12	20869	18761	2108	10.1%	73	45	28
September-12	21070	18879	2191	10.4%	202	118	84
October-12	21186	18983	2203	10.4%	116	104	12
November-12	21361	19097	2264	10.6%	175	114	61
December-12	21461	19143	2318	10.8%	99	46	53
January-13	21525	19222	2303	10.7%	64	79	-15
February-13	21468	19192	2276	10.6%	-58	-30	-28
March-13	21572	19264	2308	10.7%	105	72	33
April-13	21754	19405	2349	10.8%	182	141	41
May-13	21808	19453	2355	10.8%	54	48	6
June-13	21835	19477	2358	10.8%	27	24	3
July-13	21843	19418	2425	11.1%	7	-59	66
August-13	21905	19452	2453	11.2%	63	34	29
September-13	21971	19488	2483	11.3%	65	36	29
October-13	22011	19590	2421	11.0%	41	102	-61
November-13	22035	19589	2446	11.1%	24	-1	25
December-13	22258	19832	2426	10.9%	223	243	-20
January-14	22527	20004	2523	11.2%	269	172	97
February-14	22800	20269	2531	11.1%	273	265	8
March-14	22917	20350	2567	11.2%	117	81	36
April-14	22964	20392	2572	11.2%	47	42	5
May-14	23060	20385	2675	11.6%	96	-7	103
June-14	23136	20360	2776	12.0%	76	-25	101
July-14	23275	20366	2909	12.5%	139	6	133
August-14	23362	20465	2897	12.4%	86	99	-13
September-14	23575	20581	2994	12.7%	213	116	97
October-14	23706	20719	2987	12.6%	131	138	-7
November-14	23753	20736	3017	12.7%	47	17	30
December-14	23761	20791	2970	12.5%	9	55	-46
January-15	23897	20934	2963	12.4%	136	143	-7

Source: TurkStat, Betam

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

	Agriculture	Manufacturing	Construction	Service	Monthly changes			
					Agriculture	Manufacturing	Construction	Service
December-11	5325	4873	1633	11660				
January-12	5328	4864	1691	11746	3	-9	58	86
February-12	5272	4808	1539	11747	-56	-56	-152	1
March-12	5219	4850	1565	11854	-53	42	26	107
April-12	5246	4930	1647	11891	27	80	82	37
May-12	5290	4908	1728	11952	44	-22	81	61
June-12	5248	4900	1753	12002	-42	-8	25	50
July-12	5261	4926	1748	12042	13	26	-5	40
August-12	5260	4892	1771	12098	-1	-34	23	56
September-12	5325	4911	1787	12180	65	19	16	82
October-12	5366	4917	1790	12275	41	6	3	95
November-12	5371	5003	1803	12290	5	86	13	15
December-12	5345	5051	1781	12310	-26	48	-22	20
January-13	5322	5073	1799	12351	-23	22	18	41
February-13	5291	5023	1779	12390	-31	-50	-20	39
March-13	5276	5083	1773	12407	-15	60	-6	17
April-13	5266	5176	1802	12427	-10	93	29	20
May-13	5205	5200	1753	12499	-61	24	-49	72
June-13	5178	5163	1791	12522	-27	-37	38	23
July-13	5195	5146	1742	12530	17	-17	-49	8
August-13	5222	5117	1759	12576	27	-29	17	46
September-13	5219	5096	1784	12608	-3	-21	25	32
October-13	5131	5090	1855	12645	-88	-6	71	37
November-13	5086	5064	1797	12728	-45	-26	-58	83
December-13	5058	5131	1895	12806	-28	67	98	78
January-14	5389	5232	1936	12836	331	101	41	30
February-14	5520	5359	1996	12914	131	127	60	78
March-14	5592	5365	1972	13013	72	6	-24	99
April-14	5558	5373	1903	13116	-34	8	-69	103
May-14	5560	5364	1863	13157	2	-9	-40	41
June-14	5487	5332	1815	13213	-73	-32	-48	56
July-14	5414	5243	1823	13300	-73	-89	8	87
August-14	5376	5257	1861	13348	-38	14	38	48
September-14	5366	5306	1878	13397	-10	49	17	49
October-14	5370	5353	1897	13469	4	47	19	72
November-14	5388	5273	1943	13520	18	-80	46	51
December-14	5432	5266	1938	13588	44	-7	-5	68
January-15	5445	5349	1931	13654	13	83	-7	66

Source: TurkStat, Betam