

# Labor Market Outlook:

# November 2015

### 16 November 2015

### Eylül 2015

**Labor FORCE AND EMPLOYMENT DECREASED,**

**UNEMPLOYMENT DID NOT DECREASE**

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**Executive Summary**

Seasonally adjusted labor market data shows that, compared to the previous period, nonagricultural unemployment rate remained constant at the level of 12.5 percent in the period of August 2015. Data shows that increases in sectoral employment remained weak in this period. Employment increased by 4 thousand and 10 thousand in construction and services, respectively. Employment losses during the last three periods have reached almost 150 thousand individuals. In August 2015 compared to July 2015, nonagricultural labor force increased by 81 thousand and employment decreased by 71 thousand, thus unemployment did not change.

**Year-on-year increase in labor force and employment weakened**

According to data released by TurkStat in the period of August 2015, nonagricultural labor force increased by 753 thousand (3.2 percent), nonagricultural employment increased by 636 thousand (3.1 percent) and nonagricultural unemployment increased by 117 thousand compared the same period in the previous year (Figure1). Note that strong increases in employment and labor force recorded in July 2015 decelerated in the period of August 2015.

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



Source: Turkstat; Betam

**Seasonally adjusted unemployment unchanged**

According to seasonally adjusted data in the period of August 2015, nonagricultural labor force decreased by 81 thousand compared to the period of June 2015, and reached 24 million 109 thousand. Nonagricultural employment decreased by 71 thousand, and reached 21 million 95 thousand (Figure 2, Table 1). In the period of August 2015 compared to the period of July 2015, the number of nonagricultural unemployed decreased by 10 thousand and nonagricultural unemployment rate remained constant at the level of 12.5 percent.

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



Source: Turkstat; Betam

**Nonagricultural unemployment will decrease in next month**

Betam's forecasting model predicts that seasonally adjusted nonagricultural unemployment rate will decrease from 12.5 percent to 12.4 percent. Forecasting model details are available on Betam's website.[[4]](#footnote-4) Kariyer.net[[5]](#footnote-5) application per vacancy series used in the Betam forecasting model is depicted in Figure 3. Kariyer.net series is only one of the inputs of Betam forecast model. Indeed, several variables such as employment agency (İŞKUR) data, reel sector confidence index, capacity utilization rate are used in forecasting. Taken into account all these factors, Betam's forecasting model predicts that seasonally adjusted nonagricultural unemployment rate will decrease slightly in the period of September 2015.

Figure 3 Seasonally adjusted nonagricultural unemployment rate and application per vacancy



Source: Kariyer.net, Turkstat, Betam

**Employment losses in manufacturing and agriculture**

According to seasonally adjusted labor market series, employment in manufacturing decreased by 84 thousand in the period of August 2015 compared to the period of July 2015. Nevertheless, employment increased in agriculture, in construction and services by 46 thousand, 4 thousand and 10 thousand respectively (Figure 4, Table 2).[[6]](#footnote-6) Note that the increase in services employment decelerated in this period. Losses in manufacturing employment since June 2015 have almost reached 150 thousand.

Figure 4 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** | | |
| **July-12** | 20792 | 18713 | 2079 | 10,0% | **Labor force** | **Employment** | **Unemployment** |
| **August-12** | 20867 | 18759 | 2108 | 10,1% | 74 | 46 | 28 |
| **September-12** | 21067 | 18876 | 2191 | 10,4% | 200 | 117 | 83 |
| **October-12** | 21184 | 18981 | 2203 | 10,4% | 117 | 105 | 12 |
| **November-12** | 21358 | 19094 | 2264 | 10,6% | 174 | 113 | 61 |
| **December-12** | 21456 | 19139 | 2317 | 10,8% | 98 | 45 | 53 |
| **January-13** | 21522 | 19219 | 2303 | 10,7% | 66 | 80 | -14 |
| **February-13** | 21478 | 19201 | 2277 | 10,6% | -44 | -18 | -26 |
| **March-13** | 21592 | 19260 | 2332 | 10,8% | 114 | 59 | 55 |
| **April-13** | 21779 | 19405 | 2374 | 10,9% | 187 | 145 | 42 |
| **May-13** | 21842 | 19461 | 2381 | 10,9% | 63 | 56 | 7 |
| **June-13** | 21846 | 19487 | 2359 | 10,8% | 5 | 26 | -21 |
| **July-13** | 21836 | 19412 | 2424 | 11,1% | -11 | -75 | 64 |
| **August-13** | 21900 | 19447 | 2453 | 11,2% | 64 | 35 | 29 |
| **September-13** | 21965 | 19483 | 2482 | 11,3% | 65 | 36 | 29 |
| **October-13** | 22007 | 19586 | 2421 | 11,0% | 42 | 103 | -61 |
| **November-13** | 22006 | 19585 | 2421 | 11,0% | -1 | -1 | 0 |
| **December-13** | 22253 | 19827 | 2426 | 10,9% | 247 | 242 | 5 |
| **January-14** | 22503 | 20005 | 2498 | 11,1% | 250 | 178 | 72 |
| **February-14** | 22786 | 20257 | 2529 | 11,1% | 283 | 252 | 31 |
| **March-14** | 22939 | 20370 | 2569 | 11,2% | 153 | 113 | 40 |
| **April-14** | 22999 | 20400 | 2599 | 11,3% | 60 | 30 | 30 |
| **May-14** | 23080 | 20403 | 2677 | 11,6% | 81 | 3 | 78 |
| **June-14** | 23170 | 20390 | 2780 | 12,0% | 90 | -13 | 103 |
| **July-14** | 23265 | 20357 | 2908 | 12,5% | 95 | -33 | 128 |
| **August-14** | 23370 | 20472 | 2898 | 12,4% | 105 | 115 | -10 |
| **September-14** | 23573 | 20579 | 2994 | 12,7% | 203 | 107 | 96 |
| **October-14** | 23699 | 20713 | 2986 | 12,6% | 126 | 134 | -8 |
| **November-14** | 23737 | 20722 | 3015 | 12,7% | 37 | 9 | 28 |
| **December-14** | 23737 | 20770 | 2967 | 12,5% | 1 | 48 | -47 |
| **January-15** | 23849 | 20892 | 2957 | 12,4% | 112 | 122 | -10 |
| **February-15** | 23879 | 20966 | 2913 | 12,2% | 30 | 74 | -44 |
| **March-15** | 23801 | 20921 | 2880 | 12,1% | -78 | -45 | -33 |
| **April-15** | 23869 | 21005 | 2864 | 12,0% | 68 | 84 | -16 |
| **May-15** | 24049 | 21091 | 2958 | 12,3% | 180 | 86 | 94 |
| **June-15** | 24121 | 21082 | 3039 | 12,6% | 72 | -9 | 81 |
| **July-15** | 24190 | 21166 | 3024 | 12,5% | 68 | 84 | -16 |
| **August-15** | 24109 | 21095 | 3014 | 12,5% | -81 | -71 | -10 |

Source: Turkstat, Betam

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

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Agriculture** | **Manufacturing** | **Construction** | **Service** | **Monthly changes** | | | |
| **July-12** | 5254 | 4926 | 1746 | 12041 | **Agriculture** | **Manufacturing** | **Construction** | **Service** |
| **August-12** | 5249 | 4892 | 1770 | 12097 | -5 | -34 | 24 | 56 |
| **September-12** | 5317 | 4911 | 1786 | 12179 | 68 | 19 | 16 | 82 |
| **October-12** | 5364 | 4917 | 1788 | 12276 | 47 | 6 | 2 | 97 |
| **November-12** | 5369 | 5003 | 1800 | 12291 | 5 | 86 | 12 | 15 |
| **December-12** | 5343 | 5051 | 1778 | 12310 | -26 | 48 | -22 | 19 |
| **January-13** | 5324 | 5073 | 1795 | 12350 | -19 | 22 | 17 | 40 |
| **February-13** | 5333 | 5023 | 1788 | 12389 | 9 | -50 | -7 | 39 |
| **March-13** | 5286 | 5083 | 1770 | 12407 | -47 | 60 | -18 | 18 |
| **April-13** | 5270 | 5176 | 1803 | 12427 | -16 | 93 | 33 | 20 |
| **May-13** | 5202 | 5200 | 1760 | 12501 | -68 | 24 | -43 | 74 |
| **June-13** | 5167 | 5163 | 1801 | 12523 | -35 | -37 | 41 | 22 |
| **July-13** | 5188 | 5146 | 1738 | 12529 | 21 | -17 | -63 | 6 |
| **August-13** | 5208 | 5117 | 1756 | 12575 | 20 | -29 | 18 | 46 |
| **September-13** | 5207 | 5096 | 1780 | 12607 | -1 | -21 | 24 | 32 |
| **October-13** | 5122 | 5090 | 1851 | 12645 | -85 | -6 | 71 | 38 |
| **November-13** | 5076 | 5064 | 1792 | 12728 | -46 | -26 | -59 | 83 |
| **December-13** | 5050 | 5131 | 1890 | 12805 | -26 | 67 | 98 | 77 |
| **January-14** | 5387 | 5232 | 1931 | 12841 | 337 | 101 | 41 | 36 |
| **February-14** | 5576 | 5359 | 2013 | 12885 | 189 | 127 | 82 | 44 |
| **March-14** | 5608 | 5365 | 1965 | 13039 | 32 | 6 | -48 | 154 |
| **April-14** | 5567 | 5373 | 1904 | 13123 | -41 | 8 | -61 | 84 |
| **May-14** | 5562 | 5364 | 1875 | 13164 | -5 | -9 | -29 | 41 |
| **June-14** | 5476 | 5332 | 1830 | 13227 | -86 | -32 | -45 | 63 |
| **July-14** | 5406 | 5243 | 1817 | 13296 | -70 | -89 | -13 | 69 |
| **August-14** | 5357 | 5257 | 1856 | 13359 | -49 | 14 | 39 | 63 |
| **September-14** | 5349 | 5306 | 1873 | 13400 | -8 | 49 | 17 | 41 |
| **October-14** | 5356 | 5353 | 1892 | 13468 | 7 | 47 | 19 | 68 |
| **November-14** | 5375 | 5273 | 1935 | 13514 | 19 | -80 | 43 | 46 |
| **December-14** | 5423 | 5266 | 1930 | 13574 | 48 | -7 | -5 | 60 |
| **January-15** | 5444 | 5349 | 1923 | 13620 | 21 | 83 | -7 | 46 |
| **February-15** | 5315 | 5351 | 1878 | 13738 | -129 | 2 | -45 | 118 |
| **March-15** | 5483 | 5308 | 1932 | 13681 | 168 | -43 | 54 | -57 |
| **April-15** | 5497 | 5326 | 1911 | 13767 | 14 | 18 | -21 | 86 |
| **May-15** | 5512 | 5404 | 1873 | 13814 | 15 | 78 | -38 | 47 |
| **June-15** | 5534 | 5380 | 1859 | 13843 | 22 | -24 | -14 | 29 |
| **July-15** | 5510 | 5336 | 1913 | 13916 | -24 | -44 | 54 | 73 |
| **August-15** | 5556 | 5252 | 1917 | 13926 | 46 | -84 | 4 | 10 |

Source: Turkstat, Betam

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4. For detailed information on Betam'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/> [↑](#footnote-ref-4)
5. 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. [↑](#footnote-ref-5)
6. 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 [↑](#footnote-ref-6)