

# Labor Market Outlook:

# January 2016

### 15 January 2016

### Eylül 2015

**INCREASE IN UNEMPLOYMENT**

**Seyfettin Gürsel[[1]](#footnote-1)\* Gökçe Uysal[[2]](#footnote-2)\*\* and Mine Durmaz [[3]](#footnote-3)\*\*\***

**Executive Summary**

Seasonally adjusted labor market data shows that, compared to the previous period, nonagricultural unemployment rate increased from 12.5 percent to 12.7 percent (0.2 percentage points) in the period of October 2015. Seasonally adjusted nonagricultural labor force and nonagricultural employment increased by 118 thousand and 54 thousand respectively and, thus the number of nonagricultural unemployed increased by 64 thousand in this period. Betam's forecasting model predicts that seasonally adjusted nonagricultural unemployment rate will remain constant at the level of 12.7 percent in the period of November 2015.

**Similar year-on-year increases in labor force and employment**

According to data released by TurkStat in the period of October 2015, nonagricultural labor force increased by 770 thousand (3.2 percent), nonagricultural employment increased by 649 thousand (3.1 percent) and nonagricultural unemployment increased by 121 thousand compared to the same period in the previous year (Figure1). This increase in the number of unemployed results from a faster increase in nonagricultural labor force than that in nonagricultural employment.

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



Source: Turkstat; Betam

**Seasonally adjusted unemployment increased**

According to seasonally adjusted data in the period of October 2015, nonagricultural labor force increased by 118 thousand compared to the period of September 2015, and reached 24 million 434 thousand. Nonagricultural employment increased by 54 thousand, and reached 21 million 331 thousand (Figure 2, Table 1). In the period of October 2015 compared to the period of September 2015, the number of nonagricultural unemployed increased by 64 thousand and nonagricultural unemployment rate increased from 12.5 percent to 12.7 percent.

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



Source: Turkstat; Betam

**Nonagricultural unemployment will remain constant**

Betam's forecasting model predicts that nonagricultural unemployment rate will remain constant at the level of 12.7 percent in the period of November 2015. 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 remain constant in the period of November 2015.

Betam's forecasting model had predicted that seasonally adjusted nonagricultural unemployment rate would remain constant at the level of 12.4 percent in October 2015. However, seasonally adjusted nonagricultural unemployment rate turned out to be 12.7 percent in October 2015. Note that the seasonally adjusted nonagricultural unemployment rate in the period of September 2015 was revised to 12.5 percent.

Figure 3 Seasonally adjusted nonagricultural unemployment rate and application per vacancy



Source: Kariyer.net, Turkstat, Betam

**Increases in sectoral employment decelerated**

According to seasonally adjusted labor market series, employment increased in all sectors except agriculture in the period of October 2015 compared to the period of September 2015. While employment increased in manufacturing by 36 thousand, the increase in services employment was limited to 16 thousand. Likewise, employment in construction increased only by 2 thousand. In addition, employment in agriculture declined by 93 thousand (Figure 4, Table 2).[[6]](#footnote-6)

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** | | |
| **September-12** | 21066 | 18875 | 2191 | 10.4% | **Labor force** | **Employment** | **Unemployment** |
| **October-12** | 21184 | 18981 | 2203 | 10.4% | 118 | 106 | 12 |
| **November-12** | 21358 | 19094 | 2264 | 10.6% | 174 | 113 | 61 |
| **December-12** | 21455 | 19138 | 2317 | 10.8% | 97 | 44 | 53 |
| **January-13** | 21522 | 19219 | 2303 | 10.7% | 67 | 81 | -14 |
| **February-13** | 21477 | 19200 | 2277 | 10.6% | -45 | -19 | -26 |
| **March-13** | 21592 | 19260 | 2332 | 10.8% | 115 | 60 | 55 |
| **April-13** | 21780 | 19406 | 2374 | 10.9% | 188 | 146 | 42 |
| **May-13** | 21842 | 19461 | 2381 | 10.9% | 62 | 55 | 7 |
| **June-13** | 21848 | 19488 | 2360 | 10.8% | 6 | 27 | -21 |
| **July-13** | 21836 | 19412 | 2424 | 11.1% | -12 | -76 | 64 |
| **August-13** | 21926 | 19448 | 2478 | 11.3% | 90 | 36 | 54 |
| **September-13** | 21964 | 19482 | 2482 | 11.3% | 38 | 34 | 4 |
| **October-13** | 22007 | 19586 | 2421 | 11.0% | 43 | 104 | -61 |
| **November-13** | 22004 | 19584 | 2420 | 11.0% | -2 | -2 | 0 |
| **December-13** | 22253 | 19827 | 2426 | 10.9% | 248 | 243 | 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** | 23000 | 20401 | 2599 | 11.3% | 61 | 31 | 30 |
| **May-14** | 23081 | 20404 | 2677 | 11.6% | 81 | 3 | 78 |
| **June-14** | 23170 | 20390 | 2780 | 12.0% | 89 | -14 | 103 |
| **July-14** | 23265 | 20357 | 2908 | 12.5% | 95 | -33 | 128 |
| **August-14** | 23374 | 20476 | 2898 | 12.4% | 109 | 119 | -10 |
| **September-14** | 23583 | 20564 | 3019 | 12.8% | 208 | 88 | 120 |
| **October-14** | 23701 | 20715 | 2986 | 12.6% | 119 | 151 | -32 |
| **November-14** | 23737 | 20722 | 3015 | 12.7% | 35 | 7 | 28 |
| **December-14** | 23738 | 20771 | 2967 | 12.5% | 2 | 49 | -47 |
| **January-15** | 23824 | 20894 | 2930 | 12.3% | 86 | 123 | -37 |
| **February-15** | 23885 | 20971 | 2914 | 12.2% | 61 | 77 | -16 |
| **March-15** | 23807 | 20926 | 2881 | 12.1% | -78 | -45 | -33 |
| **April-15** | 23876 | 21011 | 2865 | 12.0% | 70 | 85 | -15 |
| **May-15** | 24058 | 21099 | 2959 | 12.3% | 182 | 88 | 94 |
| **June-15** | 24132 | 21091 | 3041 | 12.6% | 73 | -8 | 81 |
| **July-15** | 24201 | 21176 | 3025 | 12.5% | 70 | 85 | -15 |
| **August-15** | 24115 | 21101 | 3014 | 12.5% | -86 | -75 | -11 |
| **September-15** | 24317 | 21277 | 3040 | 12.5% | 201 | 176 | 25 |
| **October-15** | 24434 | 21331 | 3103 | 12.7% | 118 | 54 | 64 |

Source: Turkstat, Betam

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

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Agriculture** | **Manufacturing** | **Construction** | **Service** | **Monthly changes** | | | |
| **September-12** | 5312 | 4911 | 1785 | 12179 | **Agriculture** | **Manufacturing** | **Construction** | **Service** |
| **October-12** | 5371 | 4917 | 1788 | 12276 | 59 | 6 | 3 | 97 |
| **November-12** | 5376 | 5003 | 1800 | 12291 | 5 | 86 | 12 | 15 |
| **December-12** | 5349 | 5051 | 1778 | 12310 | -27 | 48 | -22 | 19 |
| **January-13** | 5327 | 5073 | 1795 | 12350 | -22 | 22 | 17 | 40 |
| **February-13** | 5335 | 5023 | 1788 | 12389 | 8 | -50 | -7 | 39 |
| **March-13** | 5286 | 5083 | 1770 | 12407 | -49 | 60 | -18 | 18 |
| **April-13** | 5268 | 5176 | 1803 | 12427 | -18 | 93 | 33 | 20 |
| **May-13** | 5199 | 5200 | 1760 | 12501 | -69 | 24 | -43 | 74 |
| **June-13** | 5162 | 5163 | 1801 | 12523 | -37 | -37 | 41 | 22 |
| **July-13** | 5182 | 5146 | 1738 | 12529 | 20 | -17 | -63 | 6 |
| **August-13** | 5200 | 5117 | 1757 | 12574 | 18 | -29 | 19 | 45 |
| **September-13** | 5200 | 5096 | 1779 | 12607 | 0 | -21 | 22 | 33 |
| **October-13** | 5132 | 5090 | 1851 | 12645 | -68 | -6 | 72 | 38 |
| **November-13** | 5086 | 5064 | 1792 | 12728 | -46 | -26 | -59 | 83 |
| **December-13** | 5057 | 5131 | 1890 | 12805 | -29 | 67 | 98 | 77 |
| **January-14** | 5391 | 5232 | 1931 | 12841 | 334 | 101 | 41 | 36 |
| **February-14** | 5578 | 5359 | 2013 | 12885 | 187 | 127 | 82 | 44 |
| **March-14** | 5608 | 5365 | 1966 | 13039 | 30 | 6 | -47 | 154 |
| **April-14** | 5565 | 5373 | 1904 | 13124 | -43 | 8 | -62 | 85 |
| **May-14** | 5558 | 5364 | 1875 | 13165 | -7 | -9 | -29 | 41 |
| **June-14** | 5470 | 5332 | 1831 | 13227 | -88 | -32 | -44 | 62 |
| **July-14** | 5398 | 5243 | 1818 | 13297 | -72 | -89 | -13 | 70 |
| **August-14** | 5347 | 5257 | 1857 | 13362 | -51 | 14 | 39 | 65 |
| **September-14** | 5339 | 5306 | 1871 | 13387 | -8 | 49 | 14 | 25 |
| **October-14** | 5369 | 5353 | 1892 | 13470 | 30 | 47 | 21 | 83 |
| **November-14** | 5388 | 5273 | 1935 | 13514 | 19 | -80 | 43 | 44 |
| **December-14** | 5433 | 5266 | 1930 | 13575 | 45 | -7 | -5 | 61 |
| **January-15** | 5450 | 5349 | 1923 | 13622 | 17 | 83 | -7 | 47 |
| **February-15** | 5317 | 5351 | 1878 | 13741 | -133 | 2 | -45 | 119 |
| **March-15** | 5483 | 5308 | 1933 | 13685 | 166 | -43 | 55 | -56 |
| **April-15** | 5494 | 5326 | 1912 | 13773 | 11 | 18 | -21 | 88 |
| **May-15** | 5506 | 5404 | 1873 | 13822 | 12 | 78 | -39 | 49 |
| **June-15** | 5525 | 5380 | 1859 | 13852 | 19 | -24 | -14 | 30 |
| **July-15** | 5499 | 5336 | 1913 | 13927 | -26 | -44 | 54 | 75 |
| **August-15** | 5542 | 5252 | 1918 | 13931 | 43 | -84 | 5 | 4 |
| **September-15** | 5534 | 5327 | 1931 | 14019 | -8 | 75 | 13 | 88 |
| **October-15** | 5441 | 5363 | 1933 | 14035 | -93 | 36 | 2 | 16 |

Source: Turkstat, Betam

1. **\***Prof. Dr. Seyfettin Gürsel, Betam, Director, seyfettin.gursel@eas.bahcesehir.edu.tr [↑](#footnote-ref-1)
2. \*\*Yrd. Doç. Dr. Gökçe Uysal, Betam, Assistant Director, gokce.uysal@bahcesehir.edu.tr [↑](#footnote-ref-2)
3. \*\*\* Mine Durmaz, Betam, Research Assistant, mine.durmaz@eas.bahcesehir.edu.tr [↑](#footnote-ref-3)
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)