

# Labor Market Outlook:

# May 2016

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### Eylül 2015

**NONAGRICULTURAL UNEMPLOYMENT CONTINUES TO DECREASE**

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**Executive Summary**

Seasonally adjusted labor market data shows that nonagricultural unemployment rate decreased from 12.1 percent to 11.9 percent (0.2 percentage points) in the period of February 2016 compared to the previous period. Betam's forecasting model had predicted a 0.1 percent decrease for this period. We expect that the nonagricultural unemployment will continue to decline in the period of March 2016. In this period, the driving force behind the decrease in nonagricultural unemployment is the almost constant labor force. While employment losses in manufacturing continue, employment in services and construction increased. Female nonagricultural labor force and employment continue to increase faster than male labor force and employment. However, due to the strong increase in the labor force, female unemployment increased while male unemployment continues to decrease.

**Decrease in seasonally adjusted employment**

According to seasonally adjusted data in the period of February 2016, nonagricultural labor force increased by 2 thousand, and reached 24 million 635 thousand compared to the period of January 2016. Nonagricultural employment increased by 51 thousand, and reached 21 million 703 thousand (Figure 1, Table 1). In this period, nonagricultural labor force almost did not increase. Therefore, nonagricultural unemployment decreased in parallel to the increase in employment. It is striking that nonagricultural unemployment decreased by 154 thousand in last four periods, i.e. since November 2015,.

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



Source: Turkstat, Betam

**Nonagricultural unemployment will continue to decline**

Betam's forecasting model had predicted that the seasonally adjusted nonagricultural unemployment rate would decline from 12.1 percent to 12.0 percent in February 2016. In this period, nonagricultural unemployment declined by 0.2 percentage points from 12.1 percent to 11.9 percent. Betam's forecasting model predicts that seasonally adjusted nonagricultural unemployment rate will decrease from 11.9 percent to 11.8 percent (0.1 percentage point) in the period of March 2016. 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 in the period of March 2016.

Figure 2 Seasonally adjusted nonagricultural unemployment rate and application per vacancy



Source: Kariyer.net, Turkstat, Betam

**Loss in manufacturing employment continues**

According to seasonally adjusted labor market series, the increase in services employment slowed down and losses in manufacturing employment continued in the period of February 2016 compared to the period of January 2016 (Figure 3,Table 2)[[6]](#footnote-6). Employment in manufacturing employment decreased by 24 thousand in this period and cumulative loss in manufacturing employment since November 2015 is almost 90 thousand. In the period of February 2016, employment in services and in construction increased by 55 thousand and 19 thousand respectively. On the other hand, agricultural employment declined by 6 thousand.

Figure 3 Employment by sectors (in thousands)



Source: Turkstat,Betam

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

In the period of February 2016, nonagricultural labor force increased by 763 thousand (3.2 percent), nonagricultural employment increased by 786 thousand (3.8 percent) and nonagricultural unemployment decreased by 23 thousand compared to the same period in the previous year (Figure 4).

**Figure 4 Year-on-year changes in non-agricultural labor force, employment, and unemployment**



Source: Turkstat; Betam

Number of unemployed women increased, number of unemployed men decreased

Turkstat revised the labor market statistics drastically in February 2014. Within this framework, they back casted various labor market indicators and they also continued to announce seasonally adjusted series. However, TurkStat is not providing back-casted series by gender. Therefore, female and male labor market statistics are not sufficiently long for the seasonal adjustment procedures. Under these circumstances, we use the year-on-year changes in male and female labor market statistics to study the latest developments in the labor market. Figure 5 shows yearly non-agricultural employment (dark colors), non-agricultural labor force (light colors) for males (green) and for females (purple).

The nonagricultural female labor force increased by 488 thousand and nonagricultural male labor force increased only by 291 thousand in February 2016 compared to February 2015. Female employment increased by 475 thousand and male employment increased by 310 thousand in the same period. Hence, the number of unemployed women increased by 13 thousand while number of unemployed men decreased by 19 thousand. Both female labor force and female employment increases are higher relative to those for males in the same period. Furthermore, it can be said that the difference between male and female labor force year-on-year increases expands in favor of females. However, note that the number of female unemployed increases due to strong increases in female labor force.

Figure 5: Year-on-year changes in nonagricultural labor force and employment by gender



Source: Turkstat; Betam

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

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **İşgücü** | **İstihdam** | **İşsizlik** | **İşsizlik Oranı** | **Aylık değişimler** | | |
| **Ocak 13** | 21520 | 19217 | 2303 | 10.7% | **İşgücü** | **İstihdam** | **İşsizlik** |
| **Şubat 13** | 21474 | 19198 | 2276 | 10.6% | -45 | -19 | -26 |
| **Mart 13** | 21589 | 19257 | 2332 | 10.8% | 114 | 59 | 55 |
| **Nisan 13** | 21778 | 19404 | 2374 | 10.9% | 189 | 147 | 42 |
| **Mayıs 13** | 21842 | 19461 | 2381 | 10.9% | 64 | 57 | 7 |
| **Haziran 13** | 21846 | 19487 | 2359 | 10.8% | 5 | 26 | -21 |
| **Temmuz 13** | 21836 | 19412 | 2424 | 11.1% | -11 | -75 | 64 |
| **Ağustos 13** | 21901 | 19448 | 2453 | 11.2% | 65 | 36 | 29 |
| **Eylül 13** | 21965 | 19483 | 2482 | 11.3% | 64 | 35 | 29 |
| **Ekim 13** | 22010 | 19589 | 2421 | 11.0% | 45 | 106 | -61 |
| **Kasım 13** | 22001 | 19581 | 2420 | 11.0% | -9 | -8 | -1 |
| **Aralık 13** | 22251 | 19826 | 2425 | 10.9% | 250 | 245 | 5 |
| **Ocak 14** | 22501 | 20003 | 2498 | 11.1% | 249 | 177 | 72 |
| **Şubat 14** | 22809 | 20254 | 2555 | 11.2% | 308 | 251 | 57 |
| **Mart 14** | 22936 | 20367 | 2569 | 11.2% | 127 | 113 | 14 |
| **Nisan 14** | 22998 | 20399 | 2599 | 11.3% | 62 | 32 | 30 |
| **Mayıs 14** | 23079 | 20402 | 2677 | 11.6% | 81 | 3 | 78 |
| **Haziran 14** | 23169 | 20389 | 2780 | 12.0% | 90 | -13 | 103 |
| **Temmuz 14** | 23265 | 20357 | 2908 | 12.5% | 96 | -32 | 128 |
| **Ağustos 14** | 23376 | 20477 | 2899 | 12.4% | 110 | 120 | -10 |
| **Eylül 14** | 23557 | 20565 | 2992 | 12.7% | 181 | 88 | 93 |
| **Ekim 14** | 23711 | 20723 | 2988 | 12.6% | 154 | 158 | -4 |
| **Kasım 14** | 23717 | 20705 | 3012 | 12.7% | 7 | -18 | 25 |
| **Aralık 14** | 23727 | 20761 | 2966 | 12.5% | 10 | 56 | -46 |
| **Ocak 15** | 23825 | 20871 | 2954 | 12.4% | 98 | 110 | -12 |
| **Şubat 15** | 23892 | 20953 | 2939 | 12.3% | 66 | 82 | -16 |
| **Mart 15** | 23820 | 20914 | 2906 | 12.2% | -72 | -39 | -33 |
| **Nisan 15** | 23872 | 21007 | 2865 | 12.0% | 52 | 93 | -41 |
| **Mayıs 15** | 24064 | 21104 | 2960 | 12.3% | 192 | 97 | 95 |
| **Haziran 15** | 24150 | 21107 | 3043 | 12.6% | 86 | 3 | 83 |
| **Temmuz 15** | 24205 | 21204 | 3001 | 12.4% | 56 | 97 | -41 |
| **Ağustos 15** | 24137 | 21144 | 2993 | 12.4% | -68 | -60 | -8 |
| **Eylül 15** | 24358 | 21338 | 3020 | 12.4% | 221 | 194 | 27 |
| **Ekim 15** | 24487 | 21402 | 3085 | 12.6% | 129 | 64 | 65 |
| **Kasım 15** | 24578 | 21530 | 3048 | 12.4% | 90 | 128 | -38 |
| **Aralık 15** | 24575 | 21552 | 3023 | 12.3% | -3 | 22 | -25 |
| **Ocak 16** | 24633 | 21652 | 2981 | 12.1% | 58 | 100 | -42 |
| **Şubat 16** | 24635 | 21703 | 2932 | 11.9% | 2 | 51 | -49 |

Source: Turkstat, Betam

Table 2 Seasonally adjusted employment by sectors (in thousands)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Tarım** | **Sanayi** | **İnşaat** | **Hizmetler** | **Aylık değişimler** | | | |
| **Ocak 13** | 5327 | 5073 | 1794 | 12350 | **Tarım** | **Sanayi** | **İnşaat** | **Hizmetler** |
| **Şubat 13** | 5335 | 5023 | 1787 | 12389 | 8 | -50 | -7 | 39 |
| **Mart 13** | 5286 | 5083 | 1768 | 12407 | -49 | 60 | -19 | 18 |
| **Nisan 13** | 5268 | 5176 | 1802 | 12427 | -18 | 93 | 34 | 20 |
| **Mayıs 13** | 5198 | 5200 | 1760 | 12501 | -70 | 24 | -42 | 74 |
| **Haziran 13** | 5162 | 5163 | 1801 | 12523 | -36 | -37 | 41 | 22 |
| **Temmuz 13** | 5181 | 5146 | 1738 | 12528 | 19 | -17 | -63 | 5 |
| **Ağustos 13** | 5200 | 5117 | 1757 | 12574 | 19 | -29 | 19 | 46 |
| **Eylül 13** | 5199 | 5096 | 1781 | 12606 | -1 | -21 | 24 | 32 |
| **Ekim 13** | 5130 | 5090 | 1854 | 12644 | -69 | -6 | 73 | 38 |
| **Kasım 13** | 5094 | 5064 | 1790 | 12728 | -36 | -26 | -64 | 84 |
| **Aralık 13** | 5056 | 5131 | 1890 | 12805 | -38 | 67 | 100 | 77 |
| **Ocak 14** | 5391 | 5232 | 1930 | 12840 | 335 | 101 | 40 | 35 |
| **Şubat 14** | 5578 | 5359 | 2011 | 12884 | 187 | 127 | 81 | 44 |
| **Mart 14** | 5608 | 5365 | 1964 | 13038 | 30 | 6 | -47 | 154 |
| **Nisan 14** | 5564 | 5373 | 1902 | 13123 | -44 | 8 | -62 | 85 |
| **Mayıs 14** | 5557 | 5364 | 1874 | 13164 | -7 | -9 | -28 | 41 |
| **Haziran 14** | 5469 | 5332 | 1830 | 13227 | -88 | -32 | -44 | 63 |
| **Temmuz 14** | 5397 | 5243 | 1818 | 13296 | -72 | -89 | -12 | 69 |
| **Ağustos 14** | 5345 | 5257 | 1858 | 13362 | -52 | 14 | 40 | 66 |
| **Eylül 14** | 5338 | 5306 | 1874 | 13386 | -7 | 49 | 16 | 24 |
| **Ekim 14** | 5367 | 5353 | 1896 | 13474 | 29 | 47 | 22 | 88 |
| **Kasım 14** | 5400 | 5273 | 1931 | 13501 | 33 | -80 | 35 | 27 |
| **Aralık 14** | 5431 | 5266 | 1929 | 13566 | 31 | -7 | -2 | 65 |
| **Ocak 15** | 5449 | 5349 | 1921 | 13601 | 18 | 83 | -8 | 35 |
| **Şubat 15** | 5318 | 5351 | 1874 | 13729 | -131 | 2 | -47 | 128 |
| **Mart 15** | 5483 | 5308 | 1930 | 13677 | 165 | -43 | 56 | -52 |
| **Nisan 15** | 5493 | 5326 | 1910 | 13771 | 10 | 18 | -20 | 94 |
| **Mayıs 15** | 5505 | 5404 | 1872 | 13828 | 12 | 78 | -38 | 57 |
| **Haziran 15** | 5524 | 5380 | 1859 | 13868 | 19 | -24 | -13 | 40 |
| **Temmuz 15** | 5498 | 5336 | 1915 | 13954 | -26 | -44 | 56 | 86 |
| **Ağustos 15** | 5540 | 5252 | 1921 | 13971 | 42 | -84 | 6 | 17 |
| **Eylül 15** | 5531 | 5327 | 1937 | 14074 | -9 | 75 | 16 | 103 |
| **Ekim 15** | 5438 | 5363 | 1940 | 14099 | -93 | 36 | 3 | 25 |
| **Kasım 15** | 5381 | 5353 | 1975 | 14202 | -57 | -10 | 35 | 103 |
| **Aralık 15** | 5426 | 5311 | 1979 | 14262 | 45 | -42 | 4 | 60 |
| **Ocak 16** | 5421 | 5300 | 1995 | 14357 | -5 | -11 | 16 | 95 |
| **Şubat 16** | 5415 | 5276 | 2014 | 14412 | -6 | -24 | 19 | 55 |

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)