

SERVICES SECTOR DRIVES THE EMPLOYMENT RISE

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Executive Summary

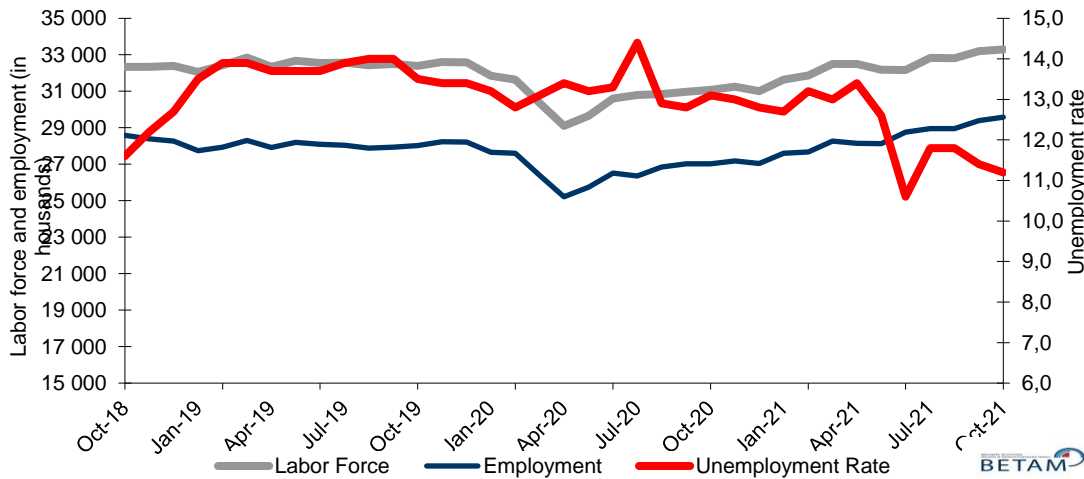
The number of unemployed persons decreased by 75 thousand along with an increase of 180 thousand in employment and the labor force rose by 105 thousand by consequence. As a result, the unemployment rate decreased by 0.2 percentage points (pp) MoM to 11.2%. Both the labor force and the employment level continued to rise in October. According to the sectorial data, the employment levels in the agricultural and the services sectors increased, the employment levels in the construction and the industrial sectors declined. The employment levels in the agricultural and the services sectors increased by 33 thousand and 211 thousand, respectively. In October, the services sector drove the rise in employment. The employment levels in the industrial and construction sectors declined by 58 thousand and 4 thousand, respectively.

Seasonally adjusted female unemployment rate decreased by 0.5 pp MoM to 13.8% as a result of the increases in the female employment and female labor force by 139 thousand and 99 thousand, respectively. On the other hand, seasonally adjusted male unemployment rate decreased by 0.1 pp to 9.9% following the moderate rise in the employment by 40 thousand.

Unemployment rate falls

According to the monthly seasonally adjusted data, the number of employed persons rose by 180 thousand MoM to 29 million 581 thousand and the number of unemployed persons reduced by 75 thousand to 3 million 717 thousand. Therefore, labor force rose by 104 thousand to 33 million 298 thousand (Figure 1, Table 1). As a result, the unemployment rate fell by 0.2 pp to 11.2% in October. It is worth noting that Turkstat revised the unemployment rate in September from 11.5% to 11.4%.

Figure 1 : Seasonally adjusted labor force, employment, and unemployment



Source: Turkstat, Betam

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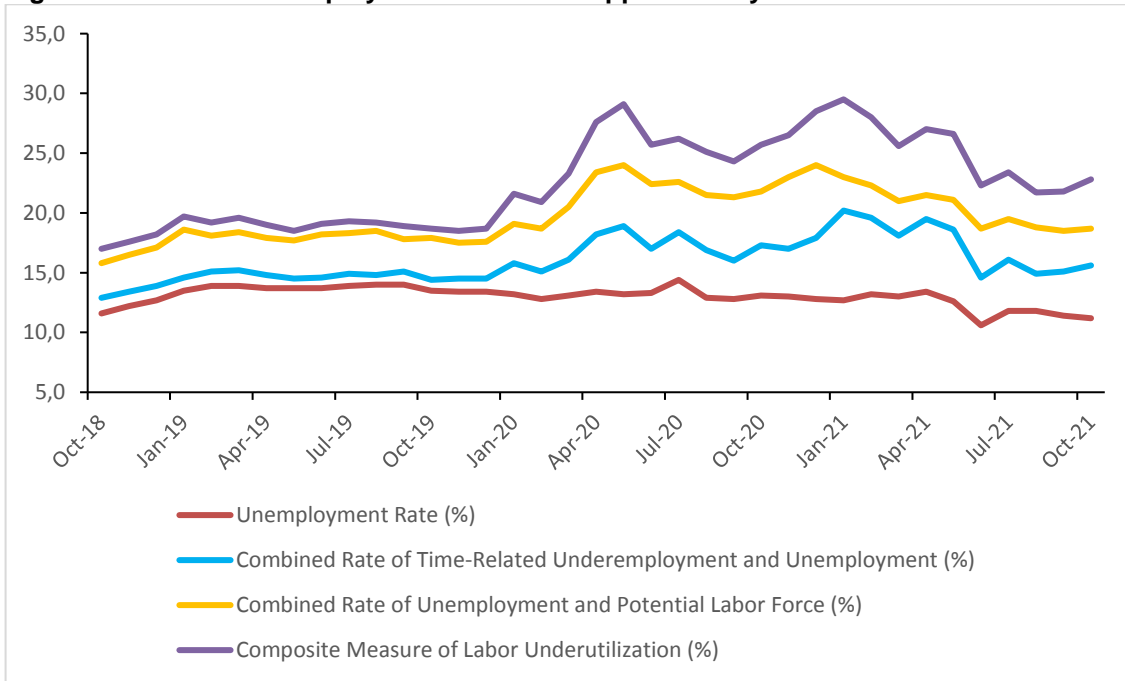
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Developments in the alternative unemployment rates

Box 1 reports the methods how Turkstat calculates the alternative unemployment rates. These measures take into account both the time-related underemployment (those who are employed less than 40 hours a week but would like to increase their working hours, nevertheless, fail to do so) and the potential labor force (the individuals who are neither employed nor looking for a job but wish to work).

According to the seasonally adjusted data, unemployment rate decreased by 0.2 pp to 11.2% from September to October. On the other hand, "the combined rate of unemployment and the potential labor force" rose by 0.2 pp to 18.7%. "The combined rate of time-related underemployment and unemployment" increased by 0.5 pp to 15.6%. The rise in the alternative measure while the unemployment rate falls indicates that the increase in employment stems from the surge in the number of persons who work for less hours in the services sector. "The composite measure of labor underutilization", which combines the two previous alternative unemployment measures, rose by 1 pp to 22.8% (Figure 2, Table 4).

Figure 2 : Headline Unemployment Rate and Supplementary Indicators for Labor Force

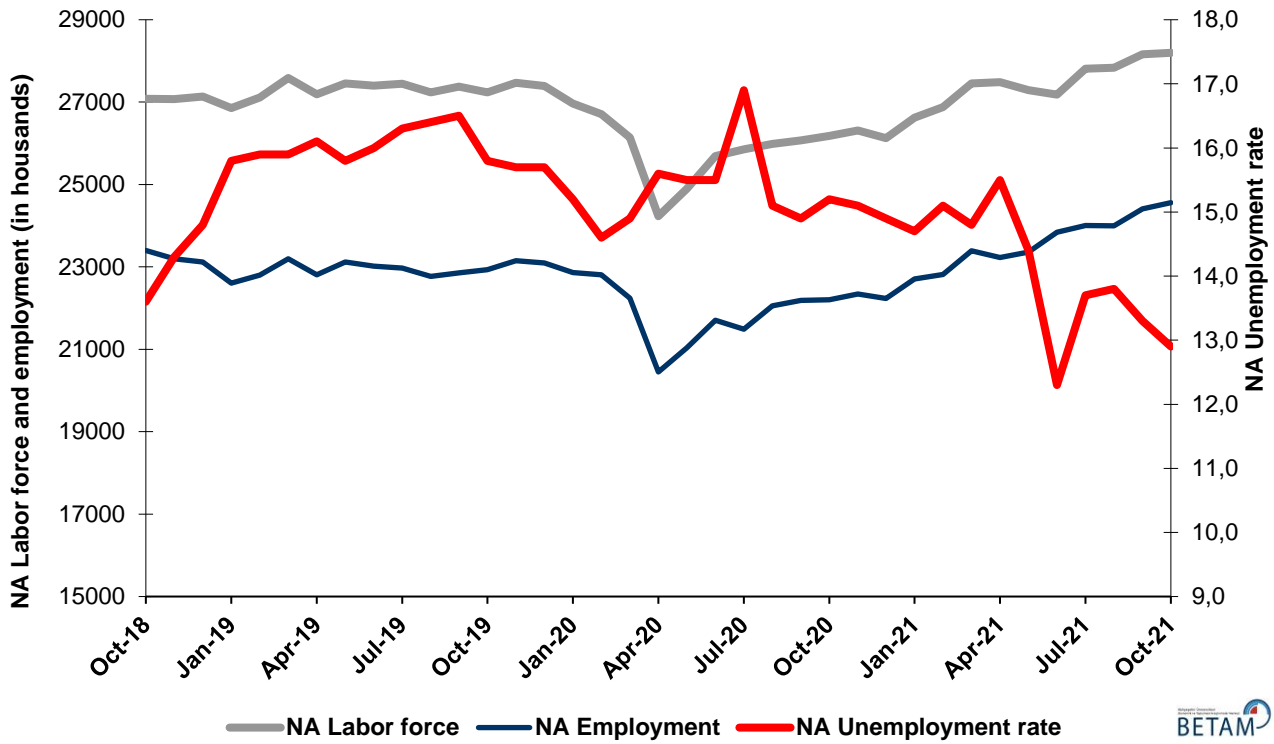


Source: Turkstat, Betam

The surge in the employment in the services sector reduced non-agricultural unemployment

Seasonally adjusted non-agricultural employment rose MoM by 147 thousand to 24 million 560 thousand (Figure 3, Table 2). The number of non-agricultural unemployed persons decreased by 108 thousand to 3 million 637 thousand. As a result, the non-agricultural unemployment rate dropped by 0.4 pp to 12.9%. Turkstat did not revise the non-agricultural unemployment rate of September.

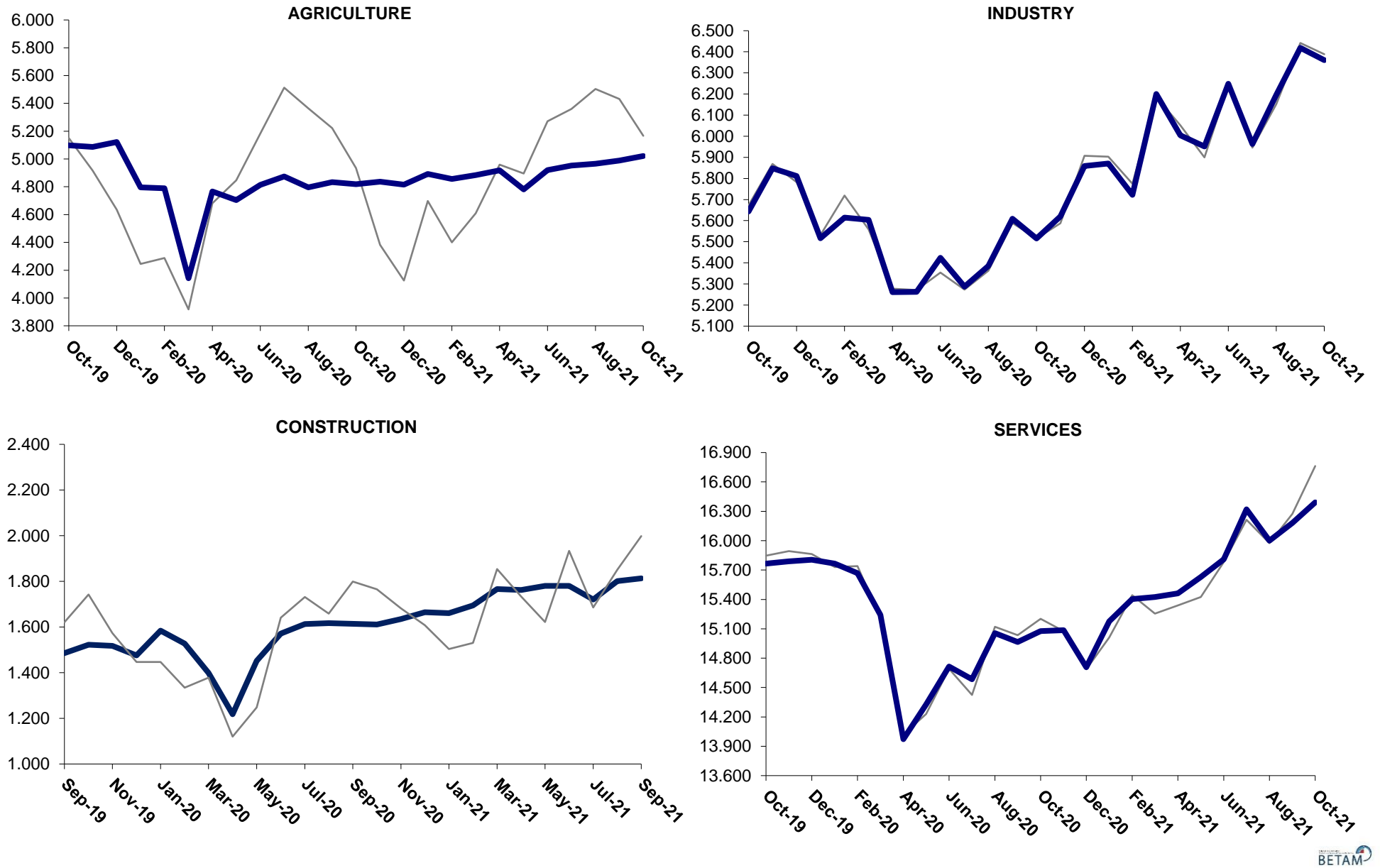
Figure 3 : Seasonally adjusted labor force, employment, and unemployment rate



Source: Turkstat, Betam

In October, the employment in the agricultural and the services sectors rose whereas the employment in the industrial and the construction sectors declined. The employment in the industrial sector declined by 58 thousand as opposed to the increase of 223 thousand in September. In the last two months, the cumulative increase in the employment in the industrial sector is 165 thousand. The employment in the services sector increased by 211 thousand following the rise of 181 thousand in September. As a result, the employment in the services sector recovered in the last two months from the sharp fall by 321 thousand in August. The employment in the industrial and the construction sectors moderately declined by 58 thousand and 4 thousand, respectively, while the employment in the agricultural sector increased by 33 thousand. It is not possible to attribute the high volatility in the employment figures in subsequent months to job market dynamics.

Figure 4 : Employment by sectors (in thousands)

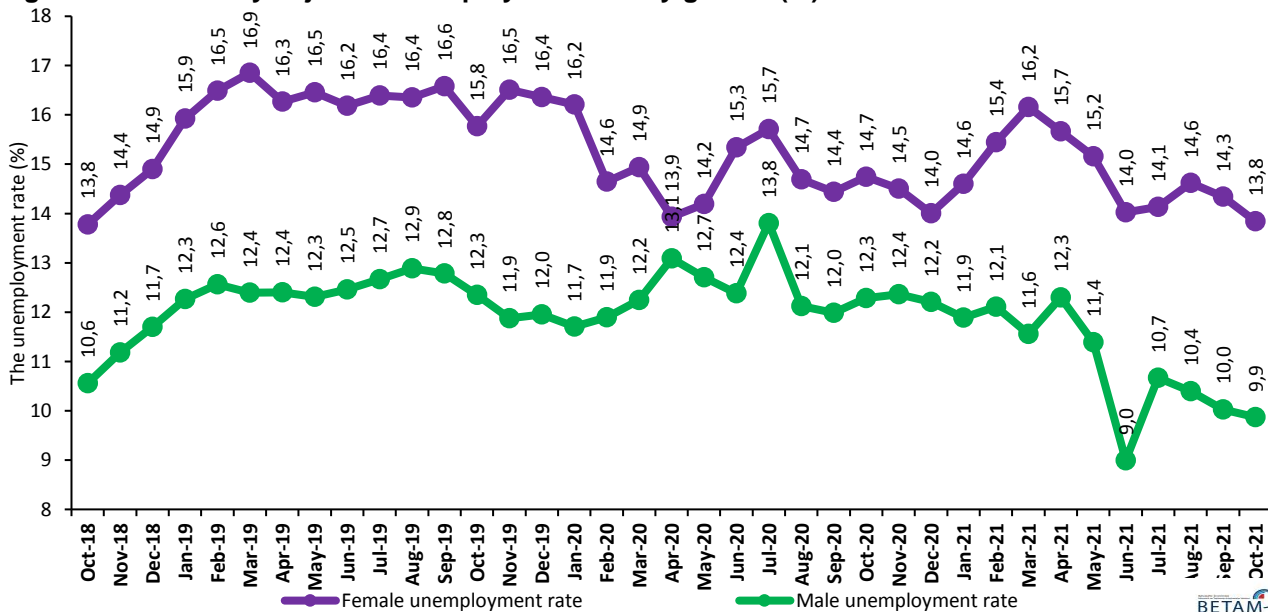


Source: Turkstat, Betam

Female employment surges

The female employment recovered from the severe decline in the female employment (195 thousand) in August. While the number of unemployed females dropped by 40 thousand in October, the female employment rose in September and October by 140 thousand and 139 thousand, respectively. The female unemployment rate reduced by 0.5 pp to 13.8% as a result of the rise in the employment level. In October, the male employment increased by 40 thousand, and the number of unemployed males reduced by 35 thousand (Table 5). As a result, the male unemployment rate dropped by 0.1 pp to 9.9%.

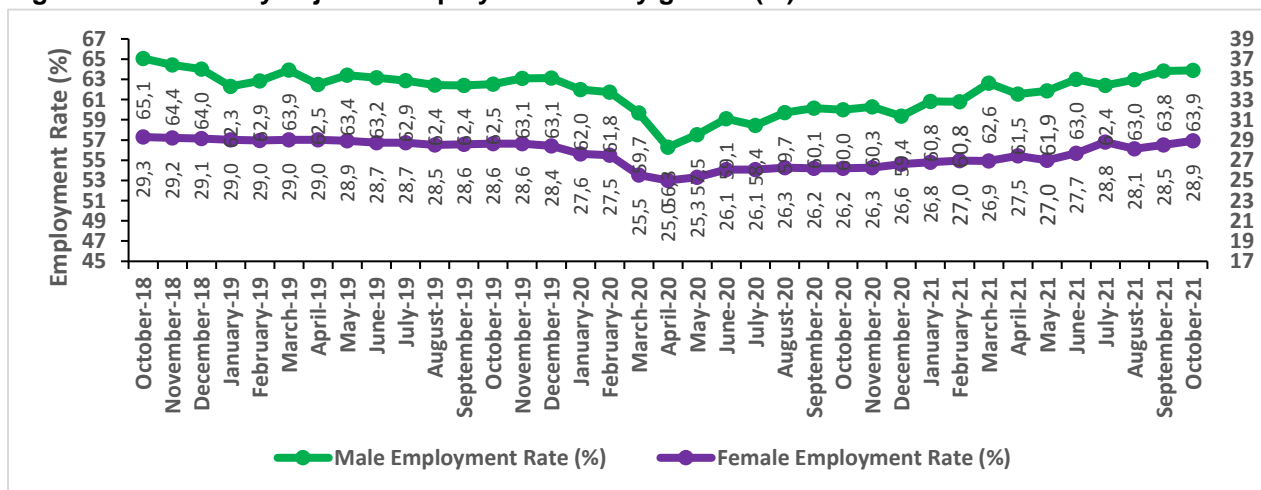
Figure 5 : Seasonally adjusted unemployment rate by gender (%)



Source: Turkstat, Betam

In line with those developments, the female employment rate rose by 0.4 pp and the male employment rate rose by 0.1 pp. The female employment rate recovered in September and October from the severe decline in August (0.7 pp). Therefore, the female employment rate rose from 28.5% in September to 28.9% in October. We would like to point out that the female employment rate exceeded its pre-pandemic level by 1.3 pp (27.6% in January 2020). On the other hand, the male employment rate moderately increased by 0.1 pp to 63.9% in October following the surge in September.

Figure 6 : Seasonally adjusted employment rate by gender (%)



Source: Turkstat, Betam

Table 1 : Seasonally adjusted labor force indicators (in thousands)

	Labor force	Employment	Unemployment	Unemployment rate	Monthly changes		
					Labor force	Employment	Unemployment
October-18	32335	28585	3751	11.6%			
November-18	32336	28386	3951	12.2%	1	-199	200
December-18	32401	28273	4129	12.7%	65	-113	178
January-19	32063	27741	4322	13.5%	-338	-532	193
February-19	32426	27931	4495	13.9%	363	190	173
March-19	32853	28301	4553	13.9%	427	370	58
April-19	32339	27913	4426	13.7%	-514	-388	-127
May-19	32667	28201	4466	13.7%	328	288	40
June-19	32556	28102	4454	13.7%	-111	-99	-12
July-19	32573	28047	4525	13.9%	17	-55	71
August-19	32434	27887	4548	14.0%	-139	-160	23
September-19	32499	27939	4561	14.0%	65	52	13
October-19	32392	28029	4363	13.5%	-107	90	-198
November-19	32610	28241	4369	13.4%	218	212	6
December-19	32579	28215	4364	13.4%	-31	-26	-5
January-20	31854	27660	4193	13.2%	-725	-555	-171
February-20	31642	27599	4043	12.8%	-212	-61	-150
March-20	30356	26386	3971	13.1%	-1286	-1213	-72
April-20	29104	25218	3886	13.4%	-1252	-1168	-85
May-20	29649	25744	3905	13.2%	545	526	19
June-20	30600	26523	4077	13.3%	951	779	172
July-20	30798	26360	4438	14.4%	198	-163	361
August-20	30843	26855	3989	12.9%	45	495	-449
September-20	30973	27022	3951	12.8%	130	167	-38
October-20	31078	27020	4058	13.1%	105	-2	107
November-20	31249	27176	4073	13.0%	171	156	15
December-20	31009	27047	3962	12.8%	-240	-129	-111
January-21	31633	27601	4032	12.7%	624	554	70
February-21	31875	27676	4199	13.2%	242	75	167
March-21	32504	28275	4230	13.0%	629	599	31
April-21	32493	28145	4348	13.4%	-11	-130	118
May-21	32190	28139	4051	12.6%	-303	-6	-297
June-21	32174	28759	3415	10.6%	-16	620	-636
July-21	32832	28956	3876	11.8%	658	197	461
August-21	32822	28962	3860	11.8%	-10	6	-16
September-21	33193	29401	3792	11.4%	371	439	-68
October-21	33297	29581	3717	11.2%	104	180	-75

Source: Turkstat, Betam

Table 2 : Seasonally adjusted non-agricultural labor force indicators (in thousands)

	Labor force	Employment	Unemployment	Unemployment rate	Monthly changes		
					Labor force	Employment	Unemployment
October-18	27,082	23,399	3,683	13.6%			
November-18	27,072	23,201	3,871	14.3%	-10	-198	188
December-18	27,138	23,122	4,016	14.8%	66	-79	145
January-19	26,854	22,611	4,243	15.8%	-285	-511	226
February-19	27,111	22,800	4,311	15.9%	257	189	68
March-19	27,587	23,201	4,386	15.9%	477	401	76
April-19	27,188	22,811	4,377	16.1%	-399	-390	-9
May-19	27,456	23,118	4,338	15.8%	268	307	-39
June-19	27,399	23,015	4,384	16.0%	-57	-103	46
July-19	27,446	22,972	4,474	16.3%	47	-43	90
August-19	27,236	22,769	4,467	16.4%	-210	-203	-7
September-19	27,376	22,859	4,517	16.5%	140	90	50
October-19	27,234	22,931	4,303	15.8%	-142	72	-214
November-19	27,466	23,154	4,312	15.7%	232	223	9
December-19	27,394	23,093	4,301	15.7%	-72	-61	-11
January-20	26,962	22,864	4,098	15.2%	-432	-229	-203
February-20	26,710	22,810	3,900	14.6%	-253	-54	-199
March-20	26,139	22,244	3,895	14.9%	-571	-566	-5
April-20	24,231	20,451	3,780	15.6%	-1908	-1793	-115
May-20	24,899	21,040	3,859	15.5%	668	589	79
June-20	25,691	21,709	3,982	15.5%	792	669	123
July-20	25,854	21,485	4,369	16.9%	163	-224	387
August-20	25,982	22,059	3,923	15.1%	128	574	-446
September-20	26,073	22,188	3,885	14.9%	91	129	-38
October-20	26,182	22,202	3,980	15.2%	109	14	95
November-20	26,313	22,340	3,973	15.1%	132	138	-6
December-20	26,125	22,232	3,893	14.9%	-189	-108	-81
January-21	26,623	22,709	3,914	14.7%	498	477	21
February-21	26,878	22,819	4,059	15.1%	255	110	145
March-21	27,454	23,391	4,063	14.8%	577	572	5
April-21	27,488	23,227	4,261	15.5%	33	-164	197
May-21	27,287	23,358	3,929	14.4%	-200	131	-331
June-21	27,182	23,839	3,343	12.3%	-105	481	-586
July-21	27,815	24,004	3,811	13.7%	632	165	467
August-21	27,838	23,996	3,842	13.8%	23	-8	31
September-21	28,158	24,413	3,745	13.3%	320	417	-97
October-21	28,197	24,560	3,637	12.9%	39	147	-108

Source: Turkstat, Betam

Table 3 : Seasonally adjusted employment by sectors (in thousands)

	Agriculture	Manufacturing	Construction	Service	Monthly changes			
					Agriculture	Manufacturing	Construction	Service
October-18	5186	5791	1887	15721				
November-18	5185	5659	1764	15778	-1	-132	-123	57
December-18	5151	5630	1787	15705	-34	-29	23	-73
January-19	5130	5195	1676	15741	-21	-435	-111	36
February-19	5131	5369	1653	15777	1	174	-23	36
March-19	5100	5609	1719	15872	-31	240	66	95
April-19	5102	5366	1597	15848	2	-243	-122	-24
May-19	5083	5618	1628	15871	-19	252	31	23
June-19	5087	5663	1546	15805	4	45	-82	-66
July-19	5075	5615	1535	15823	-12	-48	-11	18
August-19	5118	5589	1472	15708	43	-26	-63	-115
September-19	5080	5519	1486	15854	-38	-70	14	146
October-19	5098	5644	1522	15765	18	125	36	-89
November-19	5087	5848	1517	15789	-11	204	-5	24
December-19	5122	5812	1476	15805	35	-36	-41	16
January-20	4796	5516	1584	15765	-326	-296	108	-40
February-20	4789	5615	1527	15668	-7	99	-57	-97
March-20	4142	5604	1399	15240	-647	-11	-128	-428
April-20	4767	5261	1218	13972	625	-343	-181	-1268
May-20	4704	5262	1452	14326	-63	1	234	354
June-20	4814	5424	1571	14714	110	162	119	388
July-20	4875	5287	1613	14585	61	-137	42	-129
August-20	4796	5385	1617	15056	-79	98	4	471
September-20	4834	5609	1614	14965	38	224	-3	-91
October-20	4818	5515	1611	15076	-16	-94	-3	111
November-20	4836	5620	1635	15085	18	105	24	9
December-20	4815	5859	1665	14708	-21	239	30	-377
January-21	4892	5871	1661	15177	77	12	-4	469
February-21	4857	5722	1695	15403	-35	-149	34	226
March-21	4884	6200	1766	15424	27	478	71	21
April-21	4918	6004	1762	15461	34	-196	-4	37
May-21	4781	5951	1780	15628	-137	-53	18	167
June-21	4920	6249	1780	15810	139	298	0	182
July-21	4952	5963	1720	16320	32	-286	-60	510
August-21	4966	6196	1801	15999	14	233	81	-321
September-21	4988	6419	1813	16180	22	223	12	181
October-21	5021	6361	1809	16391	33	-58	-4	211

Source: Turkstat, Betam

Table 4 : Unemployment, alternative unemployment rates (%) levels (in thousand)

	Unemployment Rate (%)	Persons in Unemployment (in thousands)	Combined Rate of Time-Related Underemployment and Unemployment (%)	Time-Related Underemployed (in thousands)	Combined Rate of Unemployment and Potential Labor Force (%)	Potential Labor Force (in thousands)	Composite Measure of Labor Underutilization (%)	Total
Oct-18	11.6	3751	12.9	420	15.8	1613	17.0	5784
Nov-18	12.2	3951	13.4	382	16.5	1658	17.6	5991
Dec-18	12.7	4129	13.9	375	17.1	1703	18.2	6206
Jan-19	13.5	4322	14.6	359	18.6	2017	19.7	6698
Feb-19	13.9	4495	15.1	401	18.1	1678	19.2	6574
Mar-19	13.9	4553	15.2	441	18.4	1828	19.6	6822
Apr-19	13.7	4426	14.8	360	17.9	1660	19.0	6446
May-19	13.7	4466	14.5	271	17.7	1599	18.5	6336
Jun-19	13.7	4454	14.6	299	18.2	1799	19.1	6552
Jul-19	13.9	4525	14.9	328	18.3	1757	19.3	6611
Aug-19	14.0	4548	14.8	252	18.5	1782	19.2	6582
Sep-19	14.0	4561	15.1	346	17.8	1489	18.9	6396
Oct-19	13.5	4363	14.4	301	17.9	1748	18.7	6413
Nov-19	13.4	4369	14.5	359	17.5	1622	18.5	6350
Dec-19	13.4	4364	14.5	360	17.6	1663	18.7	6386
Jan-20	13.2	4193	15.8	840	19.1	2338	21.6	7371
Feb-20	12.8	4043	15.1	735	18.7	2305	20.9	7083
Mar-20	13.1	3971	16.1	916	20.5	2833	23.3	7720
Apr-20	13.4	3886	18.2	1411	23.4	3818	27.6	9115
May-20	13.2	3905	18.9	1699	24.0	4225	29.1	9828
Jun-20	13.3	4077	17.0	1125	22.4	3579	25.7	8781
Jul-20	14.4	4438	18.4	1229	22.6	3259	26.2	8926
Aug-20	12.9	3989	16.9	1223	21.5	3366	25.1	8578
Sep-20	12.8	3951	16.0	1005	21.3	3362	24.3	8318
Oct-20	13.1	4058	17.3	1318	21.8	3474	25.7	8851
Nov-20	13.0	4073	17.0	1239	23.0	4045	26.5	9357
Dec-20	12.8	3962	17.9	1589	24.0	4579	28.5	10130
Jan-21	12.7	4032	20.2	2358	23.0	4212	29.5	10602
Feb-21	13.2	4199	19.6	2049	22.3	3744	28.0	9992
Mar-21	13.0	4230	18.1	1653	21.0	3286	25.6	9169
Apr-21	13.4	4348	19.5	1988	21.5	3361	27.0	9697
May-21	12.6	4051	18.6	1936	21.1	3474	26.6	9461
Jun-21	10.6	3415	14.6	1282	18.7	3200	22.3	7897
Jul-21	11.8	3876	16.1	1410	19.5	3138	23.4	8424
Aug-21	11.8	3860	14.9	1030	18.8	2845	21.7	7736
Sep-21	11.4	3792	15.1	1220	18.5	2882	21.8	7894
Oct-21	11.2	3717	15.6	1477	18.7	3087	22.8	8281

Source: Turkstat, Betam

Table 5 : Seasonally adjusted female and male labor market indicators (thousands)

	Total labor force, Female	Total Employment, Female	Total Unemployed, Female	Total labor force, Male	Total Employment, Male	Total Unemployed, Male	Women LFPR	Women Employment Rate	Men LFPR	Men Employment Rate
Oct-18	10,451	9,011	1,440	21,884	19,573	2,311	34.0	29.3	72.8	65.1
Nov-18	10,499	8,990	1,509	21,838	19,396	2,442	34.1	29.2	72.5	64.4
Dec-18	10,559	8,986	1,573	21,843	19,287	2,556	34.3	29.1	72.5	64.0
Jan-19	10,656	8,959	1,697	21,407	18,782	2,625	34.5	29.0	71.0	62.3
Feb-19	10,721	8,953	1,768	21,704	18,977	2,727	34.7	29.0	71.9	62.9
Mar-19	10,799	8,979	1,820	22,055	19,322	2,733	34.9	29.0	73.0	63.9
Apr-19	10,738	8,991	1,747	21,601	18,922	2,679	34.6	29.0	71.4	62.5
May-19	10,744	8,976	1,768	21,923	19,225	2,698	34.6	28.9	72.3	63.4
Jun-19	10,657	8,932	1,725	21,899	19,170	2,729	34.3	28.7	72.2	63.2
Jul-19	10,693	8,940	1,753	21,880	19,108	2,772	34.4	28.7	72.0	62.9
Aug-19	10,623	8,886	1,737	21,812	19,001	2,811	34.1	28.5	71.7	62.4
Sep-19	10,692	8,919	1,773	21,807	19,020	2,787	34.3	28.6	71.6	62.4
Oct-19	10,622	8,947	1,675	21,770	19,082	2,688	34.0	28.6	71.3	62.5
Nov-19	10,735	8,963	1,772	21,875	19,278	2,597	34.3	28.6	71.6	63.1
Dec-19	10,647	8,905	1,742	21,932	19,310	2,622	34.0	28.4	71.7	63.1
Jan-20	10,347	8,670	1,677	21,507	18,990	2,517	33.0	27.6	70.2	62.0
Feb-20	10,125	8,642	1,483	21,517	18,957	2,560	32.2	27.5	70.1	61.8
Mar-20	9,446	8,035	1,411	20,911	18,351	2,560	30.0	25.5	68.0	59.7
Apr-20	9,151	7,876	1,275	19,953	17,341	2,612	29.0	25.0	64.8	56.3
May-20	9,309	7,988	1,321	20,341	17,757	2,584	29.5	25.3	65.9	57.5
Jun-20	9,737	8,243	1,494	20,863	18,280	2,583	30.8	26.1	67.5	59.1
Jul-20	9,791	8,253	1,538	21,007	18,107	2,900	30.9	26.1	67.8	58.4
Aug-20	9,755	8,322	1,433	21,089	18,533	2,556	30.8	26.3	67.9	59.7
Sep-20	9,719	8,316	1,403	21,254	18,706	2,548	30.6	26.2	68.3	60.1
Oct-20	9,772	8,331	1,441	21,307	18,690	2,617	30.7	26.2	68.4	60.0
Nov-20	9,783	8,364	1,419	21,465	18,812	2,653	30.7	26.3	68.8	60.3
Dec-20	9,868	8,486	1,382	21,142	18,562	2,580	31.0	26.6	67.6	59.4
Jan-21	10,012	8,550	1,462	21,621	19,051	2,570	31.4	26.8	69.0	60.8
Feb-21	10,192	8,618	1,574	21,683	19,058	2,625	31.9	27.0	69.1	60.8
Mar-21	10,280	8,619	1,661	22,224	19,655	2,569	32.1	26.9	70.8	62.6
Apr-21	10,433	8,799	1,634	22,059	19,346	2,713	32.5	27.5	70.2	61.5
May-21	10,213	8,665	1,548	21,976	19,474	2,502	31.8	27.0	69.8	61.9
Jun-21	10,354	8,902	1,452	21,820	19,857	1,963	32.2	27.7	69.2	63.0
Jul-21	10,791	9,266	1,525	22,042	19,691	2,351	33.5	28.8	69.9	62.4
Aug-21	10,624	9,071	1,553	22,199	19,891	2,308	33.0	28.1	70.3	63.0
Sep-21	10,753	9,211	1,542	22,440	20,190	2,250	33.3	28.5	70.9	63.8
Oct-21	10,852	9,350	1,502	22,445	20,230	2,215	33.6	28.9	70.9	63.9

Source: Turkstat, Betam

Box 1 : Definitions of alternative unemployment rates¹

The time-related underemployment: Persons employed in the reference week who actually worked less than 40 hours as total (in main job and additional job/s), were willing to work additional hours and were available to do so, but could not find a job for the extra hours.

The potential labor force: Persons not in employment who would like to work, but for whom the existing conditions limit active job search and/or availability.

The unemployed: The unemployed comprises all persons 15 years of age and over who were not employed during the reference period had used at least one active channel for seeking a job during the last four weeks and were available to start work within two weeks.

1) Unemployment rate = [persons in unemployment/labor force]x100

2) Combined rate of time-related underemployment and unemployment =

$$[(\text{persons in time-related underemployment} + \text{persons in unemployment}) / \text{labor force}] * 100$$

3) Combined rate of unemployment and potential labor force =

$$[(\text{persons in unemployment} + \text{potential labor force}) / (\text{labor force} + \text{potential labor force})] * 100$$

4) Composite measure of labor underutilization =

$$[(\text{persons in time-related underemployment} + \text{persons in unemployment} + \text{potential labor force}) / (\text{labor force} + \text{potential labor force})] * 100$$

¹ Detailed information is available in the **Metadata** section of the link : <https://data.tuik.gov.tr/Kategori/GetKategori?p=istihdam-issizlik-ve-ucret-108&dil=1>