THE INCREASE IN EMPLOYMENT IN THE LAST FOUR MONHTS EXCEEDS ONE MILLION

Seyfettin Gürsel[*], Hamza Mutluay[**] , Mehmet Cem Şahin[***]

Executive Summary

Since the number of unemployed persons increased by 2 thousand and employment rose by 236 thousand, the labor force rose by 238 thousand. As a result, the unemployment rate fell by 0.1 percentage point to 11.2% from November to December. According to the sectorial data, employment in all sectors, except for the agriculture sector, increased. Employment in the industry sector rose by 108 thousand and it exceeded 6 million 500 thousand. Employment in the services and the construction sectors expanded by 134 thousand and 5 thousand, respectively. The cumulative increase in employment in the services sector reached 685 thousand in the last four months. Employment in the agriculture sector declined by 10 thousand.

Seasonally adjusted female unemployment rate dropped by 0.5 pp MoM to 13.8% as the increases in female employment and female labor force reached 142 thousand and 100 thousand, respectively. On the other hand, seasonally adjusted male unemployment rate rose by 0.2 pp to 9,9% following the rises in male employment and male labor force by 94 thousand and 137 thousand, respectively. In December, female employment expanded more than female labor force, and the number of unemployed females decreased by 42 thousand while the number of unemployed males increased by 43 thousand. Following these developments, the gender gap in the unemployment rates of females and males markedly declined by 0.7 pp to 3.9%. To remind, the gap had risen from 3.8% to 4.6% in the last month.

Employment exceeds 30 million

According to the monthly seasonally adjusted data, the number of employed persons rose by 236 thousand MoM to 30 million 141 thousand and the number of unemployed persons increased by 2 thousand to 3 million 794 thousand. Therefore, the labor force rose by 238 thousand to 33 million 935 thousand (Figure 1, Table 1). As a result, the unemployment rate fell by 0.1 pp to 11.2% in December.

[*] Prof. Dr. Seyfettin Gürsel, Betam, Director, seyfettin.gursel@eas.bau.edu.tr
[**] Hamza Mutluay, Betam, Research Assistant, hamza.mutluay@eas.bau.edu.tr
[***]Mehmet Cem Şahin, Betam, Research Assistant, mehmetcem.sahin@eas.bau.edu.tr

**Figure 1 : Seasonally adjusted labor force, employment, and unemployment**
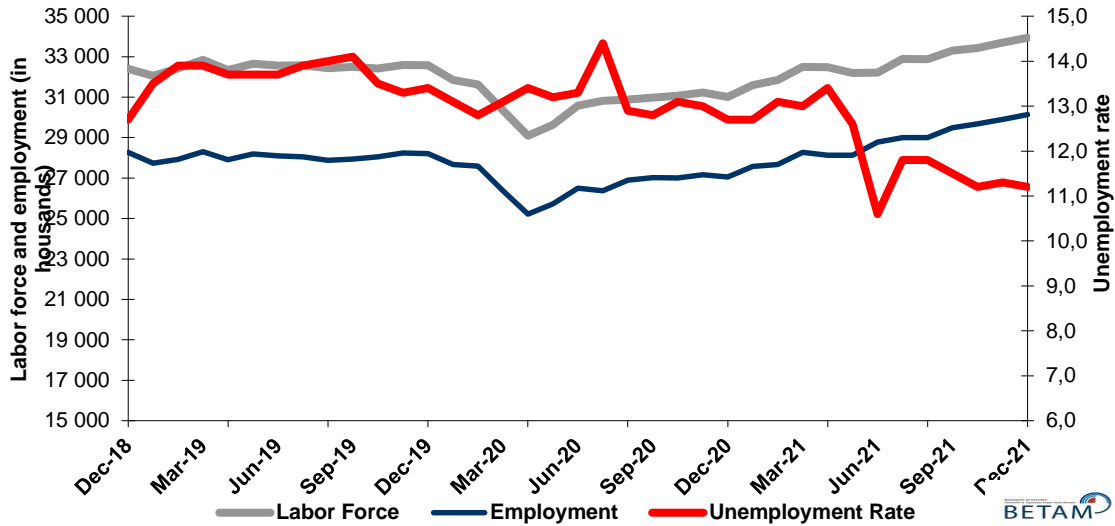
Source: Turkstat, Betam

Developments in the alternative unemployment rates

Box 1 reports the methods how Turkstat calculates the alternative unemployment rates. These measures consider 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, "the combined rate of unemployment and the potential labor force" increased by 0.5 pp to 18.7% while "general unemployment rate" dropped by 0.1 pp to 11.2%. Potential labor force had declined by 215 thousand in November and it rose by 277 thousand in December, which points to a disparity in the potential labor force. On the other hand, "the combined rate of time-related underemployment and unemployment" stayed the same at 15.4% from November to December. "The composite measure of labor underutilization", which combines the two previous alternative unemployment metrics, increased from 22.1% to 22.6% due to the rise in the potential labor force (Figure 2, Table 4).

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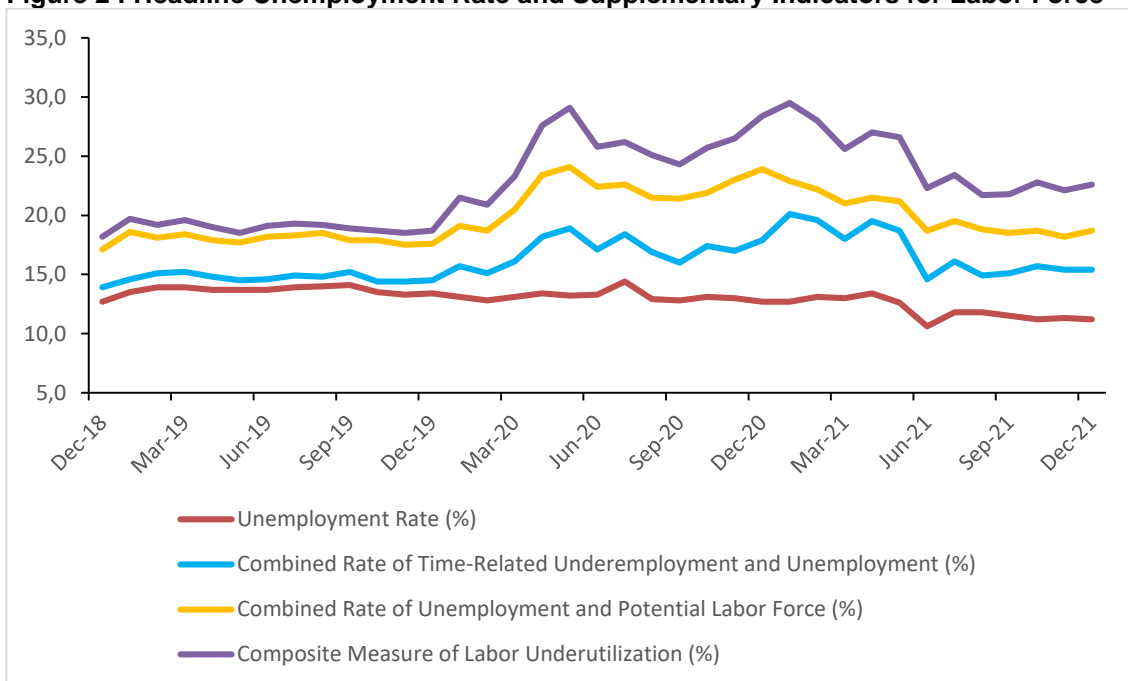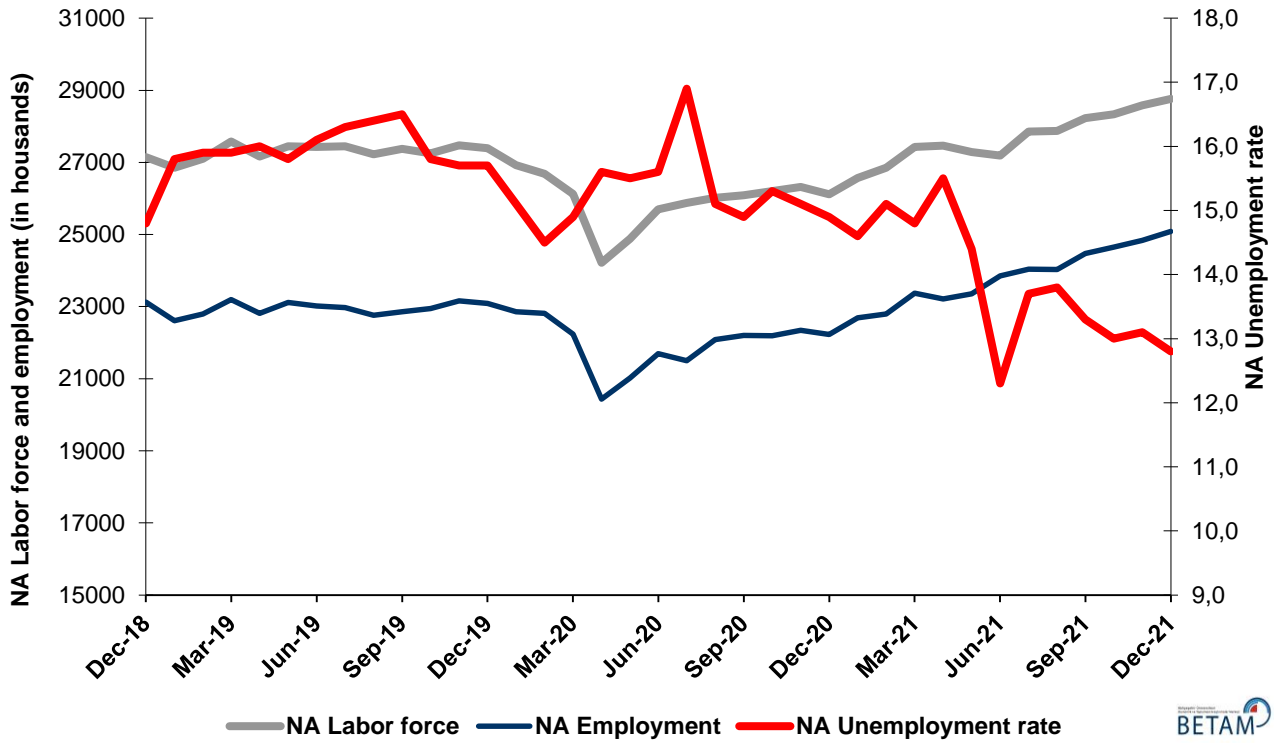

Source: Turkstat, Betam

Employment in non-agriculture exceeds 25 million, employment in industry exceeds 6.5 million

According to the seasonally adjusted data, non-agriculture employment rose by 246 thousand to 25 million 82 thousand (Figure 3, Table 2) from November to December. The number of non-agriculture unemployed persons decreased by 62 thousand to 3 million 682 thousand. As a result, non-agriculture unemployment rate dropped by 0.3 pp to 12.8%.

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

Source: Turkstat, Betam

In December, employment in all the sectors except for the agriculture sector increased. Employment in the industry sector rose by 108 thousand following the increase of 75 thousand in November. In the last four months, the cumulative increase in employment in the industry sector is 351 thousand and employment in the industry sector exceeded 6.5 million. Meanwhile, employment in the services sector increased by 134 thousand in December following the increase of 101 thousand in November. In the last four months, the total increase in employment in the services sector is 685 thousand. The limited increase in employment in the construction sector continued and it rose by 10 thousand in December. Employment in the agriculture sector declined by 10 thousand.

Figure 4 : Employment by sectors (in thousands)

AGRICULTURE

INDUSTRY

CONSTRUCTION

SERVICES
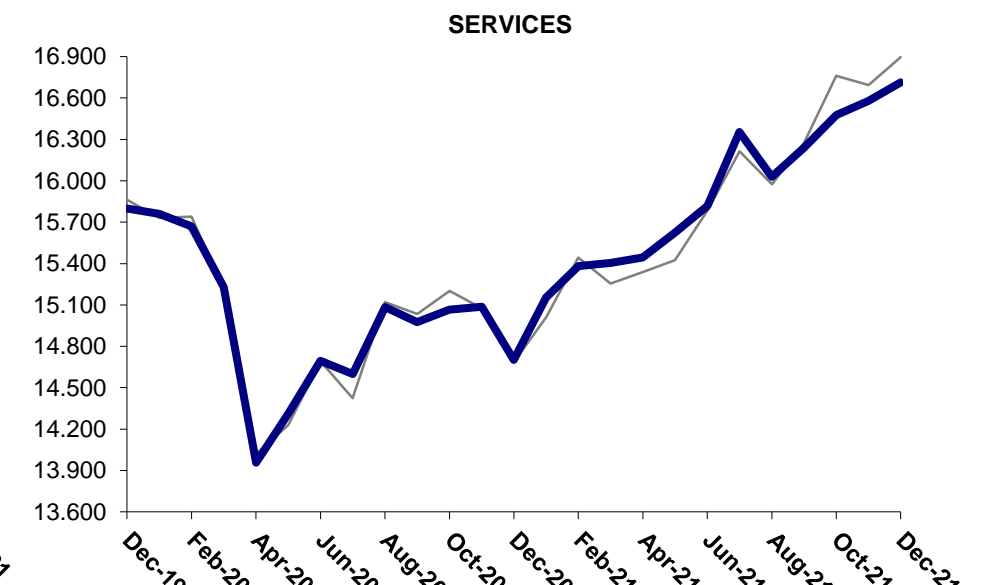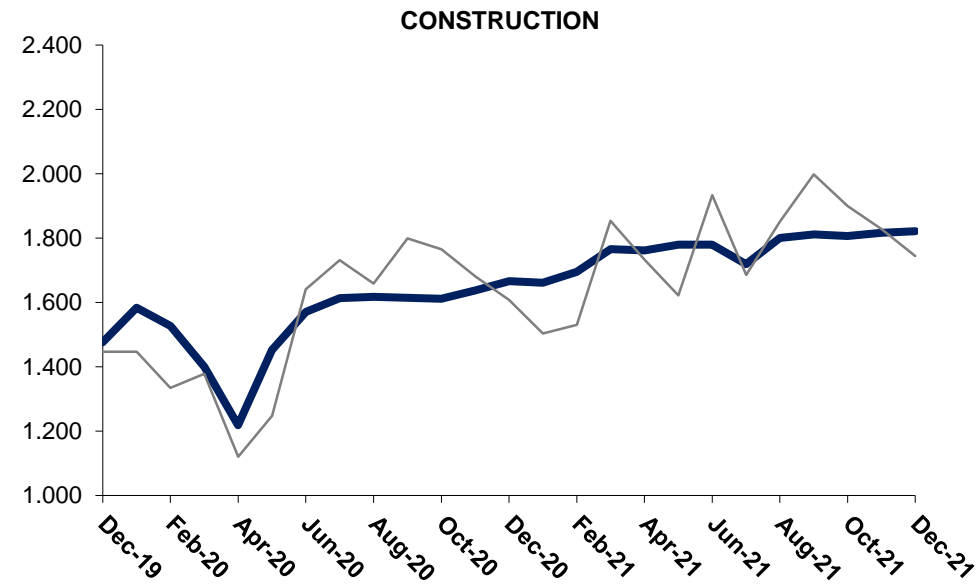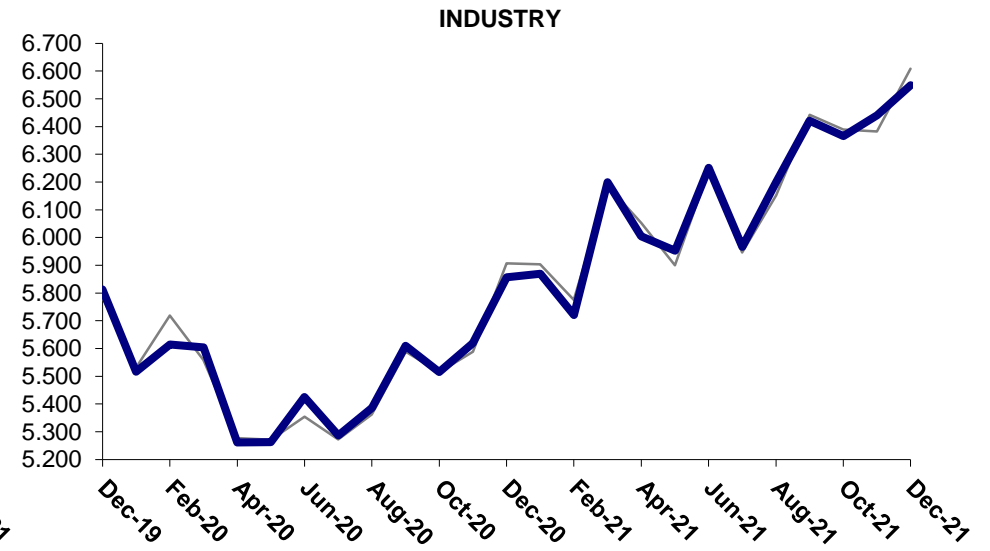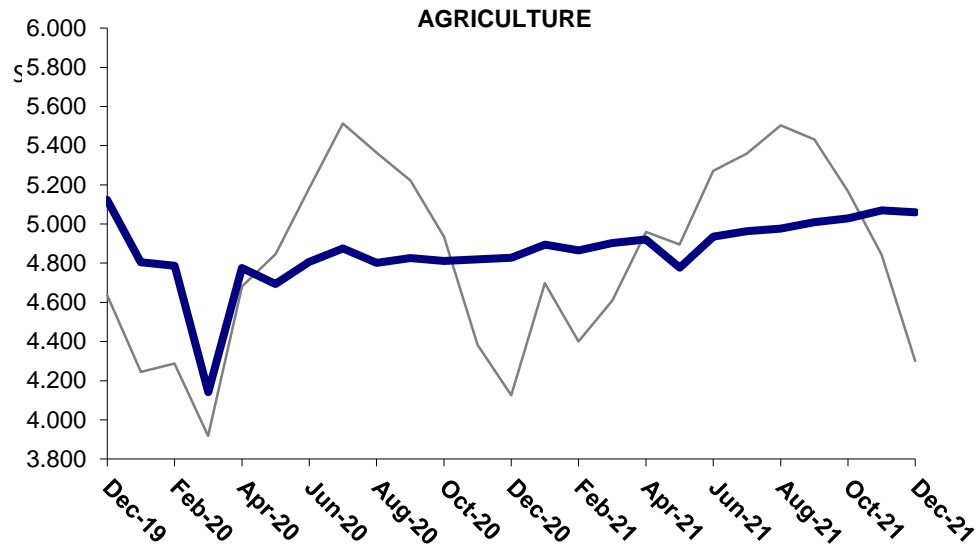
Female unemployment rate drops

Figure 5 shows seasonally adjusted unemployment rate for males (green) and for females (purple). Female employment rose by 142 thousand in addition to the cumulative increase of 404 thousand in the last three months. On the other hand, the number of unemployed females decreased by 42 thousand. Therefore, female labor force rose by 100 thousand compared to the last month. Since female employment rose faster than female labor force, female unemployment rate dropped significantly by 0.5 pp to 13.8% in December. To remind, the female unemployment rate had risen from 13.8% to 14.3% in November. The number of unemployed males rose by 43 thousand while male employment increased by 94 thousand. Hence, unemployment rate of males expanded by 0.2 pp from 9.7% to 9.9% (Table 5). As a result of these changes, the gender gap in the unemployment rates of females and males receded to 3.8% following the rise from October to November (from 3.8% to 4.6%).

Figure 5 : Seasonally adjusted unemployment rate by gender (%)
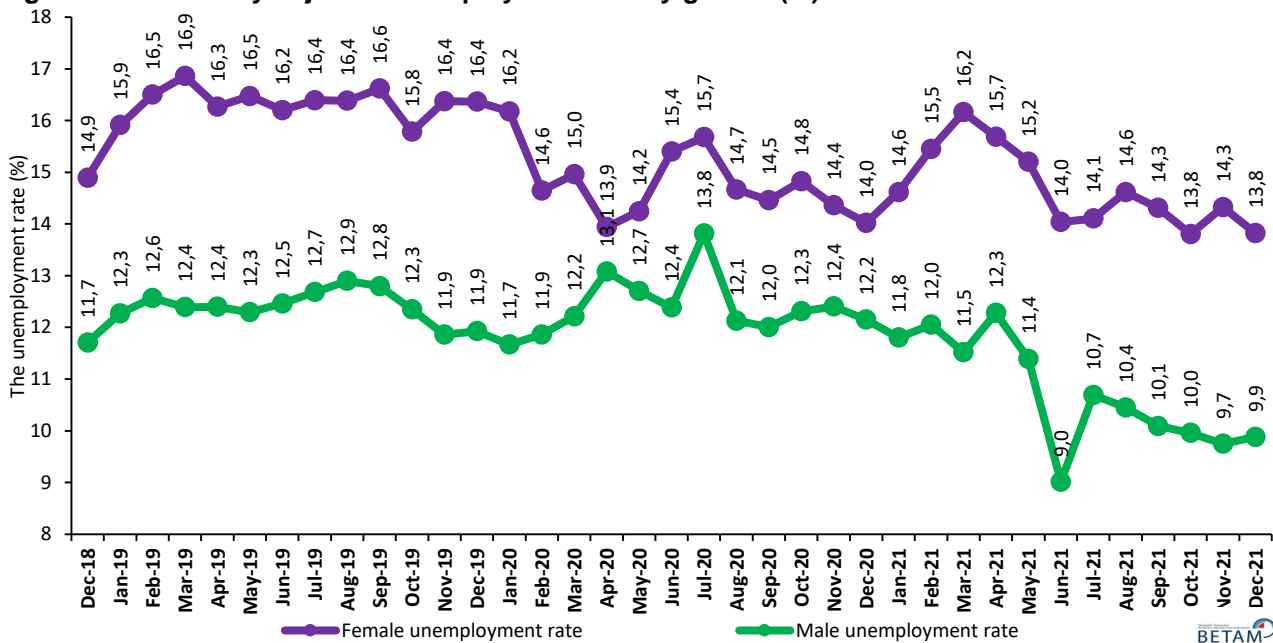
Source: Turkstat, Betam

Employment rate of females and males rose by 0.4 pp and 0.2 pp, respectively. Following these developments, female employment rate rose from 29.3% in November to 29.7% in December. Female employment rate exceeded its pre-pandemic level (27.7% in January 2020) by 2 pp. It almost reached its peak in December 2017 (29.8%) as the economy recovers from the recession in 2018 and pandemic crisis. On the other hand, male employment rate rose by 0.2 pp to 64.6% due to the increase of 97 thousand in employment. The male employment rate is 1.8 pp below its record in July 2018 (66.4%).

Figure 6 : Seasonally adjusted employment rate by gender (%)
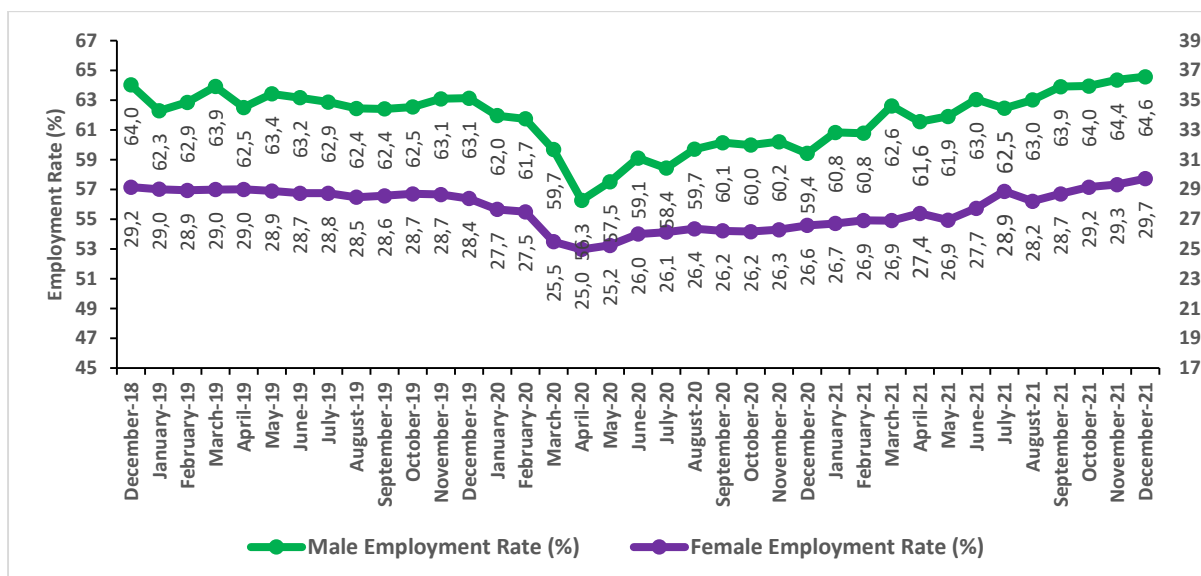
Source: Turkstat, Betam

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

	Labor force	Employment	Unemployment	Unemployment rate	Monthly changes		
					Labor force	Employment	Unemployment
December-18	32403	28274	4129	12,7%			
January-19	32058	27737	4322	13,5%	-345	-537	193
February-19	32419	27923	4496	13,9%	361	186	174
March-19	32848	28295	4553	13,9%	429	372	57
April-19	32338	27912	4425	13,7%	-510	-383	-128
May-19	32656	28192	4463	13,7%	318	280	38
June-19	32560	28104	4456	13,7%	-96	-88	-7
July-19	32581	28052	4529	13,9%	21	-52	73
August-19	32429	27877	4553	14,0%	-152	-175	24
September-19	32504	27936	4568	14,1%	75	59	15
October-19	32422	28052	4369	13,5%	-82	116	-199
November-19	32595	28244	4351	13,3%	173	192	-18
December-19	32569	28212	4357	13,4%	-26	-32	6
January-20	31847	27664	4183	13,1%	-722	-548	-174
February-20	31632	27598	4034	12,8%	-215	-66	-149
March-20	30338	26373	3965	13,1%	-1294	-1225	-69
April-20	29097	25211	3886	13,4%	-1241	-1162	-79
May-20	29625	25718	3907	13,2%	528	507	21
June-20	30577	26497	4080	13,3%	952	779	173
July-20	30815	26375	4440	14,4%	238	-122	360
August-20	30882	26889	3993	12,9%	67	514	-447
September-20	30984	27026	3958	12,8%	102	137	-35
October-20	31076	27004	4072	13,1%	92	-22	114
November-20	31226	27162	4064	13,0%	150	158	-8
December-20	31006	27053	3953	12,7%	-220	-109	-111
January-21	31591	27581	4010	12,7%	585	528	57
February-21	31847	27664	4184	13,1%	256	83	174
March-21	32490	28271	4219	13,0%	643	607	35
April-21	32474	28132	4343	13,4%	-16	-139	124
May-21	32190	28133	4057	12,6%	-284	1	-286
June-21	32207	28783	3424	10,6%	17	650	-633
July-21	32889	29003	3886	11,8%	682	220	462
August-21	32882	29002	3880	11,8%	-7	-1	-6
September-21	33299	29482	3817	11,5%	417	480	-63
October-21	33429	29680	3750	11,2%	130	198	-67
November-21	33697	29905	3792	11,3%	268	225	42
December-21	33935	30141	3794	11,2%	238	236	2

Source: Turkstat, Betam

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

	Labor force	Employment	Unemployment	Unemployment rate	Monthly changes		
					Labor force	Employment	Unemployment
December-18	27.141	23.124	4.017	14,8%			
January-19	26.850	22.608	4.242	15,8%	-290	-516	226
February-19	27.102	22.793	4.309	15,9%	252	185	67
March-19	27.584	23.198	4.386	15,9%	482	405	77
April-19	27.158	22.813	4.345	16,0%	-425	-385	-40
May-19	27.450	23.113	4.337	15,8%	292	300	-8
June-19	27.430	23.014	4.416	16,1%	-20	-99	79
July-19	27.450	22.976	4.474	16,3%	20	-38	58
August-19	27.227	22.762	4.465	16,4%	-223	-214	-9
September-19	27.372	22.856	4.516	16,5%	145	94	51
October-19	27.251	22.945	4.306	15,8%	-122	89	-211
November-19	27.471	23.158	4.313	15,7%	220	213	7
December-19	27.389	23.089	4.300	15,7%	-82	-69	-13
January-20	26.926	22.860	4.066	15,1%	-463	-229	-234
February-20	26.680	22.811	3.869	14,5%	-246	-49	-197
March-20	26.125	22.232	3.893	14,9%	-555	-579	24
April-20	24.212	20.435	3.777	15,6%	-1912	-1797	-115
May-20	24.880	21.024	3.856	15,5%	668	589	79
June-20	25.699	21.690	4.009	15,6%	819	666	153
July-20	25.872	21.500	4.372	16,9%	173	-190	363
August-20	26.016	22.088	3.928	15,1%	144	588	-444
September-20	26.087	22.200	3.887	14,9%	70	112	-42
October-20	26.201	22.192	4.009	15,3%	114	-8	122
November-20	26.316	22.342	3.974	15,1%	115	150	-35
December-20	26.116	22.225	3.891	14,9%	-199	-117	-82
January-21	26.564	22.686	3.878	14,6%	448	461	-13
February-21	26.853	22.798	4.055	15,1%	288	112	176
March-21	27.428	23.369	4.059	14,8%	576	571	5
April-21	27.469	23.211	4.258	15,5%	40	-158	198
May-21	27.285	23.356	3.929	14,4%	-184	145	-329
June-21	27.193	23.848	3.345	12,3%	-92	492	-584
July-21	27.856	24.040	3.816	13,7%	664	192	472
August-21	27.872	24.026	3.846	13,8%	16	-14	30
September-21	28.227	24.473	3.754	13,3%	355	447	-92
October-21	28.336	24.652	3.684	13,0%	108	179	-71
November-21	28.580	24.836	3.744	13,1%	244	184	60
December-21	28.764	25.082	3.682	12,8%	184	246	-62

Source: Turkstat, Betam

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

	Agriculture	Manufacturing	Construction	Service	Monthly changes			
					Agriculture	Manufacturing	Construction	Service
December-18	5150	5630	1787	15707				
January-19	5129	5195	1676	15737	-21	-435	-111	30
February-19	5130	5369	1653	15771	1	174	-23	34
March-19	5097	5610	1719	15869	-33	241	66	98
April-19	5099	5366	1597	15850	2	-244	-122	-19
May-19	5079	5619	1628	15867	-20	253	31	17
June-19	5090	5664	1546	15804	11	45	-82	-63
July-19	5076	5615	1535	15826	-14	-49	-11	22
August-19	5115	5590	1472	15700	39	-25	-63	-126
September-19	5080	5519	1486	15850	-35	-71	14	150
October-19	5107	5644	1522	15778	27	125	36	-72
November-19	5086	5848	1517	15792	-21	204	-5	14
December-19	5123	5813	1476	15800	37	-35	-41	8
January-20	4804	5516	1584	15760	-319	-297	108	-40
February-20	4787	5615	1527	15669	-17	99	-57	-91
March-20	4141	5604	1399	15228	-646	-11	-128	-441
April-20	4776	5261	1218	13956	635	-343	-181	-1272
May-20	4694	5263	1452	14309	-82	2	234	353
June-20	4807	5425	1571	14694	113	162	119	385
July-20	4875	5287	1613	14599	68	-138	42	-95
August-20	4801	5386	1617	15084	-74	99	4	485
September-20	4826	5610	1614	14976	25	224	-3	-108
October-20	4812	5515	1611	15066	-14	-95	-3	90
November-20	4820	5619	1637	15086	8	104	26	20
December-20	4828	5857	1666	14702	8	238	29	-384
January-21	4895	5870	1661	15155	67	13	-5	453
February-21	4866	5721	1695	15381	-29	-149	34	226
March-21	4902	6200	1766	15404	36	479	71	23
April-21	4921	6004	1762	15444	19	-196	-4	40
May-21	4777	5952	1780	15624	-144	-52	18	180
June-21	4935	6251	1780	15818	158	299	0	194
July-21	4963	5966	1719	16355	28	-285	-61	537
August-21	4976	6198	1800	16028	13	232	81	-327
September-21	5009	6421	1811	16241	33	223	11	213
October-21	5028	6366	1806	16478	19	-55	-5	237
November-21	5069	6441	1816	16579	41	75	10	101
December-21	5059	6549	1821	16713	-10	108	5	134

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
Dec-18	12,7	4129	13,9	375	17,1	1703	18,2	6207
Jan-19	13,5	4322	14,6	358	18,6	2016	19,7	6696
Feb-19	13,9	4496	15,1	399	18,1	1675	19,2	6570
Mar-19	13,9	4553	15,2	440	18,4	1827	19,6	6820
Apr-19	13,7	4425	14,8	361	17,9	1661	19,0	6447
May-19	13,7	4463	14,5	272	17,7	1600	18,5	6335
Jun-19	13,7	4456	14,6	298	18,2	1797	19,1	6551
Jul-19	13,9	4529	14,9	326	18,3	1754	19,3	6609
Aug-19	14,0	4553	14,8	246	18,5	1775	19,2	6574
Sep-19	14,1	4568	15,2	373	17,9	1523	18,9	6463
Oct-19	13,5	4369	14,4	300	17,9	1747	18,7	6416
Nov-19	13,3	4351	14,4	343	17,5	1640	18,5	6334
Dec-19	13,4	4357	14,5	366	17,6	1669	18,7	6391
Jan-20	13,1	4183	15,7	817	19,1	2348	21,5	7348
Feb-20	12,8	4034	15,1	742	18,7	2314	20,9	7090
Mar-20	13,1	3965	16,1	919	20,5	2836	23,3	7720
Apr-20	13,4	3886	18,2	1410	23,4	3816	27,6	9111
May-20	13,2	3907	18,9	1692	24,1	4259	29,1	9858
Jun-20	13,3	4080	17,1	1149	22,4	3569	25,8	8797
Jul-20	14,4	4440	18,4	1230	22,6	3261	26,2	8931
Aug-20	12,9	3993	16,9	1226	21,5	3372	25,1	8591
Sep-20	12,8	3958	16,0	999	21,4	3400	24,3	8358
Oct-20	13,1	4072	17,4	1335	21,9	3500	25,7	8907
Nov-20	13,0	4064	17,0	1244	23,0	4049	26,5	9358
Dec-20	12,7	3953	17,9	1597	23,9	4543	28,4	10093
Jan-21	12,7	4010	20,1	2340	22,9	4182	29,5	10532
Feb-21	13,1	4184	19,6	2058	22,2	3710	28,0	9952
Mar-21	13,0	4219	18,0	1629	21,0	3296	25,6	9144
Apr-21	13,4	4343	19,5	1989	21,5	3362	27,0	9694
May-21	12,6	4057	18,7	1963	21,2	3512	26,6	9531
Jun-21	10,6	3424	14,6	1278	18,7	3196	22,3	7899
Jul-21	11,8	3886	16,1	1409	19,5	3140	23,4	8435
Aug-21	11,8	3880	14,9	1019	18,8	2835	21,7	7734
Sep-21	11,5	3817	15,1	1211	18,5	2875	21,8	7903
Oct-21	11,2	3750	15,7	1498	18,7	3077	22,8	8325
Nov-21	11,3	3792	15,4	1397	18,2	2862	22,1	8051
Dec-21	11,2	3794	15,4	1432	18,7	3139	22,6	8365

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
Dec-18	10.560	8.988	1.573	21.843	19.286	2.557	34,3	29,2	72,5	64,0
Jan-19	10.651	8.955	1.695	21.408	18.781	2.627	34,5	29,0	71,0	62,3
Feb-19	10.713	8.945	1.768	21.706	18.978	2.728	34,7	28,9	71,9	62,9
Mar-19	10.794	8.974	1.820	22.054	19.321	2.733	34,9	29,0	73,0	63,9
Apr-19	10.737	8.990	1.747	21.600	18.922	2.678	34,6	29,0	71,4	62,5
May-19	10.738	8.968	1.769	21.918	19.224	2.694	34,6	28,9	72,3	63,4
Jun-19	10.660	8.934	1.727	21.899	19.170	2.729	34,3	28,7	72,2	63,2
Jul-19	10.699	8.946	1.754	21.882	19.107	2.775	34,4	28,8	72,0	62,9
Aug-19	10.613	8.874	1.739	21.816	19.002	2.814	34,1	28,5	71,7	62,4
Sep-19	10.693	8.916	1.777	21.811	19.019	2.791	34,3	28,6	71,6	62,4
Oct-19	10.651	8.970	1.681	21.770	19.082	2.688	34,1	28,7	71,3	62,5
Nov-19	10.724	8.967	1.756	21.871	19.276	2.594	34,3	28,7	71,6	63,1
Dec-19	10.638	8.897	1.741	21.931	19.315	2.616	34,0	28,4	71,7	63,1
Jan-20	10.354	8.679	1.675	21.494	18.986	2.508	33,0	27,7	70,1	62,0
Feb-20	10.125	8.642	1.483	21.507	18.956	2.551	32,2	27,5	70,1	61,7
Mar-20	9.431	8.019	1.411	20.907	18.354	2.554	30,0	25,5	68,0	59,7
Apr-20	9.146	7.870	1.275	19.952	17.341	2.610	29,0	25,0	64,8	56,3
May-20	9.287	7.964	1.323	20.339	17.754	2.584	29,4	25,2	65,9	57,5
Jun-20	9.713	8.217	1.496	20.864	18.280	2.584	30,7	26,0	67,5	59,1
Jul-20	9.809	8.271	1.538	21.006	18.104	2.902	31,0	26,1	67,8	58,4
Aug-20	9.792	8.356	1.436	21.090	18.532	2.558	30,9	26,4	67,9	59,7
Sep-20	9.730	8.323	1.407	21.253	18.703	2.551	30,7	26,2	68,3	60,1
Oct-20	9.765	8.317	1.448	21.312	18.687	2.624	30,7	26,2	68,4	60,0
Nov-20	9.771	8.368	1.403	21.455	18.794	2.661	30,7	26,3	68,7	60,2
Dec-20	9.855	8.473	1.382	21.151	18.580	2.570	30,9	26,6	67,6	59,4
Jan-21	9.989	8.529	1.460	21.602	19.052	2.550	31,3	26,7	69,0	60,8
Feb-21	10.179	8.605	1.573	21.669	19.058	2.611	31,8	26,9	69,1	60,8
Mar-21	10.272	8.612	1.660	22.218	19.659	2.559	32,1	26,9	70,8	62,6
Apr-21	10.416	8.782	1.634	22.058	19.350	2.709	32,5	27,4	70,2	61,6
May-21	10.201	8.650	1.551	21.989	19.484	2.505	31,8	26,9	69,9	61,9
Jun-21	10.372	8.916	1.456	21.835	19.867	1.968	32,3	27,7	69,3	63,0
Jul-21	10.824	9.297	1.527	22.065	19.706	2.359	33,6	28,9	69,9	62,5
Aug-21	10.651	9.094	1.557	22.231	19.908	2.323	33,0	28,2	70,4	63,0
Sep-21	10.817	9.269	1.548	22.482	20.213	2.269	33,5	28,7	71,1	63,9
Oct-21	10.937	9.426	1.510	22.493	20.253	2.240	33,8	29,2	71,0	64,0
Nov-21	11.086	9.498	1.588	22.612	20.407	2.204	34,2	29,3	71,3	64,4
Dec-21	11.186	9.640	1.546	22.749	20.501	2.248	34,5	29,7	71,7	64,6

Source: Turkstat, Betam

Box 1 : Definitions of alternative unemployment rates[1]

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 =

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

4) Composite measure of labor underutilization =

[(persons in time-related underemployment + persons in unemployment + potential labor force) / (labor force+ potential labor force)] x 100

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[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