

THE RISE IN EMPLOYMENT HALTS

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Executive Summary

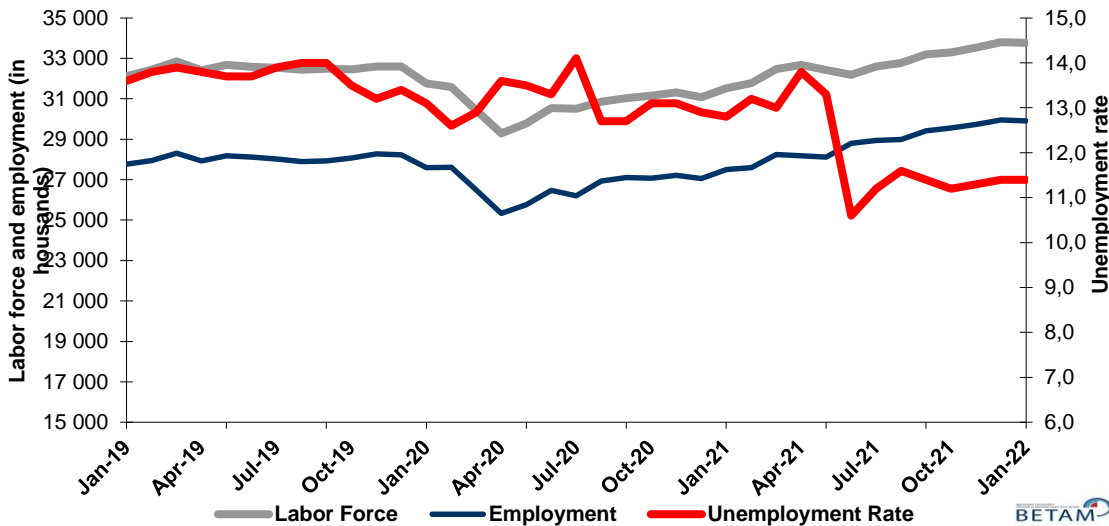
Since the number of employment decreased by 43 thousand and the number of unemployed persons increased by 21 thousand, the labor force declined by 22 thousand. As a result, the unemployment rate did not change from December to January and remained at 11.4%.

Seasonally adjusted female unemployment rate edged down by 0.3 pp MoM to 13.6% as the female employment and the female labor force rose by 79 thousand and 51 thousand, respectively. On the other hand, seasonally adjusted male unemployment rate rose by 0.2 pp to 10.3% following the decreases in male employment and male labor force by 122 thousand and 73 thousand, respectively. In January, female employment expanded more than female labor force, and the number of unemployed females decreased by 28 thousand while the number of unemployed males increased by 49 thousand. Following these developments, the gender gap in the unemployment rates of females and males edged down to 3.3%.

Employment falls, the number of unemployed persons rises

According to the monthly seasonally adjusted data, the number of employed persons declined by 43 thousand MoM to 29 million 910 thousand and the number of unemployed persons increased by 21 thousand to 3 million 859 thousand. Therefore, the total labor force decreased by 22 thousand to 33 million 769 thousand (Figure 1, Table 1). As a result, the unemployment rate remained at 11.4% in January.

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



Source: Turkstat, Betam

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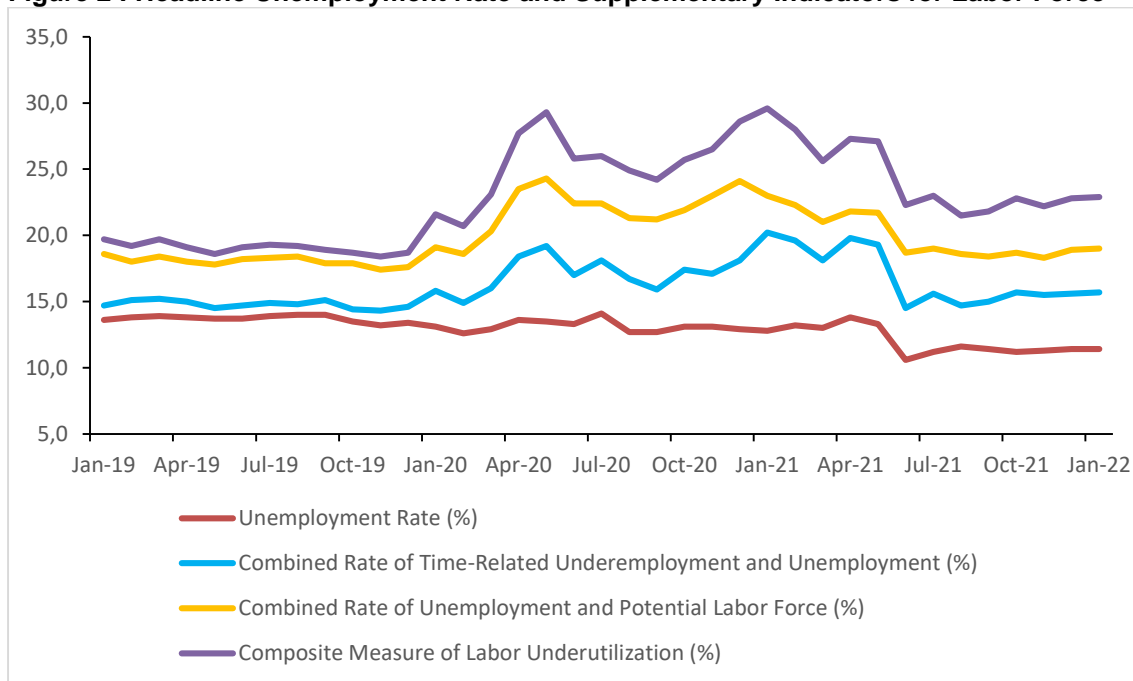
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Developments in the alternative unemployment rates

Box 1 reports the methods how Turkstat calculates the alternative unemployment rates. These measures 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" edged up by 0.1 pp to 19% while "general unemployment rate" remained at 11.4%. Potential labor force had risen by 272 thousand in December, then it increased by 14 thousand in January. On the other hand, "the combined rate of time-related underemployment and unemployment" increased by 0.1 pp to 15.7% from December to January. "The composite measure of labor underutilization", which combines the two previous alternative unemployment metrics, rose from 22.8% to 22.9% (Figure 2, Table 4).

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



Source: Turkstat, Betam

On the developments of sectorial employment

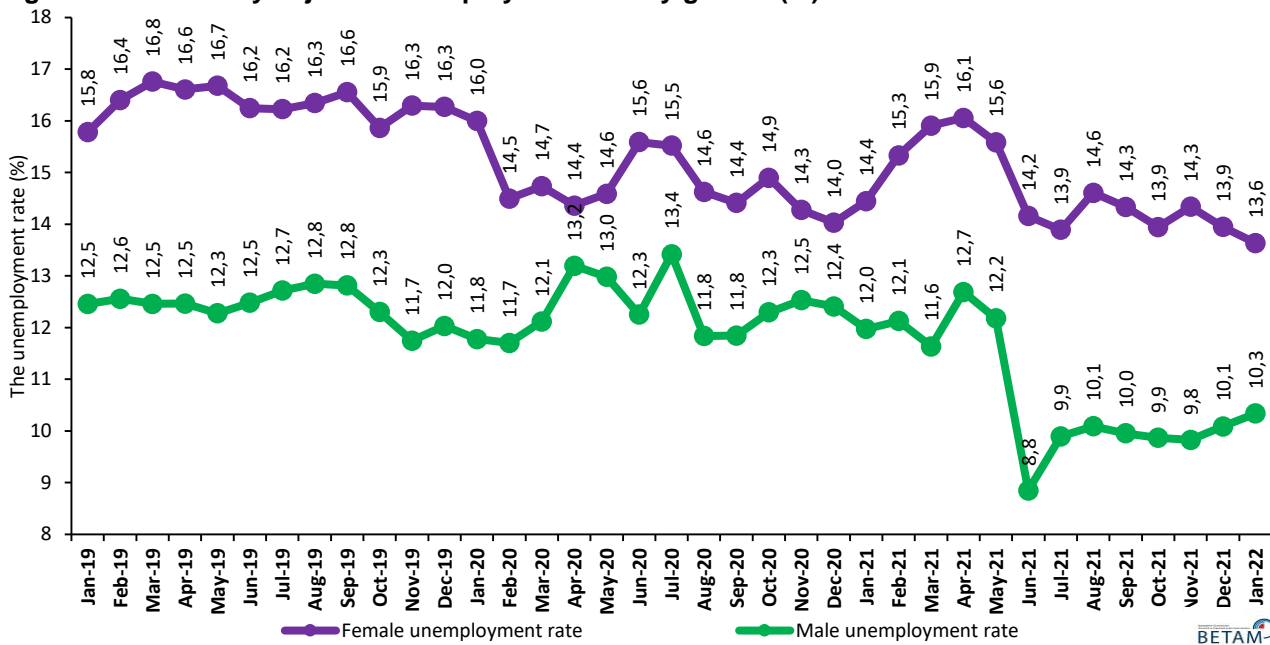
As known, Turkstat began to release monthly labor statistics instead of 3-month-average as of January 2021. Nevertheless, it was evident that there were huge swings in the monthly sectorial employment levels, which cannot be attributed to the economic conjuncture. With the release of 2021 Q4 labor statistics on February 15th, Turkstat announced that the monthly sectorial employment statistics will no longer be published. Indeed, the labor statistics that was released on March 10th did not include sectorial employment data. From now on, Betam will analyze the sectorial employment developments in its quarterly notes.

Female unemployment rate drops

Figure 5 shows seasonally adjusted unemployment rate for males (green) and for females (purple). Female employment rose by 79 thousand in January on top of the cumulative increase of 488 thousand in the last four months. On the other hand, the number of unemployed females decreased by 28 thousand. The female labor force rose by 51 thousand compared to the last month. Since female employment rose faster than female labor force, the female unemployment rate dropped markedly by 0.3 pp to 13.6% in January. To remind, the female unemployment rate had fallen from 14.3% to 13.9% in December. The number of unemployed males rose by 49 thousand while male employment decreased by 122 thousand. Hence, the unemployment rate of males edged up

by 0.2 pp from 10.1% to 10.3% (Table 5). As a result of these changes, the gender gap in the unemployment rates of females and males receded to 3.3%.

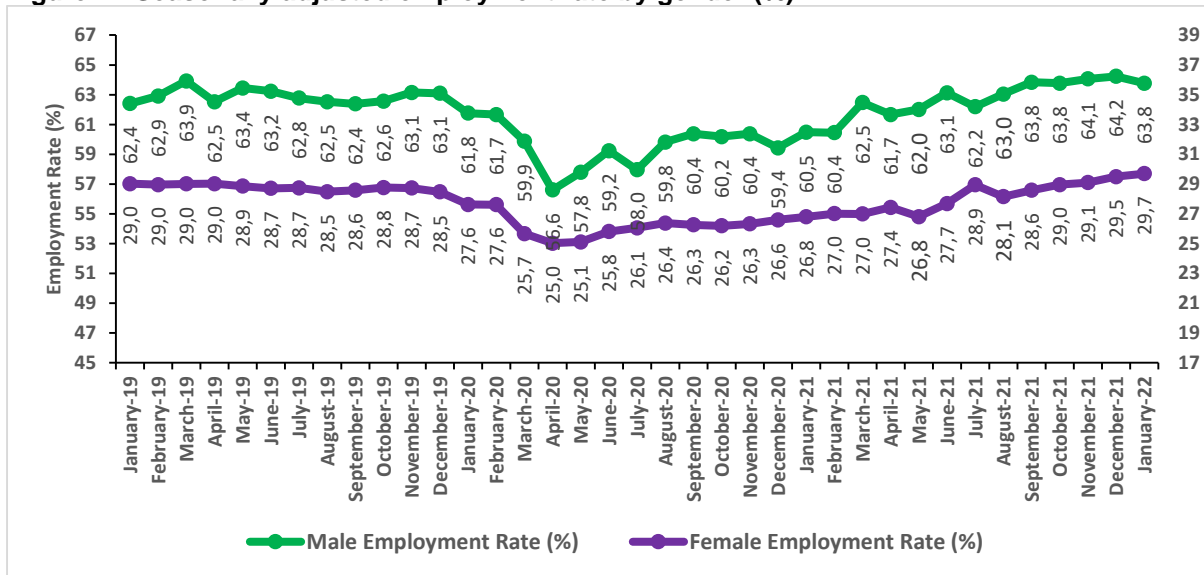
Figure 3 : Seasonally adjusted unemployment rate by gender (%)



Source: Turkstat, Betam

The female employment rate rose by 0.2 pp, whereas the male employment rate dropped by 0.4 pp, respectively. Following these developments, the female employment rate rose from 29.5% in December to 29.7% in January. The female employment rate exceeded its pre-pandemic level (27.6% in January 2020) by 2.1 pp. It reached its peak in December 2017 (29.8%) as the economy recovers from the recession in 2018 and pandemic crisis. On the other hand, the male employment rate decreased by 0.4 pp to 63.8% due to the drop of 122 thousand in employment. The male employment rate is 2.6 pp below its record in July 2018 (66.4%).

Figure 4 : 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
January-19	32126	27771	4356	13,6%			
February-19	32430	27945	4484	13,8%	304	174	128
March-19	32857	28300	4557	13,9%	427	355	73
April-19	32408	27922	4486	13,8%	-449	-378	-71
May-19	32668	28185	4483	13,7%	260	263	-3
June-19	32578	28111	4467	13,7%	-90	-74	-16
July-19	32532	28020	4512	13,9%	-46	-91	45
August-19	32442	27903	4539	14,0%	-90	-117	27
September-19	32489	27926	4563	14,0%	47	23	24
October-19	32448	28076	4372	13,5%	-41	150	-191
November-19	32600	28282	4318	13,2%	152	206	-54
December-19	32595	28221	4374	13,4%	-5	-61	56
January-20	31763	27587	4176	13,1%	-832	-634	-198
February-20	31586	27606	3980	12,6%	-177	19	-196
March-20	30423	26489	3934	12,9%	-1163	-1117	-46
April-20	29296	25324	3973	13,6%	-1127	-1165	39
May-20	29773	25759	4014	13,5%	477	435	41
June-20	30539	26475	4065	13,3%	766	716	51
July-20	30501	26203	4298	14,1%	-38	-272	233
August-20	30851	26926	3925	12,7%	350	723	-373
September-20	31033	27106	3926	12,7%	182	180	1
October-20	31157	27073	4085	13,1%	124	-33	159
November-20	31314	27221	4093	13,1%	157	148	8
December-20	31074	27058	4015	12,9%	-240	-163	-78
January-21	31513	27493	4021	12,8%	439	435	6
February-21	31766	27588	4179	13,2%	253	95	158
March-21	32465	28250	4215	13,0%	699	662	36
April-21	32671	28173	4498	13,8%	206	-77	283
May-21	32417	28121	4295	13,2%	-254	-52	-203
June-21	32192	28793	3399	10,6%	-225	672	-896
July-21	32597	28939	3658	11,2%	405	146	259
August-21	32775	28988	3787	11,6%	178	49	129
September-21	33195	29419	3776	11,4%	420	431	-11
October-21	33286	29558	3728	11,2%	91	139	-48
November-21	33525	29735	3790	11,3%	239	177	62
December-21	33791	29953	3838	11,4%	266	218	48
January-22	33769	29910	3859	11,4%	-22	-43	21

Source: Turkstat, Betam

Table 2 : 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
Jan-19	13,6	4356	14,7	367	18,6	1989	19,7	6712
Feb-19	13,8	4484	15,1	413	18,0	1650	19,2	6547
Mar-19	13,9	4557	15,2	437	18,4	1824	19,7	6819
Apr-19	13,8	4486	15,0	375	18,0	1643	19,1	6504
May-19	13,7	4483	14,5	254	17,8	1620	18,6	6357
Jun-19	13,7	4467	14,7	322	18,2	1788	19,1	6576
Jul-19	13,9	4512	14,9	335	18,3	1764	19,3	6611
Aug-19	14,0	4539	14,8	262	18,4	1753	19,2	6554
Sep-19	14,0	4563	15,1	343	17,9	1526	18,9	6431
Oct-19	13,5	4372	14,4	301	17,9	1749	18,7	6422
Nov-19	13,2	4318	14,3	344	17,4	1640	18,4	6302
Dec-19	13,4	4374	14,6	385	17,6	1654	18,7	6413
Jan-20	13,1	4176	15,8	843	19,1	2337	21,6	7356
Feb-20	12,6	3980	14,9	726	18,6	2328	20,7	7034
Mar-20	12,9	3934	16,0	934	20,3	2813	23,1	7681
Apr-20	13,6	3973	18,4	1417	23,5	3806	27,7	9196
May-20	13,5	4014	19,2	1702	24,3	4255	29,3	9971
Jun-20	13,3	4065	17,0	1127	22,4	3577	25,8	8769
Jul-20	14,1	4298	18,1	1223	22,4	3266	26,0	8786
Aug-20	12,7	3925	16,7	1227	21,3	3362	24,9	8515
Sep-20	12,7	3926	15,9	1008	21,2	3367	24,2	8301
Oct-20	13,1	4085	17,4	1336	21,9	3506	25,7	8928
Nov-20	13,1	4093	17,1	1262	23,0	4038	26,5	9393
Dec-20	12,9	4015	18,1	1609	24,1	4577	28,6	10201
Jan-21	12,8	4021	20,2	2345	23,0	4191	29,6	10557
Feb-21	13,2	4179	19,6	2047	22,3	3739	28,0	9965
Mar-21	13,0	4215	18,1	1661	21,0	3294	25,6	9171
Apr-21	13,8	4498	19,8	1971	21,8	3356	27,3	9825
May-21	13,3	4295	19,3	1961	21,7	3499	27,1	9755
Jun-21	10,6	3399	14,5	1269	18,7	3224	22,3	7892
Jul-21	11,2	3658	15,6	1427	19,0	3130	23,0	8215
Aug-21	11,6	3787	14,7	1031	18,6	2837	21,5	7655
Sep-21	11,4	3776	15,0	1203	18,4	2858	21,8	7837
Oct-21	11,2	3728	15,7	1498	18,7	3071	22,8	8297
Nov-21	11,3	3790	15,5	1406	18,3	2870	22,2	8067
Dec-21	11,4	3838	15,6	1433	18,9	3142	22,8	8414
Jan-22	11,4	3859	15,7	1443	19,0	3157	22,9	8459

Source: Turkstat, Betam

Table 3 : 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
Jan-19	10.634	8.956	1.678	21.492	18.815	2.677	34,5	29,0	71,3	62,4
Feb-19	10.706	8.950	1.756	21.724	18.996	2.728	34,6	29,0	72,0	62,9
Mar-19	10.783	8.976	1.807	22.074	19.324	2.750	34,8	29,0	73,0	63,9
Apr-19	10.786	8.995	1.791	21.622	18.927	2.695	34,8	29,0	71,4	62,5
May-19	10.746	8.954	1.792	21.922	19.231	2.691	34,6	28,9	72,3	63,4
Jun-19	10.650	8.920	1.730	21.928	19.191	2.737	34,3	28,7	72,2	63,2
Jul-19	10.675	8.943	1.732	21.857	19.078	2.779	34,3	28,7	71,9	62,8
Aug-19	10.610	8.876	1.734	21.832	19.027	2.805	34,1	28,5	71,7	62,5
Sep-19	10.686	8.917	1.769	21.803	19.009	2.794	34,2	28,6	71,5	62,4
Oct-19	10.679	8.985	1.694	21.769	19.091	2.678	34,2	28,8	71,3	62,6
Nov-19	10.740	8.990	1.750	21.860	19.292	2.568	34,3	28,7	71,6	63,1
Dec-19	10.653	8.920	1.733	21.942	19.302	2.640	34,0	28,5	71,7	63,1
Jan-20	10.315	8.665	1.650	21.449	18.923	2.526	32,9	27,6	70,0	61,8
Feb-20	10.148	8.676	1.471	21.438	18.929	2.509	32,3	27,6	69,8	61,7
Mar-20	9.469	8.074	1.395	20.954	18.415	2.539	30,1	25,7	68,1	59,9
Apr-20	9.206	7.884	1.322	20.091	17.440	2.651	29,2	25,0	65,2	56,6
May-20	9.274	7.921	1.353	20.499	17.838	2.661	29,4	25,1	66,4	57,8
Jun-20	9.662	8.156	1.506	20.877	18.319	2.558	30,6	25,8	67,5	59,2
Jul-20	9.761	8.246	1.515	20.740	17.957	2.783	30,8	26,1	66,9	58,0
Aug-20	9.791	8.358	1.432	21.060	18.567	2.493	30,9	26,4	67,8	59,8
Sep-20	9.736	8.332	1.403	21.297	18.774	2.523	30,7	26,3	68,5	60,4
Oct-20	9.780	8.323	1.457	21.377	18.749	2.628	30,8	26,2	68,6	60,2
Nov-20	9.772	8.377	1.395	21.542	18.844	2.699	30,7	26,3	69,0	60,4
Dec-20	9.857	8.474	1.383	21.217	18.584	2.633	30,9	26,6	67,9	59,4
Jan-21	9.997	8.553	1.444	21.516	18.940	2.576	31,3	26,8	68,7	60,5
Feb-21	10.196	8.634	1.563	21.570	18.954	2.616	31,9	27,0	68,8	60,4
Mar-21	10.273	8.640	1.634	22.192	19.610	2.582	32,1	27,0	70,7	62,5
Apr-21	10.471	8.791	1.681	22.200	19.382	2.817	32,7	27,4	70,6	61,7
May-21	10.195	8.606	1.589	22.222	19.515	2.706	31,8	26,8	70,6	62,0
Jun-21	10.369	8.901	1.468	21.822	19.892	1.931	32,3	27,7	69,3	63,1
Jul-21	10.820	9.318	1.503	21.777	19.621	2.155	33,6	28,9	69,0	62,2
Aug-21	10.626	9.074	1.552	22.149	19.914	2.235	33,0	28,1	70,1	63,0
Sep-21	10.771	9.227	1.544	22.424	20.192	2.232	33,4	28,6	70,9	63,8
Oct-21	10.879	9.361	1.517	22.407	20.196	2.211	33,6	29,0	70,8	63,8
Nov-21	10.998	9.421	1.577	22.527	20.313	2.214	34,0	29,1	71,0	64,1
Dec-21	11.112	9.562	1.550	22.679	20.391	2.288	34,3	29,5	71,4	64,2
Jan-22	11.163	9.641	1.522	22.606	20.269	2.337	34,4	29,7	71,1	63,8

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>