

## EMPLOYMENT CONTINUES TO RISE

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### Executive Summary

As of 2021, Turkstat decided to publish labor market statistics of the respective month and they published the data of January 2021 on March 10, 2021.<sup>1</sup> Turkstat started publishing individual monthly labor market estimates instead of 3-month moving average estimates with the new revision. Previously, it took about 70 days to announce the basic labor market estimates of the reference month; however, it takes about 40 days since 2021. The shortening of the delay in the publication of the estimates is undoubtedly beneficial to follow the current trends in the labor market in a timely manner. Nevertheless, Turkstat also publishes the 3-month labor market figures since the sample size used for calculating the monthly estimates fails to be sufficient for some labor market indicators. The 3-month labor market statistics provide more information about the labor market developments as they include data on the education levels and occupational breakdowns as well as employment at work and weekly working hours data. Also, occasional big fluctuations in the monthly sectorial and gender employment statistics, are not present in these series. In addition to the monthly Labor Market Outlook (LMO) reports, Betam started to additionally publish 3-month LMO reports considering these features.

In 2021 Q4, employment rose by 740 thousand, and the number of employed at work persons increased by 1 million 200 thousand with respect to the previous quarter. In this period, the number of unemployed persons declined by 78 thousand, the unemployment rate fell by 0.5 percentage point to 11.2%. The limited decrease in the number of unemployed persons as opposed to the strong rise in employment points to the acceleration of entry to the labor market and getting back to normal. Female employment rose by 306 thousand, whereas male employment increased by 433 thousand, the female and male unemployment rates declined by 0.3 and 0.5 points to 14% and 9.9%, respectively. Male employment increased in all the sectors while female employment fell only in construction sector. According to the seasonally unadjusted series, the general unemployment rate dropped in all the educational breakdowns, the female unemployment rate of "**less than high school**" graduates, and the male unemployment rate of "**vocational high school**" graduates rose. It is

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1 For further information (in Turkish) about the details see: <https://betam.bahcesehir.edu.tr/2021/03/iscucu-piyasasi-gorunumu-mart-2021/>

noteworthy that the unemployment gap in gender breakdown is 12.1 points (more than twice) at the level of "vocational high school" and 7.3 points (close to double) at the level of "higher education".

### Striking rise in the number of people employed at work

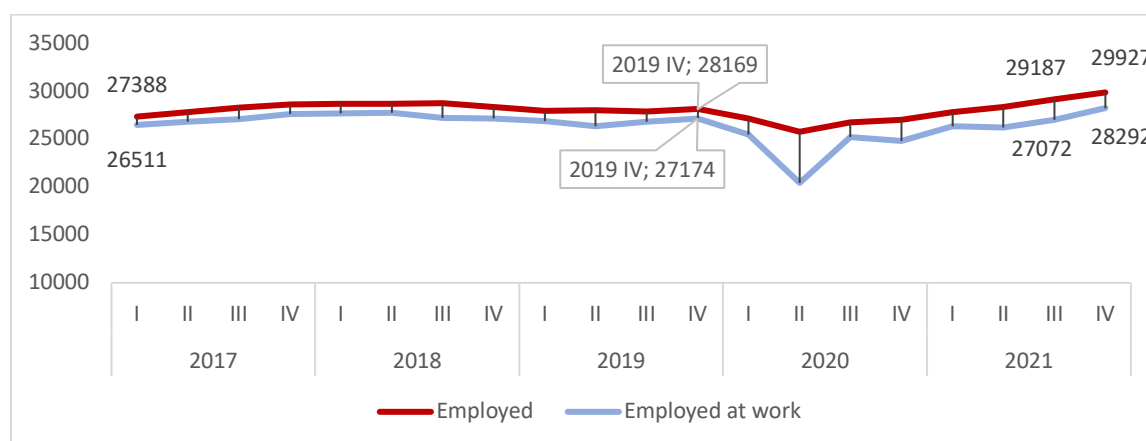
According to the seasonally and calendar adjusted data, the number of employed people decreased by 957 thousand people compared to the previous quarter in the first quarter of 2020, when the pandemic shock emerged, and decreased to 27 million 212 thousand. In the second quarter of 2020, when the pandemic shock severely shook the labor markets, employment decreased by 1 million 403 thousand compared to the previous quarter and fell to 25 million 809 thousand, and employment decreased by 2 million 360 thousand in these two periods.

On the other hand, the number of employed people (people who are employed and engaged in economic activity for one hour for one hour during the reference period) decreased by 1 million 635 thousand people from quarter to quarter in the first quarter of 2020, to the level of 25 million 539 thousand. In the second quarter of 2020, it decreased to 20 million 462 thousand with a striking decrease of 5 million 77 thousand. While the difference between the number of people in employment and those at work was in a relatively moderate and stable range prior to the pandemic, it peaked with the onset of the pandemic and reached 5 million 347 thousand in the second quarter of 2020 (Figure 1, Table 1).

The main factor behind such a large difference in the second quarter of 2020 is the simultaneous enactment of the dismissal bans and unpaid leave of workers in formal employment within the scope of short time working allowance. As of the third quarter, both employment and the number of people at work started to increase, while employment increased by 766 thousand people in the first quarter of 2021 compared to the previous quarter, while the number of people at work increased by 1 million 536 thousand people.

Employment reached 29 million 927 thousand in the fourth quarter of 2021 with an increase of 740 thousand (Figure 1). On the other hand, the number of people at work in the same period increased by 1 million 220 thousand and reached 28 million 292 thousand. Thus, the difference between those in employment and those at work, which was 2 million 115 thousand in the third quarter, decreased to 1 million 635 thousand in the last three months of 2021. It is noteworthy that on the eve of the pandemic (in the fourth quarter of 2019), the difference between these two indicators was limited to 995 thousand.

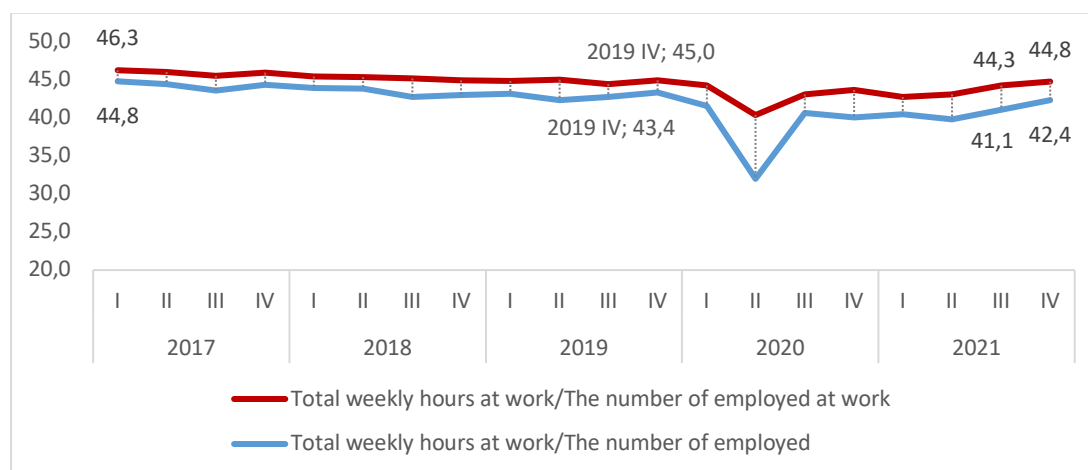
**Figure 1: Seasonally adjusted levels of employed people, and employed people at work (000)**



## Weekly average hours at work increases

TURKSTAT calculates the average weekly actual working hours for those at work in quarterly statistics. In addition to this series, we also calculate the average weekly working hours for those in employment. Although the difference between these two series remained in a constant range until the eve of the pandemic (2019 Q4), the difference started to widen with the onset of the pandemic. As a matter of fact, while the average weekly working hours in the last quarter of 2019 was 43.4 hours for those in employment and 45.0 hours for those at work, while the difference was 1.6 hours, the difference increased to 2.7 and 8.4 hours, respectively, in the first and second quarters of 2020 (Table 1). In the fourth quarter of 2021, average weekly working hours increased by 1.2 and 0.5 hours to 42.4 and 44.8 hours for employed and on-the-job workers, respectively. Although the average weekly working hours of both employed and on-the-job workers increased in the fourth quarter of 2021, compared to the eve of the pandemic (2019 Q4), the working hours of those in employment were 1.0 hours and those at work were 0.2 hours lower.

**Figure 2: Weekly average hours at work, SA**

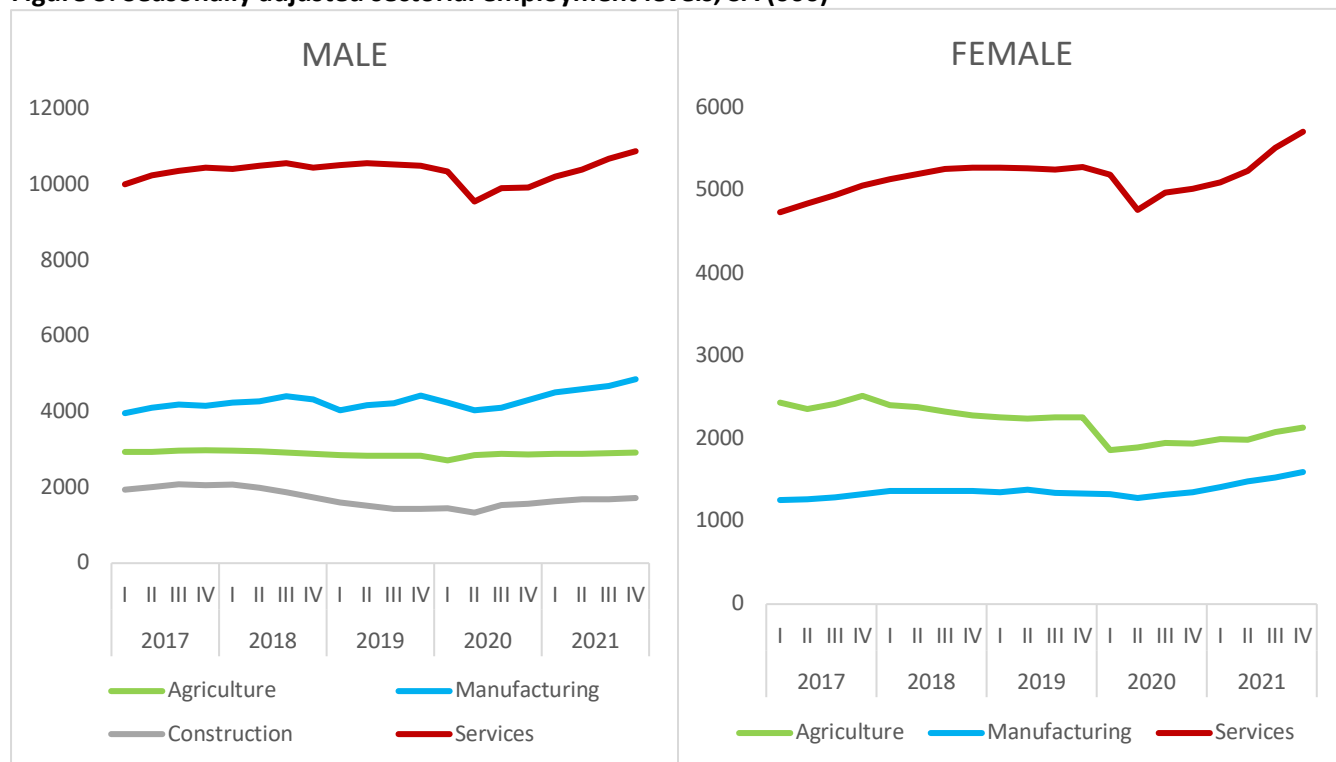


## Female and male employment continue to rise

Following the increase of 431 thousand in the third quarter of 2021, female employment increased by 306 thousand in the fourth quarter, and female employment increased to 9 million 530 thousand. Looking at the sectoral breakdown, the highest increase in female employment was recorded in the services sector (193 thousand people). The increase in agriculture and industry is 49 thousand and 65 thousand, respectively. The only sector with a decrease in female employment (2 thousand) is the construction sector.

Male employment rose to 20 million 396 thousand in the fourth quarter of 2021 with a strong increase of 433 thousand. In this period, services employment increased by 195 thousand, while industrial employment increased by 181 thousand. The industrial sector is the sector with the most stable employment increases for men in the post-pandemic period. Although male employment in construction decreased by 3 thousand in the third quarter of 2021, there was an increase of 37 thousand in the fourth quarter. However, construction employment is still 347 thousand (16.7%) below its pre-crisis level (first quarter of 2018) (Figure 3).

**Figure 3: Seasonally adjusted sectorial employment levels, SA (000)<sup>2</sup>**



Source: Turkstat, Betam

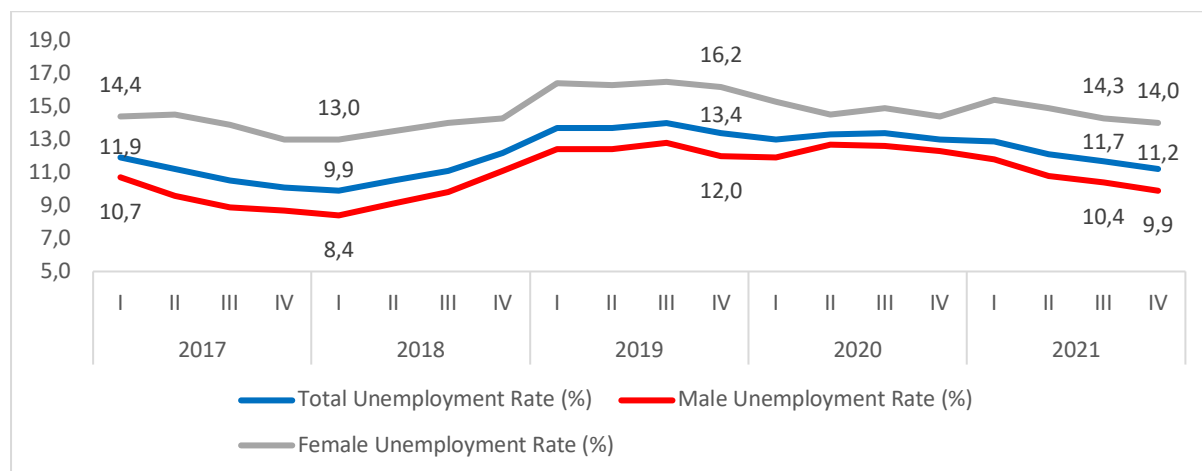
## Unemployment falls

According to seasonally adjusted data, the headline unemployment rate decreased by 0.5 percentage points to 11.2 percent in the fourth quarter of 2021 compared to the previous quarter. In terms of gender, the male unemployment rate, which has been decreasing for the last five consecutive periods, continued its downward trend in the fourth quarter, falling from 10.4 percent to 9.9 percent by 0.5 percentage points. After a decrease of 0.6 percentage points in the third quarter of 2021 compared to the previous quarter, the female unemployment rate decreased by 0.3 percentage points from 14.3 percent to 14.0 percent in the fourth quarter. However, the headline unemployment rate, which

<sup>2</sup> As the share women is very low in construction sector, it is discarded from Figure 3. For a detailed information, see Table 2.

declined to 9.9 percent in the first quarter of 2018 due to the high growth in 2017, is still 1.3 percentage points above this level (Figure 4).

**Figure 4: Unemployment rates, SA (%)**

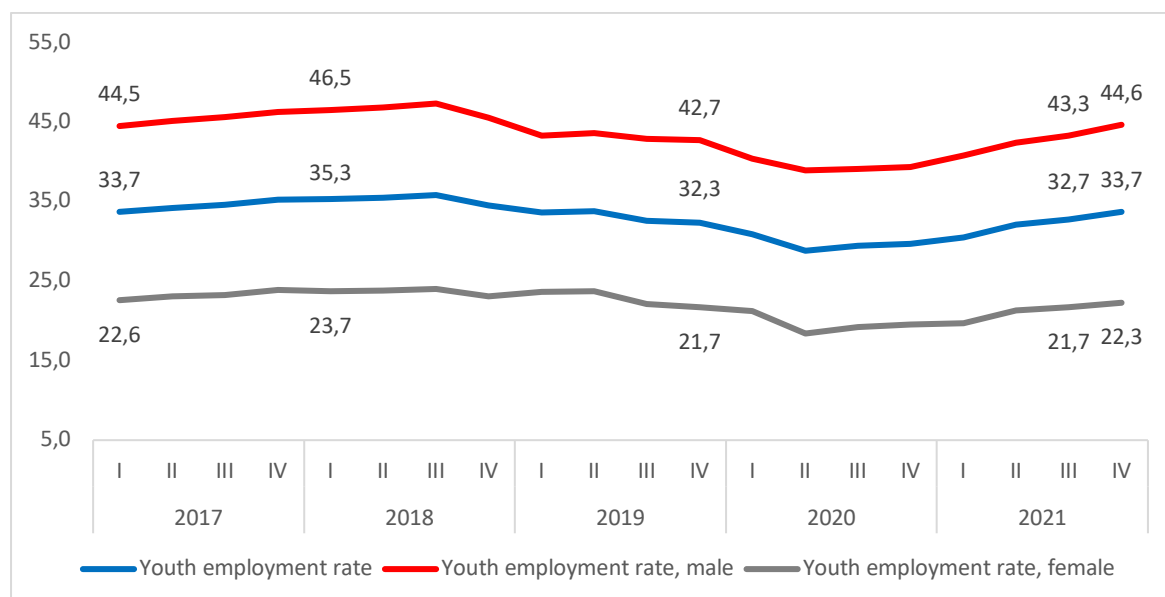


Source: Turkstat, Betam

### Youth female and male employment rises

According to seasonally adjusted data, youth employment (ages 15-24) reached 4 million 69 thousand in the fourth quarter of 2021 with an increase of 143 thousand. As a result of this development, youth employment rate (youth employment / non-institutional youth population) increased by 1.0 percentage point quarter-on-quarter to 33.7 percent. In the fourth quarter of 2021, the employment rates of both young men and young women increased. Compared to the previous quarter, the female employment rate increased by 0.6 percentage points, while the male employment rate increased by 1.3 percentage points. On the other hand, although the male employment rate has started to increase as of the third quarter of 2020, it is 1.9 percentage points below the level of the first quarter of 2018 (46.5 percent). The main reason behind this situation is that the working age population is increasing faster than the number of people employed.

**Figure 5: Youth employment rates, SA (%)**

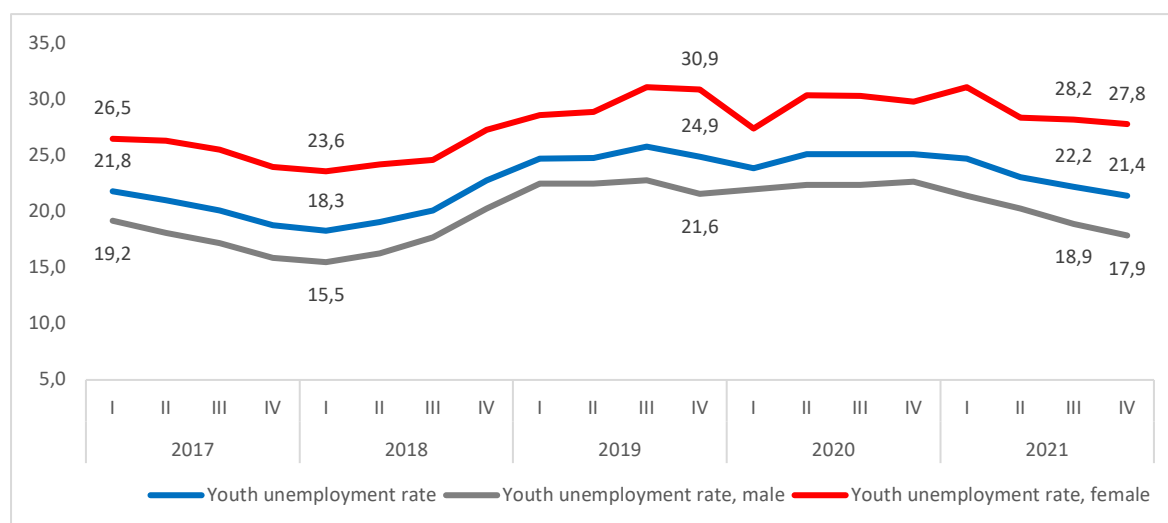


Source: Turkstat, Betam

According to seasonally adjusted data, the number of youth unemployed decreased by 14 thousand in the fourth quarter to 1 million 106 thousand. This decrease, along with the increase in employment, decreased the unemployment rate by 0.8 percentage points to 21.4 percent. The number of unemployed women rose to 508 thousand with an increase of 7 thousand, and the unemployment rate of women decreased by 0.4 percentage points from 28.2 percent to 27.8 percent (Table 3). While the number of unemployed women increased, the decrease in unemployment rate stemmed from the very strong increase in women's employment (47 thousand, 3.7%). While employment is increasing, the increase in the number of women looking for a job indicates that women who went out of the workforce during the pandemic period are returning.

In the same period, the number of male unemployed decreased by 21 thousand and fell to 598 thousand, and the male unemployment rate decreased by 1.0 percentage point to 17.9 percent. The 9.3 percentage points difference between the unemployment rates for young women and men in the third quarter increased to 9.9 percentage points in the fourth quarter. It is worrying that the gender gap of 4.1 percentage points (Figure 4) between female and male unemployment rates among the population over 15 years of age has increased to 9.9 percentage points for young females and males.

**Figure 6: Youth unemployment rates, SA (%)**



Source: Turkstat, Betam

## Unemployment based on educational attainment

Looking at the **unadjusted** data, it is seen that the overall unemployment rate at all education levels decreased compared to the previous quarter<sup>3</sup>. The unemployment rate of people in the "**less than high school**" education group decreased by 0.1 percentage points to 9.9 percent. The unemployment rates of "**high school**" and "**vocational high school**" groups decreased by 0.5 and 0.8 percentage points, respectively, to 13.0 and 11.7 percent (Table 5). At the higher education level, the unemployment rate decreased by 1.8 points to 11.9 percent.

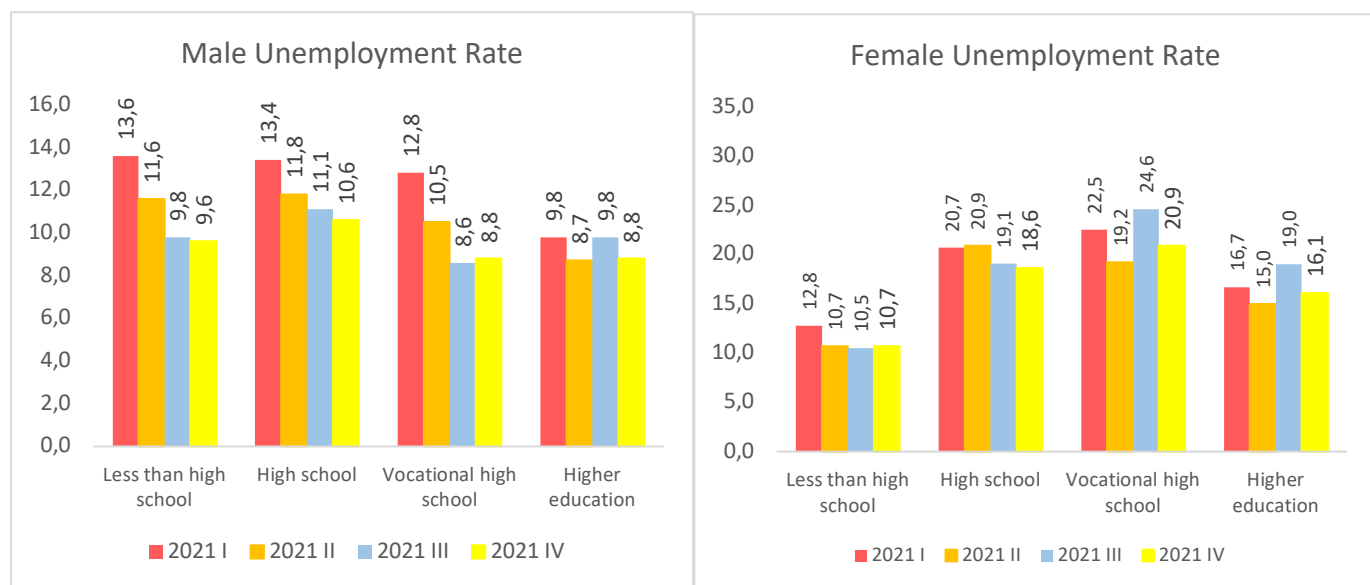
<sup>3</sup> It is not possible to seasonally adjust these series as TURKSTAT does not date back them to 2014.

In terms of education levels, it is observed that female unemployment rate increased sharply in "**vocational high school**" and "**higher education**" graduates in the third quarter of 2021 compared to the previous quarter (5.4 and 4.0 percentage points) and decreased in the fourth quarter (3.7 and 2.9). As a result of these developments, the unemployment rate of "**vocational high school**" group decreased from 24.6 percent to 20.9 percent, and from 19.0 percent to 16.1 percent in the "**higher education**" group. On the other hand, while the unemployment rate of "**less than high school**" graduate females increased by 0.2 percentage points quarter to quarter, the unemployment rate of "**high school**" graduate females decreased by 0.5 percentage points. The unemployment rates at these education levels are 10.7 percent and 18.6 percent, respectively.

There is a decrease in the unemployment rate of males in all education categories, except for "**vocational high school**". The unemployment rate of "**higher education**" graduate males decreased by 1.0 percentage point to 8.8 percent, making it the group with the highest decrease quarter-on-quarter (Table 5). The unemployment rate of "**high school**" graduate males decreased by 0.5 percentage points to 10.6 percent. In the "**less than high school**" group, the unemployment rate decreased to 9.6 percent with a limited decrease of 0.2 points. This rate increased from 8.6 percent to 8.8 percent in the "**vocational high school**" group, which is the only group with an increased unemployment rate.

Generally, the highest unemployment rate in terms of education levels is at the "**high school**" level (13.0 percent), followed by the higher education group (11.9 percent). The lowest unemployment rate is at "less than high school" (9.9%). The lowest male unemployment rate (8.8%) is seen in the "**vocational high school**" and "**higher education**" groups. The highest unemployment rate is in the "**high school**" (10.6%) group. In terms of education levels, the unemployment rates of females have a much wider range. The lowest unemployment rate (10.7 percent) belongs to the "**less than high school**" group, while the highest unemployment rate (20.9 percent) belongs to the "**vocational high school**" group. The unemployment rate is 18.6 percent in the "**high school**" group and 16.1 percent in the "**higher education**" group. It is noteworthy that the unemployment gap in gender breakdown is 12.1 points (more than twice) at the level of "**vocational high school**" and 7.3 points (close to double) at the level of "**higher education**".

**Figure 7: Unemployment rates by educational level, Unadjusted (%)**



Source: Turkstat, Betam

**Table 1: The number of employed, employed at work and average hourly work indicators, SA**

		Employed	Employed at work	Total weekly hours at work / Employed at work	Total weekly hours at work / Employed
2017	I	27388	26511	46,3	44,8
	II	27853	26889	46,1	44,5
	III	28346	27130	45,6	43,6
	IV	28650	27632	46,0	44,4
2018	I	28712	27748	45,5	44,0
	II	28755	27796	45,4	43,9
	III	28816	27275	45,2	42,8
	IV	28412	27198	45,0	43,1
2019	I	27985	26926	44,9	43,2
	II	28069	26367	45,1	42,3
	III	27955	26854	44,5	42,8
	IV	28169	27174	45,0	43,4
2020	I	27212	25539	44,3	41,6
	II	25809	20462	40,4	32,0
	III	26763	25262	43,1	40,7
	IV	27073	24839	43,7	40,1
2021	I	27839	26375	42,8	40,5
	II	28383	26238	43,1	39,8
	III	29187	27072	44,3	41,1
	IV	29927	28292	44,8	42,4

Source: Turkstat, Betam



**Table 2: Sectoral employment levels, Seasonally Adjusted (000)**

		Male						Female					
		Total	Nonfarm	Agriculture	Manufacturing	Construction	Services	Total	Nonfarm	Agriculture	Manufacturing	Construction	Services
2017	I	18870	15926	2944	3964	1944	10018	8517	6078	2439	1258	83	4737
	II	19310	16364	2948	4110	2003	10251	8543	6186	2357	1266	79	4841
	III	19611	16643	2968	4189	2085	10369	8735	6313	2422	1288	85	4940
	IV	19662	16678	2984	4163	2069	10446	8988	6471	2518	1326	84	5061
2018	I	19706	16730	2977	4235	2072	10423	9006	6599	2407	1367	94	5138
	II	19720	16767	2953	4279	1989	10499	9036	6656	2380	1368	90	5198
	III	19782	16861	2921	4418	1877	10566	9034	6706	2327	1365	82	5259
	IV	19419	16531	2887	4325	1747	10459	8994	6707	2285	1368	65	5274
2019	I	19027	16164	2863	4042	1603	10519	8958	6703	2255	1349	80	5274
	II	19105	16260	2845	4167	1520	10573	8964	6720	2244	1383	70	5267
	III	19043	16208	2835	4227	1441	10540	8912	6657	2255	1348	57	5252
	IV	19224	16380	2844	4435	1440	10505	8945	6684	2261	1334	65	5285
2020	I	18765	16049	2716	4247	1444	10358	8447	6585	1862	1331	60	5194
	II	17792	14928	2864	4036	1335	9557	8017	6122	1895	1280	79	4763
	III	18446	15563	2884	4109	1542	9912	8317	6367	1950	1319	73	4975
	IV	18687	15812	2876	4311	1572	9929	8386	6442	1944	1353	66	5023
2021	I	19256	16360	2896	4515	1633	10212	8582	6591	1991	1416	74	5101
	II	19590	16696	2893	4600	1691	10405	8793	6804	1989	1483	83	5238
	III	19963	17062	2902	4681	1688	10693	9224	7142	2083	1532	92	5518
	IV	20396	17475	2920	4862	1725	10888	9530	7398	2132	1597	90	5711

Source: Turkstat, Betam

**Table 3: Youth labor force indicators, Seasonally Adjusted**

		Youth				Youth Male				Youth Female			
		Employed (000)	Unemployed (000)	Youth employment rate	Youth unemployment rate	Employed (000)	Unemployed (000)	Youth employment rate, male	Youth unemployment rate, male	Employed (000)	Unemployed (000)	Youth employment rate, female	Youth unemployment rate,
2017	I	3999	1114	33,7	21,8	2670	635	44,5	19,2	1329	478	22,6	26,5
	II	4061	1082	34,2	21,0	2710	600	45,1	18,1	1352	483	23,1	26,3
	III	4105	1035	34,6	20,1	2751	571	45,6	17,2	1354	464	23,2	25,5
	IV	4183	968	35,2	18,8	2788	528	46,2	15,9	1395	440	23,9	24,0
2018	I	4181	939	35,3	18,3	2804	514	46,5	15,5	1378	425	23,7	23,6
	II	4189	987	35,5	19,1	2808	547	46,8	16,3	1381	440	23,8	24,2
	III	4208	1058	35,8	20,1	2820	605	47,3	17,7	1389	453	24,0	24,6
	IV	4038	1190	34,5	22,8	2703	689	45,5	20,3	1335	501	23,1	27,3
2019	I	3928	1291	33,6	24,7	2565	744	43,3	22,5	1363	546	23,6	28,6
	II	3945	1304	33,8	24,8	2581	748	43,6	22,5	1364	556	23,7	28,9
	III	3803	1325	32,6	25,8	2534	750	42,9	22,8	1269	574	22,1	31,1
	IV	3763	1248	32,3	24,9	2519	692	42,7	21,6	1244	555	21,7	30,9
2020	I	3605	1133	30,9	23,9	2389	673	40,4	22,0	1215	459	21,2	27,4
	II	3371	1129	28,8	25,1	2316	668	38,9	22,4	1055	461	18,4	30,4
	III	3443	1157	29,4	25,1	2339	677	39,1	22,4	1105	480	19,2	30,3
	IV	3488	1170	29,7	25,1	2368	695	39,3	22,7	1120	476	19,5	29,8
2021	I	3605	1184	30,5	24,7	2472	673	40,8	21,4	1134	511	19,7	31,1
	II	3819	1149	32,1	23,1	2581	659	42,4	20,3	1238	491	21,3	28,4
	III	3926	1120	32,7	22,2	2652	619	43,3	18,9	1275	501	21,7	28,2
	IV	4069	1106	33,7	21,4	2747	598	44,6	17,9	1322	508	22,3	27,8

Source: Turkstat, Betam

**Tablo 4: General female and male unemployment rates**

		<b>Total</b>	<b>Male</b>	<b>Female</b>
<b>2017</b>	<b>I</b>	11,9	10,7	14,4
	<b>II</b>	11,2	9,6	14,5
	<b>III</b>	10,5	8,9	13,9
	<b>IV</b>	10,1	8,7	13,0
<b>2018</b>	<b>I</b>	9,9	8,4	13,0
	<b>II</b>	10,5	9,1	13,5
	<b>III</b>	11,1	9,8	14,0
	<b>IV</b>	12,2	11,1	14,3
<b>2019</b>	<b>I</b>	13,7	12,4	16,4
	<b>II</b>	13,7	12,4	16,3
	<b>III</b>	14,0	12,8	16,5
	<b>IV</b>	13,4	12,0	16,2
<b>2020</b>	<b>I</b>	13,0	11,9	15,3
	<b>II</b>	13,3	12,7	14,5
	<b>III</b>	13,4	12,6	14,9
	<b>IV</b>	13,0	12,3	14,4
<b>2021</b>	<b>I</b>	12,9	11,8	15,4
	<b>II</b>	12,1	10,8	14,9
	<b>III</b>	11,7	10,4	14,3
	<b>IV</b>	11,2	9,9	14,0

Source: Turkstat, Betam

**Table 5: Unemployment Rates by Educational and Gender Breakdown**

TOTAL				
	Less than high school	High school	Vocational high school	Higher education
2021 I	13,4	15,6	14,9	12,7
2021 II	11,4	14,4	12,5	11,3
2021 III	10,0	13,5	12,5	13,7
2021 IV	9,9	13,0	11,7	11,9
MALE				
	Less than high school	High school	Vocational high school	Higher education
2021 I	13,6	13,4	12,8	9,8
2021 II	11,6	11,8	10,5	8,7
2021 III	9,8	11,1	8,6	9,8
2021 IV	9,6	10,6	8,8	8,8
FEMALE				
	Less than high school	High school	Vocational high school	Higher education
2021 I	12,8	20,7	22,5	16,7
2021 II	10,7	20,9	19,2	15,0
2021 III	10,5	19,1	24,6	19,0
2021 IV	10,7	18,6	20,9	16,1

Source: Turkstat, Betam