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**Labor Market Outlook:**

**July 2022**

**13 July 2022**

**THE STRONG RISE IN EMPLOYMENT CARRIES ON**

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**Executive Summary**

Since the number of employed persons increased by 358 thousand and the number of unemployed persons decreased by 56 thousand, the labor force rose by 302 thousand. As a result, the unemployment rate decreased 0.3 pp to 10.9% from April to May.

Seasonally adjusted female unemployment rate edged down by 0.5 pp MoM to 13.8% as the female employment rose by 173 thousand while the number of unemployed females decreased by 30 thousand. On the other hand, seasonally adjusted male unemployment rate declined by 0.2 pp to 9.5% following the increase in male employment by 186 thousand and the decline in the number of unemployed males by 27 thousand. Following these developments, the gender gap in the unemployment rates of females and males edged down to 4.3%.

# The rise in employment reached 800 thousand in the last two months

According to the monthly seasonally adjusted data, the number of employed persons rose by 358 thousand MoM to 30 million 839 thousand and the number of unemployed persons decreased by 56 thousand to 3 million 785 thousand. Therefore, the total labor force increased by 302 thousand to 34 million 624 thousand (Figure 1, Table 1). In the last two months, labor force and employment increased by 802 thousand and 796 thousand, respectively. The rise in labor force was in tandem with the increase in employment. From March to May, the unemployment rate declined by 0.3 pp to 10.9% while the number of unemployed persons did not change.

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" declined by 0.7 pp to 17.7% while “general unemployment rate” decreased by 0.3 pp to 10.9%. On the other hand, "the combined rate of time-related underemployment and unemployment" increased by 1.3 pp to 16% from April to May. In this period, the increase in the combined rate of time-related underemployment exceeded the rise in employment. “The composite measure of labor underutilization”, which combines the two previous alternative unemployment metrics, surged by 0.8 pp from 21.6% to 22.4% (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.

# New record in female employment

Figure 3 shows seasonally adjusted unemployment rate for males and for females. Female employment level, which rose by 347 thousand in April 2022, rose by 173 thousand in May 2022. On the other hand, the number of unemployed females decreased MoM by 30 thousand. In light of these developments, the female unemployment rate fell by 0.5 pp to 13.8%. The number of unemployed males dropped by 27 thousand while male employment increased by 186 thousand in May. Hence, the unemployment rate of males edged down from 9.7% to 9.5% (Table 3).

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

Source: Turkstat, Betam

Female employment rate, which rose by 1.1 pp and exceeded 30% for the first time in April 2022, reached a new record at 30.6% following the rise of 0.5 pp in May 2022. On the other hand, the male employment rate increased by 0.5 pp to 65.3% (Figure 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 |
| May-19 | 32,666 | 28,185 | 4,481 | 13.7% | Labor Force | Employment | Unemployment |
| June-19 | 32,576 | 28,106 | 4,470 | 13.7% | -90 | -79 | -11 |
| July-19 | 32,530 | 28,019 | 4,511 | 13.9% | -46 | -87 | 41 |
| August-19 | 32,437 | 27,896 | 4,541 | 14.0% | -93 | -123 | 30 |
| September-19 | 32,489 | 27,922 | 4,567 | 14.1% | 52 | 26 | 26 |
| October-19 | 32,445 | 28,074 | 4,371 | 13.5% | -44 | 152 | -196 |
| November-19 | 32,593 | 28,274 | 4,319 | 13.3% | 148 | 200 | -52 |
| December-19 | 32,595 | 28,216 | 4,379 | 13.4% | 2 | -58 | 60 |
| January-20 | 31,788 | 27,609 | 4,179 | 13.1% | -807 | -607 | -200 |
| February-20 | 31,612 | 27,618 | 3,995 | 12.6% | -176 | 9 | -184 |
| March-20 | 30,397 | 26,468 | 3,929 | 12.9% | -1,215 | -1,150 | -66 |
| April-20 | 29,285 | 25,329 | 3,956 | 13.5% | -1,112 | -1,139 | 27 |
| May-20 | 29,808 | 25,800 | 4,009 | 13.4% | 523 | 471 | 53 |
| June-20 | 30,553 | 26,475 | 4,077 | 13.3% | 745 | 675 | 68 |
| July-20 | 30,507 | 26,201 | 4,306 | 14.1% | -46 | -274 | 229 |
| August-20 | 30,851 | 26,922 | 3,929 | 12.7% | 344 | 721 | -377 |
| September-20 | 31,015 | 27,091 | 3,924 | 12.7% | 164 | 169 | -5 |
| October-20 | 31,124 | 27,045 | 4,079 | 13.1% | 109 | -46 | 155 |
| November-20 | 31,285 | 27,198 | 4,087 | 13.1% | 161 | 153 | 8 |
| December-20 | 31,040 | 27,037 | 4,003 | 12.9% | -245 | -161 | -84 |
| January-21 | 31,488 | 27,485 | 4,002 | 12.7% | 448 | 448 | -1 |
| February-21 | 31,831 | 27,590 | 4,241 | 13.3% | 343 | 105 | 239 |
| March-21 | 32,477 | 28,284 | 4,193 | 12.9% | 646 | 694 | -48 |
| April-21 | 32,662 | 28,203 | 4,459 | 13.7% | 185 | -81 | 266 |
| May-21 | 32,415 | 28,122 | 4,293 | 13.2% | -247 | -81 | -166 |
| June-21 | 32,208 | 28,781 | 3,427 | 10.6% | -207 | 659 | -866 |
| July-21 | 32,577 | 28,898 | 3,679 | 11.3% | 369 | 117 | 252 |
| August-21 | 32,775 | 28,980 | 3,795 | 11.6% | 198 | 82 | 116 |
| September-21 | 33,189 | 29,418 | 3,771 | 11.4% | 414 | 438 | -24 |
| October-21 | 33,293 | 29,577 | 3,716 | 11.2% | 104 | 159 | -55 |
| November-21 | 33,520 | 29,749 | 3,771 | 11.3% | 227 | 172 | 55 |
| December-21 | 33,799 | 29,993 | 3,806 | 11.3% | 279 | 244 | 35 |
| January-22 | 33,741 | 29,917 | 3,824 | 11.3% | -58 | -76 | 18 |
| February-22 | 33,656 | 30,002 | 3,654 | 10.9% | -85 | 85 | -170 |
| March-22 | 33,822 | 30,043 | 3,779 | 11.2% | 166 | 41 | 125 |
| April-22 | 34,322 | 30,481 | 3,841 | 11.2% | 500 | 438 | 62 |
| May-22 | 34,624 | 30,839 | 3,785 | 10.9% | 302 | 358 | -56 |

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 |
| May-19 | 13.7 | 4481 | 14.5 | 256 | 17.8 | 1622 | 18.6 | 6359 |
| Jun-19 | 13.7 | 4470 | 14.7 | 319 | 18.2 | 1783 | 19.1 | 6572 |
| Jul-19 | 13.9 | 4511 | 14.9 | 336 | 18.3 | 1765 | 19.3 | 6612 |
| Aug-19 | 14.0 | 4541 | 14.8 | 260 | 18.4 | 1749 | 19.2 | 6550 |
| Sep-19 | 14.1 | 4567 | 15.2 | 371 | 17.9 | 1521 | 18.9 | 6459 |
| Oct-19 | 13.5 | 4371 | 14.4 | 301 | 17.9 | 1750 | 18.7 | 6422 |
| Nov-19 | 13.3 | 4319 | 14.3 | 342 | 17.4 | 1637 | 18.4 | 6298 |
| Dec-19 | 13.4 | 4379 | 14.6 | 380 | 17.6 | 1648 | 18.7 | 6407 |
| Jan-20 | 13.1 | 4179 | 15.8 | 844 | 19.1 | 2339 | 21.6 | 7362 |
| Feb-20 | 12.6 | 3995 | 15.0 | 747 | 18.6 | 2316 | 20.8 | 7057 |
| Mar-20 | 12.9 | 3929 | 15.9 | 904 | 20.3 | 2813 | 23.1 | 7646 |
| Apr-20 | 13.5 | 3956 | 18.3 | 1403 | 23.4 | 3782 | 27.7 | 9141 |
| May-20 | 13.4 | 4009 | 19.2 | 1714 | 24.2 | 4228 | 29.2 | 9951 |
| Jun-20 | 13.3 | 4077 | 17.1 | 1148 | 22.4 | 3566 | 25.8 | 8790 |
| Jul-20 | 14.1 | 4306 | 18.2 | 1246 | 22.4 | 3257 | 26.1 | 8809 |
| Aug-20 | 12.7 | 3929 | 16.7 | 1223 | 21.3 | 3357 | 24.9 | 8510 |
| Sep-20 | 12.7 | 3924 | 15.9 | 1007 | 21.2 | 3364 | 24.2 | 8296 |
| Oct-20 | 13.1 | 4079 | 17.4 | 1337 | 21.9 | 3505 | 25.7 | 8920 |
| Nov-20 | 13.1 | 4087 | 17.1 | 1263 | 23.0 | 4037 | 26.6 | 9387 |
| Dec-20 | 12.9 | 4003 | 18.0 | 1584 | 24.1 | 4582 | 28.6 | 10169 |
| Jan-21 | 12.7 | 4002 | 20.2 | 2359 | 23.0 | 4208 | 29.6 | 10569 |
| Feb-21 | 13.3 | 4241 | 19.8 | 2062 | 22.4 | 3723 | 28.2 | 10026 |
| Mar-21 | 12.9 | 4193 | 18.0 | 1653 | 21.0 | 3326 | 25.6 | 9171 |
| Apr-21 | 13.7 | 4459 | 19.7 | 1975 | 21.7 | 3357 | 27.2 | 9792 |
| May-21 | 13.2 | 4293 | 19.3 | 1963 | 21.7 | 3501 | 27.1 | 9757 |
| Jun-21 | 10.6 | 3427 | 14.6 | 1275 | 18.8 | 3237 | 22.3 | 7939 |
| Jul-21 | 11.3 | 3679 | 15.7 | 1436 | 19.1 | 3144 | 23.0 | 8258 |
| Aug-21 | 11.6 | 3795 | 14.7 | 1023 | 18.6 | 2827 | 21.5 | 7645 |
| Sep-21 | 11.4 | 3771 | 15.0 | 1207 | 18.4 | 2862 | 21.8 | 7841 |
| Oct-21 | 11.2 | 3716 | 15.6 | 1478 | 18.7 | 3087 | 22.8 | 8281 |
| Nov-21 | 11.2 | 3771 | 15.4 | 1391 | 18.3 | 2892 | 22.1 | 8055 |
| Dec-21 | 11.3 | 3806 | 15.5 | 1433 | 18.8 | 3138 | 22.7 | 8377 |
| Jan-22 | 11.3 | 3824 | 15.6 | 1440 | 18.9 | 3148 | 22.8 | 8412 |
| Feb-22 | 10.9 | 3654 | 14.9 | 1361 | 18.2 | 3021 | 22.0 | 8036 |
| Mar-22 | 11.2 | 3779 | 15.4 | 1430 | 18.5 | 3041 | 22.4 | 8249 |
| Apr-22 | 11.2 | 3841 | 14.7 | 1204 | 18.4 | 3032 | 21.6 | 8078 |
| May-22 | 10.9 | 3785 | 16.0 | 1755 | 17.7 | 2847 | 22.4 | 8387 |

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 |
| May-19 | 10,744 | 8,954 | 1,790 | 21,922 | 19,231 | 2,691 | 34.6 | 28.9 | 72.3 | 63.4 |
| Jun-19 | 10,645 | 8,916 | 1,729 | 21,930 | 19,190 | 2,740 | 34.3 | 28.7 | 72.3 | 63.2 |
| Jul-19 | 10,676 | 8,942 | 1,734 | 21,854 | 19,077 | 2,777 | 34.3 | 28.7 | 71.9 | 62.8 |
| Aug-19 | 10,606 | 8,871 | 1,735 | 21,831 | 19,025 | 2,806 | 34.0 | 28.5 | 71.7 | 62.5 |
| Sep-19 | 10,683 | 8,914 | 1,770 | 21,805 | 19,008 | 2,797 | 34.2 | 28.6 | 71.6 | 62.4 |
| Oct-19 | 10,676 | 8,983 | 1,693 | 21,769 | 19,091 | 2,678 | 34.2 | 28.8 | 71.3 | 62.6 |
| Nov-19 | 10,734 | 8,982 | 1,751 | 21,859 | 19,292 | 2,567 | 34.3 | 28.7 | 71.5 | 63.1 |
| Dec-19 | 10,651 | 8,915 | 1,736 | 21,943 | 19,301 | 2,643 | 34.0 | 28.5 | 71.7 | 63.1 |
| Jan-20 | 10,341 | 8,685 | 1,656 | 21,447 | 18,924 | 2,523 | 33.0 | 27.7 | 70.0 | 61.8 |
| Feb-20 | 10,166 | 8,689 | 1,477 | 21,446 | 18,928 | 2,518 | 32.4 | 27.7 | 69.9 | 61.7 |
| Mar-20 | 9,457 | 8,062 | 1,395 | 20,940 | 18,406 | 2,534 | 30.1 | 25.6 | 68.1 | 59.9 |
| Apr-20 | 9,195 | 7,891 | 1,305 | 20,089 | 17,438 | 2,651 | 29.2 | 25.0 | 65.2 | 56.6 |
| May-20 | 9,310 | 7,961 | 1,349 | 20,498 | 17,838 | 2,660 | 29.5 | 25.2 | 66.4 | 57.8 |
| Jun-20 | 9,664 | 8,159 | 1,505 | 20,888 | 18,316 | 2,572 | 30.6 | 25.8 | 67.5 | 59.2 |
| Jul-20 | 9,761 | 8,244 | 1,517 | 20,745 | 17,956 | 2,789 | 30.8 | 26.1 | 67.0 | 58.0 |
| Aug-20 | 9,789 | 8,356 | 1,434 | 21,061 | 18,566 | 2,495 | 30.9 | 26.4 | 67.9 | 59.8 |
| Sep-20 | 9,723 | 8,319 | 1,405 | 21,292 | 18,772 | 2,519 | 30.6 | 26.2 | 68.5 | 60.4 |
| Oct-20 | 9,759 | 8,300 | 1,459 | 21,365 | 18,745 | 2,620 | 30.7 | 26.1 | 68.6 | 60.2 |
| Nov-20 | 9,758 | 8,358 | 1,399 | 21,528 | 18,840 | 2,688 | 30.7 | 26.3 | 69.0 | 60.4 |
| Dec-20 | 9,839 | 8,451 | 1,387 | 21,201 | 18,585 | 2,616 | 30.9 | 26.5 | 67.8 | 59.4 |
| Jan-21 | 9,996 | 8,543 | 1,453 | 21,492 | 18,942 | 2,550 | 31.3 | 26.8 | 68.6 | 60.5 |
| Feb-21 | 10,230 | 8,656 | 1,574 | 21,601 | 18,934 | 2,667 | 32.0 | 27.1 | 68.9 | 60.4 |
| Mar-21 | 10,260 | 8,627 | 1,633 | 22,218 | 19,657 | 2,560 | 32.1 | 27.0 | 70.8 | 62.6 |
| Apr-21 | 10,471 | 8,830 | 1,641 | 22,191 | 19,373 | 2,818 | 32.7 | 27.5 | 70.6 | 61.6 |
| May-21 | 10,219 | 8,639 | 1,580 | 22,196 | 19,483 | 2,713 | 31.8 | 26.9 | 70.5 | 61.9 |
| Jun-21 | 10,364 | 8,898 | 1,465 | 21,844 | 19,883 | 1,961 | 32.2 | 27.7 | 69.3 | 63.1 |
| Jul-21 | 10,798 | 9,293 | 1,505 | 21,779 | 19,605 | 2,174 | 33.5 | 28.9 | 69.0 | 62.1 |
| Aug-21 | 10,622 | 9,068 | 1,554 | 22,153 | 19,912 | 2,241 | 32.9 | 28.1 | 70.1 | 63.0 |
| Sep-21 | 10,779 | 9,232 | 1,547 | 22,410 | 20,186 | 2,224 | 33.4 | 28.6 | 70.8 | 63.8 |
| Oct-21 | 10,892 | 9,369 | 1,523 | 22,401 | 20,208 | 2,193 | 33.7 | 29.0 | 70.7 | 63.8 |
| Nov-21 | 11,010 | 9,425 | 1,585 | 22,510 | 20,324 | 2,186 | 34.0 | 29.1 | 71.0 | 64.1 |
| Dec-21 | 11,123 | 9,564 | 1,559 | 22,677 | 20,429 | 2,247 | 34.3 | 29.5 | 71.4 | 64.3 |
| Jan-22 | 11,153 | 9,618 | 1,535 | 22,588 | 20,299 | 2,289 | 34.4 | 29.6 | 71.1 | 63.9 |
| Feb-22 | 11,137 | 9,626 | 1,511 | 22,519 | 20,376 | 2,143 | 34.3 | 29.6 | 70.8 | 64.0 |
| Mar-22 | 10,983 | 9,445 | 1,538 | 22,839 | 20,598 | 2,241 | 33.8 | 29.0 | 71.7 | 64.6 |
| Apr-22 | 11,420 | 9,792 | 1,628 | 22,902 | 20,689 | 2,212 | 35.1 | 30.1 | 71.8 | 64.8 |
| May-22 | 11,563 | 9,965 | 1,598 | 23,061 | 20,875 | 2,187 | 35.5 | 30.6 | 72.2 | 65.3 |

Source: Turkstat, Betam

**Box 1 : Definitions of alternative unemployment rates[[4]](#footnote-4)**

**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 =**

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

**3) Combined rate of unemployment and potential labor force =**

 [(persons in unemployment + potential labor force)/ (labor force+ potential labor force)] x 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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