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**Labor Market Outlook:**

**August 2022**

**10 August 2022**

**THE THREE-MONTH RISE IN BOTH LABOR FORCE AND EMPLOYMENT HALTS**

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**Executive Summary**

Since the number of employed persons decreased by 46 thousand and the number of unemployed persons decreased by 136 thousand, the labor force fell by 182 thousand from May to June. As a result, the unemployment rate decreased by 0.3 pp to 10.3%.

Seasonally adjusted female unemployment rate stayed at 13.8% as the female employment rose by 19 thousand while the number of unemployed females increased by 10 thousand. On the other hand, seasonally adjusted male unemployment rate declined by 0.6 pp to 8.5% following the decrease in male employment by 65 thousand and the decline in the number of unemployed males by 146 thousand. Following these developments, the gender gap in the unemployment rates of females and males edged up to 5.3%.

# Employment and labor force retract

According to the monthly seasonally adjusted data, the number of employed persons fell by 46 thousand MoM to 30 million 866 thousand and the number of unemployed persons decreased by 136 thousand to 3 million 541 thousand. Therefore, the total labor force decreased by 182 thousand to 34 million 407 thousand (Figure 1, Table 1). As a result, the rise in employment which was ongoing in the last three months halted. From May to June, the unemployment rate fell by 0.3 pp to 10.3% while the number of unemployed persons declined by 136 thousand. We would like to note that the unemployment rate in May was revised down from 10.9% to 10.6%.

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 0.3 pp to 17.1% while “general unemployment rate” decreased by 0.3 pp to 10.3%. On the other hand, "the combined rate of time-related underemployment and unemployment", which increased from 14.4% to 15.7% from April to May, decreased by 1.8 pp to 13.9% from May to June. In this period, the decrease in the combined rate of time-related underemployment exceeded the fall in employment. “The composite measure of labor underutilization”, which combines the two previous alternative unemployment metrics, declined by 1.7 pp from 22.1% to 20.4% (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. Betam analyzes the sectorial employment developments in its quarterly notes.

# Decent rise in female employment, sharp fall in male labor force and employment

Figure 3 shows seasonally adjusted unemployment rate for males and for females. Female employment level, which rose by 552 thousand in the last two months, rose decently by 19 thousand in June 2022. On the other hand, the number of unemployed females increased MoM by 10 thousand. In light of these developments, the female unemployment rate stayed at 13.8%. The number of unemployed males dropped by 146 thousand while male employment decreased by 65 thousand in June. As the fall in male labor force exceeded the decline in male employment, the male unemployment rate retracted from 9.1% to 8.5% (Table 3). The gender gap in unemployment rates, which was 4.7 pp in May, edged up to 5.3% in June. The wedge attained its highest value in the last three years.

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

Source: Turkstat, Betam

Female employment rate, which attained its maximum value following the cumulative increase of 1.7 pp in April and May, stayed at 30.6% even though there is a decent increase in June 2022. On the other hand, the male employment rate decreased by 0.3 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 |
| June-19 | 32582 | 28107 | 4476 | 13,7% | Labor Force | Employment | Unemployment |
| July-19 | 32523 | 28013 | 4510 | 13,9% | -59 | -94 | 34 |
| August-19 | 32442 | 27901 | 4542 | 14,0% | -81 | -112 | 32 |
| September-19 | 32487 | 27919 | 4568 | 14,1% | 45 | 18 | 26 |
| October-19 | 32442 | 28072 | 4370 | 13,5% | -45 | 153 | -198 |
| November-19 | 32592 | 28276 | 4317 | 13,2% | 150 | 204 | -53 |
| December-19 | 32592 | 28221 | 4371 | 13,4% | 0 | -55 | 54 |
| January-20 | 31776 | 27600 | 4176 | 13,1% | -816 | -621 | -195 |
| February-20 | 31607 | 27616 | 3991 | 12,6% | -169 | 16 | -185 |
| March-20 | 30395 | 26472 | 3924 | 12,9% | -1212 | -1144 | -67 |
| April-20 | 29270 | 25326 | 3944 | 13,5% | -1125 | -1146 | 20 |
| May-20 | 29802 | 25808 | 3994 | 13,4% | 532 | 482 | 50 |
| June-20 | 30587 | 26471 | 4116 | 13,5% | 785 | 663 | 122 |
| July-20 | 30530 | 26203 | 4327 | 14,2% | -57 | -268 | 211 |
| August-20 | 30856 | 26912 | 3944 | 12,8% | 326 | 709 | -383 |
| September-20 | 31027 | 27096 | 3931 | 12,7% | 171 | 184 | -13 |
| October-20 | 31129 | 27051 | 4079 | 13,1% | 102 | -45 | 148 |
| November-20 | 31270 | 27190 | 4080 | 13,0% | 141 | 139 | 1 |
| December-20 | 31018 | 27033 | 3985 | 12,8% | -252 | -157 | -95 |
| January-21 | 31482 | 27501 | 3980 | 12,6% | 464 | 468 | -5 |
| February-21 | 31793 | 27581 | 4211 | 13,2% | 311 | 80 | 231 |
| March-21 | 32449 | 28293 | 4156 | 12,8% | 656 | 712 | -55 |
| April-21 | 32604 | 28206 | 4398 | 13,5% | 155 | -87 | 242 |
| May-21 | 32370 | 28143 | 4227 | 13,1% | -234 | -63 | -171 |
| June-21 | 32274 | 28763 | 3511 | 10,9% | -96 | 620 | -716 |
| July-21 | 32633 | 28883 | 3751 | 11,5% | 359 | 120 | 240 |
| August-21 | 32826 | 28978 | 3847 | 11,7% | 193 | 95 | 96 |
| September-21 | 33205 | 29403 | 3802 | 11,5% | 379 | 425 | -45 |
| October-21 | 33299 | 29571 | 3728 | 11,2% | 94 | 168 | -74 |
| November-21 | 33519 | 29753 | 3766 | 11,2% | 220 | 182 | 38 |
| December-21 | 33786 | 30004 | 3783 | 11,2% | 267 | 251 | 17 |
| January-22 | 33713 | 29929 | 3784 | 11,2% | -73 | -75 | 1 |
| February-22 | 33644 | 30043 | 3601 | 10,7% | -69 | 114 | -183 |
| March-22 | 33763 | 30057 | 3706 | 11,0% | 119 | 14 | 105 |
| April-22 | 34291 | 30548 | 3743 | 10,9% | 528 | 491 | 37 |
| May-22 | 34589 | 30912 | 3677 | 10,6% | 298 | 364 | -66 |
| June-22 | 34407 | 30866 | 3541 | 10,3% | -182 | -46 | -136 |

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 |
| Jun-19 | 13,7 | 4476 | 14,7 | 314 | 18,2 | 1777 | 19,1 | 6567 |
| Jul-19 | 13,9 | 4510 | 14,9 | 336 | 18,3 | 1765 | 19,3 | 6611 |
| Aug-19 | 14,0 | 4542 | 14,8 | 259 | 18,4 | 1749 | 19,2 | 6551 |
| Sep-19 | 14,1 | 4568 | 15,2 | 370 | 17,9 | 1519 | 18,9 | 6457 |
| Oct-19 | 13,5 | 4370 | 14,4 | 302 | 17,9 | 1750 | 18,7 | 6422 |
| Nov-19 | 13,2 | 4317 | 14,3 | 344 | 17,4 | 1639 | 18,4 | 6300 |
| Dec-19 | 13,4 | 4371 | 14,6 | 387 | 17,6 | 1657 | 18,7 | 6415 |
| Jan-20 | 13,1 | 4176 | 15,7 | 813 | 19,1 | 2340 | 21,6 | 7329 |
| Feb-20 | 12,6 | 3991 | 14,9 | 718 | 18,6 | 2319 | 20,8 | 7029 |
| Mar-20 | 12,9 | 3924 | 15,9 | 909 | 20,3 | 2818 | 23,1 | 7651 |
| Apr-20 | 13,5 | 3944 | 18,3 | 1412 | 23,4 | 3793 | 27,7 | 9149 |
| May-20 | 13,4 | 3994 | 19,1 | 1698 | 24,2 | 4245 | 29,2 | 9938 |
| Jun-20 | 13,5 | 4116 | 17,2 | 1145 | 22,5 | 3569 | 25,9 | 8830 |
| Jul-20 | 14,2 | 4327 | 18,2 | 1229 | 22,4 | 3237 | 26,1 | 8793 |
| Aug-20 | 12,8 | 3944 | 16,8 | 1240 | 21,4 | 3383 | 25,0 | 8567 |
| Sep-20 | 12,7 | 3931 | 15,9 | 1002 | 21,2 | 3359 | 24,2 | 8292 |
| Oct-20 | 13,1 | 4079 | 17,4 | 1337 | 21,9 | 3506 | 25,7 | 8923 |
| Nov-20 | 13,0 | 4080 | 17,0 | 1236 | 23,0 | 4042 | 26,5 | 9358 |
| Dec-20 | 12,8 | 3985 | 18,0 | 1598 | 24,0 | 4552 | 28,5 | 10135 |
| Jan-21 | 12,6 | 3980 | 20,1 | 2348 | 22,9 | 4189 | 29,5 | 10516 |
| Feb-21 | 13,2 | 4211 | 19,7 | 2052 | 22,4 | 3751 | 28,1 | 10014 |
| Mar-21 | 12,8 | 4156 | 17,9 | 1652 | 20,9 | 3320 | 25,5 | 9128 |
| Apr-21 | 13,5 | 4398 | 19,6 | 1992 | 21,6 | 3373 | 27,1 | 9763 |
| May-21 | 13,1 | 4227 | 19,1 | 1956 | 21,5 | 3481 | 27,0 | 9664 |
| Jun-21 | 10,9 | 3511 | 14,8 | 1266 | 19,0 | 3236 | 22,5 | 8012 |
| Jul-21 | 11,5 | 3751 | 15,9 | 1438 | 19,2 | 3112 | 23,2 | 8301 |
| Aug-21 | 11,7 | 3847 | 14,8 | 1011 | 18,7 | 2819 | 21,6 | 7677 |
| Sep-21 | 11,4 | 3802 | 15,1 | 1212 | 18,5 | 2872 | 21,9 | 7886 |
| Oct-21 | 11,2 | 3728 | 15,7 | 1500 | 18,7 | 3074 | 22,8 | 8302 |
| Nov-21 | 11,2 | 3766 | 15,4 | 1396 | 18,3 | 2898 | 22,1 | 8060 |
| Dec-21 | 11,2 | 3783 | 15,4 | 1420 | 18,8 | 3164 | 22,6 | 8367 |
| Jan-22 | 11,2 | 3784 | 15,5 | 1442 | 18,8 | 3145 | 22,7 | 8371 |
| Feb-22 | 10,7 | 3601 | 14,8 | 1378 | 18,1 | 3039 | 21,8 | 8018 |
| Mar-22 | 11,0 | 3706 | 15,2 | 1426 | 18,3 | 3026 | 22,2 | 8158 |
| Apr-22 | 10,9 | 3743 | 14,4 | 1195 | 18,2 | 3054 | 21,4 | 7992 |
| May-22 | 10,6 | 3677 | 15,7 | 1753 | 17,4 | 2835 | 22,1 | 8265 |
| Jun-22 | 10,3 | 3541 | 13,9 | 1242 | 17,1 | 2826 | 20,4 | 7608 |

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 |
| Jun-19 | 10649 | 8917 | 1731 | 21934 | 19190 | 2744 | 34,3 | 28,7 | 72,3 | 63,2 |
| Jul-19 | 10673 | 8937 | 1736 | 21850 | 19076 | 2774 | 34,3 | 28,7 | 71,9 | 62,8 |
| Aug-19 | 10613 | 8877 | 1736 | 21830 | 19023 | 2806 | 34,1 | 28,5 | 71,7 | 62,5 |
| Sep-19 | 10683 | 8913 | 1771 | 21803 | 19006 | 2797 | 34,2 | 28,6 | 71,6 | 62,4 |
| Oct-19 | 10673 | 8981 | 1692 | 21769 | 19092 | 2678 | 34,2 | 28,7 | 71,3 | 62,6 |
| Nov-19 | 10733 | 8982 | 1751 | 21859 | 19293 | 2566 | 34,3 | 28,7 | 71,5 | 63,1 |
| Dec-19 | 10655 | 8920 | 1735 | 21936 | 19301 | 2636 | 34,0 | 28,5 | 71,7 | 63,1 |
| Jan-20 | 10333 | 8677 | 1656 | 21443 | 18923 | 2520 | 32,9 | 27,7 | 70,0 | 61,8 |
| Feb-20 | 10166 | 8689 | 1476 | 21441 | 18926 | 2515 | 32,4 | 27,7 | 69,8 | 61,7 |
| Mar-20 | 9464 | 8070 | 1394 | 20932 | 18402 | 2530 | 30,1 | 25,6 | 68,1 | 59,8 |
| Apr-20 | 9188 | 7886 | 1302 | 20082 | 17441 | 2641 | 29,2 | 25,0 | 65,2 | 56,6 |
| May-20 | 9314 | 7967 | 1347 | 20488 | 17841 | 2647 | 29,5 | 25,2 | 66,4 | 57,8 |
| Jun-20 | 9666 | 8158 | 1509 | 20921 | 18313 | 2608 | 30,6 | 25,8 | 67,6 | 59,2 |
| Jul-20 | 9767 | 8246 | 1520 | 20763 | 17956 | 2807 | 30,9 | 26,1 | 67,0 | 58,0 |
| Aug-20 | 9783 | 8348 | 1435 | 21073 | 18564 | 2509 | 30,9 | 26,3 | 67,9 | 59,8 |
| Sep-20 | 9727 | 8321 | 1406 | 21301 | 18775 | 2525 | 30,6 | 26,2 | 68,5 | 60,4 |
| Oct-20 | 9766 | 8307 | 1459 | 21363 | 18743 | 2620 | 30,7 | 26,1 | 68,6 | 60,2 |
| Nov-20 | 9750 | 8351 | 1399 | 21520 | 18838 | 2681 | 30,6 | 26,2 | 68,9 | 60,4 |
| Dec-20 | 9837 | 8451 | 1386 | 21181 | 18582 | 2599 | 30,9 | 26,5 | 67,7 | 59,4 |
| Jan-21 | 10009 | 8558 | 1451 | 21473 | 18944 | 2529 | 31,4 | 26,8 | 68,6 | 60,5 |
| Feb-21 | 10218 | 8646 | 1571 | 21575 | 18935 | 2640 | 32,0 | 27,0 | 68,8 | 60,4 |
| Mar-21 | 10261 | 8630 | 1630 | 22188 | 19662 | 2526 | 32,1 | 27,0 | 70,7 | 62,6 |
| Apr-21 | 10466 | 8828 | 1637 | 22138 | 19377 | 2761 | 32,7 | 27,5 | 70,4 | 61,6 |
| May-21 | 10233 | 8658 | 1575 | 22137 | 19485 | 2652 | 31,9 | 27,0 | 70,3 | 61,9 |
| Jun-21 | 10375 | 8903 | 1472 | 21899 | 19860 | 2039 | 32,3 | 27,7 | 69,5 | 63,0 |
| Jul-21 | 10801 | 9290 | 1511 | 21832 | 19592 | 2240 | 33,6 | 28,9 | 69,2 | 62,1 |
| Aug-21 | 10623 | 9066 | 1558 | 22202 | 19913 | 2289 | 33,0 | 28,1 | 70,3 | 63,0 |
| Sep-21 | 10771 | 9222 | 1549 | 22434 | 20182 | 2253 | 33,4 | 28,6 | 70,9 | 63,8 |
| Oct-21 | 10877 | 9353 | 1523 | 22422 | 20217 | 2205 | 33,6 | 28,9 | 70,8 | 63,8 |
| Nov-21 | 11005 | 9421 | 1584 | 22514 | 20332 | 2182 | 34,0 | 29,1 | 71,0 | 64,1 |
| Dec-21 | 11097 | 9541 | 1556 | 22689 | 20462 | 2227 | 34,2 | 29,4 | 71,5 | 64,5 |
| Jan-22 | 11129 | 9597 | 1532 | 22584 | 20332 | 2252 | 34,3 | 29,6 | 71,0 | 64,0 |
| Feb-22 | 11124 | 9617 | 1507 | 22520 | 20426 | 2094 | 34,2 | 29,6 | 70,8 | 64,2 |
| Mar-22 | 10951 | 9417 | 1534 | 22812 | 20640 | 2173 | 33,7 | 28,9 | 71,6 | 64,8 |
| Apr-22 | 11415 | 9792 | 1623 | 22876 | 20756 | 2121 | 35,0 | 30,1 | 71,7 | 65,1 |
| May-22 | 11560 | 9969 | 1591 | 23029 | 20943 | 2086 | 35,4 | 30,6 | 72,1 | 65,6 |
| Jun-22 | 11588 | 9988 | 1601 | 22818 | 20878 | 1940 | 35,5 | 30,6 | 71,3 | 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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4. 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> [↑](#footnote-ref-4)