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
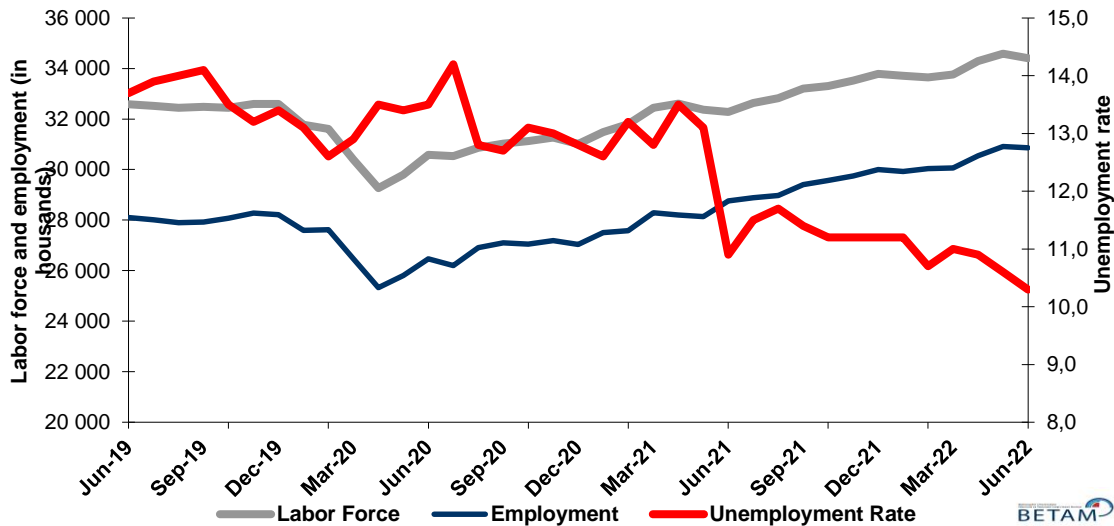
Source: Turkstat, Betam

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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" 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
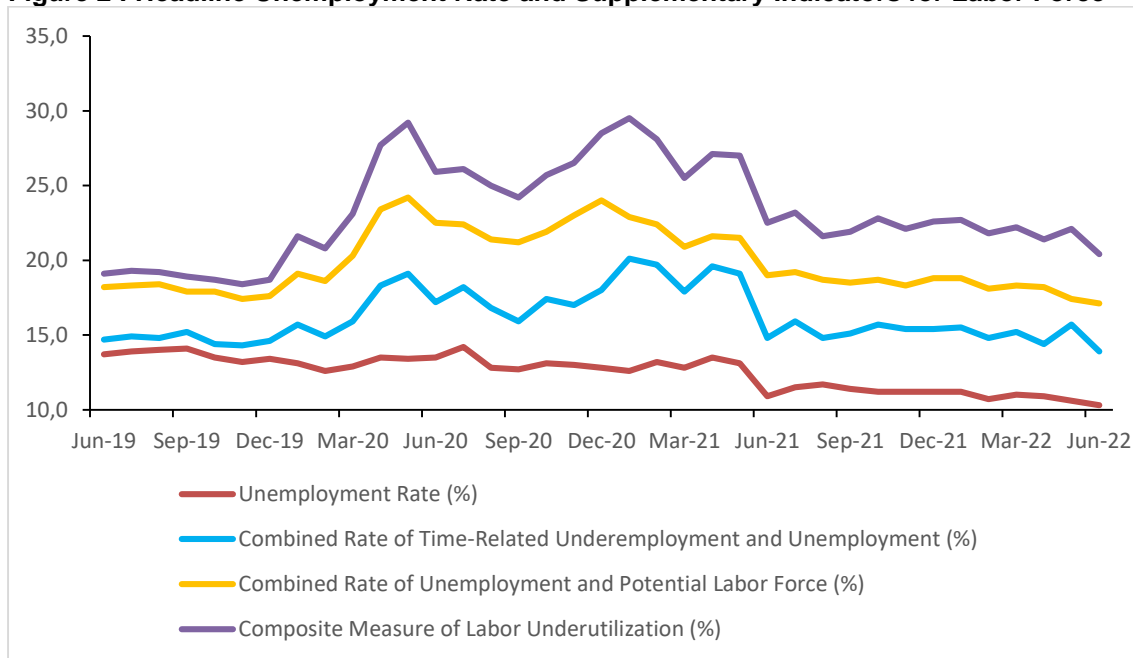
Source: Turkstat, Betam

## 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 (%)
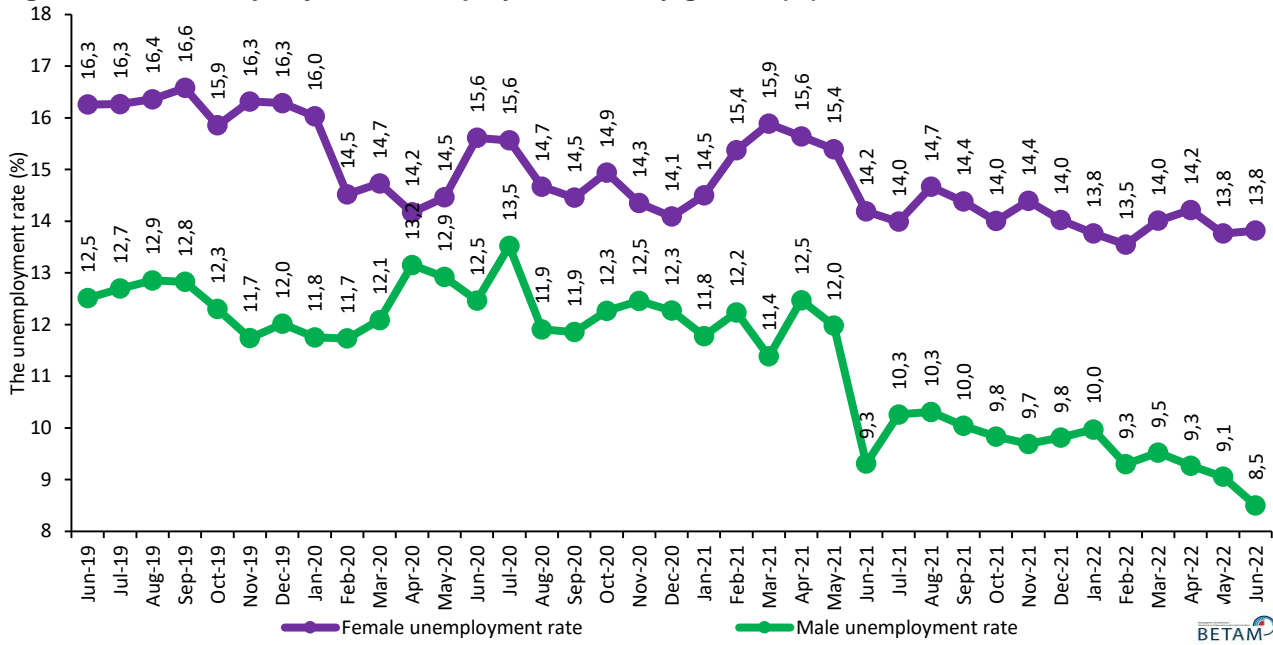
Source: Turkstat, Betam

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 (%)
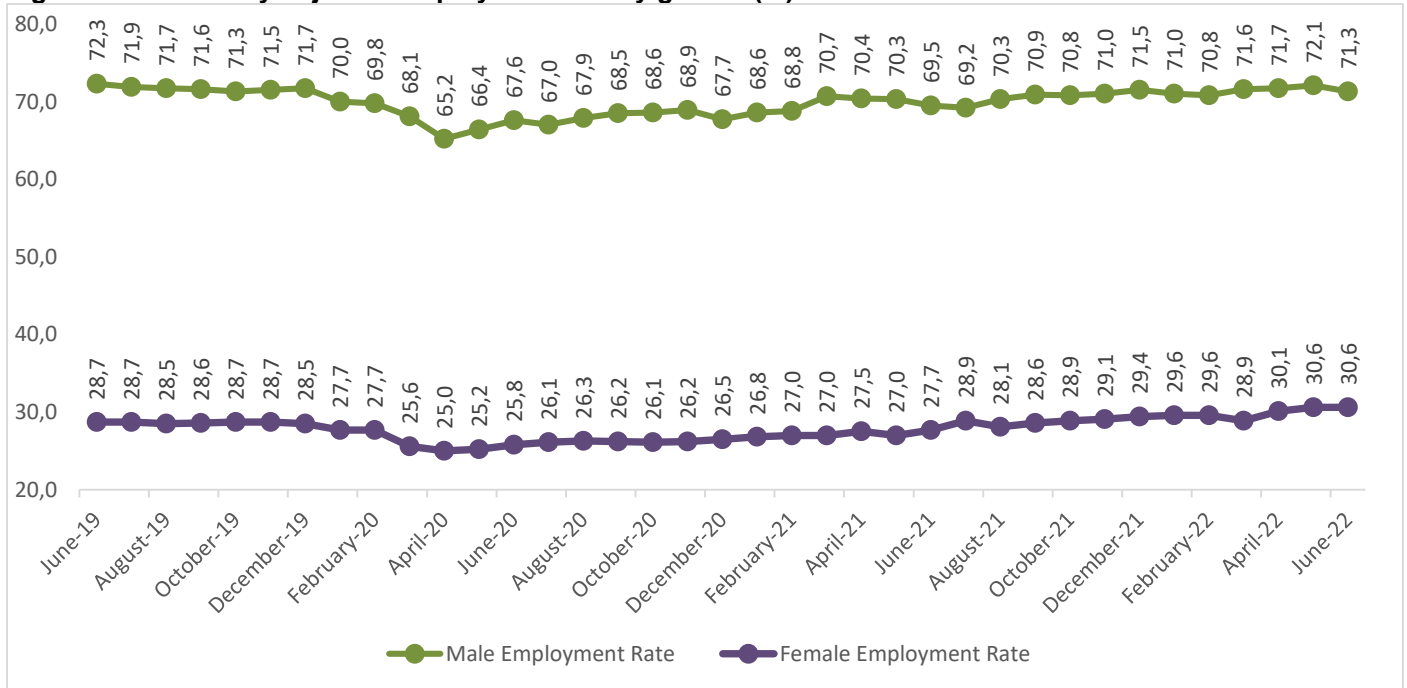
Source: Turkstat, Betam

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

	Labor force	Employment	Unemployment	Unemployment rate	Monthly changes		
					Labor Force	Employment	Unemployment
June-19	32582	28107	4476	13,7%			
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[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 =

[(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