

UNEMPLOYMENT RISES DESPITE EMPLOYMENT RISES

Seyfettin Gürsel^{*}, Hamza Mutluay^{}, Mehmet Cem Şahin^{***}**

Executive Summary

As of 2021, Turkstat decided to publish the labor market statistics, which is announced as quarterly averages every month, with monthly data.¹ However, since the sample size used in the monthly data was insufficient for most sub-data categories, Turkstat started to publish quarterly labor force statistics separately. Quarterly statistics contain richer information about labor market developments, they include data on the education levels and occupational breakdowns as well as employment at work data. Taking these features into account, Betam started to publish the Labor Market Outlook (LMO) monthly notes as well as quarterly LMO notes as of November 2021.

In 2022 Q1, employment rose by 188 thousand, and the number of employed at work persons decreased by 67 thousand with respect to the previous quarter. In this period, the number of unemployed persons increased by 50 thousand, the unemployment rate rose by 0.1 percentage point to 11.4%. Female employment rose by 123 thousand, whereas male employment increased by 65 thousand. The male unemployment rate rose by 0.3 pp to 10.2% while the female unemployment rate fell by 0.4 pp to 13.7%. According to the sectorial data, employment declined in construction and agriculture sectors. Male employment in agriculture and construction sectors fell by 37 thousand and 31 thousand, respectively. Female employment in those sectors declined by 101 thousand and 6 thousand, respectively. According to the seasonally unadjusted series, the general unemployment rate rose in all the educational breakdowns except for “**higher education**”. The male unemployment rate surged in all education groups while the female unemployment rate declined in “**higher education**” group.

The number of persons at work falls

According to the seasonally and calendar adjusted data, the number of employed people decreased by 961 thousand people compared to the previous quarter in the first quarter of 2020, when the pandemic shock emerged, and decreased to 27 million 225 thousand. In the second quarter of 2020, when the pandemic shock severely shook the labor market, employment decreased by 1 million 363

^{*} Prof. Dr. Seyfettin Gürsel, Betam, Director, seyfettin.gursel@eas.bau.edu.tr

^{**} Hamza Mutluay, Betam, Research Assistant, hamza.mutluay@eas.bau.edu.tr

^{***} Mehmet Cem Şahin, Betam, Research Assistant, mehmetcem.sahin@eas.bau.edu.tr

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

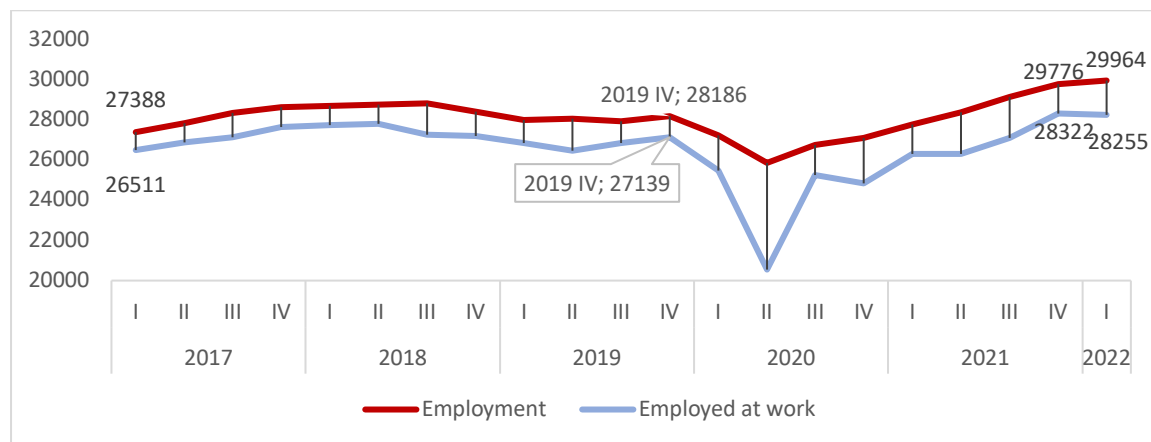
thousand compared to the previous quarter and fell to 25 million 862 thousand, and employment decreased by 2 million 324 thousand in these two periods.

On the other hand, the number of persons at work (people who are employed and engaged in economic activity for one hour for one hour during the reference period) decreased by 1 million 674 thousand people from quarter to quarter in the first quarter of 2020, to the level of 25 million 465 thousand. In the second quarter of 2020, it decreased to 20 million 548 thousand with a striking decrease of 4 million 917 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 314 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. The gap is still sizeable even though it gradually declined.

Employment reached 29 million 964 thousand in the first quarter of 2022 with an increase of 188 thousand (Figure 1). On the other hand, the number of people at work in the same period decreased by 67 thousand to 28 million 255 thousand. Thus, the difference between those in employment and those at work increased by 255 thousand to 1 million 709 thousand. To note, on the eve of the pandemic (in the fourth quarter of 2019), the difference between these two indicators was limited to 1 million 47 thousand.

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



Source: Turkstat, Betam

Female and male employment continue to rise

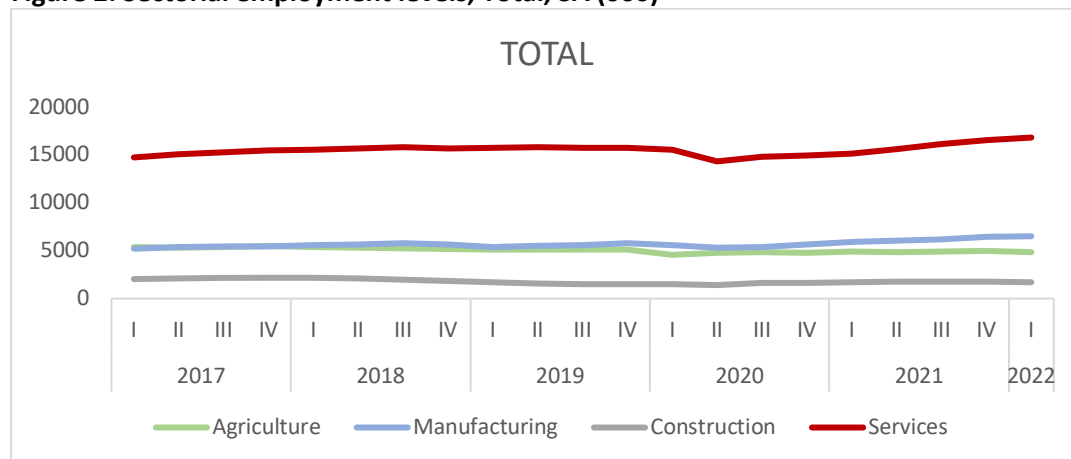
According to the seasonally adjusted data, the total employment rose by 188 thousand in Q1 2022 with respect to the previous quarter and reached 29 million 964 thousand. According to the sectorial data, services sector achieved the highest increase in employment (292 thousand). On the other hand, employment in manufacturing sector rose by 70 thousand. Employment in agriculture and construction sectors fell by 139 thousand and 36 thousand, respectively (Table 2).

Following the increase of 267 thousand in Q4 2021, female employment rose by 123 thousand in 2022 Q1 and reached 9 million 595 thousand (Table 3). In sectorial decomposition, the highest increase in female employment was in services sector (204 thousand). Female employment fell in agriculture and

construction sectors by 101 thousand and 6 thousand, respectively. Female employment rose by 26 thousand in manufacturing sector.

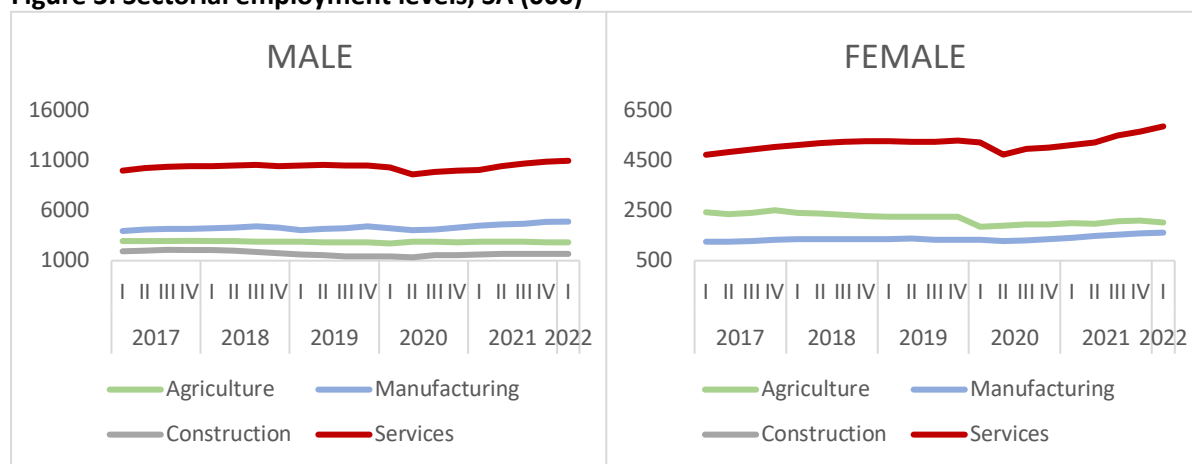
In 2022 Q1, male employment increased by 65 thousand to 20 million 369 thousand. In this period, male employment rose in services and manufacturing sectors by 89 thousand and 45 thousand, respectively. Male employment in agriculture sector declined by 37 thousand whereas it increased by fell by 31 thousand in construction sector (Table 3).

Figure 2: Sectorial employment levels, Total, SA (000)



Source: Turkstat, Betam

Figure 3: Sectorial employment levels, SA (000)²



Source: Turkstat, Betam

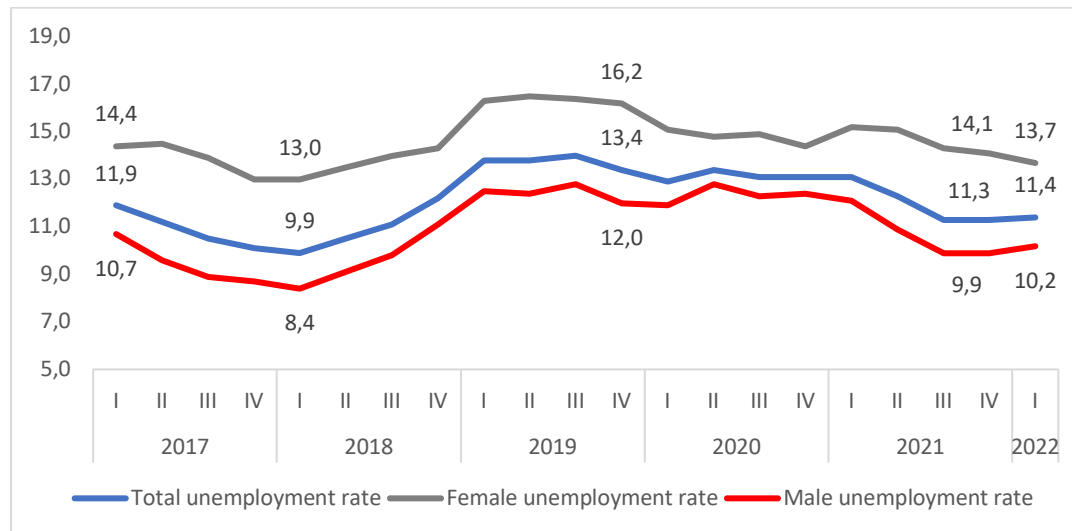
Male unemployment rises, female unemployment falls

According to seasonally adjusted data, the headline unemployment rate increased by 0.1 pp to 11.4% in the first quarter of 2022 compared to the previous quarter. The reason behind the limited increase in the unemployment rate is that the number of persons looking for job (the number of unemployed persons) rose by 50 thousand whereas total employment increased by 188 thousand. In terms of gender, the male unemployment rate rose by 0.3 pp to 10.2%. The reason of the increase in the male unemployment rate despite the rise of 66 thousand in male employment is that the number of males

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

looking for a job strongly edged up by 82 thousand. The female unemployment rate continued to fall as in the last three months, and it decreased by 0.4 pp in 2022 Q4 in compared to the previous quarter to 13.7% (Figure 4). The number of unemployed females declined by 33 thousand while female employment rose by 123 thousand.

Figure 4: Unemployment rates, SA (%)



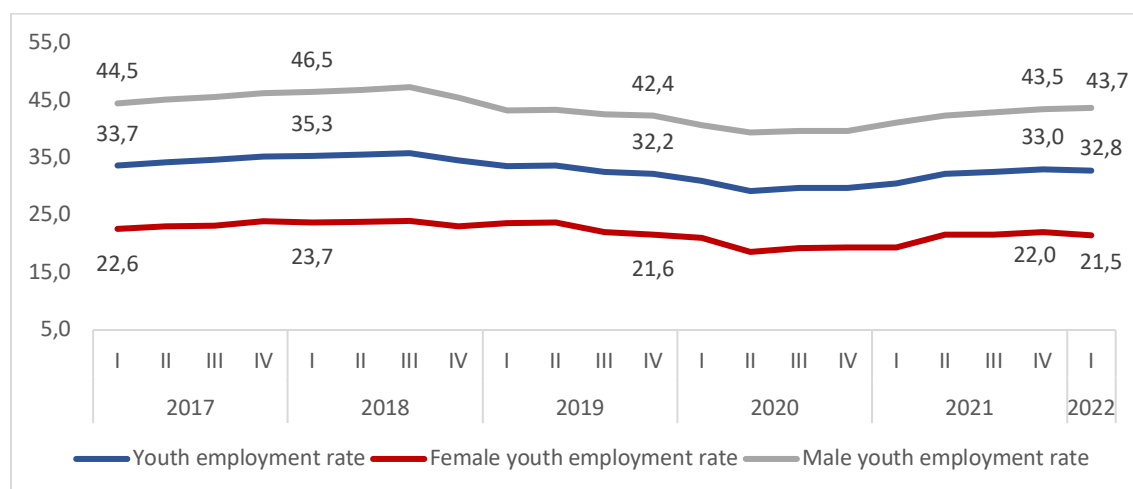
Source: Turkstat, Betam

Striking developments in youth female and male unemployment

According to seasonally adjusted data, youth employment (ages 15-24) became 3 million 975 thousand in the first quarter of 2022 with a decreased of 9 thousand. Moreover, the youth employment rate fell by 0.2 pp to 32.8% (Figure 5). The number of youth unemployed persons fell despite the decline in youth employment, and the youth unemployment rate decreased from 21.4% to 21.1%. From 2021 Q4 to 2022 Q1, young male employment rose by 14 thousand, and the young male employment rate rose by 0.2 pp to 43.7%. As a result of a strong entry of young males to the labor market (43 thousand), the number of unemployed males increased by 29 thousand, and the unemployment rate of young males rose by 0.6 pp to 18.5%.

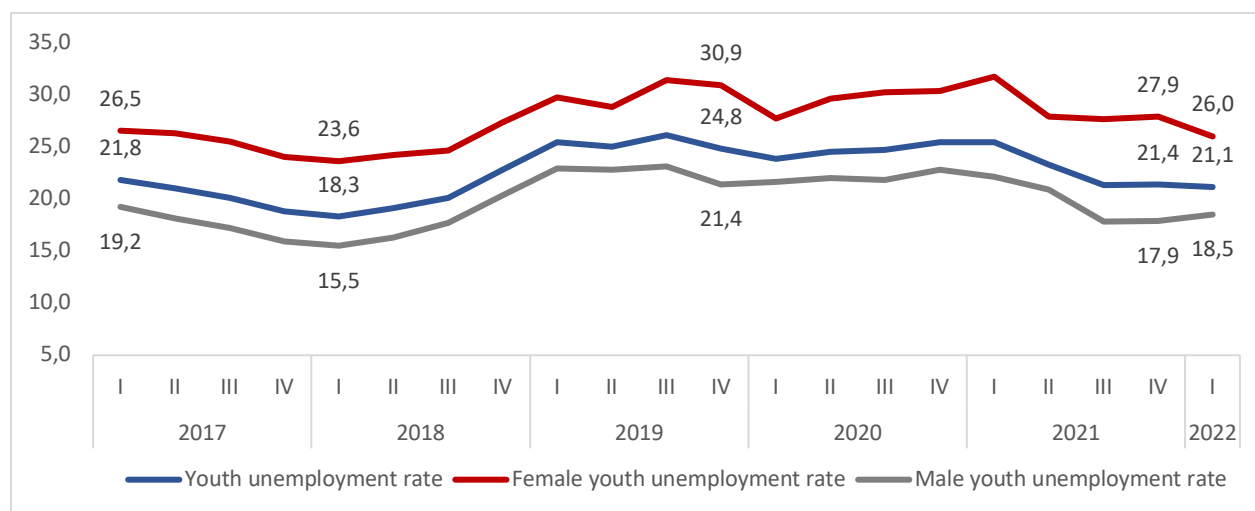
The unemployment rate of young females significantly decreased by 1.9 pp to 26% (Figure 6). Even though the decline can be considered as a positive development at first sight, it is not bright when the changes in the numbers of employed and unemployed persons are considered. In fact, in the last three months, the number of females looking for a job (the number of unemployed females) declined by 55 thousand while young female employment fell by 24 thousand. The sum of these indicators reveal that young female labor force decreased by 79 thousand. Contrary to men, it is noteworthy that young women leave the workforce at a high rate.

Figure 5: Youth employment rates, SA (%)



Source: Turkstat, Betam

Figure 6: Youth unemployment rates, SA (%)



Source: Turkstat, Betam

Unemployment rises except for higher education

Looking at the **unadjusted** data, it is seen that the general unemployment rate at all education levels except for **“higher education”** increased in compared to the previous quarter³. The unemployment rate of people in the **“less than high school”** education group increased by 1 pp to 10.9%. In the **“high school”** and **“vocational high school”** groups, the unemployment rates increased by 0.9 and 1.1 points, respectively, to 13.9 and 12.8 percent (Table 9). At the **“higher education”** level, the unemployment rate decreased by 0.5 percentage points to 11.4 percent.

Compared to the previous quarter, the female unemployment rate in terms of education levels reached 21.8% with an increase of 0.9 pp and 20.5% with an increase of 1.9 pp in the first quarter of 2022 for graduates of **“vocational high school”** and **“high school”**. In the **“higher education”** group, the female unemployment rate decreased by 2 pp to 14.1%. On the other hand, the unemployment

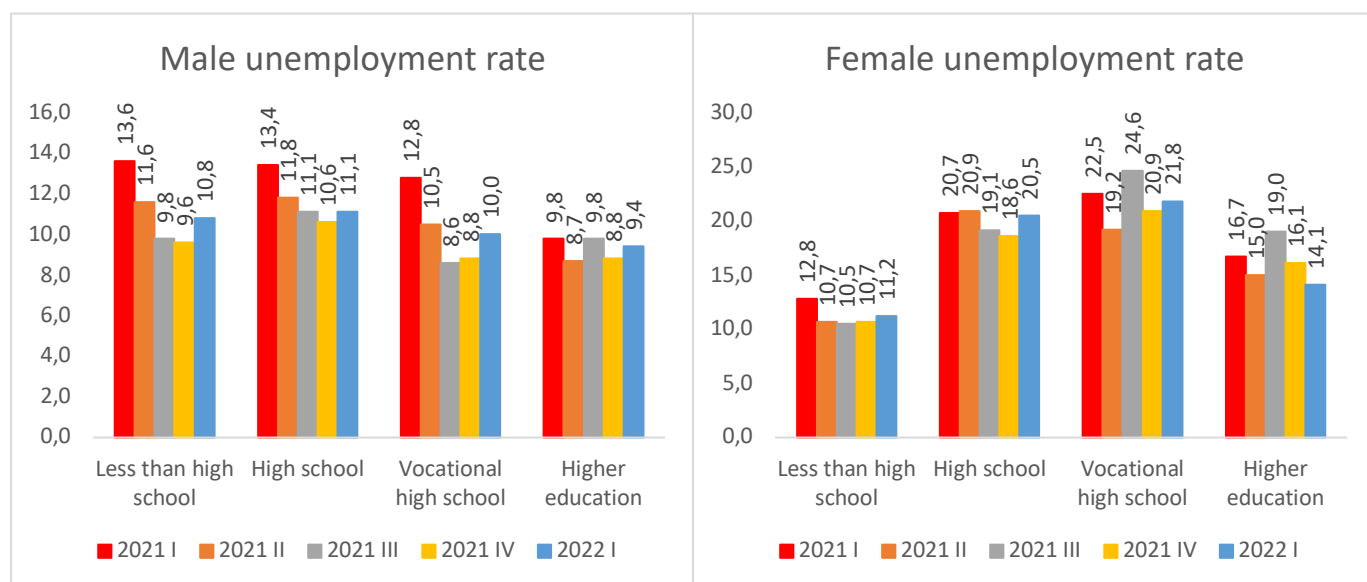
³ It is not possible to seasonally adjust these series as Turkstat does not date back them to 2014.

rate of women in "less than high school" education group increased by 0.5 pp in compared to the previous quarter and reached 11.2 percent.

There is an increase in the unemployment rates in all education categories for men. While the unemployment rate of men in "higher education" group increased by 0.6 pp to 9.4%, the unemployment rate of men in the "high school" group increased by 0.5 pp to 11.1%. The unemployment rates in the "less than high school" and "vocational high school" groups increased by 1.2 pp to 10.8% and 10.0%, respectively, and were the groups with the highest increases from quarter to quarter (Table 9).

In terms of education levels, the highest overall unemployment rate is at the "high school" level (13.9%), followed by the "vocational high school" group (12.8%). Unemployment in "higher education" ranks 3rd with 11.4%. The lowest unemployment rate (10.9%) is seen at the "less than high school" group.

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

		Employment	Employed at work	Average actual weekly hours of work	Average weekly hours of work
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	28006	26864	45.1	43.2
	II	28073	26479	45.0	42.4
	III	27950	26850	44.6	42.8
	IV	28186	27139	44.8	43.2
2020	I	27225	25465	44.4	41.6
	II	25862	20548	40.3	32.0
	III	26739	25265	43.1	40.7
	IV	27111	24829	43.6	39.9
2021	I	27781	26294	42.9	40.6
	II	28393	26312	43.1	39.9
	III	29131	27093	44.3	41.2
	IV	29776	28322	44.6	42.5
2022	I	29964	28255	45.2	42.6

Source: Turkstat, Betam

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

		Total					
		Total	Non-agricultural	Agriculture	Manufacturing	Construction	Services
2017	I	27387	22004	5383	5222	2027	14755
	II	27854	22549	5305	5376	2082	15091
	III	28347	22957	5390	5477	2171	15309
	IV	28649	23147	5502	5488	2153	15506
2018	I	28712	23329	5383	5601	2167	15561
	II	28756	23423	5333	5647	2079	15697
	III	28815	23567	5248	5783	1959	15825
	IV	28412	23239	5173	5693	1813	15733
2019	I	28006	22877	5129	5391	1683	15803
	II	28074	22975	5099	5550	1591	15834
	III	27951	22848	5103	5575	1498	15775
	IV	28185	23064	5121	5768	1505	15791
2020	I	27227	22648	4579	5579	1503	15566
	II	25862	21100	4762	5316	1414	14370
	III	26739	21898	4841	5428	1614	14856
	IV	27111	22297	4814	5663	1635	14999
2021	I	27781	22873	4908	5932	1722	15219
	II	28393	23530	4863	6084	1781	15665
	III	29131	24187	4944	6212	1765	16210
	IV	29777	24805	4972	6459	1771	16575
2022	I	29964	25131	4833	6529	1735	16867

Source: Turkstat, Betam

Table 3: Male and female sectoral employment levels, Seasonally Adjusted (000)

		Male						Female					
		Total	Non-agricultural	Agriculture	Manufacturing	Construction	Services	Total	Non-agricultural	Agriculture	Manufacturing	Construction	Services
2017	I	18870	15926	2944	3964	1944	10018	8517	6078	2439	1258	83	4737
	II	19312	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	8989	6471	2518	1326	84	5061
2018	I	19707	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	9033	6706	2327	1365	82	5259
	IV	19418	16531	2887	4325	1747	10459	8992	6707	2285	1368	65	5274
2019	I	19045	16172	2873	4042	1603	10527	8962	6705	2257	1349	80	5276
	II	19116	16265	2851	4167	1521	10577	8958	6710	2248	1383	70	5257
	III	19037	16189	2848	4227	1441	10521	8914	6660	2254	1348	57	5255
	IV	19229	16372	2857	4435	1440	10497	8959	6694	2265	1334	65	5295
2020	I	18753	16032	2721	4247	1444	10341	8472	6615	1857	1331	60	5224
	II	17865	14999	2866	4036	1335	9628	7997	6101	1896	1280	79	4742
	III	18431	15533	2898	4109	1541	9883	8308	6365	1943	1319	73	4973
	IV	18723	15863	2860	4311	1569	9983	8389	6435	1954	1353	66	5016
2021	I	19173	16264	2909	4515	1648	10101	8608	6609	1999	1417	74	5118
	II	19620	16735	2885	4600	1698	10437	8774	6795	1979	1484	83	5228
	III	19926	17058	2868	4681	1673	10704	9206	7130	2076	1531	92	5507
	IV	20303	17448	2855	4862	1681	10905	9471	7355	2116	1596	90	5669
2022	I	20369	17551	2818	4907	1650	10994	9594	7579	2015	1622	84	5873

Source: Turkstat, Betam

Table 4 : Seasonally adjusted main labour force indicators, 15+ age

		Employment	Unemployment	Labour force
2017	I	27388	3706	31093
	II	27853	3513	31366
	III	28346	3320	31666
	IV	28650	3216	31866
2018	I	28712	3165	31878
	II	28755	3380	32135
	III	28816	3616	32432
	IV	28412	3942	32354
2019	I	28006	4468	32474
	II	28073	4477	32549
	III	27950	4539	32489
	IV	28186	4359	32545
2020	I	27225	4029	31255
	II	25862	4008	29870
	III	26739	4041	30780
	IV	27111	4075	31186
2021	I	27781	4189	31971
	II	28393	3966	32359
	III	29131	3725	32856
	IV	29776	3795	33571
2022	I	29964	3845	33809

Source: Turkstat, Betam

Table 5 : Seasonally adjusted main labour force indicators by gender, 15+ age

		MALE			FEMALE		
		Employment	Unemployment	LF	Employment	Unemployment	LF
2017	I	18870	2272	21142	8517	1434	9951
	II	19312	2061	21371	8543	1451	9995
	III	19611	1914	21525	8735	1405	10141
	IV	19662	1877	21539	8988	1340	10327
2018	I	19707	1817	21524	9006	1348	10354
	II	19720	1966	21685	9036	1414	10449
	III	19782	2148	21930	9034	1468	10502
	IV	19418	2437	21855	8994	1505	10499
2019	I	19045	2721	21765	8962	1747	10709
	II	19116	2707	21822	8957	1770	10727
	III	19037	2794	21831	8913	1745	10658
	IV	19229	2633	21860	8958	1727	10685
2020	I	18753	2523	21277	8472	1506	9978
	II	17865	2617	20482	7997	1392	9388
	III	18431	2591	21022	8308	1450	9758
	IV	18723	2662	21384	8388	1414	9802
2021	I	19173	2642	21815	8608	1547	10155
	II	19620	2400	22020	8774	1566	10339
	III	19926	2191	22117	9205	1534	10739
	IV	20303	2243	22547	9472	1552	11025
2022	I	20369	2325	22694	9595	1519	11114

Source: Turkstat, Betam

Table 6 : Seasonally adjusted main labour force indicators, 15-24 age group

		Total			
		Employment (000)	Unemployment (000)	Employment rate	Unemployment rate
2017	I	3999	1114	33.7	21.8
	II	4061	1082	34.2	21.0
	III	4105	1035	34.6	20.1
	IV	4183	968	35.2	18.8
2018	I	4181	939	35.3	18.3
	II	4189	987	35.5	19.1
	III	4208	1058	35.8	20.1
	IV	4038	1190	34.5	22.8
2019	I	3917	1336	33.5	25.4
	II	3925	1308	33.6	25.0
	III	3787	1335	32.5	26.1
	IV	3747	1237	32.2	24.8
2020	I	3619	1130	31.0	23.8
	II	3416	1111	29.2	24.5
	III	3484	1143	29.7	24.7
	IV	3508	1192	29.8	25.4
2021	I	3610	1229	30.5	25.4
	II	3836	1166	32.2	23.3
	III	3899	1053	32.5	21.3
	IV	3984	1087	33.0	21.4
2022	I	3975	1061	32.8	21.1

Source: Turkstat, Betam

Table 7 : Seasonally adjusted main labour force indicators, 15-24 age group (Female, Male)

		Male				Female			
		Employment (000)	Unemployment (000)	Employment rate	Unemployment rate	Employment (000)	Unemployment (000)	Employment rate	Unemployment rate
2017	I	2670	635	44.5	19.2	1329	478	22.6	26.5
	II	2710	600	45.1	18.1	1352	483	23.1	26.3
	III	2751	571	45.6	17.2	1354	464	23.2	25.5
	IV	2788	528	46.2	15.9	1395	440	23.9	24.0
2018	I	2804	514	46.5	15.5	1378	425	23.7	23.6
	II	2808	547	46.8	16.3	1381	440	23.8	24.2
	III	2820	605	47.3	17.7	1389	453	24.0	24.6
	IV	2703	689	45.5	20.3	1335	501	23.1	27.3
2019	I	2558	762	43.2	22.9	1360	574	23.6	29.7
	II	2561	757	43.3	22.8	1363	551	23.7	28.8
	III	2515	754	42.6	23.1	1271	582	22.1	31.4
	IV	2505	682	42.4	21.4	1241	555	21.6	30.9
2020	I	2410	666	40.7	21.6	1209	464	21.1	27.7
	II	2347	661	39.4	22.0	1069	450	18.6	29.6
	III	2378	665	39.7	21.8	1106	479	19.3	30.2
	IV	2391	707	39.7	22.8	1117	485	19.4	30.3
2021	I	2490	708	41.1	22.1	1120	521	19.4	31.7
	II	2581	682	42.4	20.9	1256	485	21.6	27.9
	III	2630	568	42.9	17.8	1269	485	21.6	27.6
	IV	2683	584	43.5	17.9	1301	503	22.0	27.9
2022	I	2697	613	43.7	18.5	1277	448	21.5	26.0

Source: Turkstat, Betam

Table 8: Unemployment rates, SA

		Total	Male	Female
2017	I	11.9	10.7	14.4
	II	11.2	9.6	14.5
	III	10.5	8.9	13.9
	IV	10.1	8.7	13.0
2018	I	9.9	8.4	13.0
	II	10.5	9.1	13.5
	III	11.1	9.8	14.0
	IV	12.2	11.1	14.3
2019	I	13.8	12.5	16.3
	II	13.8	12.4	16.5
	III	14.0	12.8	16.4
	IV	13.4	12.0	16.2
2020	I	12.9	11.9	15.1
	II	13.4	12.8	14.8
	III	13.1	12.3	14.9
	IV	13.1	12.4	14.4
2021	I	13.1	12.1	15.2
	II	12.3	10.9	15.1
	III	11.3	9.9	14.3
	IV	11.3	9.9	14.1
2022	I	11.4	10.2	13.7

Source: Turkstat, Betam

Table 9: Unemployment rates by educational and gender breakdown, unadjusted

	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
2022 I	10.9	13.9	12.8	11.4
	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
2022 I	10.8	11.1	10.0	9.4
	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
2022 I	11.2	20.5	21.8	14.1

Source: Turkstat, Betam