#### :banner(TUR).jpg

**Labor Market Outlook:**

**September 2022**

**12 September 2022**

**EMPLOYMENT FELL DUE TO DECREASES IN EMPLOYMENT AND THE LABOR FORCE**

**Seyfettin Gürsel[[1]](#footnote-1)\*, Hamza Mutluay[[2]](#footnote-2)\*\* ,** **Mehmet Cem Şahin[[3]](#footnote-3)\*\*\***

**Executive Summary**

Since the number of employed persons decreased by 128 thousand and the number of unemployed persons decreased by 113 thousand, the labor force fell by 262 thousand from June to July. As a result, the unemployment rate decreased by 0.3 pp to 10.1%.

The seasonally adjusted female unemployment rate fell by 0.6 pp to 13.1% from June to July as the female employment rose by 17 thousand while the number of unemployed females decreased by 86 thousand. In contrast, seasonally adjusted male unemployment rate declined by 0.1 pp to 8.6% following the decrease in male employment by 165 thousand and the decline in the number of unemployed males by 27 thousand. The Male labor force decreased by 165 thousand while the female labor force declined by 70 thousand. From June to July, female and male labor forces edged down by 0.6% and 0.7%, respectively. These are striking monthly changes. Following these developments, the gender gap in the unemployment rates of females and males receded by 0.5 pp to 4.5%.

# Employment and labor force retract

According to the monthly seasonally adjusted data, the number of employed persons fell by 148 thousand MoM to 30 million 608 thousand and the number of unemployed persons decreased by 113 thousand to 3 million 445 thousand. Therefore, the total labor force decreased by 262 thousand to 34 million 52 thousand (Figure 1, Table 1). From June to July, the unemployment rate fell by 0.3 pp to 10.1% while the number of unemployed persons declined by 113 thousand. We would like to note that the unemployment rate in June was revised up from 10.3% to 10.4%.

Figure 1 : Seasonally adjusted labor force, employment, and unemployment

Source: Turkstat, Betam

# Developments in the alternative unemployment rates

Box 1 reports the methods Turktsat used to calculate how Turkstat calculates the alternative unemployment rates. These measures consider both the time-related underemployment (those who are employed for less than 40 hours a week but would like to increase their working hours but 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, general unemployment rate decreased by 0.3 pp to 10.1% from June to July. Meanwhile, the combined rate of unemployment and the potential labor force increased by 0.8 pp to 18%. As a result, the exit from the labor force increased the potential labor force. On the other hand, the combined rate of time-related underemployment and unemployment, which decreased from 15.7% to 14% from May to June, increased by 1.1 pp to 15.1% from June to July. 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, rose by 2 pp from 20.5% to 22.5% (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 is 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 were 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 the seasonally adjusted unemployment rate for males and for females. The female employment level, which rose by 541 thousand in April and May, fell by 2 thousand in June; however, it decently increased by 17 thousand in July. On the other hand, the number of unemployed females decreased MoM by 86 thousand. Considering these developments, the female unemployment rate receded from 13.7% to 13.1%. The number of unemployed males dropped by 27 thousand, while male employment decreased by 165 thousand in July. As the fall in the male labor force exceeded the decline in male employment, the male unemployment rate retracted from 8.7% to 8.6% (Table 3).

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

Source: Turkstat, Betam

Female employment rate, which attained a cumulative increase of 1.6 pp in April and May, fell by 0.1 pp in June, and stayed at 30.3% in July. On the other hand, the male employment rate decreased by 0.6 pp to 64.6% in July (Figure 4). It is worth noting that the male employment rate has been declining since May.

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 |
| July-19 | 32524 | 28012 | 4512 | 13,9% | Labor Force | Employment | Unemployment |
| August-19 | 32448 | 27899 | 4549 | 14,0% | -76 | -113 | 37 |
| September-19 | 32490 | 27917 | 4573 | 14,1% | 42 | 18 | 24 |
| October-19 | 32434 | 28064 | 4370 | 13,5% | -56 | 147 | -203 |
| November-19 | 32585 | 28266 | 4319 | 13,3% | 151 | 202 | -51 |
| December-19 | 32577 | 28208 | 4370 | 13,4% | -8 | -58 | 51 |
| January-20 | 31790 | 27611 | 4179 | 13,1% | -787 | -597 | -191 |
| February-20 | 31616 | 27625 | 3991 | 12,6% | -174 | 14 | -188 |
| March-20 | 30373 | 26452 | 3921 | 12,9% | -1243 | -1173 | -70 |
| April-20 | 29264 | 25329 | 3935 | 13,4% | -1109 | -1123 | 14 |
| May-20 | 29821 | 25836 | 3985 | 13,4% | 557 | 507 | 50 |
| June-20 | 30593 | 26474 | 4119 | 13,5% | 772 | 638 | 134 |
| July-20 | 30533 | 26205 | 4329 | 14,2% | -60 | -269 | 210 |
| August-20 | 30864 | 26911 | 3953 | 12,8% | 331 | 706 | -376 |
| September-20 | 31035 | 27099 | 3936 | 12,7% | 171 | 188 | -17 |
| October-20 | 31129 | 27050 | 4079 | 13,1% | 94 | -49 | 143 |
| November-20 | 31264 | 27183 | 4080 | 13,1% | 135 | 133 | 1 |
| December-20 | 31011 | 27031 | 3980 | 12,8% | -253 | -152 | -100 |
| January-21 | 31483 | 27504 | 3979 | 12,6% | 472 | 473 | -1 |
| February-21 | 31789 | 27580 | 4210 | 13,2% | 306 | 76 | 231 |
| March-21 | 32434 | 28279 | 4155 | 12,8% | 645 | 699 | -55 |
| April-21 | 32595 | 28199 | 4396 | 13,5% | 161 | -80 | 241 |
| May-21 | 32385 | 28162 | 4223 | 13,0% | -210 | -37 | -173 |
| June-21 | 32275 | 28754 | 3521 | 10,9% | -110 | 592 | -702 |
| July-21 | 32664 | 28911 | 3752 | 11,5% | 389 | 157 | 231 |
| August-21 | 32850 | 29001 | 3849 | 11,7% | 186 | 90 | 97 |
| September-21 | 33212 | 29412 | 3800 | 11,4% | 362 | 411 | -49 |
| October-21 | 33307 | 29583 | 3724 | 11,2% | 95 | 171 | -76 |
| November-21 | 33519 | 29754 | 3765 | 11,2% | 212 | 171 | 41 |
| December-21 | 33772 | 29995 | 3776 | 11,2% | 253 | 241 | 11 |
| January-22 | 33680 | 29901 | 3779 | 11,2% | -92 | -94 | 3 |
| February-22 | 33609 | 30008 | 3601 | 10,7% | -71 | 107 | -178 |
| March-22 | 33690 | 29981 | 3710 | 11,0% | 81 | -27 | 109 |
| April-22 | 34241 | 30491 | 3751 | 11,0% | 551 | 510 | 41 |
| May-22 | 34504 | 30823 | 3681 | 10,7% | 263 | 332 | -70 |
| June-22 | 34314 | 30756 | 3558 | 10,4% | -190 | -67 | -123 |
| July-22 | 34052 | 30608 | 3445 | 10,1% | -262 | -148 | -113 |

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 |
| Jul-19 | 13,9 | 4512 | 14,9 | 334 | 18,3 | 1762 | 19,3 | 6608 |
| Aug-19 | 14,0 | 4549 | 14,8 | 253 | 18,4 | 1742 | 19,2 | 6544 |
| Sep-19 | 14,1 | 4573 | 15,2 | 365 | 17,9 | 1514 | 18,9 | 6452 |
| Oct-19 | 13,5 | 4370 | 14,4 | 300 | 17,9 | 1749 | 18,7 | 6419 |
| Nov-19 | 13,3 | 4319 | 14,3 | 341 | 17,4 | 1635 | 18,4 | 6295 |
| Dec-19 | 13,4 | 4370 | 14,6 | 386 | 17,6 | 1655 | 18,7 | 6411 |
| Jan-20 | 13,1 | 4179 | 15,8 | 844 | 19,1 | 2340 | 21,6 | 7363 |
| Feb-20 | 12,6 | 3991 | 14,9 | 720 | 18,6 | 2321 | 20,7 | 7032 |
| Mar-20 | 12,9 | 3921 | 15,9 | 908 | 20,3 | 2816 | 23,1 | 7646 |
| Apr-20 | 13,4 | 3935 | 18,3 | 1420 | 23,4 | 3803 | 27,6 | 9158 |
| May-20 | 13,4 | 3985 | 19,1 | 1711 | 24,1 | 4219 | 29,1 | 9914 |
| Jun-20 | 13,5 | 4119 | 17,2 | 1143 | 22,5 | 3567 | 25,9 | 8829 |
| Jul-20 | 14,2 | 4329 | 18,2 | 1228 | 22,4 | 3235 | 26,1 | 8792 |
| Aug-20 | 12,8 | 3953 | 16,8 | 1232 | 21,4 | 3374 | 25,0 | 8559 |
| Sep-20 | 12,7 | 3936 | 15,9 | 999 | 21,3 | 3398 | 24,2 | 8333 |
| Oct-20 | 13,1 | 4079 | 17,4 | 1337 | 21,9 | 3506 | 25,7 | 8923 |
| Nov-20 | 13,1 | 4080 | 17,0 | 1235 | 23,0 | 4040 | 26,5 | 9355 |
| Dec-20 | 12,8 | 3980 | 18,0 | 1602 | 24,0 | 4556 | 28,5 | 10138 |
| Jan-21 | 12,6 | 3979 | 20,1 | 2349 | 22,9 | 4190 | 29,5 | 10518 |
| Feb-21 | 13,2 | 4210 | 19,7 | 2052 | 22,3 | 3705 | 28,1 | 9968 |
| Mar-21 | 12,8 | 4155 | 17,9 | 1651 | 20,9 | 3317 | 25,5 | 9123 |
| Apr-21 | 13,5 | 4396 | 19,6 | 1993 | 21,6 | 3373 | 27,1 | 9762 |
| May-21 | 13,0 | 4223 | 19,1 | 1963 | 21,5 | 3490 | 26,9 | 9676 |
| Jun-21 | 10,9 | 3521 | 14,9 | 1288 | 19,0 | 3224 | 22,6 | 8033 |
| Jul-21 | 11,5 | 3752 | 15,8 | 1409 | 19,2 | 3118 | 23,2 | 8279 |
| Aug-21 | 11,7 | 3849 | 14,8 | 1013 | 18,7 | 2822 | 21,6 | 7683 |
| Sep-21 | 11,4 | 3800 | 15,1 | 1215 | 18,5 | 2876 | 21,9 | 7891 |
| Oct-21 | 11,2 | 3724 | 15,7 | 1505 | 18,7 | 3080 | 22,8 | 8310 |
| Nov-21 | 11,2 | 3765 | 15,4 | 1397 | 18,2 | 2855 | 22,1 | 8017 |
| Dec-21 | 11,2 | 3776 | 15,4 | 1425 | 18,8 | 3169 | 22,6 | 8370 |
| Jan-22 | 11,2 | 3779 | 15,5 | 1441 | 18,8 | 3144 | 22,7 | 8364 |
| Feb-22 | 10,7 | 3601 | 14,8 | 1373 | 18,1 | 3031 | 21,8 | 8005 |
| Mar-22 | 11,0 | 3710 | 15,2 | 1411 | 18,4 | 3050 | 22,2 | 8171 |
| Apr-22 | 11,0 | 3751 | 14,5 | 1214 | 18,2 | 3033 | 21,4 | 7998 |
| May-22 | 10,7 | 3681 | 15,7 | 1736 | 17,5 | 2857 | 22,2 | 8274 |
| Jun-22 | 10,4 | 3558 | 14,0 | 1246 | 17,2 | 2831 | 20,5 | 7635 |
| Jul-22 | 10,1 | 3445 | 15,1 | 1697 | 18,0 | 3274 | 22,5 | 8415 |

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 |
| Jul-19 | 10680 | 8935 | 1746 | 21843 | 19077 | 2767 | 34,3 | 28,7 | 71,9 | 62,8 |
| Aug-19 | 10617 | 8876 | 1741 | 21830 | 19023 | 2807 | 34,1 | 28,5 | 71,7 | 62,5 |
| Sep-19 | 10683 | 8909 | 1775 | 21807 | 19008 | 2798 | 34,2 | 28,6 | 71,6 | 62,4 |
| Oct-19 | 10663 | 8972 | 1691 | 21771 | 19092 | 2679 | 34,1 | 28,7 | 71,4 | 62,6 |
| Nov-19 | 10724 | 8972 | 1752 | 21861 | 19294 | 2568 | 34,3 | 28,7 | 71,6 | 63,1 |
| Dec-19 | 10643 | 8908 | 1735 | 21934 | 19299 | 2635 | 34,0 | 28,4 | 71,7 | 63,1 |
| Jan-20 | 10344 | 8687 | 1657 | 21446 | 18924 | 2522 | 33,0 | 27,7 | 70,0 | 61,8 |
| Feb-20 | 10172 | 8698 | 1474 | 21444 | 18927 | 2517 | 32,4 | 27,7 | 69,9 | 61,7 |
| Mar-20 | 9444 | 8054 | 1390 | 20928 | 18398 | 2531 | 30,0 | 25,6 | 68,1 | 59,8 |
| Apr-20 | 9183 | 7888 | 1295 | 20081 | 17441 | 2641 | 29,1 | 25,0 | 65,2 | 56,6 |
| May-20 | 9334 | 7995 | 1339 | 20487 | 17841 | 2646 | 29,6 | 25,3 | 66,4 | 57,8 |
| Jun-20 | 9662 | 8161 | 1501 | 20931 | 18313 | 2617 | 30,6 | 25,8 | 67,7 | 59,2 |
| Jul-20 | 9782 | 8247 | 1535 | 20751 | 17957 | 2794 | 30,9 | 26,1 | 67,0 | 58,0 |
| Aug-20 | 9788 | 8344 | 1443 | 21076 | 18566 | 2510 | 30,9 | 26,3 | 67,9 | 59,8 |
| Sep-20 | 9733 | 8323 | 1410 | 21302 | 18776 | 2526 | 30,7 | 26,2 | 68,5 | 60,4 |
| Oct-20 | 9766 | 8306 | 1460 | 21363 | 18744 | 2619 | 30,7 | 26,1 | 68,6 | 60,2 |
| Nov-20 | 9746 | 8346 | 1400 | 21518 | 18837 | 2681 | 30,6 | 26,2 | 68,9 | 60,4 |
| Dec-20 | 9832 | 8449 | 1383 | 21179 | 18582 | 2597 | 30,9 | 26,5 | 67,7 | 59,4 |
| Jan-21 | 10009 | 8560 | 1449 | 21473 | 18944 | 2530 | 31,4 | 26,8 | 68,6 | 60,5 |
| Feb-21 | 10210 | 8642 | 1567 | 21580 | 18937 | 2642 | 31,9 | 27,0 | 68,8 | 60,4 |
| Mar-21 | 10242 | 8616 | 1626 | 22192 | 19662 | 2529 | 32,0 | 26,9 | 70,7 | 62,6 |
| Apr-21 | 10454 | 8824 | 1631 | 22140 | 19375 | 2765 | 32,6 | 27,5 | 70,4 | 61,6 |
| May-21 | 10242 | 8679 | 1563 | 22143 | 19483 | 2660 | 31,9 | 27,0 | 70,4 | 61,9 |
| Jun-21 | 10350 | 8892 | 1458 | 21925 | 19863 | 2063 | 32,2 | 27,7 | 69,6 | 63,0 |
| Jul-21 | 10849 | 9317 | 1532 | 21814 | 19595 | 2220 | 33,7 | 28,9 | 69,1 | 62,1 |
| Aug-21 | 10657 | 9084 | 1573 | 22193 | 19917 | 2277 | 33,1 | 28,2 | 70,3 | 63,0 |
| Sep-21 | 10792 | 9234 | 1558 | 22420 | 20178 | 2242 | 33,4 | 28,6 | 70,9 | 63,8 |
| Oct-21 | 10893 | 9366 | 1527 | 22415 | 20217 | 2198 | 33,7 | 29,0 | 70,8 | 63,8 |
| Nov-21 | 11015 | 9428 | 1587 | 22505 | 20326 | 2178 | 34,0 | 29,1 | 71,0 | 64,1 |
| Dec-21 | 11089 | 9537 | 1552 | 22683 | 20458 | 2225 | 34,2 | 29,4 | 71,4 | 64,4 |
| Jan-22 | 11111 | 9585 | 1526 | 22570 | 20316 | 2253 | 34,2 | 29,5 | 71,0 | 63,9 |
| Feb-22 | 11095 | 9596 | 1499 | 22513 | 20411 | 2102 | 34,1 | 29,5 | 70,7 | 64,1 |
| Mar-22 | 10888 | 9363 | 1526 | 22802 | 20618 | 2184 | 33,5 | 28,8 | 71,6 | 64,7 |
| Apr-22 | 11362 | 9748 | 1614 | 22879 | 20742 | 2137 | 34,9 | 29,9 | 71,7 | 65,0 |
| May-22 | 11477 | 9904 | 1573 | 23027 | 20920 | 2108 | 35,2 | 30,4 | 72,1 | 65,5 |
| Jun-22 | 11481 | 9902 | 1578 | 22833 | 20854 | 1980 | 35,2 | 30,3 | 71,4 | 65,2 |
| Jul-22 | 11411 | 9919 | 1492 | 22641 | 20689 | 1953 | 34,9 | 30,3 | 70,7 | 64,6 |

Source: Turkstat, Betam

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

**The time-related underemployment**: Persons employed in the reference week who worked less than 40 hours in 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

1. \* Prof. Dr. Seyfettin Gürsel, Betam, Director, seyfettin.gursel@eas.bau.edu.tr [↑](#footnote-ref-1)
2. \*\* Hamza Mutluay, Betam, Research Assistant, hamza.mutluay@eas.bau.edu.tr [↑](#footnote-ref-2)
3. \*\*\*Mehmet Cem Şahin, Betam, Research Assistant, mehmetcem.sahin@eas.bau.edu.tr [↑](#footnote-ref-3)
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)