

EMPLOYMENT FELL DUE TO DECREASES IN EMPLOYMENT AND THE LABOR FORCE

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Executive Summary

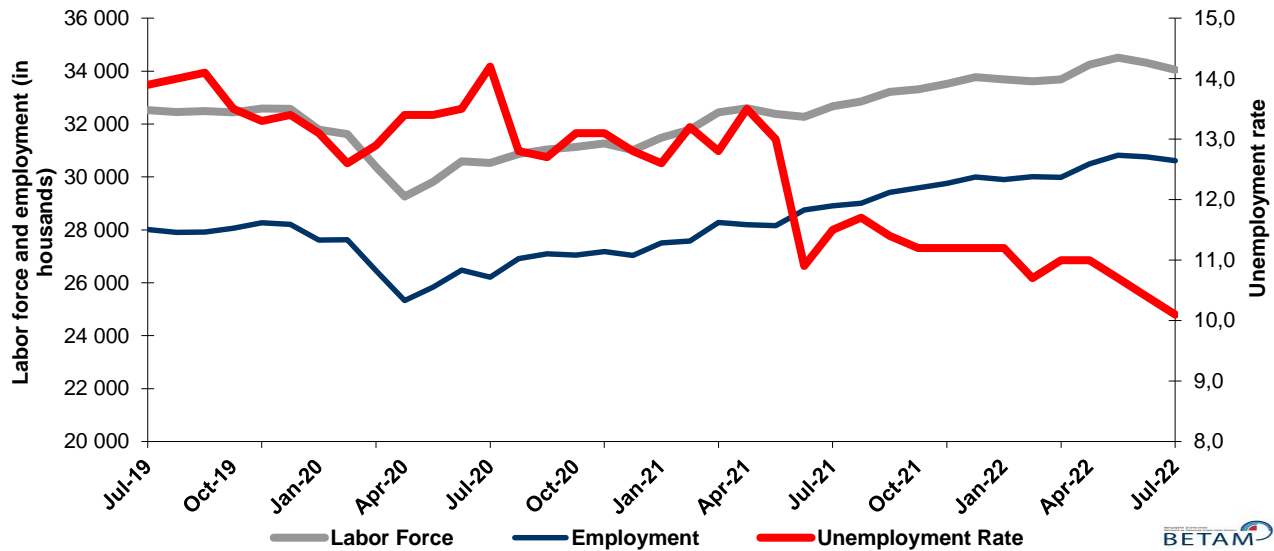
Since the number of employed persons decreased by 128 thousand and the number of unemployed persons decreased by 113 thousand, the labor force fell by 262 thousand from June to July. As a result, the unemployment rate decreased by 0.3 pp to 10.1%.

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

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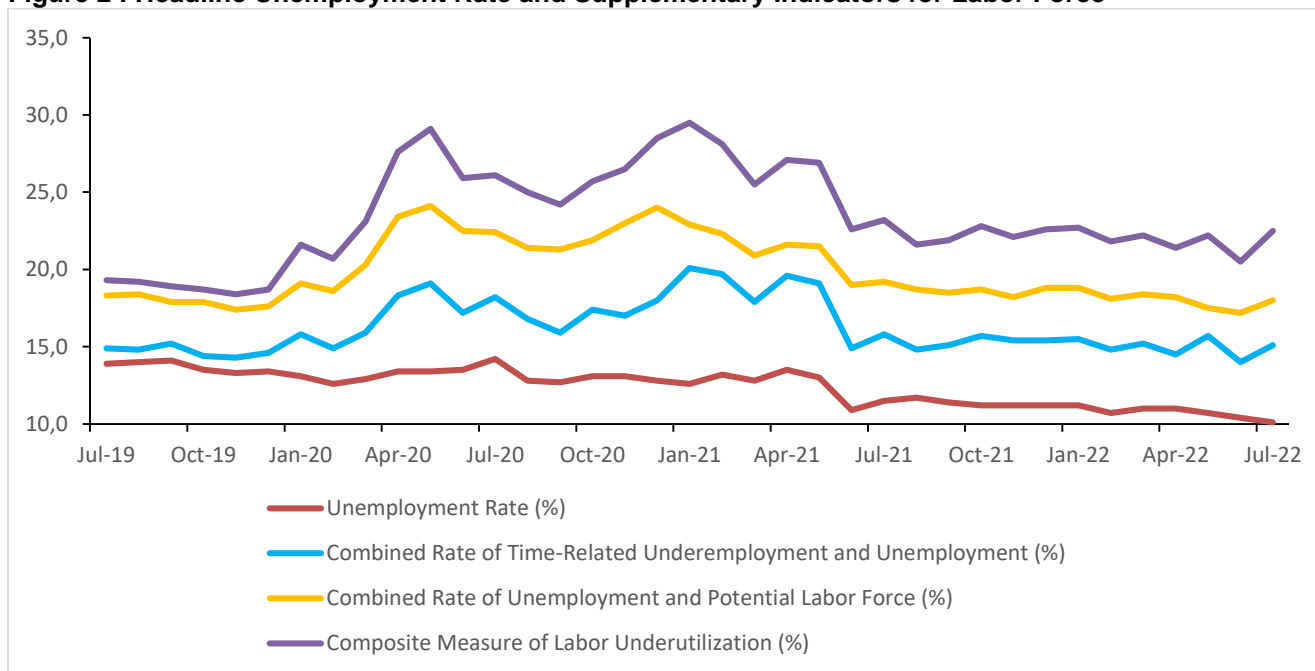
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Developments in the alternative unemployment rates

Box 1 reports the methods Turkstat 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

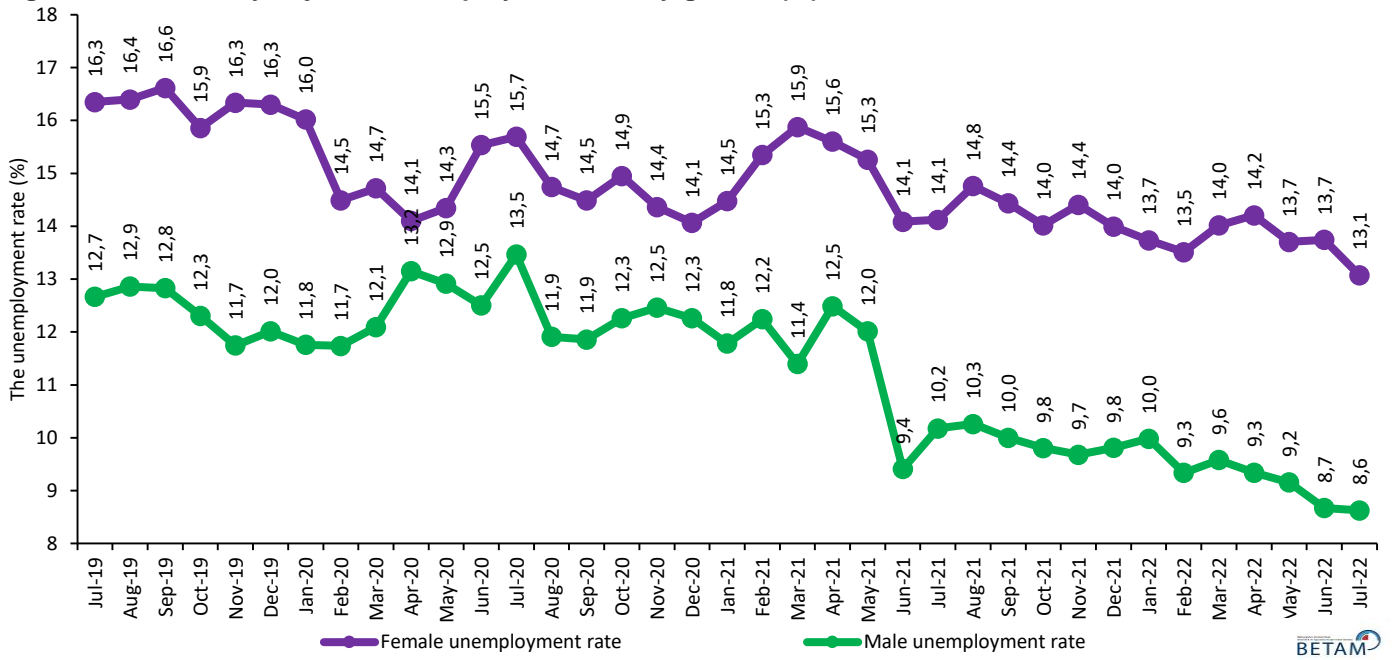
As is known, Turkstat began to release monthly labor statistics instead of 3-month-average as of January 2021. Nevertheless, it was evident that there were huge swings in the monthly sectorial employment levels, which cannot be attributed to the economic conjuncture. With the release of 2021 Q4 labor 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).

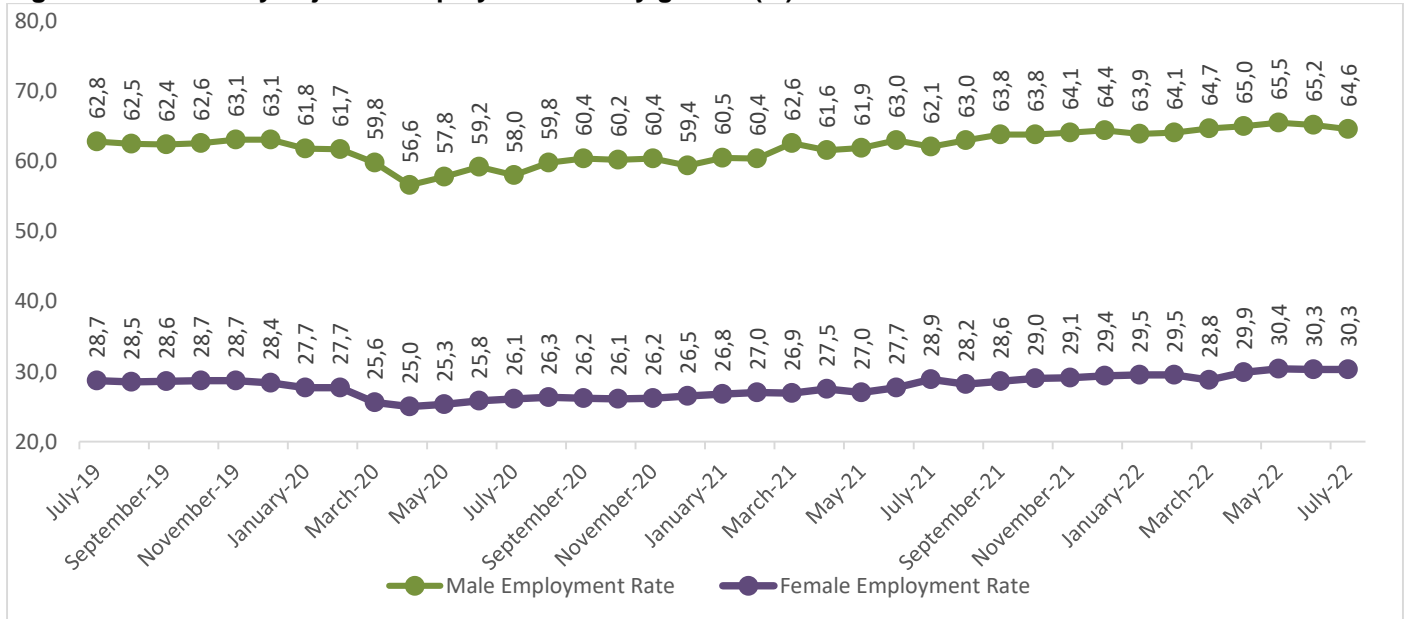
Figure 3 : Seasonally adjusted unemployment rate by gender (%)



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		
					Labor Force	Employment	Unemployment
July-19	32524	28012	4512	13,9%			
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 rates¹

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 =

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

3) Combined rate of unemployment and potential labor force =

$$[(\text{persons in unemployment} + \text{potential labor force}) / (\text{labor force} + \text{potential labor force})] * 100$$

4) Composite measure of labor underutilization =

$$[(\text{persons in time-related underemployment} + \text{persons in unemployment} + \text{potential labor force}) / (\text{labor force} + \text{potential labor force})] * 100$$

¹ 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>