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**Labor Market Outlook:**

**October 2022**

**10 October 2022**

**THE UNEMPLOYMENT RATE IS BELOW 10% AFTER FOUR AND A HALF YEARS**

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**Executive Summary**

Since the number of employed persons increased by 366 thousand and the number of unemployed persons decreased by 100 thousand, the labor force rose by 266 thousand from July to August. As a result, the unemployment rate decreased by 0.4 pp to 9.6%.

The seasonally adjusted female unemployment rate receded by 0.4 pp to 12.5% as the female employment rose by 99 thousand while the number of unemployed females decreased by 46 thousand. On the other hand, the seasonally adjusted male unemployment rate declined by 0.3 pp to 8.2% following the increase in the male employment by 267 thousand and the decline in the number of unemployed males by 54 thousand. Following these developments, the gender gap in the unemployment rates of females and males edged down by 0.1 pp to 5.3%.

# Both employment and labor force rise

According to the monthly seasonally adjusted data, the number of employed persons rose by 366 thousand MoM to 31 million 14 thousand and the number of unemployed persons decreased by 100 thousand to 3 million 312 thousand. Therefore, the total labor force increased by 266 thousand to 34 million 326 thousand (Figure 1, Table 1). From July to August, the unemployment rate fell by 0.4 pp to 9.6%. To note, January 2018 was the last time that the unemployment rate was below 10%.

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, from July to August, the general unemployment rate decreased by 0.4 pp to 9.6%. In August, when both labor force and employment sharply rose, the potential labor force receded, and the combined rate of unemployment and the potential labor force declined by 1.5 pp to 16.4%. The combined rate of time-related underemployment and unemployment, which increased from 13.9% to 15% from June to July, decreased by 1.7 pp to 13.3% from July to August. The composite measure of labor underutilization, which combines the two previous alternative unemployment metrics, declined by 2.6 pp to 19.8% from July to August after the hike from 20.5% to 22.4% from June to July (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.

# Strong rise in male employment, fall in female and male unemployment

Figure 3 shows the seasonally adjusted unemployment rate for males and for females. The female employment level, which rose by 571 thousand from March to July, rose by 99 thousand in August. On the other hand, the number of unemployed females decreased by 46 thousand in compare to July. In light of these developments, the female unemployment rate decreased from 12.9% to 12.5%. The number of employed males, which dropped by 165 thousand in July, increased by 267 thousand whereas the number of unemployed males declined by 54 thousand. As a result of the strong rise in employment, the male unemployment rate retracted from 8.5% to 8.2%.

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

Source: Turkstat, Betam

The female employment rate which attained its maximum in subsequent months since March increased by 0.3 pp to 30.8%. On the other hand, because of the strong increase in employment, the male employment rate rose by 0.7 pp to 65.3% after the it declined by 0.6 pp to 64.6% from June to July. As a result, the downward trend in male employment since May stopped (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 |
| August-19 | 32447 | 27896 | 4551 | 14,0% | Labor Force | Employment | Unemployment |
| September-19 | 32490 | 27915 | 4575 | 14,1% | 43 | 19 | 24 |
| October-19 | 32437 | 28063 | 4374 | 13,5% | -53 | 148 | -201 |
| November-19 | 32584 | 28264 | 4321 | 13,3% | 147 | 201 | -53 |
| December-19 | 32573 | 28202 | 4370 | 13,4% | -11 | -62 | 49 |
| January-20 | 31786 | 27609 | 4177 | 13,1% | -787 | -593 | -193 |
| February-20 | 31613 | 27623 | 3990 | 12,6% | -173 | 14 | -187 |
| March-20 | 30368 | 26448 | 3920 | 12,9% | -1245 | -1175 | -70 |
| April-20 | 29262 | 25327 | 3936 | 13,5% | -1106 | -1121 | 16 |
| May-20 | 29846 | 25862 | 3985 | 13,4% | 584 | 535 | 49 |
| June-20 | 30584 | 26469 | 4115 | 13,5% | 738 | 607 | 130 |
| July-20 | 30514 | 26201 | 4313 | 14,1% | -70 | -268 | 198 |
| August-20 | 30868 | 26908 | 3960 | 12,8% | 354 | 707 | -353 |
| September-20 | 31041 | 27099 | 3942 | 12,7% | 173 | 191 | -18 |
| October-20 | 31130 | 27044 | 4086 | 13,1% | 89 | -55 | 144 |
| November-20 | 31269 | 27184 | 4084 | 13,1% | 139 | 140 | -2 |
| December-20 | 31012 | 27028 | 3983 | 12,8% | -257 | -156 | -101 |
| January-21 | 31480 | 27502 | 3978 | 12,6% | 468 | 474 | -5 |
| February-21 | 31785 | 27578 | 4207 | 13,2% | 305 | 76 | 229 |
| March-21 | 32432 | 28283 | 4149 | 12,8% | 647 | 705 | -58 |
| April-21 | 32575 | 28190 | 4385 | 13,5% | 143 | -93 | 236 |
| May-21 | 32422 | 28210 | 4212 | 13,0% | -153 | 20 | -173 |
| June-21 | 32259 | 28751 | 3509 | 10,9% | -163 | 541 | -703 |
| July-21 | 32618 | 28887 | 3731 | 11,4% | 359 | 136 | 222 |
| August-21 | 32864 | 28992 | 3872 | 11,8% | 246 | 105 | 141 |
| September-21 | 33218 | 29397 | 3821 | 11,5% | 354 | 405 | -51 |
| October-21 | 33317 | 29576 | 3741 | 11,2% | 99 | 179 | -80 |
| November-21 | 33519 | 29743 | 3776 | 11,3% | 202 | 167 | 35 |
| December-21 | 33778 | 29994 | 3785 | 11,2% | 259 | 251 | 9 |
| January-22 | 33679 | 29898 | 3780 | 11,2% | -99 | -96 | -5 |
| February-22 | 33611 | 30015 | 3596 | 10,7% | -68 | 117 | -184 |
| March-22 | 33709 | 30013 | 3697 | 11,0% | 98 | -2 | 101 |
| April-22 | 34242 | 30513 | 3729 | 10,9% | 533 | 500 | 32 |
| May-22 | 34499 | 30842 | 3657 | 10,6% | 257 | 329 | -72 |
| June-22 | 34319 | 30790 | 3529 | 10,3% | -180 | -52 | -128 |
| July-22 | 34060 | 30648 | 3412 | 10,0% | -259 | -142 | -117 |
| August-22 | 34326 | 31014 | 3312 | 9,6% | 266 | 366 | -100 |

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 |
| Aug-19 | 14,0 | 4551 | 14,8 | 251 | 18,5 | 1781 | 19,2 | 6583 |
| Sep-19 | 14,1 | 4575 | 15,2 | 363 | 17,9 | 1511 | 18,9 | 6450 |
| Oct-19 | 13,5 | 4374 | 14,4 | 297 | 17,9 | 1744 | 18,8 | 6415 |
| Nov-19 | 13,3 | 4321 | 14,3 | 339 | 17,4 | 1633 | 18,4 | 6292 |
| Dec-19 | 13,4 | 4370 | 14,6 | 386 | 17,6 | 1654 | 18,7 | 6410 |
| Jan-20 | 13,1 | 4177 | 15,7 | 813 | 19,1 | 2341 | 21,6 | 7332 |
| Feb-20 | 12,6 | 3990 | 14,9 | 720 | 18,6 | 2322 | 20,7 | 7032 |
| Mar-20 | 12,9 | 3920 | 15,9 | 909 | 20,3 | 2816 | 23,1 | 7645 |
| Apr-20 | 13,4 | 3936 | 18,3 | 1419 | 23,4 | 3801 | 27,6 | 9156 |
| May-20 | 13,4 | 3985 | 19,1 | 1716 | 24,1 | 4226 | 29,1 | 9927 |
| Jun-20 | 13,5 | 4115 | 17,2 | 1145 | 22,5 | 3570 | 25,9 | 8830 |
| Jul-20 | 14,1 | 4313 | 18,2 | 1241 | 22,4 | 3250 | 26,1 | 8804 |
| Aug-20 | 12,8 | 3960 | 16,8 | 1226 | 21,4 | 3366 | 25,0 | 8552 |
| Sep-20 | 12,7 | 3942 | 16,0 | 1025 | 21,3 | 3392 | 24,2 | 8359 |
| Oct-20 | 13,1 | 4086 | 17,4 | 1331 | 21,9 | 3497 | 25,7 | 8914 |
| Nov-20 | 13,1 | 4084 | 17,1 | 1263 | 23,0 | 4036 | 26,6 | 9383 |
| Dec-20 | 12,8 | 3983 | 18,0 | 1599 | 24,0 | 4552 | 28,5 | 10135 |
| Jan-21 | 12,6 | 3978 | 20,1 | 2349 | 22,9 | 4191 | 29,5 | 10518 |
| Feb-21 | 13,2 | 4207 | 19,7 | 2055 | 22,3 | 3708 | 28,1 | 9970 |
| Mar-21 | 12,8 | 4149 | 17,9 | 1656 | 20,9 | 3324 | 25,5 | 9129 |
| Apr-21 | 13,5 | 4385 | 19,5 | 1967 | 21,6 | 3382 | 27,1 | 9734 |
| May-21 | 13,0 | 4212 | 19,0 | 1948 | 21,4 | 3469 | 26,9 | 9629 |
| Jun-21 | 10,9 | 3509 | 14,8 | 1265 | 19,0 | 3235 | 22,5 | 8009 |
| Jul-21 | 11,4 | 3731 | 15,8 | 1423 | 19,2 | 3133 | 23,2 | 8287 |
| Aug-21 | 11,8 | 3872 | 14,9 | 1025 | 18,8 | 2840 | 21,7 | 7737 |
| Sep-21 | 11,5 | 3821 | 15,2 | 1228 | 18,5 | 2852 | 21,9 | 7901 |
| Oct-21 | 11,2 | 3741 | 15,7 | 1490 | 18,7 | 3062 | 22,8 | 8293 |
| Nov-21 | 11,3 | 3776 | 15,4 | 1386 | 18,3 | 2886 | 22,1 | 8048 |
| Dec-21 | 11,2 | 3785 | 15,4 | 1417 | 18,8 | 3159 | 22,7 | 8361 |
| Jan-22 | 11,2 | 3780 | 15,5 | 1440 | 18,8 | 3142 | 22,7 | 8363 |
| Feb-22 | 10,7 | 3596 | 14,8 | 1378 | 18,1 | 3037 | 21,8 | 8012 |
| Mar-22 | 11,0 | 3697 | 15,2 | 1427 | 18,3 | 3025 | 22,2 | 8149 |
| Apr-22 | 10,9 | 3729 | 14,4 | 1202 | 18,1 | 3014 | 21,4 | 7945 |
| May-22 | 10,6 | 3657 | 15,7 | 1759 | 17,4 | 2840 | 22,1 | 8256 |
| Jun-22 | 10,3 | 3529 | 13,9 | 1241 | 17,1 | 2822 | 20,5 | 7592 |
| Jul-22 | 10,0 | 3412 | 15,0 | 1697 | 17,9 | 3270 | 22,4 | 8379 |
| Aug-22 | 9,6 | 3312 | 13,3 | 1253 | 16,4 | 2772 | 19,8 | 7337 |

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 |
| Aug-19 | 10617 | 8873 | 1744 | 21830 | 19023 | 2807 | 34,1 | 28,5 | 71,7 | 62,5 |
| Sep-19 | 10683 | 8907 | 1776 | 21807 | 19008 | 2799 | 34,2 | 28,5 | 71,6 | 62,4 |
| Oct-19 | 10665 | 8970 | 1695 | 21772 | 19093 | 2679 | 34,1 | 28,7 | 71,4 | 62,6 |
| Nov-19 | 10723 | 8970 | 1753 | 21862 | 19294 | 2568 | 34,3 | 28,7 | 71,6 | 63,2 |
| Dec-19 | 10639 | 8904 | 1736 | 21933 | 19299 | 2634 | 34,0 | 28,4 | 71,7 | 63,1 |
| Jan-20 | 10340 | 8686 | 1655 | 21446 | 18923 | 2522 | 33,0 | 27,7 | 70,0 | 61,8 |
| Feb-20 | 10169 | 8696 | 1473 | 21444 | 18927 | 2517 | 32,4 | 27,7 | 69,9 | 61,7 |
| Mar-20 | 9441 | 8053 | 1389 | 20927 | 18396 | 2531 | 30,0 | 25,6 | 68,0 | 59,8 |
| Apr-20 | 9182 | 7887 | 1295 | 20080 | 17440 | 2640 | 29,1 | 25,0 | 65,2 | 56,6 |
| May-20 | 9359 | 8021 | 1338 | 20487 | 17840 | 2647 | 29,7 | 25,4 | 66,4 | 57,8 |
| Jun-20 | 9654 | 8156 | 1498 | 20929 | 18313 | 2617 | 30,6 | 25,8 | 67,7 | 59,2 |
| Jul-20 | 9769 | 8241 | 1528 | 20744 | 17959 | 2785 | 30,9 | 26,0 | 67,0 | 58,0 |
| Aug-20 | 9789 | 8341 | 1448 | 21079 | 18567 | 2512 | 30,9 | 26,3 | 67,9 | 59,8 |
| Sep-20 | 9737 | 8323 | 1414 | 21304 | 18776 | 2528 | 30,7 | 26,2 | 68,5 | 60,4 |
| Oct-20 | 9767 | 8303 | 1464 | 21363 | 18741 | 2622 | 30,7 | 26,1 | 68,6 | 60,2 |
| Nov-20 | 9749 | 8348 | 1402 | 21519 | 18837 | 2683 | 30,6 | 26,2 | 68,9 | 60,3 |
| Dec-20 | 9832 | 8447 | 1385 | 21179 | 18581 | 2598 | 30,9 | 26,5 | 67,7 | 59,4 |
| Jan-21 | 10004 | 8556 | 1448 | 21476 | 18946 | 2530 | 31,3 | 26,8 | 68,6 | 60,5 |
| Feb-21 | 10205 | 8640 | 1565 | 21580 | 18938 | 2642 | 31,9 | 27,0 | 68,8 | 60,4 |
| Mar-21 | 10242 | 8621 | 1621 | 22190 | 19662 | 2528 | 32,0 | 26,9 | 70,7 | 62,6 |
| Apr-21 | 10441 | 8816 | 1625 | 22134 | 19374 | 2761 | 32,6 | 27,5 | 70,4 | 61,6 |
| May-21 | 10284 | 8726 | 1558 | 22138 | 19484 | 2654 | 32,0 | 27,2 | 70,3 | 61,9 |
| Jun-21 | 10340 | 8888 | 1452 | 21919 | 19863 | 2056 | 32,2 | 27,6 | 69,6 | 63,0 |
| Jul-21 | 10820 | 9297 | 1523 | 21798 | 19590 | 2208 | 33,6 | 28,9 | 69,1 | 62,1 |
| Aug-21 | 10655 | 9071 | 1584 | 22209 | 19921 | 2288 | 33,0 | 28,1 | 70,3 | 63,1 |
| Sep-21 | 10785 | 9217 | 1568 | 22433 | 20180 | 2253 | 33,4 | 28,5 | 70,9 | 63,8 |
| Oct-21 | 10886 | 9351 | 1535 | 22431 | 20225 | 2206 | 33,7 | 28,9 | 70,8 | 63,9 |
| Nov-21 | 11005 | 9414 | 1592 | 22514 | 20329 | 2185 | 34,0 | 29,1 | 71,0 | 64,1 |
| Dec-21 | 11086 | 9530 | 1556 | 22692 | 20464 | 2229 | 34,2 | 29,4 | 71,5 | 64,5 |
| Jan-22 | 11108 | 9582 | 1526 | 22570 | 20316 | 2254 | 34,2 | 29,5 | 71,0 | 63,9 |
| Feb-22 | 11095 | 9598 | 1496 | 22517 | 20417 | 2100 | 34,1 | 29,5 | 70,7 | 64,1 |
| Mar-22 | 10912 | 9394 | 1518 | 22797 | 20619 | 2178 | 33,5 | 28,9 | 71,5 | 64,7 |
| Apr-22 | 11370 | 9768 | 1602 | 22872 | 20746 | 2126 | 34,9 | 30,0 | 71,7 | 65,0 |
| May-22 | 11493 | 9930 | 1563 | 23006 | 20912 | 2094 | 35,2 | 30,4 | 72,0 | 65,5 |
| Jun-22 | 11509 | 9942 | 1567 | 22810 | 20848 | 1962 | 35,2 | 30,4 | 71,3 | 65,2 |
| Jul-22 | 11445 | 9965 | 1480 | 22615 | 20683 | 1932 | 35,0 | 30,5 | 70,6 | 64,6 |
| Aug-22 | 11499 | 10064 | 1434 | 22828 | 20950 | 1878 | 35,1 | 30,8 | 71,2 | 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 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

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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)