

## THE REVERSAL IN THE FOUR-MONTH-LONG DECLINE IN THE UNEMPLOYMENT RATE

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### Executive Summary

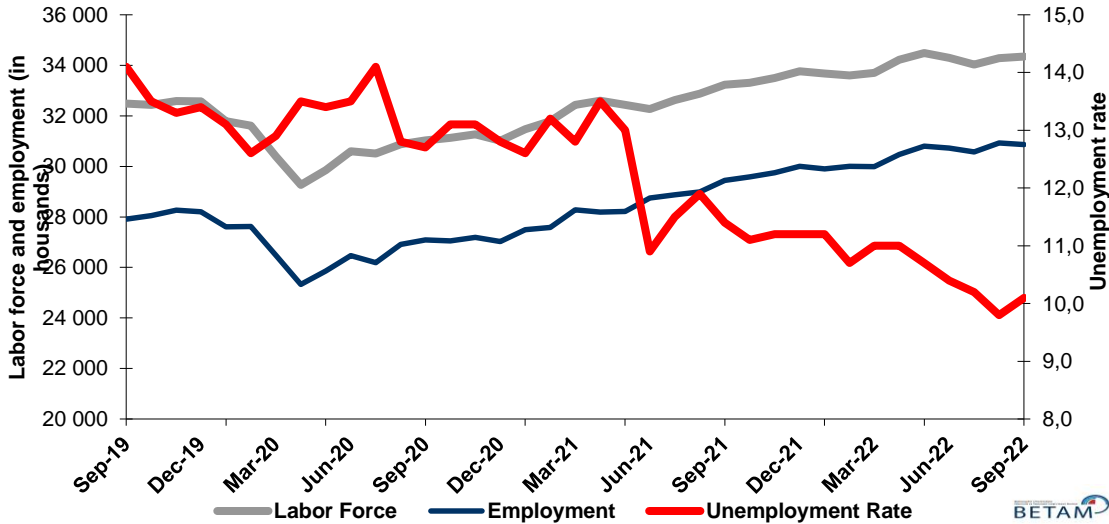
Since the number of employed persons decreased by 54 thousand and the number of unemployed persons decreased by 120 thousand, the labor force increased by 67 thousand from August to September. As a result, the unemployment rate increased by 0.3 pp to 10.1%.

The seasonally adjusted female unemployment rate increased by 0.2 pp to 12.8% from August to September, as female employment and unemployment rose by 9 and 27 thousand, respectively. As for males, the seasonally adjusted unemployment rate went up by 0.4 pp to 8.8% following the decrease in male employment by 63 thousand and the increase in the number of unemployed males by 94 thousand. Consequently, the female and male labor force increased by 36 and 31 thousand, respectively. Following these developments, the gender gap in the unemployment rates of females and males receded by 0.2 pp to 4.0%.

### The combination of the decrease in employment and the increase in unemployment

According to the monthly seasonally adjusted data, the number of employed persons fell by 54 thousand MoM to 30 million 867 thousand, and the number of unemployed persons increased by 120 thousand to 3 million 482 thousand. Therefore, the total labor force increased by 67 thousand to 34 million 349 thousand (Figure 1, Table 1). From August to September, the unemployment rate rose by 0.3 pp to 10.1%. We would like to note that the unemployment rate in August was revised upward from 9.6% to 9.8%.

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



Source: Turkstat, Betam

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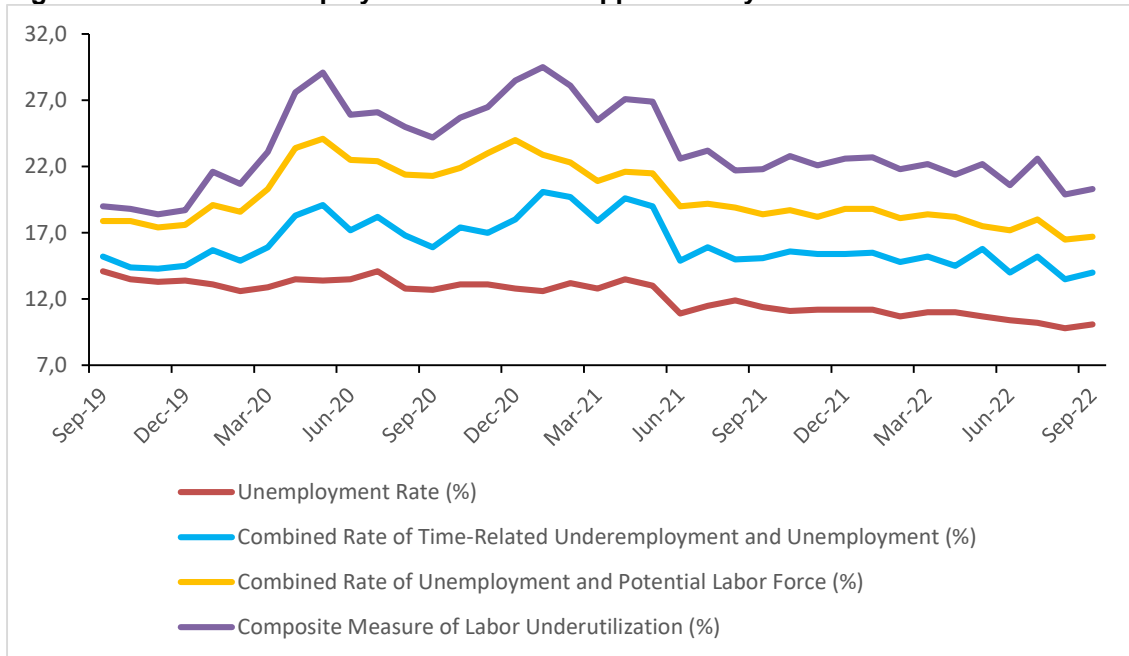
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## Developments in the alternative unemployment rates

Box 1 reports the methods Turkstat used to calculate 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, the general unemployment rate increased by 0.3 pp to 10.1% from August to September. At the same time, although the level of the potential labor force went down through the increases in the labor force and employment, the combined rate of unemployment and the potential labor force increased by 0.2 pp to 16.7%. After falling from 15.2% to 13.9% in August, the combined rate of time-related underemployment and unemployment increased by 0.5 pp and reached 14.0% in September. “The composite measure of labor underutilization” which combines the two previous alternative unemployment metrics, rose by 0.4 pp from 19.9% to 20.3% (Figure 2, Table 4).

**Figure 2: Headline Unemployment Rate and Supplementary Indicators for Labor Force**



Source: Turkstat, Betam

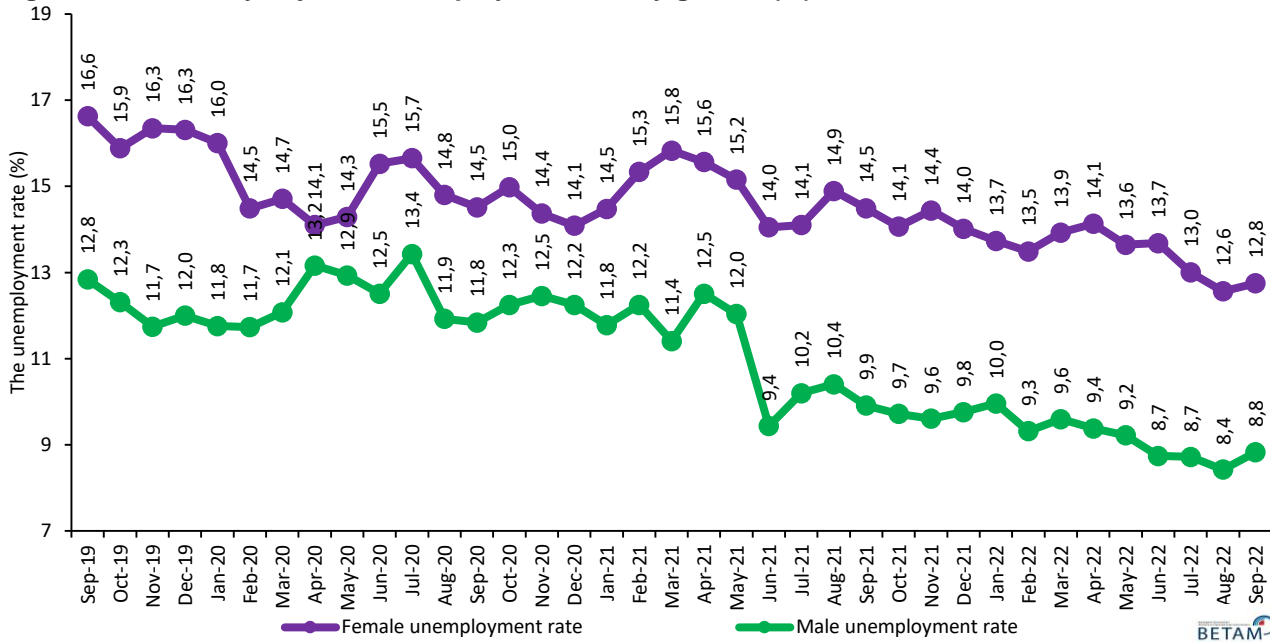
## On the developments of sectorial employment

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 only be accounted for by 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. Betam analyzes the sectorial employment developments in its quarterly notes.

## Sharp rise in male unemployment

Figure 3 shows the seasonally adjusted unemployment rate for males and females. After structural increases in the March-August period (614 thousand), the level of female employment increased merely by 9 thousand. Resulting of the increase in the level of females by 27 thousand, the female unemployment rate went up from 12.6% to 12.8%. At the same time, the number of employed males, after going down by 171 thousand in June and increasing by 262 thousand in August, dropped by 63 thousand, and the number of unemployed males increased by 94 thousand. As a result, the male unemployment rate rose sharply from 8.4% to 8.8% (Table 3).

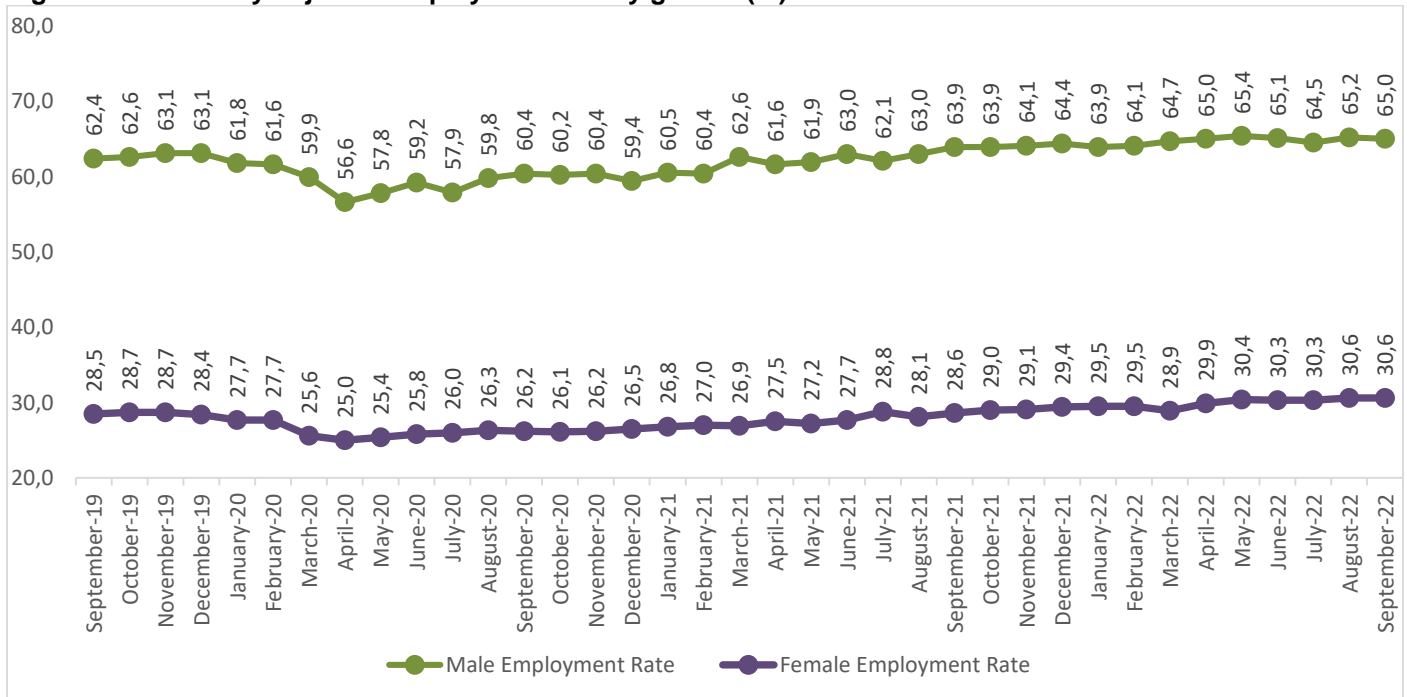
**Figure 3: Seasonally adjusted unemployment rate by gender (%)**



Source: Turkstat, Betam

The female employment rate, which attained a cumulative increase of 1.7 pp between March and August, is stuck at 30.6% in September due to the limited increase in female employment. At the same time, after a sharp increase of 0.7 pp in August, the male employment rate decreased by 0.2 pp to 65.0% in September (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
September-19	32488	27912	4576	14,1%			
October-19	32431	28057	4374	13,5%	-57	145	-202
November-19	32579	28260	4320	13,3%	148	203	-54
December-19	32569	28202	4367	13,4%	-10	-58	47
January-20	31783	27607	4176	13,1%	-786	-595	-191
February-20	31609	27619	3989	12,6%	-174	12	-187
March-20	30398	26478	3919	12,9%	-1211	-1141	-70
April-20	29264	25327	3938	13,5%	-1134	-1151	19
May-20	29847	25860	3987	13,4%	583	533	49
June-20	30591	26473	4118	13,5%	744	613	131
July-20	30501	26188	4314	14,1%	-90	-285	196
August-20	30869	26906	3963	12,8%	368	718	-351
September-20	31027	27093	3934	12,7%	158	187	-29
October-20	31129	27048	4080	13,1%	102	-45	146
November-20	31266	27186	4081	13,1%	137	138	1
December-20	31008	27029	3979	12,8%	-258	-157	-102
January-21	31470	27493	3977	12,6%	462	464	-2
February-21	31785	27577	4208	13,2%	315	84	231
March-21	32436	28283	4153	12,8%	651	706	-55
April-21	32591	28195	4396	13,5%	155	-88	243
May-21	32437	28212	4225	13,0%	-154	17	-171
June-21	32270	28747	3523	10,9%	-167	535	-702
July-21	32621	28871	3750	11,5%	351	124	227
August-21	32881	28982	3898	11,9%	260	111	148
September-21	33226	29438	3788	11,4%	345	456	-110
October-21	33299	29589	3710	11,1%	73	151	-78
November-21	33500	29749	3751	11,2%	201	160	41
December-21	33767	29999	3768	11,2%	267	250	17
January-22	33671	29899	3773	11,2%	-96	-100	5
February-22	33597	30004	3593	10,7%	-74	105	-180
March-22	33700	29994	3706	11,0%	103	-10	113
April-22	34221	30471	3750	11,0%	521	477	44
May-22	34480	30793	3687	10,7%	259	322	-63
June-22	34291	30727	3564	10,4%	-189	-66	-123
July-22	34028	30572	3456	10,2%	-263	-155	-108
August-22	34282	30921	3362	9,8%	254	349	-94
September-22	34349	30867	3482	10,1%	67	-54	120

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
Sep-19	14,1	4576	15,2	362	17,9	1510	19,0	6448
Oct-19	13,5	4374	14,4	296	17,9	1743	18,8	6413
Nov-19	13,3	4320	14,3	339	17,4	1633	18,4	6292
Dec-19	13,4	4367	14,5	356	17,6	1657	18,7	6379
Jan-20	13,1	4176	15,7	814	19,1	2342	21,6	7332
Feb-20	12,6	3989	14,9	721	18,6	2322	20,7	7032
Mar-20	12,9	3919	15,9	914	20,3	2825	23,1	7659
Apr-20	13,5	3938	18,3	1417	23,4	3799	27,6	9154
May-20	13,4	3987	19,1	1714	24,1	4224	29,1	9925
Jun-20	13,5	4118	17,2	1144	22,5	3568	25,9	8829
Jul-20	14,1	4314	18,2	1237	22,4	3245	26,1	8796
Aug-20	12,8	3963	16,8	1223	21,4	3363	25,0	8549
Sep-20	12,7	3934	15,9	999	21,3	3399	24,2	8332
Oct-20	13,1	4080	17,4	1336	21,9	3505	25,7	8921
Nov-20	13,1	4081	17,0	1234	23,0	4039	26,5	9354
Dec-20	12,8	3979	18,0	1602	24,0	4556	28,5	10138
Jan-21	12,6	3977	20,1	2348	22,9	4189	29,5	10514
Feb-21	13,2	4208	19,7	2054	22,3	3707	28,1	9968
Mar-21	12,8	4153	17,9	1653	20,9	3320	25,5	9126
Apr-21	13,5	4396	19,6	1992	21,6	3372	27,1	9760
May-21	13,0	4225	19,0	1938	21,5	3502	26,9	9665
Jun-21	10,9	3523	14,9	1285	19,0	3220	22,6	8028
Jul-21	11,5	3750	15,9	1437	19,2	3110	23,2	8297
Aug-21	11,9	3898	15,0	1034	18,9	2856	21,7	7789
Sep-21	11,4	3788	15,1	1229	18,4	2850	21,8	7867
Oct-21	11,1	3710	15,6	1485	18,7	3096	22,8	8290
Nov-21	11,2	3751	15,4	1408	18,2	2868	22,1	8027
Dec-21	11,2	3768	15,4	1432	18,8	3178	22,6	8378
Jan-22	11,2	3773	15,5	1446	18,8	3149	22,7	8368
Feb-22	10,7	3593	14,8	1379	18,1	3038	21,8	8010
Mar-22	11,0	3706	15,2	1416	18,4	3057	22,2	8180
Apr-22	11,0	3750	14,5	1212	18,2	3030	21,4	7992
May-22	10,7	3687	15,8	1761	17,5	2845	22,2	8293
Jun-22	10,4	3564	14,0	1237	17,2	2819	20,6	7620
Jul-22	10,2	3456	15,2	1716	18,0	3255	22,6	8427
Aug-22	9,8	3362	13,5	1266	16,5	2748	19,9	7376
Sep-22	10,1	3482	14,0	1327	16,7	2706	20,3	7515

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
Sep-19	10682	8906	1776	21806	19006	2800	34,2	28,5	71,6	62,4
Oct-19	10663	8969	1694	21768	19088	2680	34,1	28,7	71,3	62,6
Nov-19	10722	8969	1753	21857	19290	2567	34,3	28,7	71,5	63,1
Dec-19	10637	8902	1735	21932	19300	2632	34,0	28,4	71,7	63,1
Jan-20	10340	8685	1655	21443	18922	2521	33,0	27,7	70,0	61,8
Feb-20	10167	8694	1473	21442	18925	2516	32,4	27,7	69,8	61,6
Mar-20	9442	8053	1389	20956	18425	2531	30,0	25,6	68,1	59,9
Apr-20	9183	7887	1295	20082	17439	2643	29,1	25,0	65,2	56,6
May-20	9361	8023	1338	20486	17837	2649	29,7	25,4	66,4	57,8
Jun-20	9656	8157	1499	20935	18316	2619	30,6	25,8	67,7	59,2
Jul-20	9766	8237	1529	20735	17950	2785	30,9	26,0	66,9	57,9
Aug-20	9790	8341	1449	21079	18565	2514	30,9	26,3	67,9	59,8
Sep-20	9736	8322	1413	21292	18771	2521	30,7	26,2	68,5	60,4
Oct-20	9765	8302	1463	21363	18746	2617	30,7	26,1	68,6	60,2
Nov-20	9749	8348	1401	21517	18837	2680	30,6	26,2	68,9	60,4
Dec-20	9831	8447	1385	21177	18582	2594	30,8	26,5	67,7	59,4
Jan-21	10002	8555	1448	21468	18939	2529	31,3	26,8	68,5	60,5
Feb-21	10206	8641	1565	21579	18935	2643	31,9	27,0	68,8	60,4
Mar-21	10240	8619	1621	22195	19664	2532	32,0	26,9	70,7	62,6
Apr-21	10445	8819	1626	22146	19376	2770	32,6	27,5	70,5	61,6
May-21	10286	8727	1559	22151	19485	2666	32,0	27,2	70,4	61,9
Jun-21	10342	8889	1453	21928	19858	2069	32,2	27,7	69,6	63,0
Jul-21	10807	9282	1524	21814	19588	2225	33,6	28,8	69,1	62,1
Aug-21	10650	9065	1586	22230	19918	2313	33,0	28,1	70,4	63,0
Sep-21	10802	9237	1565	22424	20201	2223	33,5	28,6	70,9	63,9
Oct-21	10898	9365	1533	22401	20224	2177	33,7	29,0	70,7	63,9
Nov-21	11012	9422	1590	22488	20327	2161	34,0	29,1	70,9	64,1
Dec-21	11094	9539	1555	22673	20460	2213	34,2	29,4	71,4	64,4
Jan-22	11110	9584	1526	22561	20315	2247	34,2	29,5	71,0	63,9
Feb-22	11091	9594	1496	22507	20410	2097	34,1	29,5	70,7	64,1
Mar-22	10907	9388	1519	22792	20605	2187	33,5	28,9	71,5	64,7
Apr-22	11350	9746	1604	22871	20725	2146	34,8	29,9	71,7	65,0
May-22	11470	9905	1565	23010	20888	2122	35,2	30,4	72,0	65,4
Jun-22	11468	9899	1569	22823	20828	1995	35,1	30,3	71,4	65,1
Jul-22	11396	9915	1482	22632	20657	1974	34,9	30,3	70,7	64,5
Aug-22	11438	10002	1437	22844	20919	1925	34,9	30,6	71,2	65,2
Sep-22	11474	10011	1463	22875	20856	2019	35,0	30,6	71,3	65,0

Source: Turkstat, Betam

### Box 1: Definitions of alternative unemployment rates<sup>1</sup>

**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 =**

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

<sup>1</sup> 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>