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**Labor Market Outlook:**

**May 2023**

**HUGE MONTHLY SWINGS IN MALE AND FEMALE EMPLOYMENT AND UNEMPLOYMENT**

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**Executive Summary**

Since the number of employed persons increased by 37 thousand and the number of unemployed persons increased by 4 thousand, the labor force increased by 41 thousand from February to March. As a result, the unemployment rate remained unchanged at 10.0%. We infer that Turkstat has been able to implement surveys in the 3 (Gaziantep, Kilis and Malatya) of 7 provinces which were affected by the tragic earthquake.

The seasonally adjusted female unemployment rate increased by 1.0 pp to 13.8% from February to March, as female employment dropped by 313 thousand and female unemployment increased by 95 thousand. It is worthwhile to note that female employment rose by 210 thousand and the unemployment rate fell to 12.8% from January to February (previous period). As for males, the seasonally adjusted unemployment rate went down by 0.5 pp to 8.1% following the strong increase in male employment by 351 thousand and the decrease in the number of unemployed males by 92 thousand. Similar to what happened for female labor force statistics, the number of male employed fell by 571 thousand in the previous period. This amount of swings in male and female labor force statistics can’t be explained without further details regarding the sectoral employment. Following these developments, the gender gap in the unemployment rates of females and males increased by 1.5 pp to 5.7%.

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

Source: Turkstat, Betam

# The limited increase in employment

According to the monthly seasonally adjusted data, the number of employed persons increased mildly by 37 thousand MoM to 31 million 462 thousand, and the number of unemployed persons increased by 4 thousand to 3 million 508 thousand. Therefore, the total labor force increased by 41 thousand to 34 million 970 thousand (Figure 1, Table 1). From February to March, the unemployment rate remained unchanged at 10.0%.

# 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 remained at 10.0% from February to March. At the same time, following the striking decrease of 312 thousand in the potential labor force, the combined rate of unemployment and the potential labor force increased by 0.7 pp to 17.2%. We would like to remind that the potential labor force previously increased by 365 thousand from January to February. In addition, the combined rate of time-related underemployment and unemployment decreased by 0.9 pp and reached 16.0% in February. “The composite measure of labor underutilization” which combines the two previous alternative unemployment metrics, fell by 1.6 pp from 23.4% to 21.8% (Figure 2, Table 4).

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

Source: Turkstat, Betam

# Female and male labor force indicators moved in opposite directions

Figure 3 shows the seasonally adjusted unemployment rate for males and females. In the month of March, the level of female employment decreased severely by 313 thousand while the level of unemployed females went up by 95 thousand, implying a 217-thousand-decrease in the labor force. Consequently, the female unemployment rate increased by 1.0 pp from 12.8% to 13.8%. The losses in the level of employment in this period outmatched the gains of the previous period. At the same time, the number of employed males increased by 351 thousand and the number of unemployed males decreased by 92 thousand. As a result, the male unemployment rate dropped from 8.6% to 8.1% (Table 3).

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

Source: Turkstat, Betam

The female employment rate, as a result, dropped by 1.0 pp and retreated back to 31.7, while the male employment rate, partly offset its losses of the previous period and increased to 66.0 percent. (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 |
| March-20 | 30282 | 26351 | 3931 | 13,0% | Labor Force | Employment | Unemployment |
| April-20 | 29003 | 25077 | 3926 | 13,5% | -1279 | -1274 | -5 |
| May-20 | 29618 | 25588 | 4030 | 13,6% | 615 | 511 | 104 |
| June-20 | 30592 | 26403 | 4189 | 13,7% | 974 | 815 | 159 |
| July-20 | 30467 | 26124 | 4343 | 14,3% | -125 | -279 | 154 |
| August-20 | 30968 | 26959 | 4009 | 12,9% | 501 | 835 | -334 |
| September-20 | 31085 | 27173 | 3913 | 12,6% | 117 | 214 | -96 |
| October-20 | 31039 | 26999 | 4040 | 13,0% | -46 | -174 | 127 |
| November-20 | 31072 | 27024 | 4048 | 13,0% | 33 | 25 | 8 |
| December-20 | 31016 | 27115 | 3901 | 12,6% | -56 | 91 | -147 |
| January-21 | 31603 | 27643 | 3959 | 12,5% | 587 | 528 | 58 |
| February-21 | 31868 | 27660 | 4208 | 13,2% | 265 | 17 | 249 |
| March-21 | 32609 | 28403 | 4207 | 12,9% | 741 | 743 | -1 |
| April-21 | 32680 | 28284 | 4397 | 13,5% | 71 | -119 | 190 |
| May-21 | 32292 | 28013 | 4278 | 13,2% | -388 | -271 | -119 |
| June-21 | 32172 | 28625 | 3547 | 11,0% | -120 | 612 | -731 |
| July-21 | 32596 | 28813 | 3783 | 11,6% | 424 | 188 | 236 |
| August-21 | 32919 | 28999 | 3919 | 11,9% | 323 | 186 | 136 |
| September-21 | 33310 | 29569 | 3741 | 11,2% | 391 | 570 | -178 |
| October-21 | 33256 | 29606 | 3651 | 11,0% | -54 | 37 | -90 |
| November-21 | 33325 | 29612 | 3713 | 11,1% | 69 | 6 | 62 |
| December-21 | 33752 | 30042 | 3710 | 11,0% | 427 | 430 | -3 |
| January-22 | 33790 | 29984 | 3806 | 11,3% | 38 | -58 | 96 |
| February-22 | 33520 | 29935 | 3585 | 10,7% | -270 | -49 | -221 |
| March-22 | 33855 | 30065 | 3790 | 11,2% | 335 | 130 | 205 |
| April-22 | 34231 | 30451 | 3780 | 11,0% | 376 | 386 | -10 |
| May-22 | 34603 | 30865 | 3738 | 10,8% | 372 | 414 | -42 |
| June-22 | 34268 | 30720 | 3548 | 10,4% | -335 | -145 | -190 |
| July-22 | 33991 | 30529 | 3462 | 10,2% | -277 | -191 | -86 |
| August-22 | 34420 | 31074 | 3346 | 9,7% | 429 | 545 | -116 |
| September-22 | 34456 | 31017 | 3440 | 10,0% | 36 | -57 | 94 |
| October-22 | 34571 | 31089 | 3482 | 10,1% | 115 | 72 | 42 |
| November-22 | 35108 | 31558 | 3551 | 10,1% | 537 | 469 | 69 |
| December-22 | 35045 | 31443 | 3602 | 10,3% | -63 | -115 | 51 |
| January-23 | 35222 | 31786 | 3436 | 9,8% | 177 | 343 | -166 |
| February-23 | 34929 | 31425 | 3504 | 10,0% | -293 | -361 | 68 |
| March-23 | 34970 | 31462 | 3508 | 10,0% | 41 | 37 | 4 |

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 |
| Mar-20 | 13,0 | 3931 | 16,0 | 914 | 20,4 | 2822 | 23,2 | 7667 |
| Apr-20 | 13,5 | 3926 | 18,4 | 1411 | 23,5 | 3777 | 27,8 | 9114 |
| May-20 | 13,6 | 4030 | 19,4 | 1716 | 24,4 | 4229 | 29,4 | 9974 |
| Jun-20 | 13,7 | 4189 | 17,4 | 1134 | 22,7 | 3565 | 26,1 | 8888 |
| Jul-20 | 14,3 | 4343 | 18,3 | 1232 | 22,5 | 3241 | 26,2 | 8817 |
| Aug-20 | 12,9 | 4009 | 16,9 | 1225 | 21,5 | 3375 | 25,1 | 8608 |
| Sep-20 | 12,6 | 3913 | 15,8 | 998 | 21,2 | 3397 | 24,1 | 8309 |
| Oct-20 | 13,0 | 4040 | 17,3 | 1330 | 21,8 | 3487 | 25,7 | 8856 |
| Nov-20 | 13,0 | 4048 | 17,0 | 1234 | 23,0 | 4024 | 26,6 | 9306 |
| Dec-20 | 12,6 | 3901 | 17,7 | 1589 | 23,8 | 4568 | 28,3 | 10058 |
| Jan-21 | 12,5 | 3959 | 20,0 | 2362 | 22,8 | 4205 | 29,3 | 10526 |
| Feb-21 | 13,2 | 4208 | 19,6 | 2038 | 22,3 | 3730 | 28,1 | 9977 |
| Mar-21 | 12,9 | 4207 | 17,9 | 1630 | 20,9 | 3297 | 25,5 | 9134 |
| Apr-21 | 13,5 | 4397 | 19,5 | 1976 | 21,6 | 3395 | 27,0 | 9768 |
| May-21 | 13,2 | 4278 | 19,3 | 1954 | 21,7 | 3486 | 27,2 | 9718 |
| Jun-21 | 11,0 | 3547 | 15,0 | 1279 | 19,1 | 3211 | 22,7 | 8037 |
| Jul-21 | 11,6 | 3783 | 16,0 | 1432 | 19,3 | 3108 | 23,3 | 8323 |
| Aug-21 | 11,9 | 3919 | 15,0 | 1019 | 18,9 | 2839 | 21,8 | 7777 |
| Sep-21 | 11,2 | 3741 | 14,9 | 1222 | 18,3 | 2882 | 21,6 | 7845 |
| Oct-21 | 11,0 | 3651 | 15,5 | 1504 | 18,5 | 3069 | 22,6 | 8224 |
| Nov-21 | 11,1 | 3713 | 15,3 | 1386 | 18,2 | 2875 | 22,1 | 7974 |
| Dec-21 | 11,0 | 3710 | 15,2 | 1420 | 18,6 | 3155 | 22,5 | 8285 |
| Jan-22 | 11,3 | 3806 | 15,5 | 1431 | 18,8 | 3136 | 22,7 | 8374 |
| Feb-22 | 10,7 | 3585 | 14,8 | 1376 | 18,1 | 3031 | 21,9 | 7992 |
| Mar-22 | 11,2 | 3790 | 15,4 | 1424 | 18,5 | 3035 | 22,4 | 8248 |
| Apr-22 | 11,0 | 3780 | 14,6 | 1218 | 18,3 | 3041 | 21,5 | 8038 |
| May-22 | 10,8 | 3738 | 15,9 | 1764 | 17,6 | 2855 | 22,3 | 8356 |
| Jun-22 | 10,4 | 3548 | 14,0 | 1250 | 17,2 | 2833 | 20,5 | 7631 |
| Jul-22 | 10,2 | 3462 | 15,2 | 1705 | 18,0 | 3239 | 22,6 | 8406 |
| Aug-22 | 9,7 | 3346 | 13,4 | 1266 | 16,4 | 2750 | 19,8 | 7362 |
| Sep-22 | 10,0 | 3440 | 13,8 | 1315 | 16,6 | 2733 | 20,2 | 7488 |
| Oct-22 | 10,1 | 3482 | 14,1 | 1393 | 16,5 | 2661 | 20,3 | 7536 |
| Nov-22 | 10,1 | 3551 | 14,2 | 1434 | 16,9 | 2867 | 20,7 | 7852 |
| Dec-22 | 10,3 | 3602 | 14,9 | 1620 | 17,2 | 2930 | 21,4 | 8151 |
| Jan-23 | 9,8 | 3436 | 15,3 | 1953 | 16,8 | 2982 | 21,9 | 8371 |
| Feb-23 | 10,0 | 3504 | 16,0 | 2085 | 17,9 | 3347 | 23,4 | 8936 |
| Mar-23 | 10,0 | 3508 | 15,1 | 1772 | 17,2 | 3028 | 21,8 | 8308 |

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 |
| Mar-20 | 9418 | 8028 | 1390 | 20864 | 18323 | 2541 | 29,9 | 25,5 | 67,8 | 59,6 |
| Apr-20 | 9145 | 7862 | 1283 | 19858 | 17215 | 2643 | 29,0 | 25,0 | 64,5 | 55,9 |
| May-20 | 9333 | 8004 | 1329 | 20286 | 17584 | 2702 | 29,6 | 25,4 | 65,7 | 57,0 |
| Jun-20 | 9647 | 8151 | 1497 | 20945 | 18253 | 2692 | 30,5 | 25,8 | 67,7 | 59,0 |
| Jul-20 | 9852 | 8300 | 1553 | 20615 | 17825 | 2790 | 31,1 | 26,2 | 66,5 | 57,5 |
| Aug-20 | 9913 | 8452 | 1461 | 21054 | 18507 | 2548 | 31,3 | 26,7 | 67,8 | 59,6 |
| Sep-20 | 9806 | 8386 | 1420 | 21280 | 18786 | 2493 | 30,9 | 26,4 | 68,4 | 60,4 |
| Oct-20 | 9675 | 8229 | 1446 | 21364 | 18770 | 2594 | 30,4 | 25,9 | 68,6 | 60,2 |
| Nov-20 | 9562 | 8162 | 1400 | 21509 | 18862 | 2647 | 30,0 | 25,6 | 68,9 | 60,4 |
| Dec-20 | 9721 | 8370 | 1350 | 21295 | 18744 | 2550 | 30,5 | 26,3 | 68,1 | 59,9 |
| Jan-21 | 10049 | 8601 | 1447 | 21554 | 19042 | 2512 | 31,5 | 26,9 | 68,8 | 60,8 |
| Feb-21 | 10274 | 8690 | 1584 | 21594 | 18970 | 2624 | 32,1 | 27,2 | 68,9 | 60,5 |
| Mar-21 | 10200 | 8564 | 1636 | 22409 | 19839 | 2570 | 31,9 | 26,8 | 71,4 | 63,2 |
| Apr-21 | 10509 | 8874 | 1635 | 22171 | 19410 | 2762 | 32,8 | 27,7 | 70,5 | 61,7 |
| May-21 | 10151 | 8595 | 1556 | 22140 | 19419 | 2722 | 31,6 | 26,8 | 70,3 | 61,7 |
| Jun-21 | 10280 | 8829 | 1451 | 21892 | 19796 | 2096 | 32,0 | 27,5 | 69,5 | 62,8 |
| Jul-21 | 10791 | 9247 | 1544 | 21805 | 19566 | 2239 | 33,5 | 28,7 | 69,1 | 62,0 |
| Aug-21 | 10704 | 9110 | 1594 | 22214 | 19889 | 2325 | 33,2 | 28,3 | 70,3 | 63,0 |
| Sep-21 | 10939 | 9372 | 1567 | 22371 | 20197 | 2174 | 33,9 | 29,0 | 70,7 | 63,9 |
| Oct-21 | 10952 | 9443 | 1509 | 22305 | 20163 | 2142 | 33,9 | 29,2 | 70,4 | 63,7 |
| Nov-21 | 10911 | 9324 | 1588 | 22413 | 20288 | 2125 | 33,7 | 28,8 | 70,7 | 64,0 |
| Dec-21 | 11126 | 9624 | 1501 | 22627 | 20418 | 2209 | 34,3 | 29,7 | 71,3 | 64,3 |
| Jan-22 | 11166 | 9649 | 1517 | 22624 | 20334 | 2289 | 34,4 | 29,7 | 71,2 | 64,0 |
| Feb-22 | 11066 | 9549 | 1518 | 22454 | 20387 | 2067 | 34,0 | 29,4 | 70,5 | 64,1 |
| Mar-22 | 10959 | 9422 | 1538 | 22896 | 20644 | 2252 | 33,7 | 29,0 | 71,9 | 64,8 |
| Apr-22 | 11373 | 9741 | 1632 | 22857 | 20710 | 2148 | 34,9 | 29,9 | 71,6 | 64,9 |
| May-22 | 11527 | 9954 | 1574 | 23075 | 20912 | 2164 | 35,3 | 30,5 | 72,2 | 65,5 |
| Jun-22 | 11458 | 9885 | 1572 | 22810 | 20834 | 1976 | 35,1 | 30,3 | 71,3 | 65,1 |
| Jul-22 | 11340 | 9842 | 1498 | 22651 | 20687 | 1964 | 34,7 | 30,1 | 70,7 | 64,6 |
| Aug-22 | 11532 | 10092 | 1440 | 22888 | 20982 | 1906 | 35,2 | 30,8 | 71,4 | 65,4 |
| Sep-22 | 11545 | 10082 | 1463 | 22911 | 20935 | 1976 | 35,2 | 30,8 | 71,4 | 65,2 |
| Oct-22 | 11623 | 10089 | 1534 | 22948 | 21000 | 1948 | 35,4 | 30,8 | 71,4 | 65,3 |
| Nov-22 | 11957 | 10413 | 1544 | 23151 | 21145 | 2007 | 36,4 | 31,7 | 71,9 | 65,7 |
| Dec-22 | 11913 | 10205 | 1708 | 23132 | 21238 | 1894 | 36,2 | 31,0 | 71,8 | 65,9 |
| Jan-23 | 11850 | 10231 | 1619 | 23372 | 21555 | 1817 | 36,0 | 31,1 | 72,5 | 66,8 |
| Feb-23 | 11969 | 10441 | 1529 | 22960 | 20984 | 1976 | 36,3 | 31,7 | 71,1 | 65,0 |
| Mar-23 | 11752 | 10128 | 1624 | 23219 | 21335 | 1884 | 35,7 | 30,7 | 71,9 | 66,0 |

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

**Box 2: The effects of the Türkiye-Syria earthquake**

In addition to the tragedies that it caused, the horrific earthquake that had been felt through Turkiye and Syria on 6th of February 2023 disabled Turkstat to implement surveys in 7 provinces (Adıyaman, Gaziantep, Hatay, Kahramanmaraş, Kilis, Malatya and Osmaniye) of Turkiye. Turkstat excluded these provinces from the sample and used reweighting methods to analyze the overall labor market[[5]](#footnote-5). We used 2022 yearly labor market statistics to give a brief information about the level of labor force in those provinces and estimate the size of shock in terms of the labor market.

The table below features the labor force levels by the NUTS-II regions, which aggregates Gaziantep, Adıyaman and Kilis in a region (TRC1), and also aggregates Hatay, Kahramanmaraş and Osmaniye in another region (TR63). As for Malatya, we assumed that its share of employment and unemployment levels in the TRB1 region, comprising of Malatya, Elazığ, Bingöl and Tunceli, is very similar to its population share in the TRB1 region.

**Table: The level of employment and unemployment in 7 provinces (2022, thousand)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|   | **Gaziantep, Adıyaman, Kilis** | **Hatay, Kahramanmaraş, Osmaniye** | **Malatya**[[6]](#footnote-6) **(TRB1\*0,46)** | **Türkiye** |  |
| **Employed** | 879 | 1036 | 275 | 30752 |  |
| **Unemployed** | 105 | 177 | 24 | 3582 |  |
| **Employment share of Türkiye (%)** | 2,9 | 3,4 | 0,9 | 100,0 |  |
| **Unemployed share of Türkiye (%)** | 2,9 | 4,9 | 0,7 | 100,0 |  |

Source: Turkstat

Undoubtedly, the employment levels in those provinces at the time of the earthquake would be higher than the sum of the first row and first-three columns (2 million 190 thousand). Assuming that the share of employed people remains almost unchanged from 2022 to the time of the earthquake, it can be said that the level of employment before the earthquake was 7 percent of the employment level in Türkiye.

The disastrous effects of the earthquake were not distributed uniformly in those 7 provinces, namely that the effects were much more severe in Hatay and Kahramanmaraş. Assuming that the half of the employment in 7 provinces were lost due to the earthquake, the decrease in the number of employed people is calculated as 1.1 million, equaling the 3.6 percent of total employment in Türkiye.

We calculate that the number of unemployed people comprises 8.5 percent of the number of unemployed people in Türkiye. Due to the forced migration resulting from the earthquake, it is difficult to estimate how much of the remaining residents in the provinces are seeking for work. It is not probable that the forced migrants started looking for work in the regions that they fled. Therefore, it would be quite difficult to estimate the actual unemployment rate were Turkstat able to implement surveys in 7 provinces. It would be reasonable to think that the forced migrants have transitioned from labor force to the potential labor force due to them being displaced.

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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)
5. For greater detail, see the Turkstat page (Source) [↑](#footnote-ref-5)
6. The population share of Malatya in TRB1 region is 46.0%. [↑](#footnote-ref-6)