UNEMPLOYMENT RATE IS BELOW 9 PERCENT AFTER 10 YEARS AS A RESULT OF STRONG MONTHLY INCREASE IN EMPLOYMENT
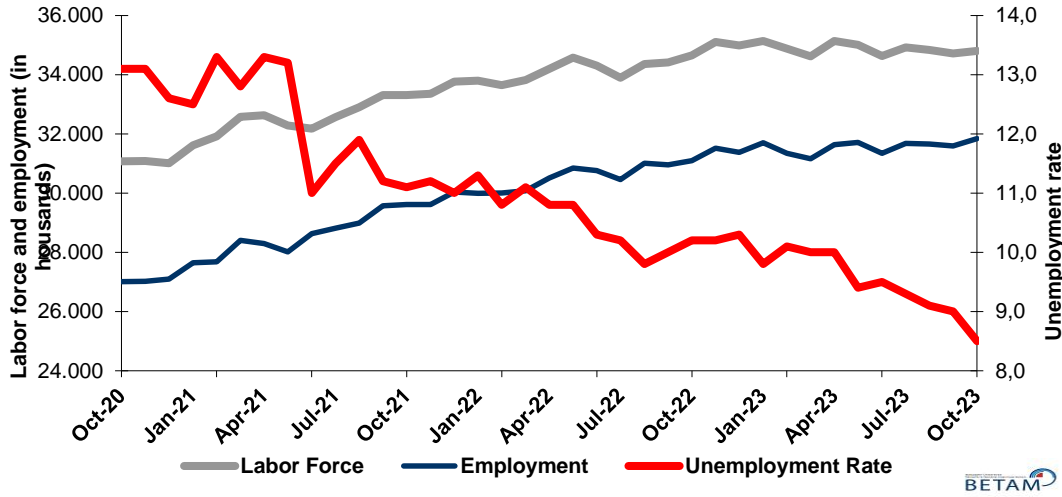
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Executive Summary

While employment decreases from July to September, there is a strong increase of 246,000 people from September to October. While the number of unemployed people decreased by 163,000, the total labor force increased approximately 83,000. As a result, the unemployment rate decreased from 9 percent to 8.5 percent. The last unemployment rate was recorded as 8.8 percent in June 2013.

The seasonally adjusted female unemployment rate decreased by 0.8 percentage points from September to October, reaching 11.3 percent, as a result of a 144,000 increase in employment and 84,000 decrease in the number of unemployed. On the other hand, the male unemployment rate decreased by 0.4 percentage points, reaching 7 percent in October, following a 102,000 increase in employment and a 79,000 decrease in the number of unemployed males. The female labor force level increased by 109,000, while the male labor force level increased by 23,000. Consequently, the gender gap in unemployment rates decreased from 4.4 percentage points to 4.3 percentage points in October.

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

Source: Turkstat, Betam

Sharp decline in unemployment rate due to strong monthly increase in employment

According to seasonally adjusted data, the number of employed individuals increased by 246,000, reaching 31.835 million from September to October. In October, the number of unemployed individuals decreased by 163,000, reaching 2.961 million. The labor force increased by 83,000 and stands at 34.769 million (Figure 1, Table 1). As a result, the unemployment rate decreased by 0.5 percentage points from September to October, reaching 8.5 percent.

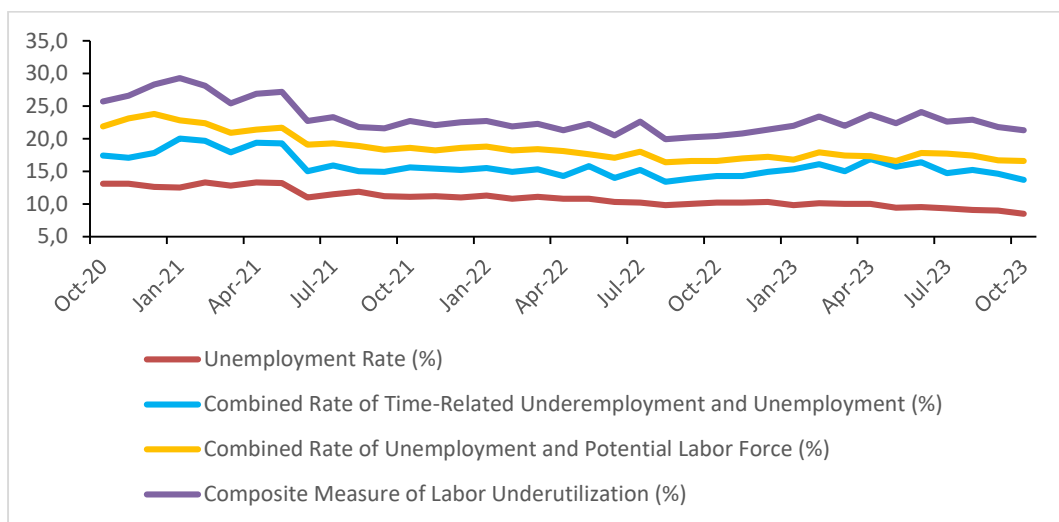[*] Prof. Dr. Seyfettin Gürsel, Betam, Director, seyfettin.gursel@bau.edu.tr
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Developments in the alternative unemployment rates

Box 1 reports the methods Turkstat uses 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 and 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 seasonally adjusted data, the "overall unemployment rate" in October was 8.5 percent, while the unemployment rate considering the potential labor force decreased from 16.7 to 16.6 percent, with a increase of 166,000 in the potential labor force. The high increase in potential labor force limited the decline in the "broadly defined unemployment" rate, accounting for time-related underemployment decreased by 0.9 percentage points to 13.7 percent. The composite measure of labor underutilization rate, which is a combination of the last two alternative rates, decreased by 0.5 percentage points to reach 21.5 percent (Figure 2, Table 2).

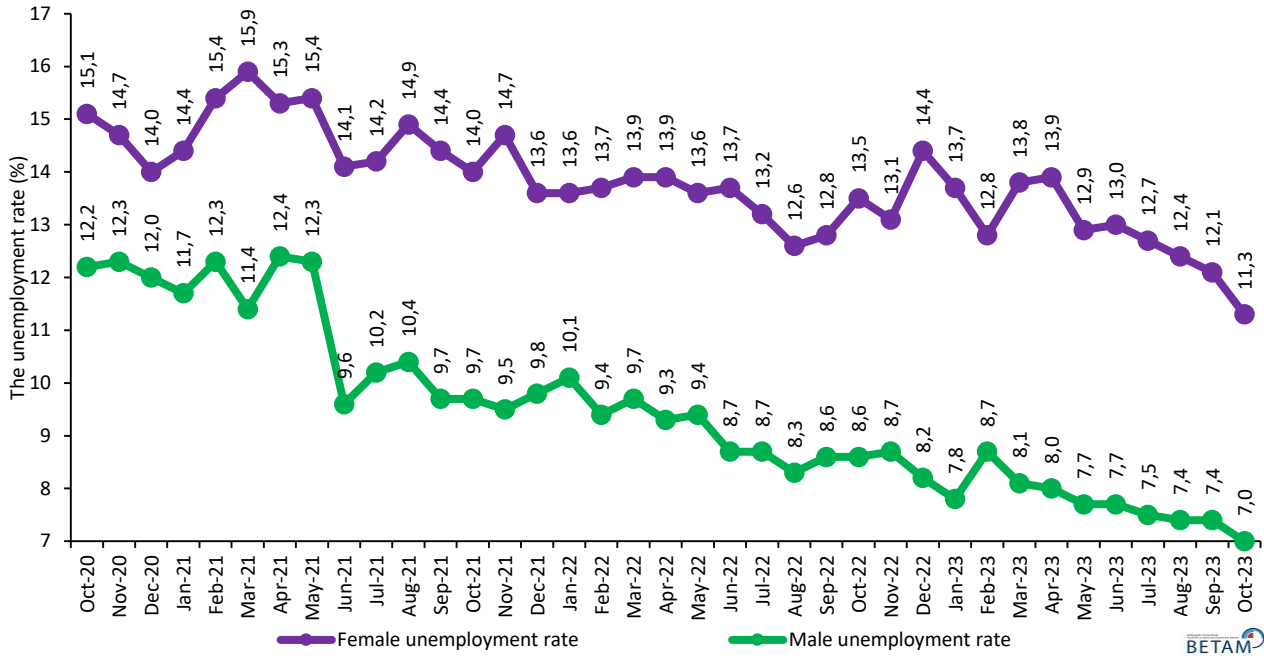**Figure 2: Headline Unemployment Rate and Supplementary Indicators for Labor Force**

Source: Turkstat, Betam

High increase in male and female employment after a pause

Figure 3 shows the seasonally adjusted unemployment rate for females and males. From September to October, the level of female employment increased by 144,000, while the number of unemployed females decreased by 84,000, resulting in a net increase of 59,000 in the labor force. The female unemployment rate also decreased by 0.8 percentage points, reaching 11.3 percent from September to October. In September, female employment had decreased by 69,000, and the female unemployment rate had decreased from 12.4 percent to 12.1 percent. In October, male employment increased by 102,000, while the number of unemployed males decreased by 79,000, and the male unemployment rate stood at 7.0 percent. In September, male employment had increased by 3,000 and the male unemployment rate had remained at 7.4 percent.
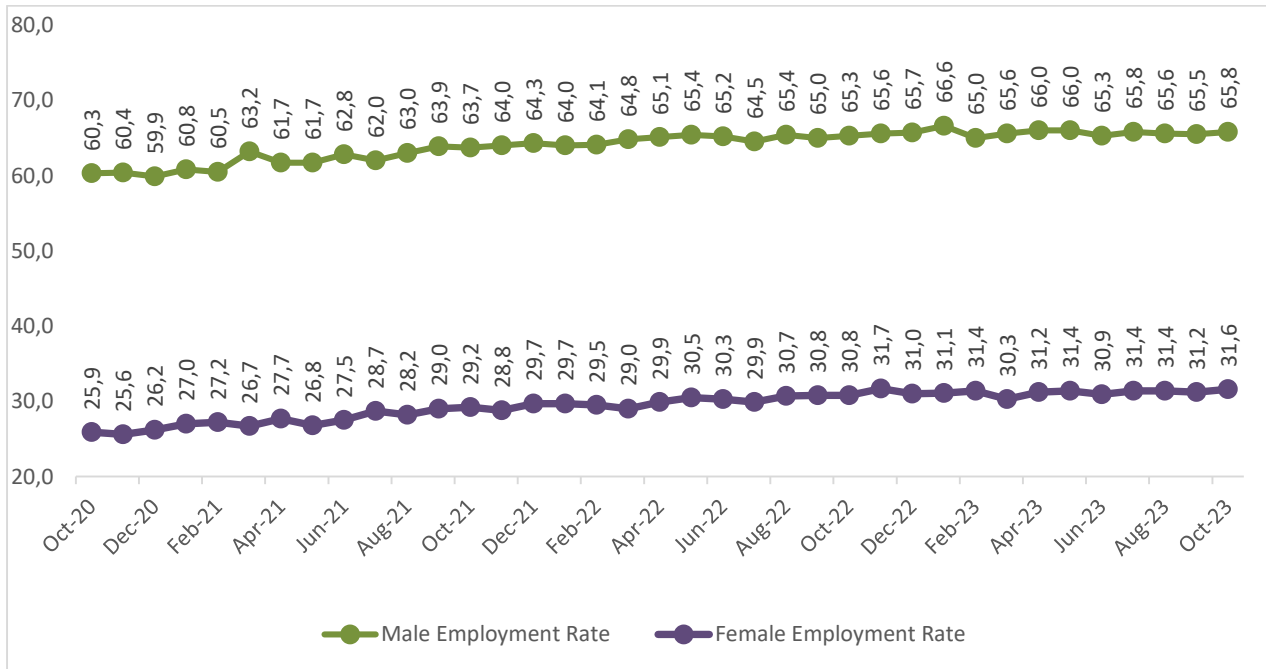
Figure 3: Seasonally adjusted unemployment rate by gender (%)

Source: Turkstat, Betam

The female employment rate increased to 31.6 percent as a result of the 144,000 increase in employment, while the male employment rate stood at 65.8 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		
					Labor Force	Employment	Unemployment
September-20	31.087	27.172	3.915	12,6			
October-20	31.076	27.006	4.070	13,1	-11	-166	155
November-20	31.080	27.016	4.064	13,1	4	10	-6
December-20	31.009	27.093	3.917	12,6	-71	77	-147
January-21	31.608	27.645	3.963	12,5	599	552	46
February-21	31.916	27.672	4.244	13,3	308	27	281
March-21	32.573	28.396	4.177	12,8	657	724	-67
April-21	32.626	28.289	4.337	13,3	53	-107	160
May-21	32.278	28.007	4.271	13,2	-348	-282	-66
June-21	32.178	28.631	3.547	11,0	-100	624	-724
July-21	32.567	28.807	3.760	11,5	389	176	213
August-21	32.895	28.981	3.914	11,9	328	174	154
September-21	33.314	29.567	3.747	11,2	419	586	-167
October-21	33.311	29.615	3.696	11,1	-3	48	-51
November-21	33.349	29.615	3.734	11,2	38	0	38
December-21	33.761	30.039	3.722	11,0	412	424	-12
January-22	33.793	29.987	3.805	11,3	32	-52	83
February-22	33.641	30.003	3.639	10,8	-152	16	-166
March-22	33.822	30.078	3.744	11,1	181	75	105
April-22	34.197	30.510	3.687	10,8	375	432	-57
May-22	34.575	30.849	3.726	10,8	378	339	39
June-22	34.304	30.760	3.544	10,3	-271	-89	-182
July-22	33.896	30.450	3.446	10,2	-408	-310	-98
August-22	34.363	31.010	3.354	9,8	467	560	-92
September-22	34.407	30.957	3.449	10,0	44	-53	95
October-22	34.646	31.098	3.548	10,2	239	141	99
November-22	35.099	31.517	3.582	10,2	453	419	34
December-22	34.988	31.378	3.610	10,3	-111	-139	28
January-23	35.135	31.699	3.436	9,8	147	321	-174
February-23	34.874	31.341	3.533	10,1	-261	-358	97
March-23	34.621	31.162	3.459	10,0	-253	-179	-74
April-23	35.138	31.632	3.505	10,0	517	470	46
May-23	35.004	31.705	3.299	9,4	-134	73	-206
June-23	34.631	31.340	3.290	9,5	-373	-365	-9
July-23	34.920	31.680	3.241	9,3	289	340	-49
August-23	34.832	31.656	3.176	9,1	-88	-24	-65
September-23	34.713	31.589	3.124	9,0	-119	-67	-52
October-23	34.796	31.835	2.961	8,5	83	246	-163

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-20	12,6	3.915	15,9	1.028	21,2	3.395	24,1	8.338
Oct-20	13,1	4.070	17,4	1.337	21,9	3.503	25,7	8.910
Nov-20	13,1	4.064	17,1	1.251	23,1	4.051	26,6	9.366
Dec-20	12,6	3.917	17,8	1.603	23,8	4.545	28,3	10.064
Jan-21	12,5	3.963	20,0	2.359	22,8	4.202	29,3	10.523
Feb-21	13,3	4.244	19,7	2.043	22,4	3.744	28,1	10.031
Mar-21	12,8	4.177	17,9	1.654	20,9	3.326	25,4	9.156
Apr-21	13,3	4.337	19,4	1.992	21,4	3.365	26,9	9.695
May-21	13,2	4.271	19,3	1.959	21,7	3.491	27,2	9.720
Jun-21	11,0	3.547	15,0	1.280	19,1	3.213	22,7	8.039
Jul-21	11,5	3.760	15,9	1.418	19,3	3.129	23,3	8.308
Aug-21	11,9	3.914	15,0	1.020	18,9	2.840	21,8	7.774
Sep-21	11,2	3.747	14,9	1.217	18,3	2.876	21,6	7.840
Oct-21	11,1	3.696	15,6	1.501	18,6	3.071	22,7	8.268
Nov-21	11,2	3.734	15,4	1.402	18,2	2.855	22,1	7.991
Dec-21	11,0	3.722	15,2	1.410	18,6	3.142	22,5	8.274
Jan-22	11,3	3.805	15,5	1.433	18,8	3.138	22,7	8.376
Feb-22	10,8	3.639	14,9	1.374	18,2	3.036	21,9	8.049
Mar-22	11,1	3.744	15,3	1.431	18,4	3.038	22,3	8.213
Apr-22	10,8	3.687	14,3	1.203	18,1	3.056	21,3	7.946
May-22	10,8	3.726	15,8	1.737	17,6	2.863	22,3	8.326
Jun-22	10,3	3.544	14,0	1.259	17,1	2.801	20,5	7.604
Jul-22	10,2	3.446	15,2	1.706	18,0	3.238	22,6	8.390
Aug-22	9,8	3.354	13,4	1.251	16,4	2.729	19,9	7.334
Sep-22	10,0	3.449	13,9	1.334	16,6	2.713	20,2	7.495
Oct-22	10,2	3.548	14,3	1.406	16,6	2.642	20,4	7.596
Nov-22	10,2	3.582	14,3	1.437	17,0	2.873	20,8	7.892
Dec-22	10,3	3.610	14,9	1.603	17,2	2.908	21,4	8.121
Jan-23	9,8	3.436	15,3	1.940	16,8	2.965	22,0	8.340
Feb-23	10,1	3.533	16,1	2.082	17,9	3.300	23,4	8.915
Mar-23	10,0	3.459	15,0	1.734	17,4	3.105	22,0	8.299
Apr-23	10,0	3.505	16,9	2.433	17,3	3.112	23,7	9.051
May-23	9,4	3.299	15,7	2.197	16,6	3.012	22,4	8.507
Jun-23	9,5	3.290	16,4	2.389	17,8	3.497	24,1	9.176
Jul-23	9,3	3.241	14,7	1.892	17,7	3.572	22,6	8.705
Aug-23	9,1	3.176	15,2	2.118	17,4	3.492	22,9	8.787
Sep-23	9,0	3.124	14,6	1.944	16,7	3.209	21,8	8.277
Oct-23	8,5	2.961	13,7	1.806	16,6	3.375	21,3	8.143

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-20	9.809	8.387	1.422	21.278	18.786	2.493	30,9	26,4	68,4	60,4
Oct-20	9.697	8.231	1.466	21.379	18.775	2.604	30,5	25,9	68,6	60,3
Nov-20	9.563	8.153	1.410	21.517	18.863	2.654	30,0	25,6	68,9	60,4
Dec-20	9.717	8.356	1.361	21.292	18.736	2.556	30,5	26,2	68,1	59,9
Jan-21	10.049	8.603	1.446	21.559	19.042	2.517	31,5	27,0	68,8	60,8
Feb-21	10.280	8.699	1.581	21.636	18.973	2.664	32,2	27,2	69,0	60,5
Mar-21	10.177	8.558	1.619	22.396	19.838	2.558	31,8	26,7	71,3	63,2
Apr-21	10.485	8.886	1.600	22.141	19.403	2.737	32,7	27,7	70,4	61,7
May-21	10.144	8.587	1.558	22.134	19.420	2.713	31,6	26,8	70,3	61,7
Jun-21	10.286	8.835	1.451	21.891	19.795	2.096	32,0	27,5	69,5	62,8
Jul-21	10.764	9.232	1.531	21.803	19.575	2.228	33,4	28,7	69,1	62,0
Aug-21	10.685	9.091	1.595	22.209	19.890	2.319	33,1	28,2	70,3	63,0
Sep-21	10.949	9.370	1.578	22.366	20.197	2.169	33,9	29,0	70,7	63,9
Oct-21	10.987	9.446	1.540	22.325	20.169	2.156	34,0	29,2	70,5	63,7
Nov-21	10.928	9.324	1.604	22.421	20.292	2.130	33,7	28,8	70,7	64,0
Dec-21	11.130	9.620	1.510	22.630	20.418	2.212	34,3	29,7	71,3	64,3
Jan-22	11.175	9.658	1.518	22.618	20.330	2.288	34,4	29,7	71,2	64,0
Feb-22	11.119	9.598	1.521	22.523	20.405	2.118	34,2	29,5	70,8	64,1
Mar-22	10.940	9.422	1.518	22.882	20.656	2.226	33,6	29,0	71,8	64,8
Apr-22	11.320	9.750	1.571	22.877	20.760	2.117	34,7	29,9	71,7	65,1
May-22	11.525	9.956	1.569	23.050	20.893	2.157	35,3	30,5	72,2	65,4
Jun-22	11.465	9.899	1.566	22.838	20.861	1.978	35,1	30,3	71,4	65,2
Jul-22	11.277	9.789	1.488	22.619	20.661	1.958	34,5	29,9	70,6	64,5
Aug-22	11.499	10.050	1.449	22.865	20.960	1.905	35,1	30,7	71,3	65,4
Sep-22	11.563	10.080	1.483	22.844	20.878	1.966	35,3	30,8	71,2	65,0
Oct-22	11.675	10.095	1.581	22.971	21.003	1.968	35,6	30,8	71,5	65,3
Nov-22	11.990	10.419	1.571	23.109	21.098	2.011	36,5	31,7	71,8	65,6
Dec-22	11.919	10.206	1.713	23.069	21.172	1.897	36,3	31,0	71,6	65,7
Jan-23	11.842	10.223	1.619	23.293	21.476	1.817	36,0	31,1	72,2	66,6
Feb-23	11.882	10.356	1.526	22.992	20.985	2.008	36,1	31,4	71,2	65,0
Mar-23	11.572	9.976	1.595	23.049	21.185	1.864	35,1	30,3	71,4	65,6
Apr-23	11.956	10.295	1.661	23.182	21.338	1.844	36,3	31,2	71,7	66,0
May-23	11.891	10.360	1.530	23.113	21.344	1.769	36,0	31,4	71,5	66,0
Jun-23	11.719	10.195	1.524	22.911	21.145	1.766	35,5	30,9	70,8	65,3
Jul-23	11.886	10.381	1.505	23.034	21.298	1.736	36,0	31,4	71,1	65,8
Aug-23	11.870	10.401	1.468	22.962	21.254	1.708	35,9	31,4	70,8	65,6
Sep-23	11.757	10.332	1.425	22.956	21.257	1.699	35,5	31,2	70,8	65,5
Oct-23	11.816	10.476	1.341	22.979	21.359	1.620	35,7	31,6	70,8	65,8

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 =

[(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