

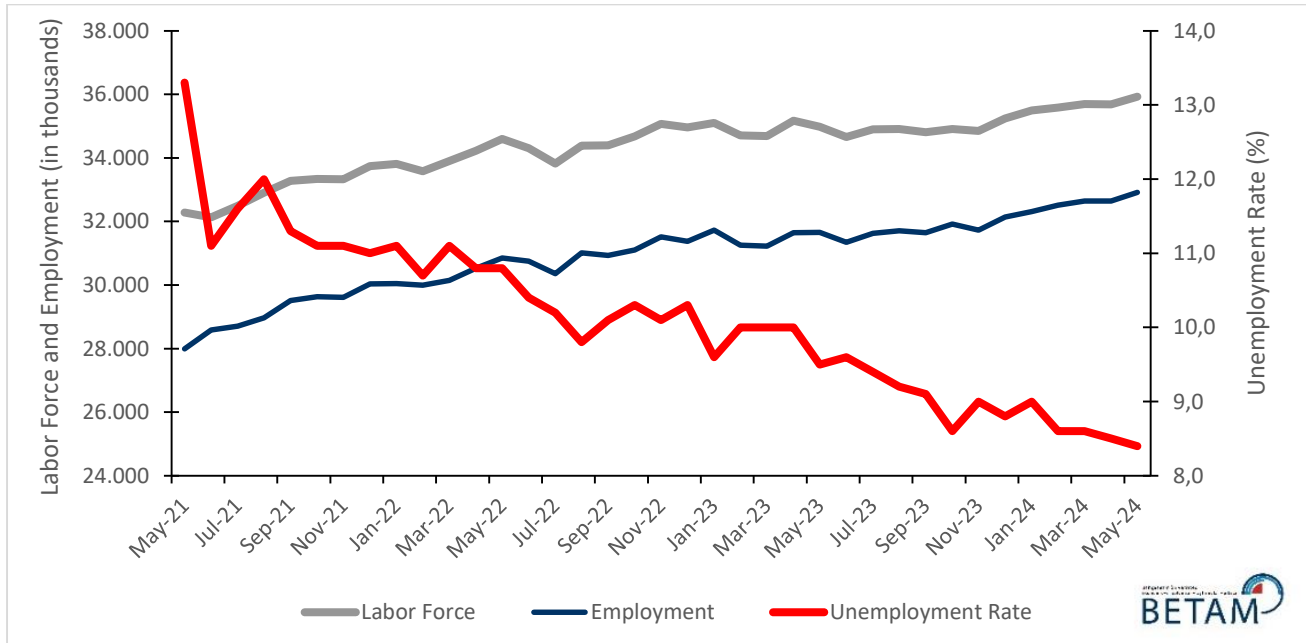
THE DECLINE IN UNEMPLOYMENT CONTINUES

Seyfettin Gürsel*, Saliha Tanrıverdi**

Executive Summary

An increase of 273 thousand in employment and a decrease of 27 thousand in the number of unemployed increased the labor force by 245 thousand people, and the general unemployment rate decreased by 0.1 point from April to May, reaching 8.4 percent. Seasonally adjusted female unemployment rate increased by approximately 131 thousand as a result of the 130 thousand increase in employment from April to May and the number of unemployed almost did not change. Thus, unemployment rate decreased by 0.1 points to 11 percent. As for men, as a result of an increase of 141 thousand people in employment and a decrease of 27 thousand in unemployed people, the labor force increased by 114 thousand people and the unemployment rate decreased to 7 percent. As a result of these developments, the gender gap in unemployment rate increased from 3.9 points to 4 points in May.

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



Source: Turkstat, Betam

Decrease in unemployment rate as a result of increased employment

According to seasonally adjusted data, the number of employed people increased by 273 thousand from April to May and reached 32 million 920 thousand. In May, the number of unemployed people decreased by 27 thousand to 3 million 11 thousand. As a result of this development, the workforce increased by 245 thousand and is at the level of 35 million

* Prof. Dr. Seyfettin Gürsel, Betam, Director, seyfettin.gursel@bau.edu.tr

** Saliha Tanrıverdi, Betam, Research Assistant, saliha.tanriverdi@bau.edu.tr

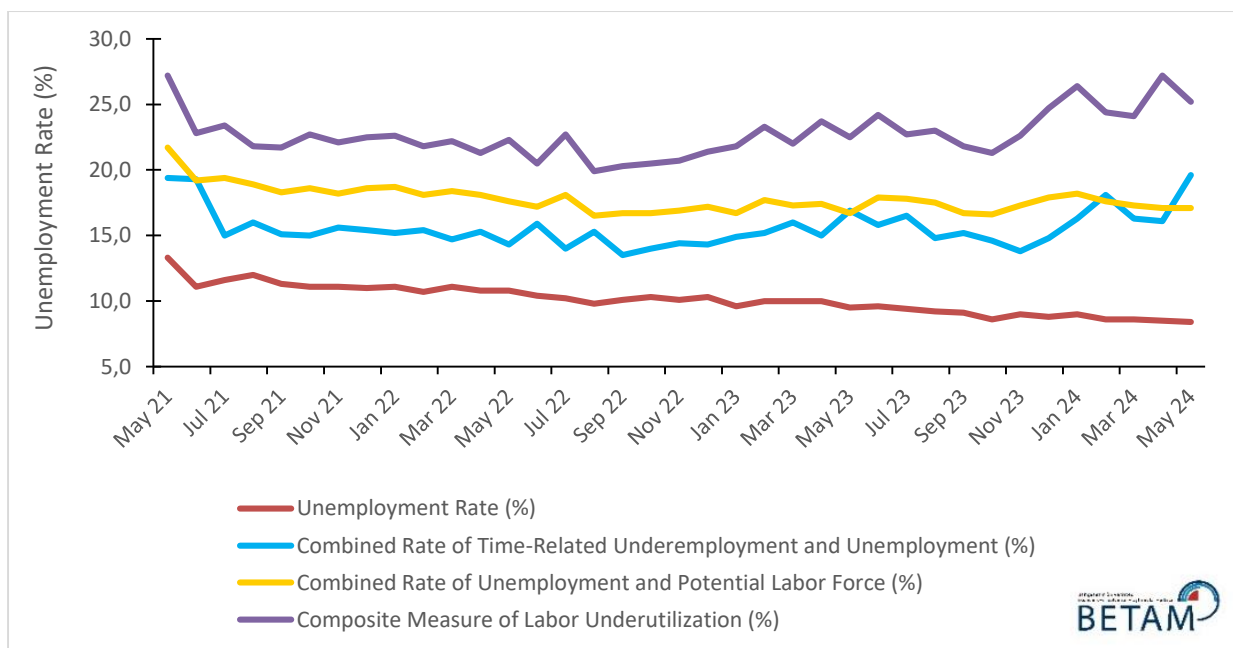
931 thousand (Figure 1, Table 1). The unemployment rate decreased by 0.1 percentage points to 8.4 in May. While employment for women increased by 130 thousand, it also increased by 141 thousand for men.

The integrated ratio of unemployed and potential labor force remained constant

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 "General unemployment rate" was 8.4 percent in May, while the unemployment rate, which also takes the potential workforce into account, remained constant at 17.1 percent as a result of the 83 thousand increase in the potential workforce. The 715 thousand decrease in time-related underemployment, decreased the unemployment rate by 2.2 points to 17.4 percent. The unemployment rate, which is the combination of the last two alternative unemployment rates, decreased by 2 points to 25.2 percent (Figure 2, Table 2).

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

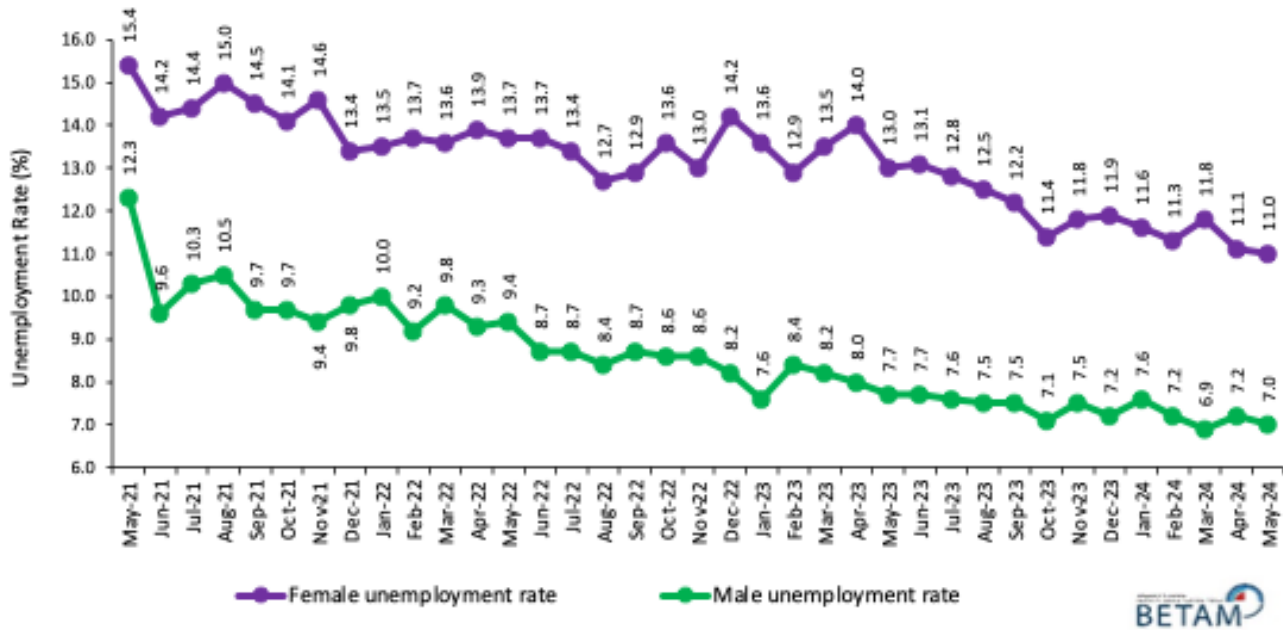


Source: Turkstat, Betam

A decrease in unemployment as a result of an increase in the men and women employment levels

Figure 3 shows seasonally adjusted female and male unemployment rates. While the employment level for women increased by 130 thousand from April to May, there was no change in the number of unemployed people. As a result, the workforce increased by approximately 131 thousand. The female unemployment rate, which fell in April, continued its decline in May, albeit slowly, falling to 11 percent with a decrease of 0.1 percentage points. While male employment increased by 141 thousand people in May, the male unemployment rate decreased from 7.2 percent to 7 percent as a result of a decrease of 27 thousand in the number of unemployed males.

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



Source: Turkstat, Betam

While the female employment rate increased by 0.4 percentage points to 33 percent in May, the male employment rate increased by 0.4 percentage points to 67.3 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 |
| May.21 | 32,279 | 27,991 | 4,288 | 13.3 | | | |
| Jun.21 | 32,135 | 28,581 | 3,554 | 11.1 | -144 | 590 | -734 |
| Jul.21 | 32,491 | 28,711 | 3,780 | 11.6 | 356 | 130 | 226 |
| Aug.21 | 32,902 | 28,969 | 3,933 | 12.0 | 411 | 258 | 153 |
| Sep.21 | 33,275 | 29,513 | 3,762 | 11.3 | 373 | 544 | -171 |
| Oct.21 | 33,343 | 29,631 | 3,712 | 11.1 | 68 | 118 | -50 |
| Nov.21 | 33,328 | 29,613 | 3,715 | 11.1 | -15 | -18 | 3 |
| Dec.21 | 33,740 | 30,031 | 3,709 | 11.0 | 412 | 418 | -6 |
| Jan.22 | 33,813 | 30,049 | 3,764 | 11.1 | 73 | 18 | 55 |
| Feb.22 | 33,579 | 29,995 | 3,583 | 10.7 | -234 | -54 | -181 |
| Mar.22 | 33,902 | 30,147 | 3,755 | 11.1 | 323 | 152 | 172 |
| Apr.22 | 34,230 | 30,529 | 3,701 | 10.8 | 328 | 382 | -54 |
| May.22 | 34,595 | 30,847 | 3,747 | 10.8 | 365 | 318 | 46 |
| Jun.22 | 34,304 | 30,748 | 3,556 | 10.4 | -291 | -99 | -191 |
| Jul.22 | 33,827 | 30,360 | 3,467 | 10.2 | -477 | -388 | -89 |
| Aug.22 | 34,382 | 31,008 | 3,374 | 9.8 | 555 | 648 | -93 |
| Sep.22 | 34,400 | 30,927 | 3,473 | 10.1 | 18 | -81 | 99 |
| Oct.22 | 34,676 | 31,100 | 3,575 | 10.3 | 276 | 173 | 102 |
| Nov.22 | 35,069 | 31,516 | 3,554 | 10.1 | 393 | 416 | -21 |
| Dec.22 | 34,959 | 31,371 | 3,588 | 10.3 | -110 | -145 | 34 |
| Jan.23 | 35,100 | 31,725 | 3,376 | 9.6 | 141 | 354 | -212 |
| Feb.23 | 34,710 | 31,256 | 3,454 | 10.0 | -390 | -469 | 78 |
| Mar.23 | 34,693 | 31,224 | 3,469 | 10.0 | -17 | -32 | 15 |
| Apr.23 | 35,169 | 31,645 | 3,524 | 10.0 | 476 | 421 | 55 |
| May.23 | 34,978 | 31,653 | 3,325 | 9.5 | -191 | 8 | -199 |
| Jun.23 | 34,655 | 31,342 | 3,313 | 9.6 | -323 | -311 | -12 |
| Jul.23 | 34,900 | 31,628 | 3,272 | 9.4 | 245 | 286 | -41 |
| Aug.23 | 34,913 | 31,705 | 3,208 | 9.2 | 13 | 77 | -64 |
| Sep.23 | 34,810 | 31,649 | 3,161 | 9.1 | -103 | -56 | -47 |
| Oct.23 | 34,913 | 31,919 | 2,994 | 8.6 | 103 | 270 | -167 |
| Nov.23 | 34,851 | 31,730 | 3,122 | 9.0 | -62 | -189 | 128 |
| Dec.23 | 35,241 | 32,139 | 3,103 | 8.8 | 390 | 409 | -19 |
| Jan.24 | 35,498 | 32,315 | 3,183 | 9.0 | 257 | 176 | 80 |
| Feb.24 | 35,583 | 32,510 | 3,072 | 8.6 | 85 | 195 | -111 |
| Mar.24 | 35,696 | 32,639 | 3,058 | 8.6 | 113 | 129 | -14 |
| Apr.24 | 35,686 | 32,647 | 3,038 | 8.5 | -10 | 8 | -20 |
| May.24 | 35,931 | 32,920 | 3,011 | 8.4 | 245 | 273 | -27 |

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 |
|--------|-----------------------|--|--|---|---|--------------------------------------|---|--------|
| May.21 | 13.3 | 4,288 | 19.3 | 1,942 | 21.7 | 3,469 | 27.2 | 9,699 |
| Jun.21 | 11.1 | 3,554 | 15.0 | 1,266 | 19.2 | 3,238 | 22.8 | 8,058 |
| Jul.21 | 11.6 | 3,780 | 16.0 | 1,419 | 19.4 | 3,131 | 23.4 | 8,329 |
| Aug.21 | 12.0 | 3,933 | 15.1 | 1,035 | 18.9 | 2,818 | 21.8 | 7,786 |
| Sep.21 | 11.3 | 3,762 | 15.0 | 1,229 | 18.3 | 2,849 | 21.7 | 7,840 |
| Oct.21 | 11.1 | 3,712 | 15.6 | 1,490 | 18.6 | 3,059 | 22.7 | 8,260 |
| Nov.21 | 11.1 | 3,715 | 15.4 | 1,418 | 18.2 | 2,874 | 22.1 | 8,006 |
| Dec.21 | 11.0 | 3,709 | 15.2 | 1,419 | 18.6 | 3,153 | 22.5 | 8,282 |
| Jan.22 | 11.1 | 3,764 | 15.4 | 1,443 | 18.7 | 3,148 | 22.6 | 8,355 |
| Feb.22 | 10.7 | 3,583 | 14.7 | 1,353 | 18.1 | 3,046 | 21.8 | 7,982 |
| Mar.22 | 11.1 | 3,755 | 15.3 | 1,432 | 18.4 | 3,043 | 22.2 | 8,230 |
| Apr.22 | 10.8 | 3,701 | 14.3 | 1,194 | 18.1 | 3,046 | 21.3 | 7,941 |
| May.22 | 10.8 | 3,747 | 15.9 | 1,754 | 17.6 | 2,842 | 22.3 | 8,342 |
| Jun.22 | 10.4 | 3,556 | 14.0 | 1,247 | 17.2 | 2,831 | 20.5 | 7,634 |
| Jul.22 | 10.2 | 3,467 | 15.3 | 1,709 | 18.1 | 3,243 | 22.7 | 8,418 |
| Aug.22 | 9.8 | 3,374 | 13.5 | 1,268 | 16.5 | 2,753 | 19.9 | 7,395 |
| Sep.22 | 10.1 | 3,473 | 14.0 | 1,343 | 16.7 | 2,727 | 20.3 | 7,543 |
| Oct.22 | 10.3 | 3,575 | 14.4 | 1,418 | 16.7 | 2,660 | 20.5 | 7,653 |
| Nov.22 | 10.1 | 3,554 | 14.3 | 1,461 | 16.9 | 2,855 | 20.7 | 7,870 |
| Dec.22 | 10.3 | 3,588 | 14.9 | 1,621 | 17.2 | 2,929 | 21.4 | 8,138 |
| Jan.23 | 9.6 | 3,376 | 15.2 | 1,959 | 16.7 | 2,984 | 21.8 | 8,319 |
| Feb.23 | 10.0 | 3,454 | 16.0 | 2,100 | 17.7 | 3,268 | 23.3 | 8,822 |
| Mar.23 | 10.0 | 3,469 | 15.0 | 1,735 | 17.3 | 3,063 | 22.0 | 8,267 |
| Apr.23 | 10.0 | 3,524 | 16.9 | 2,420 | 17.4 | 3,142 | 23.7 | 9,086 |
| May.23 | 9.5 | 3,325 | 15.8 | 2,202 | 16.7 | 3,021 | 22.5 | 8,547 |
| Jun.23 | 9.6 | 3,313 | 16.5 | 2,405 | 17.9 | 3,520 | 24.2 | 9,238 |
| Jul.23 | 9.4 | 3,272 | 14.8 | 1,893 | 17.8 | 3,577 | 22.7 | 8,742 |
| Aug.23 | 9.2 | 3,208 | 15.2 | 2,099 | 17.5 | 3,517 | 23.0 | 8,824 |
| Sep.23 | 9.1 | 3,161 | 14.6 | 1,921 | 16.7 | 3,184 | 21.8 | 8,266 |
| Oct.23 | 8.6 | 2,994 | 13.8 | 1,824 | 16.6 | 3,359 | 21.3 | 8,177 |
| Nov.23 | 9.0 | 3,122 | 14.8 | 2,036 | 17.3 | 3,515 | 22.6 | 8,673 |
| Dec.23 | 8.8 | 3,103 | 16.3 | 2,641 | 17.9 | 3,904 | 24.7 | 9,648 |
| Jan.24 | 9.0 | 3,183 | 18.1 | 3,242 | 18.2 | 4,007 | 26.4 | 10,432 |
| Feb.24 | 8.6 | 3,072 | 16.3 | 2,728 | 17.6 | 3,872 | 24.4 | 9,672 |
| Mar.24 | 8.6 | 3,058 | 16.1 | 2,689 | 17.3 | 3,770 | 24.1 | 9,517 |
| Apr.24 | 8.5 | 3,038 | 19.6 | 3,956 | 17.1 | 3,696 | 27.2 | 10,691 |
| May.24 | 8.4 | 3,011 | 17.4 | 3,241 | 17.1 | 3,779 | 25.2 | 10,031 |

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 |
|--------|---------------------------|--------------------------|--------------------------|-------------------------|------------------------|------------------------|------------|-----------------------|----------|---------------------|
| May.21 | 10,161 | 8,600 | 1,561 | 22,118 | 19,391 | 2,726 | 31.7 | 26.8 | 70.3 | 61.6 |
| Jun.21 | 10,274 | 8,819 | 1,455 | 21,861 | 19,762 | 2,099 | 32.0 | 27.4 | 69.4 | 62.7 |
| Jul.21 | 10,691 | 9,154 | 1,537 | 21,800 | 19,557 | 2,242 | 33.2 | 28.4 | 69.1 | 62.0 |
| Aug.21 | 10,700 | 9,099 | 1,601 | 22,202 | 19,869 | 2,333 | 33.2 | 28.2 | 70.3 | 62.9 |
| Sep.21 | 10,894 | 9,310 | 1,584 | 22,381 | 20,203 | 2,177 | 33.7 | 28.8 | 70.8 | 63.9 |
| Oct.21 | 10,994 | 9,448 | 1,546 | 22,349 | 20,184 | 2,166 | 34.0 | 29.2 | 70.6 | 63.7 |
| Nov.21 | 10,921 | 9,322 | 1,599 | 22,407 | 20,291 | 2,116 | 33.7 | 28.8 | 70.7 | 64.0 |
| Dec.21 | 11,111 | 9,617 | 1,494 | 22,629 | 20,414 | 2,215 | 34.3 | 29.7 | 71.3 | 64.3 |
| Jan.22 | 11,198 | 9,690 | 1,509 | 22,615 | 20,359 | 2,256 | 34.5 | 29.8 | 71.1 | 64.0 |
| Feb.22 | 11,124 | 9,603 | 1,522 | 22,454 | 20,393 | 2,062 | 34.2 | 29.5 | 70.5 | 64.1 |
| Mar.22 | 11,003 | 9,501 | 1,502 | 22,899 | 20,646 | 2,253 | 33.8 | 29.2 | 71.9 | 64.8 |
| Apr.22 | 11,358 | 9,778 | 1,579 | 22,873 | 20,751 | 2,122 | 34.9 | 30.0 | 71.7 | 65.0 |
| May.22 | 11,526 | 9,949 | 1,576 | 23,069 | 20,898 | 2,171 | 35.3 | 30.5 | 72.2 | 65.4 |
| Jun.22 | 11,460 | 9,886 | 1,574 | 22,844 | 20,862 | 1,982 | 35.1 | 30.3 | 71.4 | 65.2 |
| Jul.22 | 11,196 | 9,700 | 1,496 | 22,631 | 20,660 | 1,971 | 34.2 | 29.7 | 70.7 | 64.5 |
| Aug.22 | 11,508 | 10,052 | 1,456 | 22,874 | 20,956 | 1,918 | 35.2 | 30.7 | 71.3 | 65.4 |
| Sep.22 | 11,545 | 10,054 | 1,491 | 22,855 | 20,873 | 1,982 | 35.2 | 30.7 | 71.2 | 65.0 |
| Oct.22 | 11,688 | 10,098 | 1,590 | 22,988 | 21,002 | 1,986 | 35.6 | 30.8 | 71.5 | 65.3 |
| Nov.22 | 11,988 | 10,426 | 1,562 | 23,081 | 21,089 | 1,992 | 36.5 | 31.7 | 71.7 | 65.5 |
| Dec.22 | 11,887 | 10,202 | 1,685 | 23,071 | 21,168 | 1,903 | 36.2 | 31.0 | 71.6 | 65.7 |
| Jan.23 | 11,832 | 10,229 | 1,604 | 23,268 | 21,496 | 1,772 | 36.0 | 31.1 | 72.1 | 66.6 |
| Feb.23 | 11,849 | 10,323 | 1,527 | 22,861 | 20,933 | 1,928 | 36.0 | 31.3 | 70.8 | 64.8 |
| Mar.23 | 11,637 | 10,069 | 1,568 | 23,056 | 21,155 | 1,901 | 35.3 | 30.6 | 71.4 | 65.5 |
| Apr.23 | 12,007 | 10,331 | 1,676 | 23,162 | 21,314 | 1,848 | 36.4 | 31.3 | 71.7 | 65.9 |
| May.23 | 11,861 | 10,319 | 1,541 | 23,117 | 21,334 | 1,783 | 35.9 | 31.3 | 71.5 | 66.0 |
| Jun.23 | 11,724 | 10,187 | 1,537 | 22,931 | 21,155 | 1,776 | 35.5 | 30.8 | 70.8 | 65.4 |
| Jul.23 | 11,828 | 10,309 | 1,519 | 23,073 | 21,319 | 1,753 | 35.8 | 31.2 | 71.2 | 65.8 |
| Aug.23 | 11,891 | 10,409 | 1,481 | 23,022 | 21,295 | 1,727 | 35.9 | 31.5 | 71.0 | 65.7 |
| Sep.23 | 11,778 | 10,340 | 1,438 | 23,033 | 21,309 | 1,724 | 35.6 | 31.2 | 71.0 | 65.7 |
| Oct.23 | 11,854 | 10,502 | 1,352 | 23,059 | 21,416 | 1,642 | 35.8 | 31.7 | 71.0 | 66.0 |
| Nov.23 | 11,791 | 10,399 | 1,392 | 23,060 | 21,331 | 1,729 | 35.6 | 31.4 | 71.0 | 65.7 |
| Dec.23 | 12,054 | 10,615 | 1,439 | 23,188 | 21,524 | 1,664 | 36.3 | 32.0 | 71.3 | 66.2 |
| Jan.24 | 12,181 | 10,768 | 1,413 | 23,317 | 21,548 | 1,770 | 36.7 | 32.4 | 71.7 | 66.2 |
| Feb.24 | 12,171 | 10,796 | 1,375 | 23,411 | 21,714 | 1,697 | 36.6 | 32.5 | 71.9 | 66.7 |
| Mar.24 | 12,264 | 10,815 | 1,449 | 23,432 | 21,824 | 1,609 | 36.9 | 32.5 | 72.0 | 67.0 |
| Apr.24 | 12,197 | 10,840 | 1,357 | 23,489 | 21,808 | 1,681 | 36.7 | 32.6 | 72.1 | 66.9 |
| May.24 | 12,328 | 10,970 | 1,357 | 23,603 | 21,949 | 1,654 | 37.1 | 33.0 | 72.4 | 67.3 |

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>