

## **UNEMPLOYMENT DECLINES WHILE THE LABOR FORCE CONTRACTS**

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### **Abstract**

According to **seasonally adjusted** data, employment increased by 136 thousand in the fourth quarter of 2025 compared to the previous quarter, reaching 32 million 686 thousand. Over the same period, the number of unemployed decreased by 58 thousand, and the labor force increased by 78 thousand. As a consequence, the unemployment rate declined to 8.2 percent.

**Seasonally adjusted** employment rose by 156 thousand among men compared to the third quarter of 2025. In contrast, female employment declined by 20 thousand, and the number of unemployed women also decreased by 20 thousand, leading to a contraction of 40 thousand in the female labor force. This indicates a quarter-on-quarter shrinkage in women's labor force participation. Compared to the third quarter of 2025, employment increased in the industry, construction, and services sectors, while agricultural employment declined (–0.7 percent). The largest increase was recorded in industry (1.3 percent).

**In year-on-year terms**, compared to the fourth quarter of 2024, total employment decreased by 35 thousand and number of unemployed fell by 146 thousand, leading to a sharper decline in the labor force (180 thousand). The annual contraction in the labor force, observed over the past four quarters, appears to have been more pronounced for women in the fourth quarter of 2025. Accordingly, Türkiye's labor market has been shrinking on an annual basis for the past 12 months.

**The seasonally adjusted** youth unemployment rate (ages 15–24) declined by 0.3 percentage points to 14.9 percent. Compared to the previous quarter, youth unemployment decreased by

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1 percentage point among young women, reaching 20.7 percent, while it increased by 0.1 percentage points among young men to 11.8 percent. The gap between female and male youth unemployment rates narrowed from 10 percentage points to 8.9 percentage points.

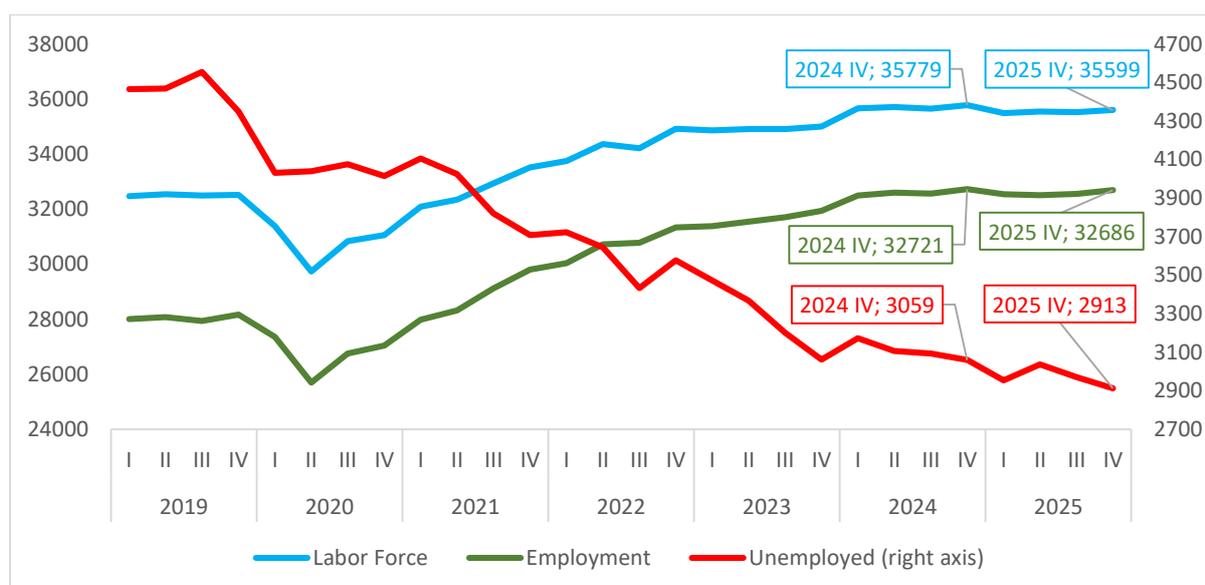
Based on **non-seasonally adjusted data**, unemployment rates across educational groups declined slightly compared to the previous quarter, except for high school graduates. Among high school graduates, the unemployment rate increased by 0.4 percentage points.

The labor force contraction observed over the last four quarters signals a risk of structural weakening in Turkey’s labor market. The decline in the unemployment rate stems not from improved job creation capacity but rather from a fall in labor force participation. The contraction observed particularly among women and young women poses a significant medium-term risk to production capacity and potential growth.

### Ongoing Annual Contraction in the Labor Force

According to seasonally adjusted data, the number of employed persons increased by 136 thousand in the fourth quarter of 2025 **compared to the previous quarter**, reaching 32 million 686 thousand, while the number of unemployed decreased by 58 thousand, resulting in a net increase of 78 thousand in the labor force (Figure 1, Table 1). Quarter-on-quarter employment growth stood at 0.4 percent. The momentum of employment growth remained weak throughout 2023, followed by a sharp increase in the first quarter of 2024. In the subsequent quarters of 2024 and throughout 2025, changes in employment have displayed a pattern consistent with the low growth momentum observed in 2023.

**Figure 1: Seasonally adjusted labor force indicators (thousand persons)**



Source: TURKSTAT, BETAM

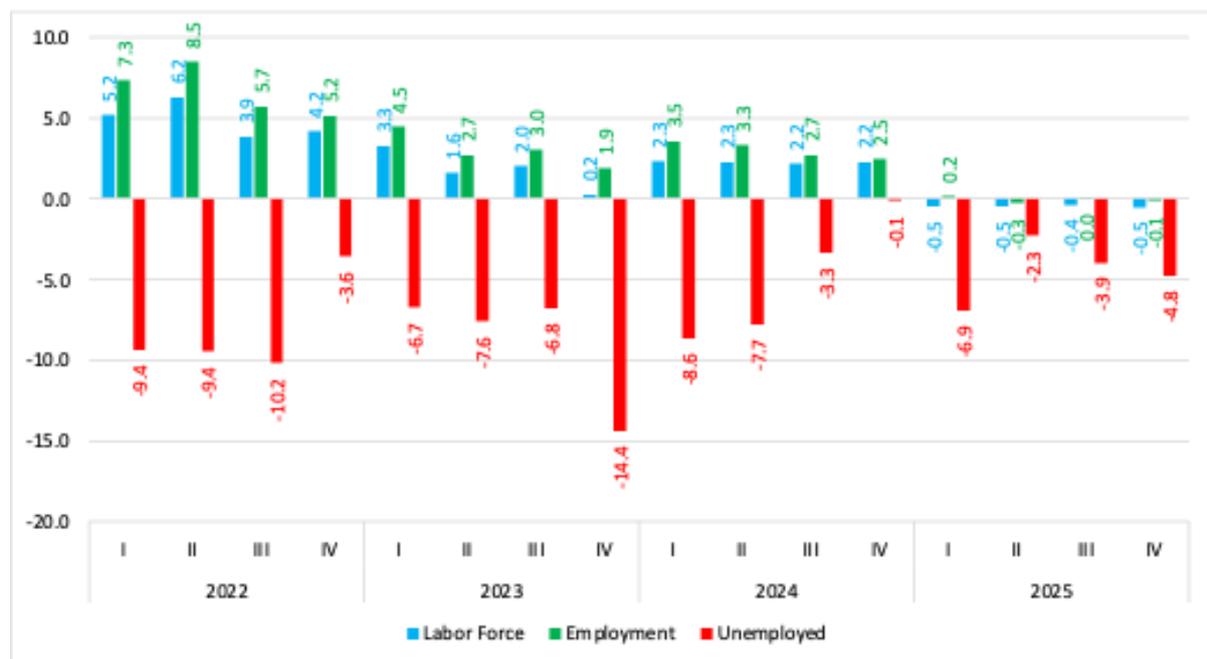
The right axis represents unemployment values, while the left axis shows employment and labor force values.

When examining **year-on-year** changes in seasonally adjusted labor market indicators, a marked slowdown in employment growth has been observed since 2023. Compared to 2024, in 2025 the decline in employment in some quarters and the decline in the number of unemployed in others resulted in a year-on-year contraction of the labor force in every quarter (Figure 2 and Table 1). Over the last four quarters, the labor force has decreased by an average of 161 thousand annually, corresponding to approximately 0.4 percent.

The simultaneous decline in both employment and unemployment leading to a contraction in the labor force can be characterized as a shrinking labor market. Such developments are typically observed during economic crises. A similar large-scale contraction occurred during the COVID-19 pandemic. This pattern may also be seen in rapidly aging societies that do not receive external migration. However, Türkiye continues to experience growth in its working-age population. Moreover, this contraction is occurring during a period of positive—albeit moderate—economic growth (with growth expected to be close to 4% in 2025).

Although the labor force increased on a quarter-on-quarter basis in the latest quarter, year-on-year comparisons indicate a contraction in the size of Turkey’s labor force from 2024 to 2025. This is a development that warrants close attention. In such an environment, changes in the unemployment rate may signal a misleading improvement. Indeed, the fact that unemployment rates in all quarters of 2025 were lower than in 2024 was not driven by employment gains but rather by exits from the labor force (Table 1).

**Figure 2: Annual changes (%) in labor force indicators adjusted for seasonal effects**



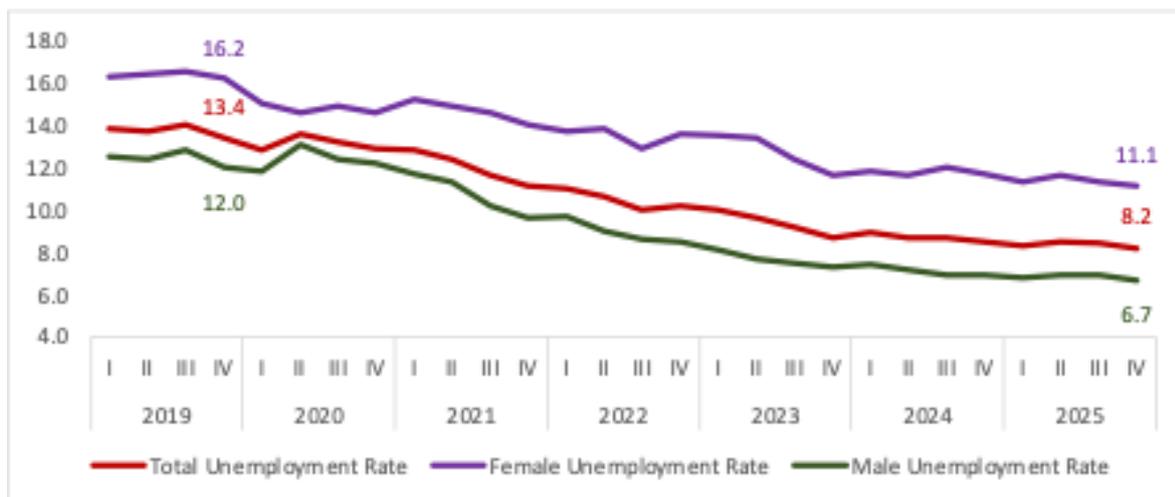
Source: TURKSTAT, BETAM

## Women’s Role in Labor Force Exits

According to seasonally adjusted data, the headline unemployment rate declined by 0.2 percentage points in the fourth quarter of 2025 compared to the previous quarter, falling to 8.2 percent. During this period, female employment decreased by 20 thousand, while the number of unemployed women also declined by 20 thousand. As a result of the 40-thousand decline in the female labor force, the female unemployment rate fell by 0.2 percentage points to 11.1 percent.

The male unemployment rate also decreased by 0.2 percentage points compared to the third quarter of 2025, reaching 6.7 percent. However, unlike the female case, this decline was supported by a substantial increase of 156 thousand in male employment and a decrease of 37 thousand in the number of unemployed men. Compared to the previous quarter, the female labor force contracted by 40 thousand, whereas the male labor force expanded by 119 thousand (Figure 3, Table 2).

**Figure 3: Seasonally adjusted headline unemployment rates (%)**

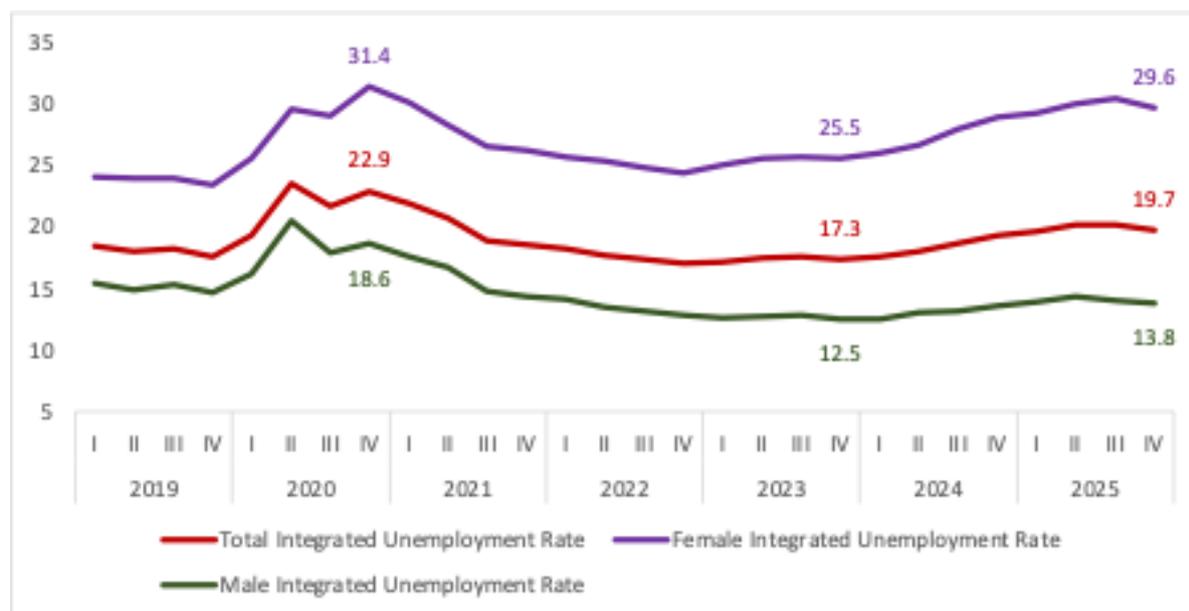


Source: TURKSTAT, BETAM

## Potential Labor Force Expands While Unemployment Declines

According to seasonally adjusted data, the composite unemployment rate—which includes the potential labor force—increased by 0.4 percentage points in the fourth quarter of 2025 compared to the fourth quarter of 2024. Among women, the composite unemployment rate rose by 0.7 percentage points year-on-year, while the increase for men was 0.2 percentage points (Figure 4, Table 3). The rise in the potential labor force has occurred alongside exits from the labor force (Figure 2).

**Figure 4: Seasonally adjusted integrated unemployment rates accounting for unemployed and potential labor force (%)**



Source: TURKSTAT, BETAM

### Ongoing Year-on-Year Weakness in the Industrial Sector

According to seasonally adjusted year-on-year sectoral data, employment increased in construction and services in the fourth quarter of 2025. Agricultural employment declined by 6.3 percent compared to the previous year, while industrial employment decreased by 4.1 percent. Another notable development in the industrial sector is the sharp decline in female employment, which fell by 11.2 percent.

The slowdown that began in 2023 had already brought employment growth in the industrial sector to nearly zero over the past two years. In 2025, however, employment declines observed in all quarters have become a source of concern for the industrial sector. Although construction and services had been recording modest employment gains during this period, employment growth in these sectors came to a complete halt in the first quarter of 2025. In the subsequent quarters of 2025, however, we observe signs of recovery in both construction and services (Figure 5).

Figure 5: Seasonally adjusted sectoral employment changes (year-on-year - %)<sup>1</sup>



Source: TURKSTAT, BETAM

<sup>1</sup> In agriculture, since the total employment change is more significant than the changes by gender, only the total change values are presented. In construction, because female employment is very low, the total employment change—comprised mostly of men—has been reported.

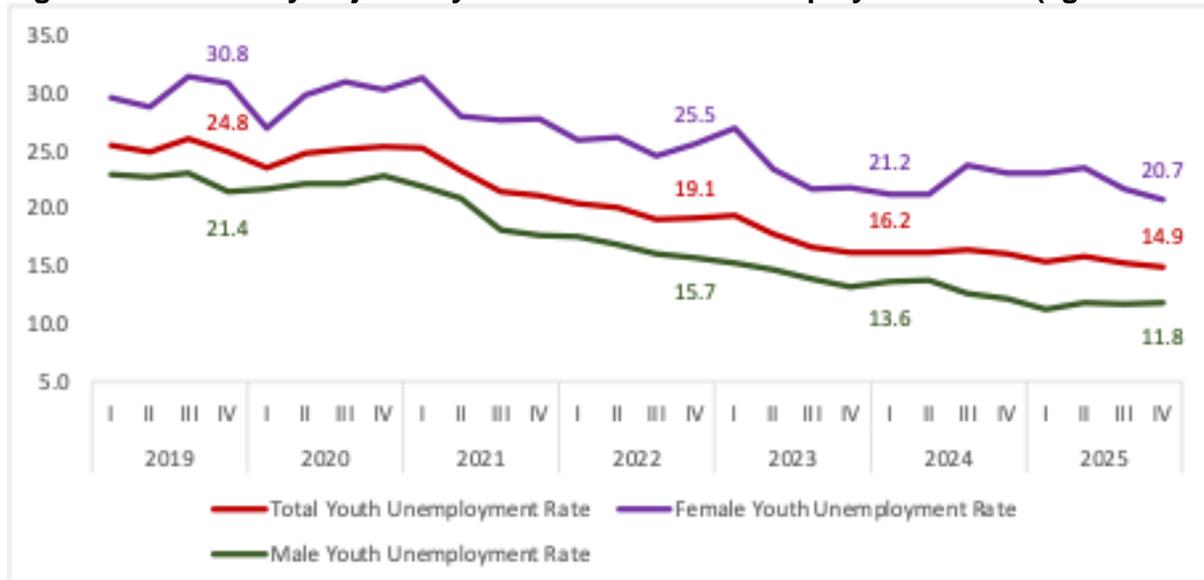
## Youth Female Unemployment Declines, but Employment Does Not Increase

According to seasonally adjusted data, the youth unemployment rate (ages 15–24) declined by 0.3 percentage points compared to the previous quarter, falling to 14.9 percent. While the youth unemployment rate increased by 0.1 percentage points among young men to 11.8 percent, it declined by 1 percentage point among young women to 20.7 percent (Table 5).

However, the decline in the youth female unemployment rate was not driven by employment gains. The employment rate among young women fell from 27 percent to 26.9 percent (Table 5). The simultaneous decline in both unemployment and employment among young women indicates that exits from the labor force are becoming a concern for this group. This development suggests that some young women have stopped actively searching for jobs, contributing to an increase in idle labor.

On a year-on-year basis, youth male unemployment declined from 12.1 percent in the fourth quarter of 2024 to 11.8 percent one year later. Over the same period, youth female unemployment fell from 23 percent to 20.7 percent. As a result, the gender gap in youth unemployment narrowed from 10 percentage points to 8.9 percentage points (Figure 6).

**Figure 6: Seasonally adjusted youth female-male unemployment rates (ages 15–24)**



Source: TURKSTAT, BETAM

## Increase in Unemployment Among High School Graduates

According to non-seasonally adjusted data, unemployment declined across all education groups in the fourth quarter of 2025 compared to the previous quarter, except among high school graduates. The unemployment rate among those with less than a high school education fell slightly from 7.3 percent to 7.2 percent. It declined from 9.1 percent to 8.7 percent among

vocational or technical high school graduates, and from 9.1 percent to 8.3 percent among higher education graduates.

The only education group experiencing an increase in unemployment was general high school graduates. In this group, the unemployment rate rose from 10.2 percent to 10.6 percent. Among high school graduates, unemployment increased by 1 percentage point for men, reaching 8.3 percent, while it declined by 0.9 percentage points for women, falling to 15.7 percent.

Figure 7: Unemployment rates by education level



Source: TURKSTAT, BETAM

**Table 1: Seasonally adjusted key labor force indicators**

		Labor Force	Employment	Unemployed	Unemployment Rate
2017	I	31093	27388	3706	11.9
	II	31366	27853	3513	11.2
	III	31666	28346	3320	10.5
	IV	31866	28650	3216	10.1
2018	I	31878	28712	3165	9.9
	II	32135	28755	3380	10.5
	III	32432	28816	3616	11.1
	IV	32354	28412	3942	12.2
2019	I	32465	27999	4465	13.8
	II	32540	28071	4469	13.7
	III	32494	27939	4554	14.0
	IV	32515	28167	4349	13.4
2020	I	31379	27349	4031	12.8
	II	29737	25698	4039	13.6
	III	30831	26754	4076	13.2
	IV	31052	27036	4015	12.9
2021	I	32086	27980	4106	12.8
	II	32342	28318	4024	12.4
	III	32932	29112	3820	11.6
	IV	33509	29801	3708	11.1
2022	I	33751	30029	3722	11.0
	II	34362	30718	3645	10.6
	III	34206	30775	3432	10.0
	IV	34912	31337	3576	10.2
2023	I	34855	31382	3473	10.0
	II	34907	31539	3368	9.6
	III	34902	31702	3200	9.2
	IV	34997	31936	3062	8.7
2024	I	35660	32487	3173	8.9
	II	35701	32593	3107	8.7
	III	35653	32560	3093	8.7
	IV	35779	32721	3059	8.5
2025	I	35491	32538	2953	8.3
	II	35540	32503	3037	8.5
	III	35521	32550	2971	8.4
	IV	35599	32686	2913	8.2

Source: TURKSTAT, BETAM

**Table 2: Seasonally adjusted labor force indicators by gender**

		Total employment	Total unemployed	Unemployment rate, overall	Female employment	Female unemployed	Unemployment rate, female	Male employment	Male unemployed	Unemployment rate, male
2018	I	28712	3165	9.9	9006	1348	13.0	19706	1817	8.4
	II	28755	3380	10.5	9036	1414	13.5	19720	1966	9.1
	III	28816	3616	11.1	9034	1468	14.0	19782	2148	9.8
	IV	28412	3942	12.2	8994	1505	14.3	19419	2437	11.1
2019	I	27999	4465	13.8	8957	1745	16.3	19043	2720	12.5
	II	28071	4469	13.7	8959	1758	16.4	19112	2711	12.4
	III	27939	4554	14.0	8907	1763	16.5	19032	2792	12.8
	IV	28167	4349	13.4	8943	1724	16.2	19224	2625	12.0
2020	I	27349	4031	12.8	8535	1506	15.0	18814	2524	11.8
	II	25698	4039	13.6	8017	1372	14.6	17681	2667	13.1
	III	26754	4076	13.2	8380	1473	14.9	18374	2604	12.4
	IV	27036	4015	12.9	8247	1412	14.6	18790	2603	12.2
2021	I	27980	4106	12.8	8638	1550	15.2	19342	2556	11.7
	II	28318	4024	12.4	8774	1534	14.9	19544	2490	11.3
	III	29112	3820	11.6	9201	1569	14.6	19911	2252	10.2
	IV	29801	3708	11.1	9489	1542	14.0	20313	2166	9.6
2022	I	30029	3722	11.0	9611	1530	13.7	20419	2191	9.7
	II	30718	3645	10.6	9853	1578	13.8	20865	2067	9.0
	III	30775	3432	10.0	9936	1466	12.9	20839	1966	8.6
	IV	31337	3576	10.2	10239	1605	13.6	21097	1971	8.5
2023	I	31382	3473	10.0	10220	1595	13.5	21162	1877	8.1
	II	31539	3368	9.6	10279	1589	13.4	21260	1779	7.7
	III	31702	3200	9.2	10348	1459	12.4	21354	1741	7.5
	IV	31936	3062	8.7	10495	1384	11.6	21441	1678	7.3
2024	I	32487	3173	8.9	10817	1449	11.8	21670	1723	7.4
	II	32593	3107	8.7	10803	1421	11.6	21790	1686	7.2
	III	32560	3093	8.7	10740	1468	12.0	21820	1625	6.9
	IV	32721	3059	8.5	10834	1433	11.7	21886	1626	6.9
2025	I	32538	2953	8.3	10768	1372	11.3	21770	1581	6.8
	II	32503	3037	8.5	10768	1414	11.6	21735	1622	6.9
	III	32550	2971	8.4	10747	1364	11.3	21803	1607	6.9
	IV	32686	2913	8.2	10727	1344	11.1	21959	1570	6.7

Source: TURKSTAT, BETAM

**Table 3: Seasonally adjusted potential labor force indicators**

		Total labor force	Total potential labor force	Integrated unemployment rate, total	Female labor force	Female potential labor force	Integrated unemployment rate, female	Male labor force	Male potential labor force	Integrated unemployment rate, male
2018	I	31877	1862	14.9	10354	1046	21.0	21523	794	11.7
	II	32135	1615	14.8	10450	1002	21.1	21686	596	11.5
	III	32432	1629	15.4	10502	1065	21.9	21930	575	12.1
	IV	32354	1632	16.4	10499	1032	22.0	21856	620	13.6
2019	I	32464	1849	18.4	10702	1084	24.0	21763	746	15.4
	II	32540	1693	18.0	10717	1056	23.9	21823	635	14.9
	III	32493	1662	18.2	10670	1034	23.9	21824	646	15.3
	IV	32516	1667	17.6	10667	1008	23.4	21849	662	14.6
2020	I	31380	2510	19.3	10041	1415	25.5	21338	1086	16.1
	II	29737	3855	23.5	9389	1983	29.5	20348	1892	20.5
	III	30830	3339	21.7	9853	1950	29.0	20978	1402	17.9
	IV	31051	4015	22.9	9659	2363	31.4	21393	1691	18.6
2021	I	32086	3740	21.9	10188	2170	30.1	21898	1575	17.6
	II	32342	3368	20.7	10308	1912	28.2	22034	1428	16.7
	III	32932	2920	18.8	10770	1748	26.5	22163	1179	14.7
	IV	33509	3057	18.5	11031	1827	26.2	22479	1223	14.3
2022	I	33751	2959	18.2	11141	1794	25.7	22610	1161	14.1
	II	34363	2961	17.7	11431	1759	25.3	22932	1189	13.5
	III	34207	3006	17.3	11402	1811	24.8	22805	1175	13.1
	IV	34913	2842	17.0	11844	1700	24.4	23068	1126	12.8
2023	I	34855	3000	17.1	11815	1812	25.0	23039	1174	12.6
	II	34907	3276	17.4	11868	1948	25.6	23039	1314	12.7
	III	34902	3525	17.5	11807	2120	25.7	23095	1394	12.8
	IV	34998	3619	17.3	11879	2208	25.5	23119	1385	12.5
2024	I	35660	3718	17.5	12266	2352	26.0	23393	1373	12.5
	II	35700	4048	18.0	12224	2494	26.6	23476	1570	13.0
	III	35653	4347	18.6	12208	2688	27.9	23445	1664	13.1
	IV	35780	4766	19.3	12267	2971	28.9	23512	1819	13.6
2025	I	35491	4979	19.6	12140	3069	29.2	23351	1934	13.9
	II	35540	5191	20.2	12182	3201	30.0	23357	2005	14.3
	III	35521	5268	20.2	12111	3330	30.4	23410	1942	14.0
	IV	35599	5106	19.7	12071	3166	29.6	23529	1945	13.8

Source: TURKSTAT, BETAM

**Table 4: Seasonally adjusted sectoral employment of women and men (thousands)**

		MALE					FEMALE				
		Total	Agriculture	Industry	Construction	Services	Total	Agriculture	Industry	Construction	Services
2017	I	18870	2944	3964	1944	10018	8517	2439	1258	83	4737
	II	19310	2948	4110	2003	10251	8543	2357	1266	79	4841
	III	19611	2968	4189	2085	10369	8735	2422	1288	85	4940
	IV	19662	2984	4163	2069	10446	8988	2518	1326	84	5061
2018	I	19706	2977	4235	2072	10423	9006	2407	1367	94	5138
	II	19720	2953	4279	1989	10499	9036	2380	1368	90	5198
	III	19782	2921	4418	1877	10566	9034	2327	1365	82	5259
	IV	19419	2887	4325	1747	10459	8994	2285	1368	65	5274
2019	I	19043	2870	4042	1602	10528	8957	2252	1350	80	5275
	II	19112	2849	4167	1520	10577	8959	2247	1383	70	5260
	III	19032	2846	4227	1441	10519	8907	2255	1348	57	5248
	IV	19224	2854	4435	1440	10495	8943	2251	1334	65	5293
2020	I	18814	2707	4247	1453	10407	8535	1911	1356	60	5208
	II	17681	2868	4036	1249	9527	8017	1902	1264	79	4773
	III	18374	2892	4109	1552	9820	8380	1933	1300	73	5075
	IV	18790	2868	4311	1590	10021	8247	1862	1359	66	4959
2021	I	19342	2981	4515	1712	10134	8638	2048	1440	74	5075
	II	19544	2877	4600	1649	10418	8774	2050	1478	83	5164
	III	19911	2871	4681	1665	10694	9201	2063	1520	92	5527
	IV	20313	2884	4862	1676	10890	9489	2026	1609	90	5764
2022	I	20419	2812	4907	1684	11015	9611	2044	1632	84	5850
	II	20865	2854	5055	1737	11219	9853	2044	1714	94	6000
	III	20839	2803	4936	1754	11347	9936	1984	1695	95	6161
	IV	21097	2761	4996	1822	11518	10239	2036	1738	88	6377
2023	I	21162	2703	5050	1837	11572	10220	1946	1786	99	6390
	II	21260	2733	5041	1872	11613	10279	1898	1786	104	6491
	III	21354	2781	4885	1934	11753	10348	1919	1717	95	6618
	IV	21441	2727	4875	1970	11870	10495	1910	1756	100	6729
2024	I	21670	2736	4948	2028	11958	10817	2010	1786	117	6904
	II	21790	2803	4924	2030	12032	10803	2040	1760	121	6882
	III	21820	2754	4979	2031	12055	10740	2003	1751	106	6880
	IV	21886	2855	4979	2057	11996	10834	1957	1833	104	6940
2025	I	21770	2708	4999	2059	12004	10768	1924	1752	115	6976
	II	21735	2664	4917	2088	12067	10768	1869	1679	128	7093
	III	21803	2691	4876	2113	12123	10747	1852	1572	131	7192
	IV	21959	2712	4903	2110	12233	10727	1798	1628	137	7164

Source: TURKSTAT, BETAM

**Table 5: Seasonally adjusted employment and unemployment rates for ages 15–24**

		Employment Rate			Unemployment Rate		
		Total	Female	Male	Total	Female	Male
2017	I	33.7	22.6	44.5	21.8	26.5	19.2
	II	34.2	23.1	45.1	21.0	26.3	18.1
	III	34.6	23.2	45.6	20.1	25.5	17.2
	IV	35.2	23.9	46.2	18.8	24.0	15.9
2018	I	35.3	23.7	46.5	18.3	23.6	15.5
	II	35.5	23.8	46.8	19.1	24.2	16.3
	III	35.8	24.0	47.3	20.1	24.6	17.7
	IV	34.5	23.1	45.5	22.8	27.3	20.3
2019	I	33.7	23.7	43.3	25.4	29.6	22.9
	II	33.7	23.7	43.5	24.9	28.8	22.7
	III	32.5	22.0	42.7	26.0	31.4	23.0
	IV	32.2	21.6	42.4	24.8	30.8	21.4
2020	I	31.2	21.7	40.5	23.5	26.9	21.7
	II	28.9	18.3	39.1	24.7	29.8	22.1
	III	29.5	19.1	39.4	25.1	30.9	22.1
	IV	29.7	19.3	39.6	25.3	30.2	22.8
2021	I	30.7	19.9	40.9	25.2	31.3	21.9
	II	31.8	21.0	42.1	23.3	28.0	20.9
	III	32.7	21.7	43.2	21.4	27.6	18.1
	IV	33.6	22.3	44.5	21.1	27.7	17.6
2022	I	33.7	21.9	45.1	20.4	25.9	17.5
	II	34.8	22.8	46.2	20.0	26.1	16.8
	III	35.1	23.2	46.5	19.0	24.5	16.0
	IV	37.3	24.5	49.5	19.1	25.5	15.7
2023	I	36.9	24.3	48.9	19.4	26.9	15.2
	II	37.3	25.4	48.6	17.8	23.4	14.7
	III	37.7	25.5	49.3	16.6	21.7	13.9
	IV	38.4	25.8	50.3	16.2	21.8	13.2
2024	I	38.9	26.3	50.7	16.2	21.2	13.6
	II	39.0	25.7	51.5	16.2	21.2	13.7
	III	39.5	25.9	52.2	16.4	23.7	12.6
	IV	38.9	27.1	52.3	16.0	23.0	12.1
2025	I	38.9	26.6	52.9	15.3	23.0	11.2
	II	38.9	26.3	53.0	15.8	23.5	11.8
	III	38.9	27.0	53.3	15.2	21.7	11.7
	IV	38.9	26.9	53.3	14.9	20.7	11.8

Source: TURKSTAT, BETAM

**Table 6: Unemployment rates by education and gender**

<b>Total</b>					
		<b>Below high school</b>	<b>High school</b>	<b>Vocational or technical high school</b>	<b>Higher Education</b>
2023	I	9.4	13.3	11.3	10.5
	II	8.1	12.3	9.8	9.7
	III	7.3	12.0	10.1	10.7
	IV	7.8	11.1	9.4	8.6
2024	I	8.7	11.8	9.6	9.0
	II	7.4	11.3	9.9	7.9
	III	6.9	10.9	9.8	10.3
	IV	7.2	10.3	9.1	9.5
2025	I	7.5	10.7	9.9	8.7
	II	7.4	10.5	9.4	8.0
	III	7.3	10.2	9.1	9.1
	IV	7.2	10.6	8.7	8.3
<b>Male</b>					
		<b>Below high school</b>	<b>High school</b>	<b>Vocational or technical high school</b>	<b>Higher Education</b>
2023	I	9.2	10.4	8.5	7.2
	II	7.7	9.4	7.2	6.5
	III	6.8	8.9	7.4	7.0
	IV	7.2	8.7	6.7	6.2
2024	I	8.4	8.9	7.3	6.5
	II	7.1	8.7	7.7	5.7
	III	6.3	8.5	6.4	6.4
	IV	6.9	8.1	6.2	6.1
2025	I	7.4	8.4	7.5	5.7
	II	7.1	8.4	6.4	5.6
	III	6.6	7.3	6.9	6.2
	IV	6.8	8.3	6.0	5.8
<b>Female</b>					
		<b>Below high school</b>	<b>High school</b>	<b>Vocational or technical high school</b>	<b>Higher Education</b>
2023	I	10.1	20.1	19.3	14.7
	II	8.9	19.0	17.1	14.0
	III	8.6	18.9	18.0	15.6
	IV	9.2	16.6	17.4	11.9
2024	I	9.2	18.1	16.5	12.2
	II	8.0	17.4	16.8	11.0
	III	8.2	16.2	19.7	15.4
	IV	7.9	14.9	17.8	14.0
2025	I	7.6	16.0	17.2	12.5
	II	7.9	15.3	18.4	11.1
	III	8.7	16.6	16.0	13.0
	IV	8.3	15.7	17.5	11.6

Source: TURKSTAT, BETAM