

## NON AGRICULTURAL EMPLOYMENT HAS BEEN STAGNATING FOR A YEAR

Seyfettin Gürsel\* Gökçe Uysal\*\* ve Ayşenur Acar\*\*\*

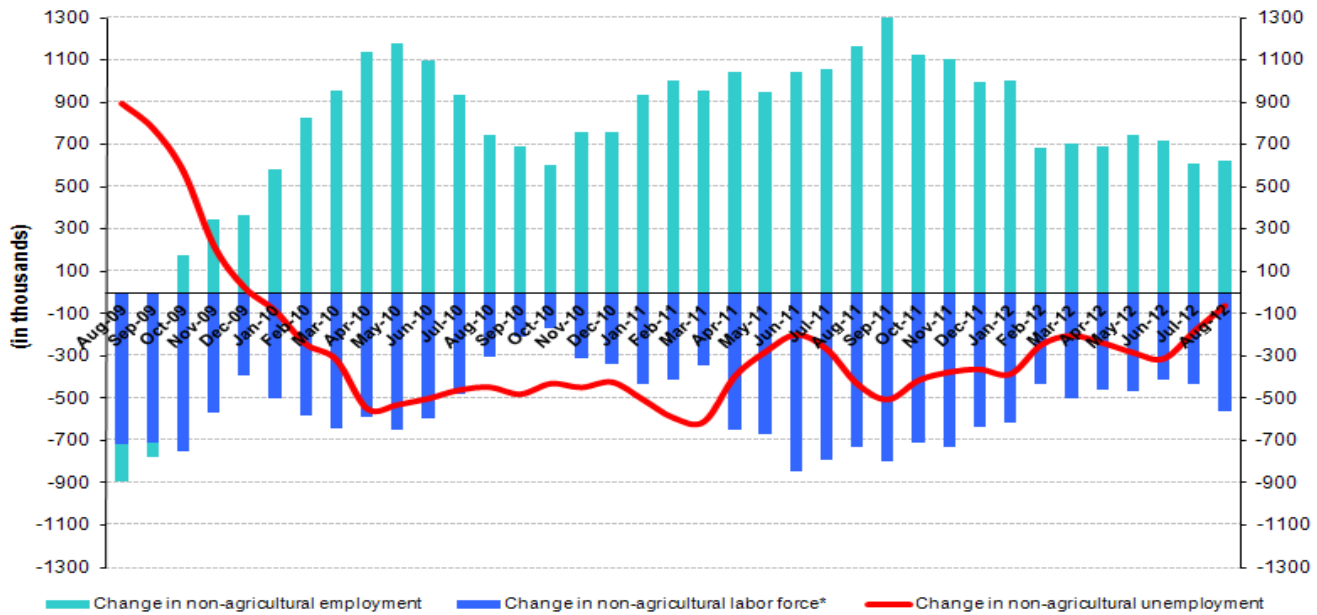
### Abstract

Seasonally adjusted labor market data shows that non-agricultural unemployment rate remained at 11.4 percent in August 2012. Non-agricultural labor force increased by 78 thousand and non-agricultural employment increased by 65 thousand in the period of August 2012 compared to the period of July 2012. Hence, non-agricultural unemployment rate remained stagnant. Although employment in manufacturing declined slightly, increases in service and construction employment prevented an increase in the non-agricultural unemployment rate.

### Declines in non-agricultural unemployment slowed down

According to the labor market statistics released by TurkStat on November 15<sup>th</sup> non-agricultural labor force increased by 563 thousand (2.7 percent), non-agricultural employment by 623 thousand (3.4 percent) on a year-on-year basis in August 2012 and the number of unemployed persons in non-agricultural decreased by 60 thousand to 2 million 395 thousand (Figure 1). Annual increases in non-agricultural labor force, which have been slower than their trend, started to accelerate again. The number of unemployed persons decreased only by 60 thousand due to the increases in both non-agricultural employment and non-agricultural labor force. In previous periods, we observed rapid declines in the number of unemployed persons in non-agricultural sectors due to higher increase in employment than increases in labor force. However, in this period, decline in the number of unemployment persons in non-agricultural sectors slowed down parallel to stronger increase in the labor force. We think that the base effect that brought about sharp declines in non-agricultural unemployment rates on a yearly basis has come to an end.

**Figure 1 Year-on-year changes in non-agricultural labor force, employment and unemployment**



\* The change in labor force represented with a negative sign.

Source: TurkStat, Betam

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

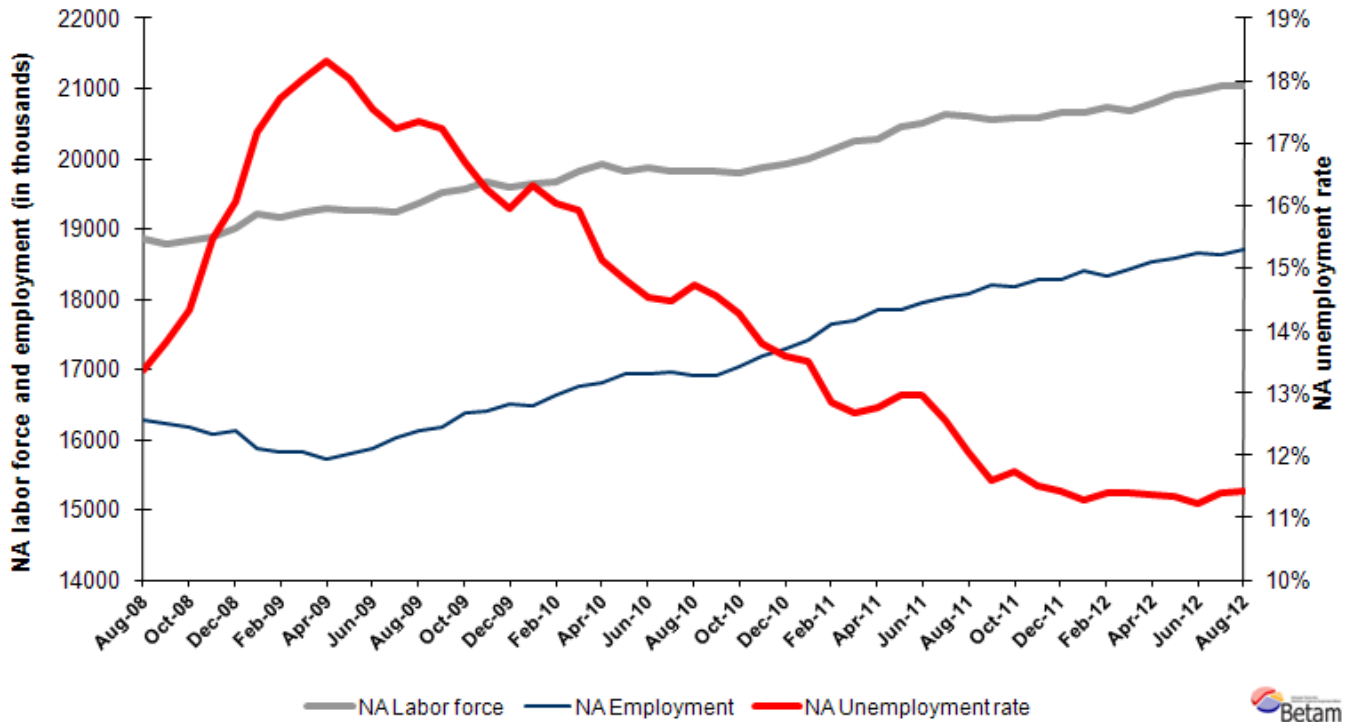
\*\* Asst. Prof. Gökçe Uysal, Betam, Vice Director, gokce.uysal@bahcesehir.edu.tr

\*\*\* Ayşenur Acar, Betam, Research Assistant, ayşenur.acar@bahcesehir.edu.tr

## Seasonally adjusted non-agricultural unemployment rate remained stagnant

According to seasonally adjusted series, non-agricultural labor force increased by 78 thousand from 21 million 30 thousand to 21 million 108 thousand in the period of August 2012 compared to July 2012 (Figure 2, Table 1). Non-agricultural employment increased by 65 thousand and reached to 18 million 697 thousand. Consequently, the number of unemployed persons in non-agricultural sectors increased by 13 thousand and non-agricultural unemployment rate stagnated at 11.4 percent.

**Figure 2 Seasonally adjusted non-agricultural labor force, employment and unemployment**



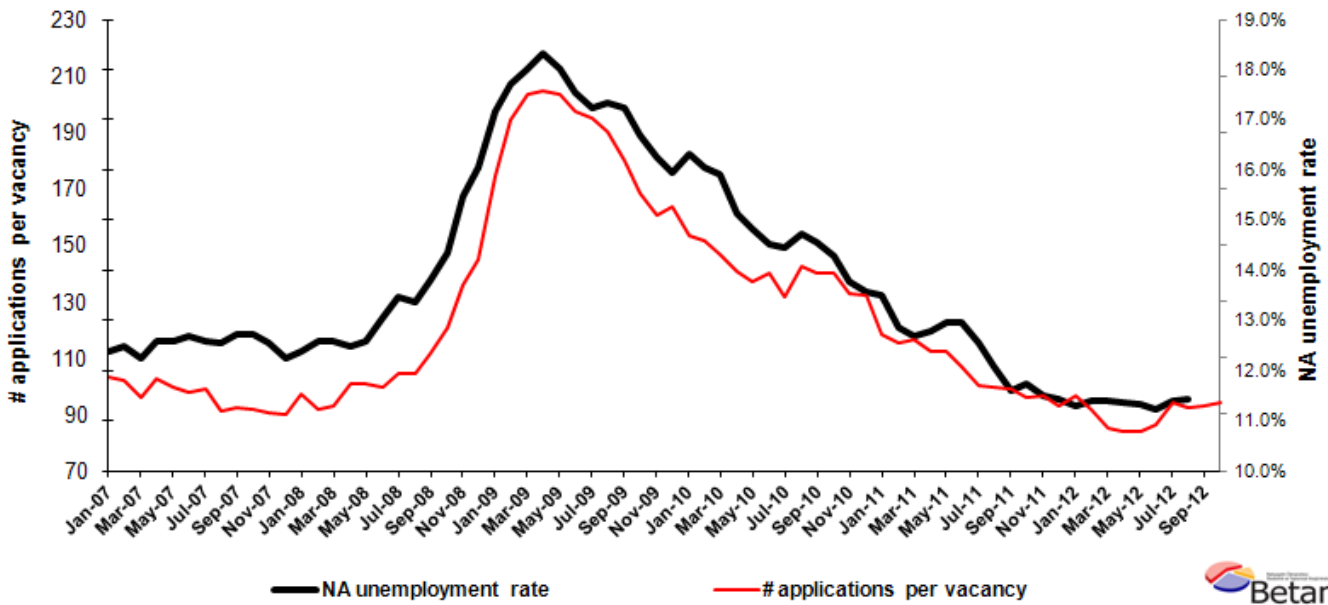
Source: TurkStat, Betam

## According to Kariyer.net series, non-agricultural unemployment will stagnate in the next period

Application per vacancy calculated by using series released by Kariyer.net indicates that non-agricultural unemployment rate will stagnate in the period of September 2012.<sup>1</sup> According to seasonally adjusted figures, although there has decline in vacancies, application per vacancy remained the same due to a slowdown in increase in applications.

<sup>1</sup> Betam has been calculating application per vacancy using series released by Kariyer.net for a while. Seasonal and calendar adjustment procedure is applied to application per vacancy series. A decrease in applications per vacancy may be caused by an increase in vacancies or by a decrease in the number of applications. An increase in vacancies signals economic growth while decreasing number of applications indicates a decrease in number of people looking for a job.

**Figure 3 Seasonally adjusted non-agricultural unemployment rate and application per vacancy**



Data source: Kariyer.net, TurkStat, **Betam**



**The increase in construction employment has been continuing**

Seasonally adjusted series point to employment losses of 6 thousand in manufacturing in the period of August 2012 (Table 2, Figure 4).<sup>2</sup> On the other hand, employment in services and in construction increased by 27 thousand and 45 thousand, respectively. Agricultural employment, which increased from the beginning of 2008 to 2011, has been stagnating for a year.

<sup>2</sup> Seasonal adjustment procedure is applied to each sector of employment series separately. Hence the sum of these series may differ from the seasonally adjusted series of total employment. The difference stems from the non-linearity of the seasonal adjustment process.

**Table 1 Seasonally adjusted non-agricultural labor force indicators (in thousands)**

	Labor force	Employment	Unemployment	Unemployment rate	Monthly changes		
					Labor force	Employment	Unemployment
April-09	19253	15726	3527	18.3%			
May-09	19260	15788	3472	18.0%	7	62	-56
June-09	19250	15873	3377	17.5%	-10	84	-94
July-09	19360	16025	3335	17.2%	110	152	-42
August-09	19513	16127	3385	17.3%	153	103	50
September-09	19561	16189	3372	17.2%	48	61	-14
October-09	19667	16386	3282	16.7%	106	197	-90
November-09	19598	16412	3187	16.3%	-69	26	-95
December-09	19640	16507	3133	16.0%	42	95	-53
January-10	19683	16469	3213	16.3%	42	-38	80
February-10	19814	16636	3177	16.0%	131	167	-36
March-10	19920	16750	3170	15.9%	107	114	-7
April-10	19817	16820	2997	15.1%	-103	70	-173
May-10	19872	16925	2946	14.8%	54	105	-51
June-10	19812	16933	2879	14.5%	-60	7	-67
July-10	19828	16961	2867	14.5%	16	28	-12
August-10	19822	16904	2918	14.7%	-6	-57	51
September-10	19794	16911	2884	14.6%	-27	7	-34
October-10	19864	17028	2836	14.3%	69	117	-48
November-10	19931	17186	2746	13.8%	68	158	-90
December-10	20004	17287	2717	13.6%	72	101	-29
January-11	20125	17410	2715	13.5%	121	123	-2
February-11	20241	17639	2601	12.9%	115	229	-113
March-11	20274	17702	2572	12.7%	34	63	-29
April-11	20447	17836	2611	12.8%	173	135	38
May-11	20513	17853	2659	13.0%	66	17	49
June-11	20626	17954	2672	13.0%	113	100	12
July-11	20601	18014	2587	12.6%	-25	60	-85
August-11	20549	18070	2479	12.1%	-52	56	-108
September-11	20590	18203	2386	11.6%	41	134	-93
October-11	20584	18166	2418	11.7%	-6	-38	32
November-11	20666	18288	2378	11.5%	82	122	-41
December-11	20651	18291	2360	11.4%	-14	3	-17
January-12	20746	18406	2340	11.3%	95	115	-20
February-12	20694	18336	2358	11.4%	-51	-70	18
March-12	20789	18418	2371	11.4%	94	82	13
April-12	20903	18526	2377	11.4%	114	108	6
May-12	20972	18594	2378	11.3%	69	68	1
June-12	21026	18663	2363	11.2%	54	69	-15
July-12	21030	18631	2399	11.4%	4	-32	36
August-12	21108	18697	2411	11.4%	78	65	13

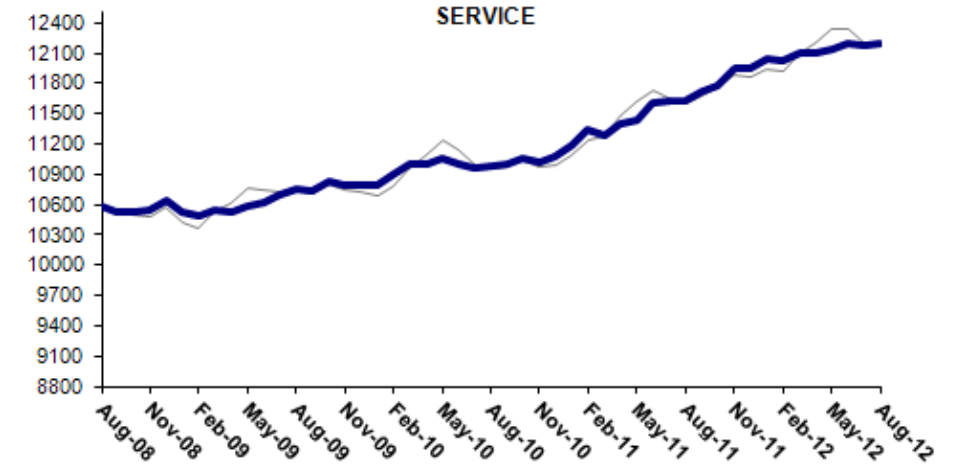
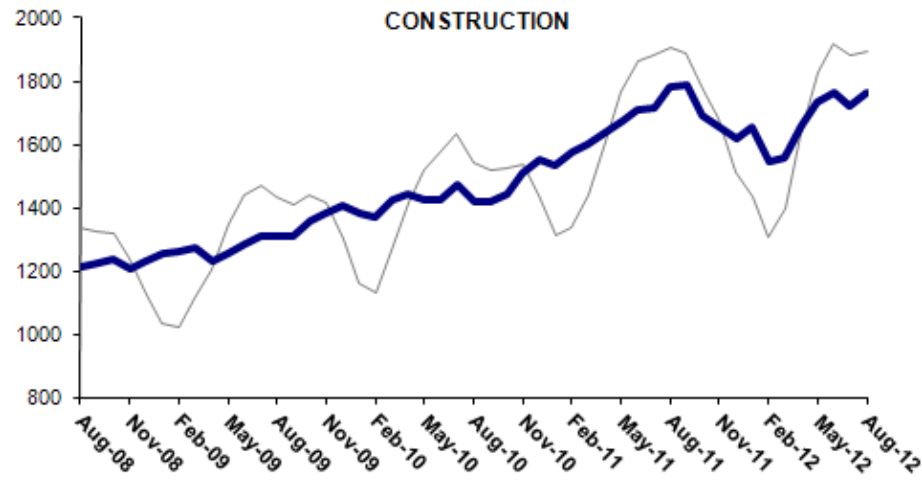
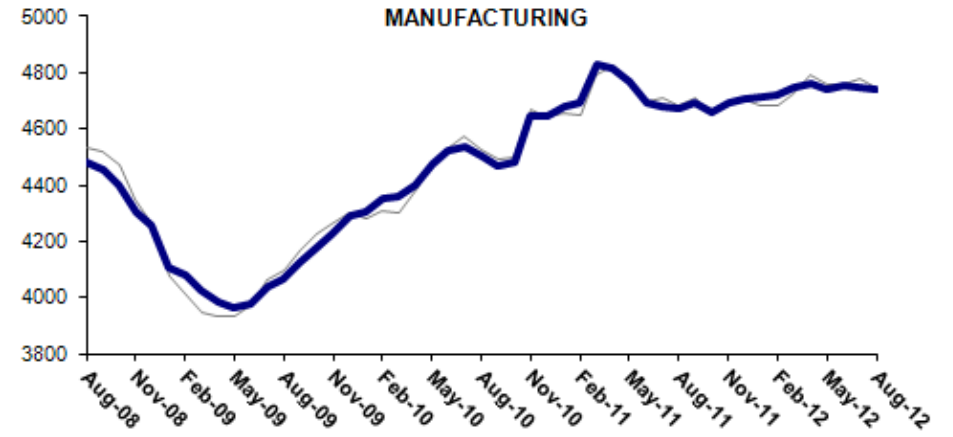
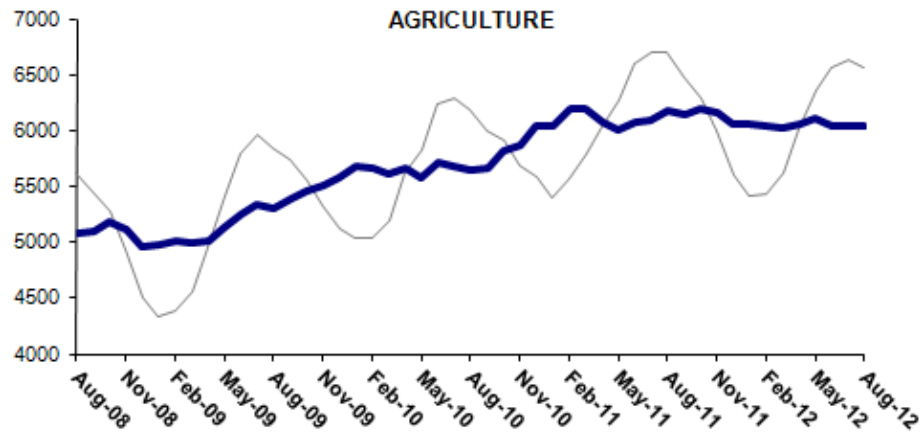
Source: TurkStat, **Betam**

**Table 2 Seasonally adjusted employment by sector (in thousands)**

	Agriculture	Manufacturing	Construction	Service	Monthly changes			
					Agriculture	Manufacturing	Construction	Service
April-09	5004	3983	1232	10525				
May-09	5139	3967	1256	10580	135	-17	24	54
June-09	5257	3978	1282	10624	118	12	26	44
July-09	5340	4036	1310	10694	84	57	28	70
August-09	5308	4064	1309	10753	-32	29	0	59
September-09	5397	4128	1311	10730	89	64	1	-23
October-09	5461	4177	1355	10825	65	49	44	95
November-09	5508	4227	1384	10797	47	49	29	-28
December-09	5578	4294	1403	10798	69	67	20	1
January-10	5675	4303	1379	10787	97	9	-24	-11
February-10	5664	4353	1371	10899	-11	49	-9	112
March-10	5617	4359	1423	10997	-47	6	53	97
April-10	5668	4401	1445	10996	51	42	22	0
May-10	5569	4473	1423	11049	-99	72	-22	53
June-10	5707	4525	1423	11006	137	52	0	-43
July-10	5674	4537	1471	10956	-32	12	48	-49
August-10	5653	4505	1416	10973	-22	-32	-54	17
September-10	5665	4468	1421	11001	13	-37	4	28
October-10	5813	4483	1441	11066	148	15	20	65
November-10	5861	4648	1507	11027	48	165	66	-39
December-10	6032	4646	1548	11076	171	-3	42	49
January-11	6035	4681	1531	11192	3	35	-17	117
February-11	6190	4691	1576	11347	155	10	44	155
March-11	6201	4830	1600	11283	11	140	25	-64
April-11	6078	4816	1638	11397	-122	-14	38	114
May-11	6013	4766	1675	11438	-65	-50	37	41
June-11	6076	4690	1706	11600	63	-75	31	161
July-11	6098	4680	1718	11630	22	-10	12	30
August-11	6178	4674	1782	11620	80	-6	65	-10
September-11	6142	4694	1789	11719	-36	20	6	99
October-11	6197	4660	1692	11785	55	-34	-97	66
November-11	6167	4690	1655	11947	-30	30	-37	162
December-11	6050	4708	1618	11945	-118	18	-36	-2
January-12	6052	4711	1653	12038	2	3	35	93
February-12	6044	4721	1544	12026	-8	10	-110	-11
March-12	6028	4750	1560	12097	-16	29	17	70
April-12	6059	4764	1658	12109	31	14	98	13
May-12	6102	4743	1734	12141	43	-21	76	32
June-12	6032	4751	1764	12196	-70	8	30	54
July-12	6033	4747	1721	12172	0	-4	-43	-24
August-12	6039	4741	1765	12199	6	-6	45	27

Source: TurkStat, **Betam**

Figure 4 Employment by sectors (in thousands)<sup>3</sup>



Source: TurkStat, Betam

<sup>3</sup> Grey lines indicate seasonally adjusted series, where dark blue lines represent raw data.